



**Enduring Resources**

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

May 10, 2006

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: Bonanza 9-23-11-11  
Previously permitted by THX as Bonanza 4-11  
43-047-35968  
NWNW Sec. 11 T9S-R23E  
Uintah County, Utah  
Lease # UTU-074426**

Dear Ms. Whitney:

Enclosed is an AMENDED original application to drill concerning the above-referenced proposed well.

Also enclosed is a copy of the BLM APD.

***This well was original permitted by The Houston Exploration Company, assigned to Enduring, and Enduring failed to extend the BLM APD before the one-year expiration date.***

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**

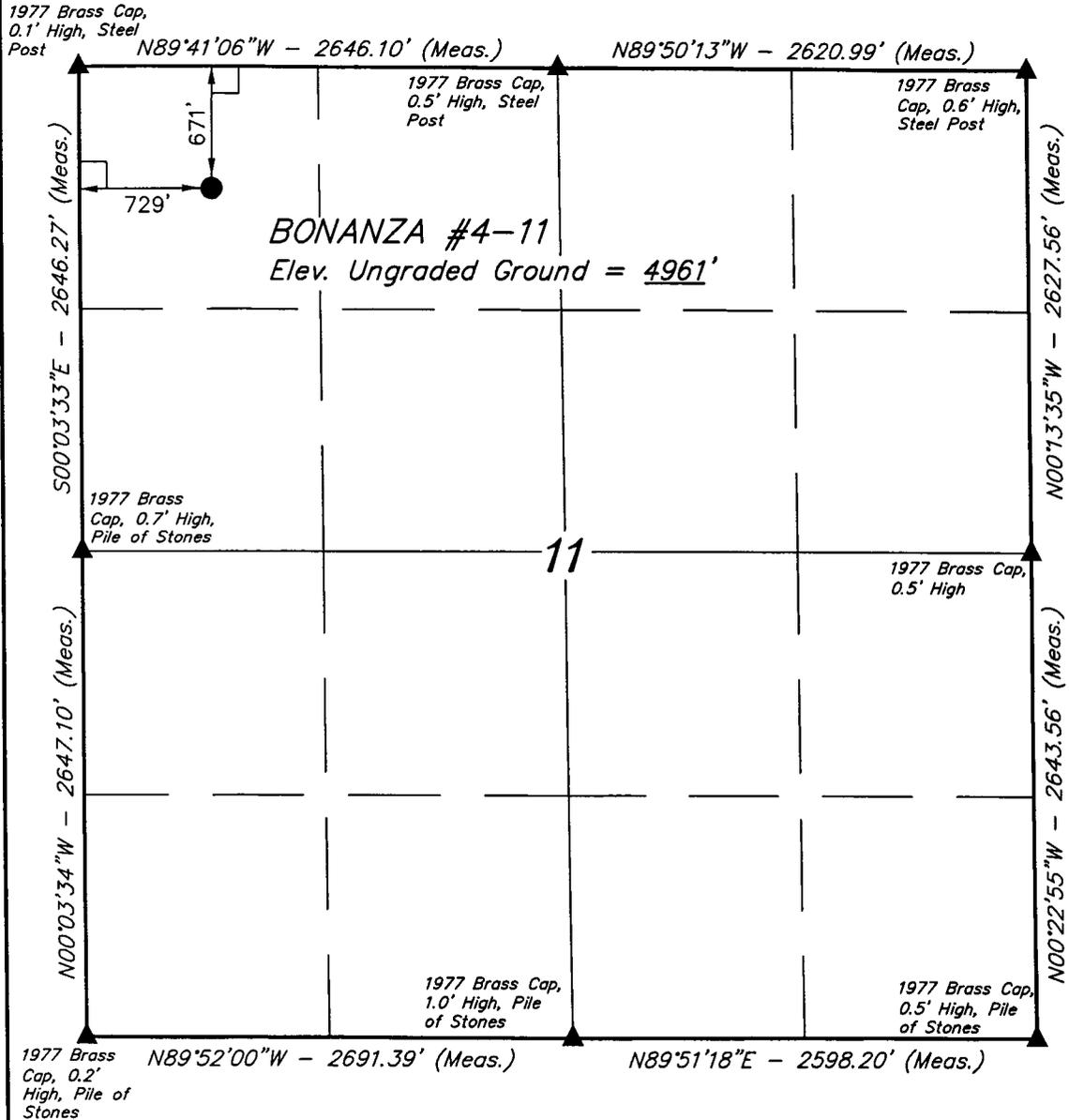
Alvin R. (Al) Arlian  
Landman-Regulatory Specialist

RECEIVED  
MAY 12 2006  
DIV. OF OIL, GAS & MINING

ara  
Enclosures:



# T9S, R23E, S.L.B.&M.



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

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°03'21.36" (40.055933)  
 LONGITUDE = 109°18'03.87" (109.301075)

## THE HOUSTON EXPLORATION COMPANY

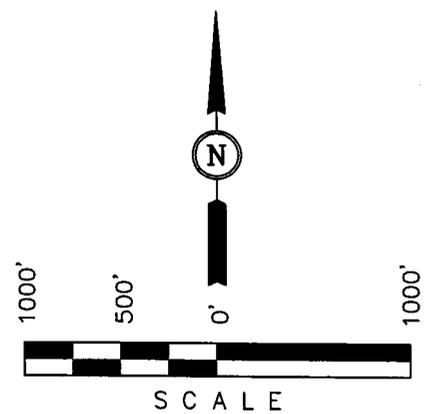
Well location, BONANZA #4-11, located as shown in the NW 1/4 NW 1/4 of Section 11, T9S, R23E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

BENCH MARK (54EAM) LOCATED IN THE NW 1/4 OF SECTION 14, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5031 FEET.

### BASIS OF BEARINGS

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



### CERTIFICATE

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

*Robert J. Hayes*

REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 8-11-04	DATE DRAWN: 8-12-04
PARTY B.B. T.H. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	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 Enduring Resources, LLC is considered to be the operator of the following well.

**Bonanza 9-23-11-11 (fka 4-11)  
671' FNL – 729' FWL  
Sec. 11 T9S-R23E  
Uintah County, Utah  
Lease # UTU-074426**

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.



May 10, 2006

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

# Enduring Resources, LLC

Bonanza 9-23-11-11  
Previously permitted by Houston Exploration as Bonanza 4-11  
NWNW Sec. 11 T9S-R23E  
Uintah County, Utah  
Lease # UTU-074426

## ONSHORE ORDER 1 - DRILLING PLAN

### 1. Estimated Tops of Geological Markers:

Formation	Depth (K.B.)
Uinta	Surface
Green River	2262'
Wasatch	4646'
Mesaverde	6504'

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

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 4976'	
Oil / Gas	Green River	2262'
Oil /Gas	Wasatch	4646'
Oil /Gas	Mesaverde	6504'
	TD	8855'

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 – 2016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 8855'

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)
8855' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.38 (d)	7780/1.84 (e)	223/2.53 (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 <sup>3</sup> /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 <sub>2</sub> + 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 ft<sup>3</sup>/sx) cement will be premium cement w/ 3% CaCl<sub>2</sub> + 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 <sup>3</sup> /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl <sub>2</sub> + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl <sub>2</sub> + 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 <sup>3</sup> /sx)
4-1/2"	Lead	2530	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	221	25	11.0	3.3
4-1/2"	Tail	4609	50/50 POZ Class G + 2% gel + 1% CaCl <sub>2</sub> + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	841	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'-8855' (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 H<sub>2</sub>S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 4,605 psi (calculated at 0.52 psi/foot of hole) and maximum anticipated surface pressure equals approximately 2,657 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.

# Enduring Resources, LLC

Bonanza 9-23-11-11  
Previously permitted by Houston Exploration as Bonanza 4-11  
NWNW Sec. 11 T9S-R23E  
Uintah County, Utah  
Lease # UTU-074426

## MULTI-POINT SURFACE USE & OPERATIONS PLAN

### 1. Existing Roads:

Directions to the Bonanza 9-23-11-11 (fka Bonanza 4-11) Pad

Beginning at the city of Vernal, Utah. Proceed in an easterly then southerly direction along U.S. Highway 40 for approximately 3.9 miles to the junction of State Highway 45 exit right and proceed in a southerly to the town of Bonanza, then westerly on County Road # 3410 7.8 miles, turn right and go one mile north on an existing road (Hatch Reservoir Road, then follow to flags .35 mile northwesterly to the proposed location.

Total distance from Bonanza, Utah to the proposed well location is approximately 9.8 miles west.

### 2. Planned Access Roads:

The proposed new access road will be approximately 0.35 mile of new construction ON-LEASE. No new OFF-LEASE construction will be needed. The balance of the OFF-LEASE road is a Class D County Road (Hatch Reservoir Road). The County Road Class D Road will be improved to meet BLM requirements, if needed. Please refer to Topo Map "B" for the takeoff point for the new road construction and the Class D County Road that will be improved.

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 provide 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 Well:                                   |
| 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. | (10): | Pending (staked) Wells:                           |
|    |       | i. 10 wells staked by Enduring and HTX in Sec 11. |

**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 Dark Olive Black. 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:	ON-LEASE	2,000'	BLM
	OFF-LEASE	-0-	None

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 2,000 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

- a. ON-LEASE approximately 2,000 feet, and
- b. OFF-LEASE approximately -0- feet,

of 3 inch or less diameter steel, unpainted, welded gas gathering line is proposed.

The proposed pipeline will begin at the well site; and be laid on the surface next to the new access road (south), and tie-in directly to a surface pipeline along side the Hatch Reservoir Road.

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:**

Whenever practical, water will be obtained from Water Right No. 49-222, Application/Claim No. A29909/a4958, Certificate No. 9915 ("AGC Water Right"). The AGC Water Right consists of nineteen underground water wells located in Sec.2, T10S, R24E, SLBM, piped to and stored in a cistern located in Section 25, T9S, and R24E

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

No water well is to be drilled on this lease.

#### **6 Source of Construction Materials:**

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

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

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

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

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

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

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

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

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

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

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

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

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

**8. Ancillary Facilities:**

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

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

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

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

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

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

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

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

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

**Dry Hole/Abandoned Location:**

- 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.

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

Wellsite: Bureau of Land Management

Access: Bureau of Land Management

Pipeline: Bureau of Land management

**12. Other Information**

This well was previously permitted by The Houston Exploration Company. However, the APD conveyed to Enduring Resources, LLC and expired prior to Enduring requesting a one-year extension. Therefore Enduring is re-submitting this APD at the same location.

**Special Conditions of Approval:**

n/a

**Archeology:**

- a. Previously submitted on behalf of THX.

**Paleontology:**

- a. Previously submitted on behalf of THX.

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 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Office Tel: 303-350-5114  
Fax Tel: 303-573-0461  
Cell: 303-880-3841  
[aarlian@enduringresources.com](mailto:aarlian@enduringresources.com)

Teme Singleton  
Drilling Engineer  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Office Tel: 303-573-5102  
Fax Tel: 303-573-0461  
Cell: 985-502-5070  
[fhutto@enduringresources.com](mailto:fhutto@enduringresources.com)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his/her/its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The operator or his/here/its contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

**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 Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Please be advised that Enduring Resources, LLC is considered to be the operator of the Bonanza 9-23-11-11 Well; NWNW Section 11, Township 9 South, Range 23 East; Lease #:074426 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah, Division of Oil, Gas & Mining Surety Bond No. RLB0008031

**ENDURING RESOURCES, LLC**

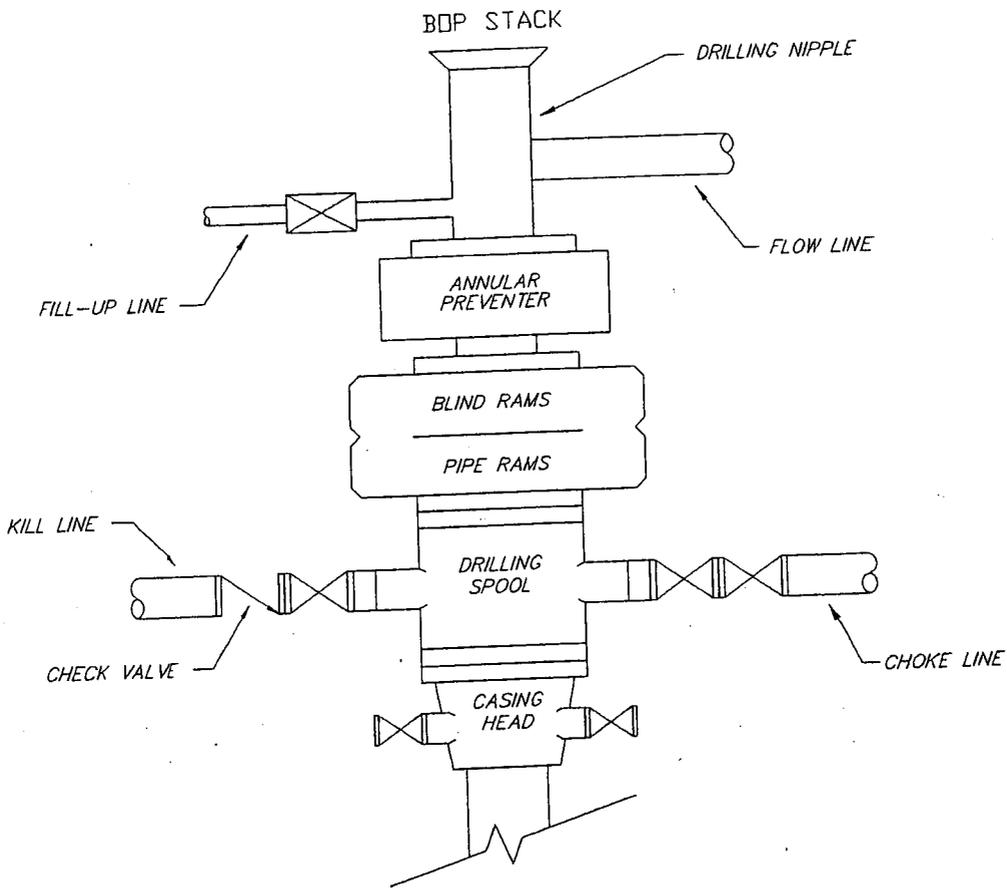


Alvin R. (Al) Arlian,  
Landman – Regulatory Specialist

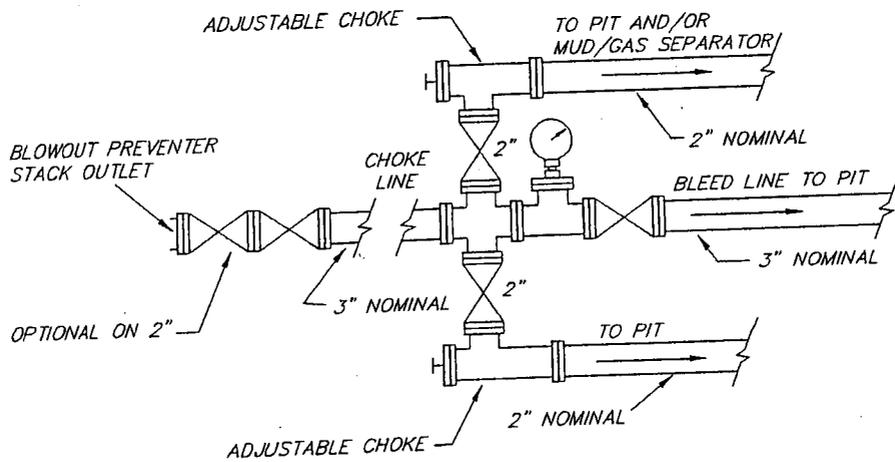
May 9, 2006

# ENDURING RESOURCES, LLC

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



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



# THE HOUSTON EXPLORATION COMPANY

## BONANZA #4-11

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 11, T9S, R23E, S.L.B.&M.

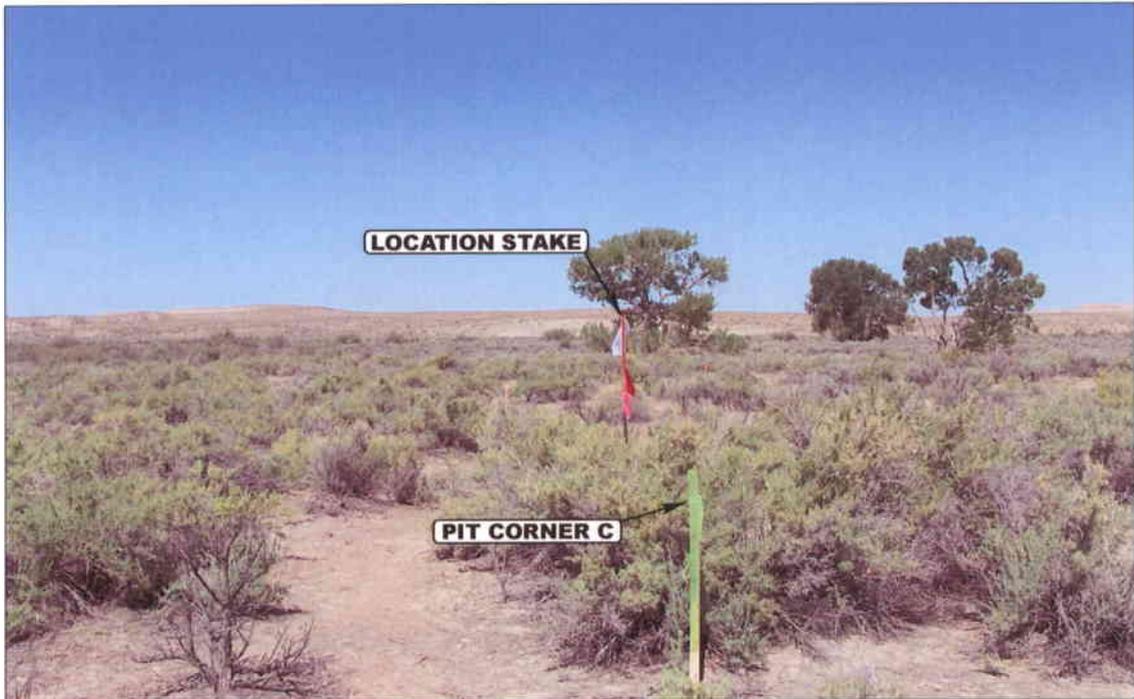


PHOTO: VIEW FROM PIT CORNER C TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

08 12 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B. | DRAWN BY: P.M. | REVISED: 00-00-00

THE HOUSTON EXPLORATION COMPANY

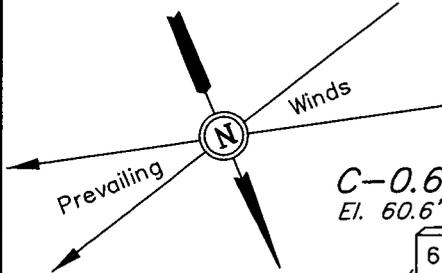
LOCATION LAYOUT FOR

BONANZA #4-11

SECTION 11, T9S, R23E, S.L.B.&M.

671' FNL 729' FWL

Proposed Access Road

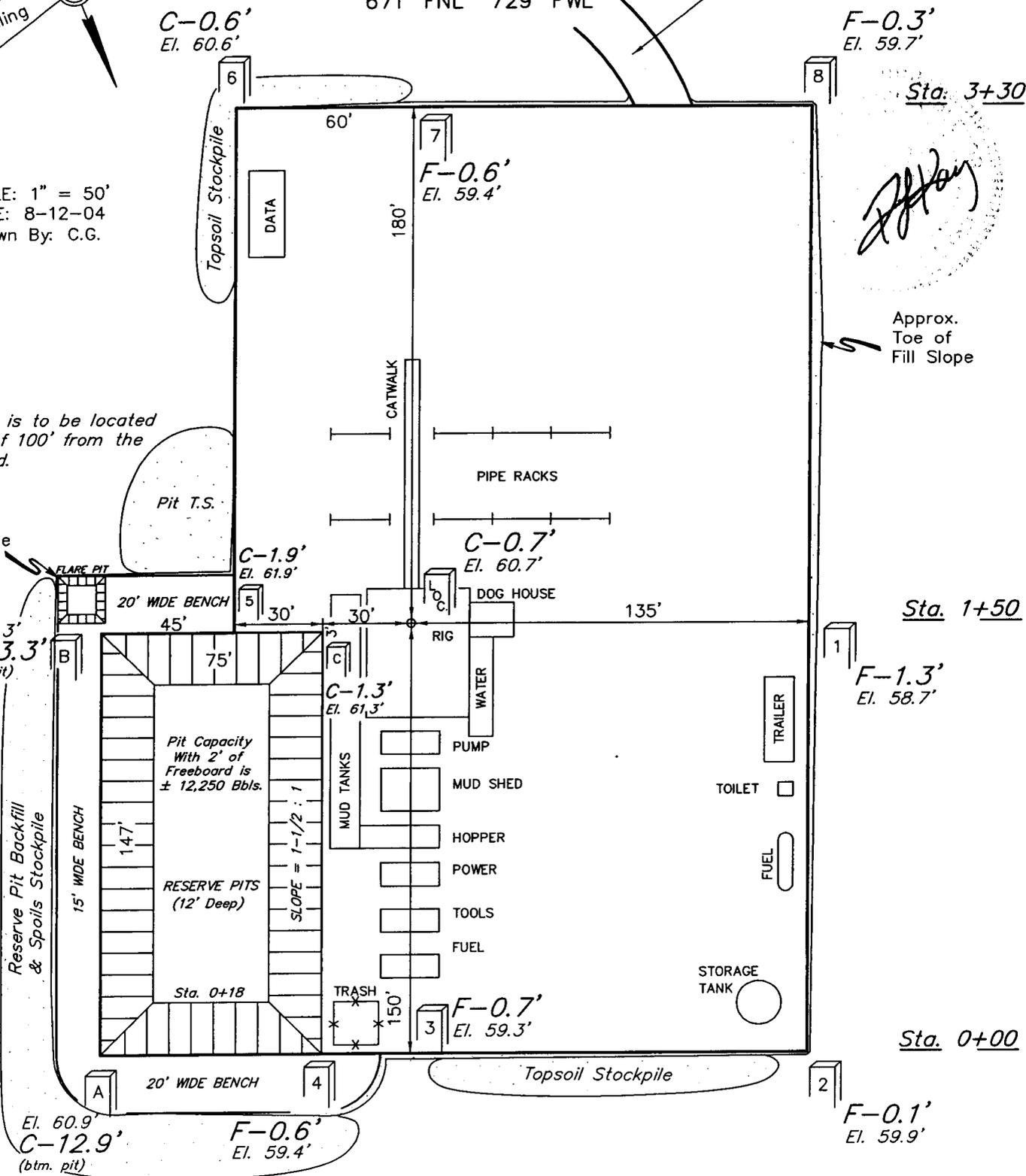


SCALE: 1" = 50'  
DATE: 8-12-04  
Drawn By: C.G.

NOTE:

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

Approx. Top of Cut Slope



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4960.7'  
FINISHED GRADE ELEV. AT LOC. STAKE = 4960.0'

FIGURE #1

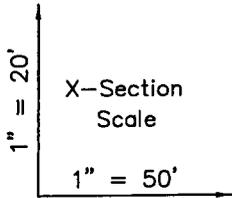
# THE HOUSTON EXPLORATION COMPANY

## TYPICAL CROSS SECTIONS FOR

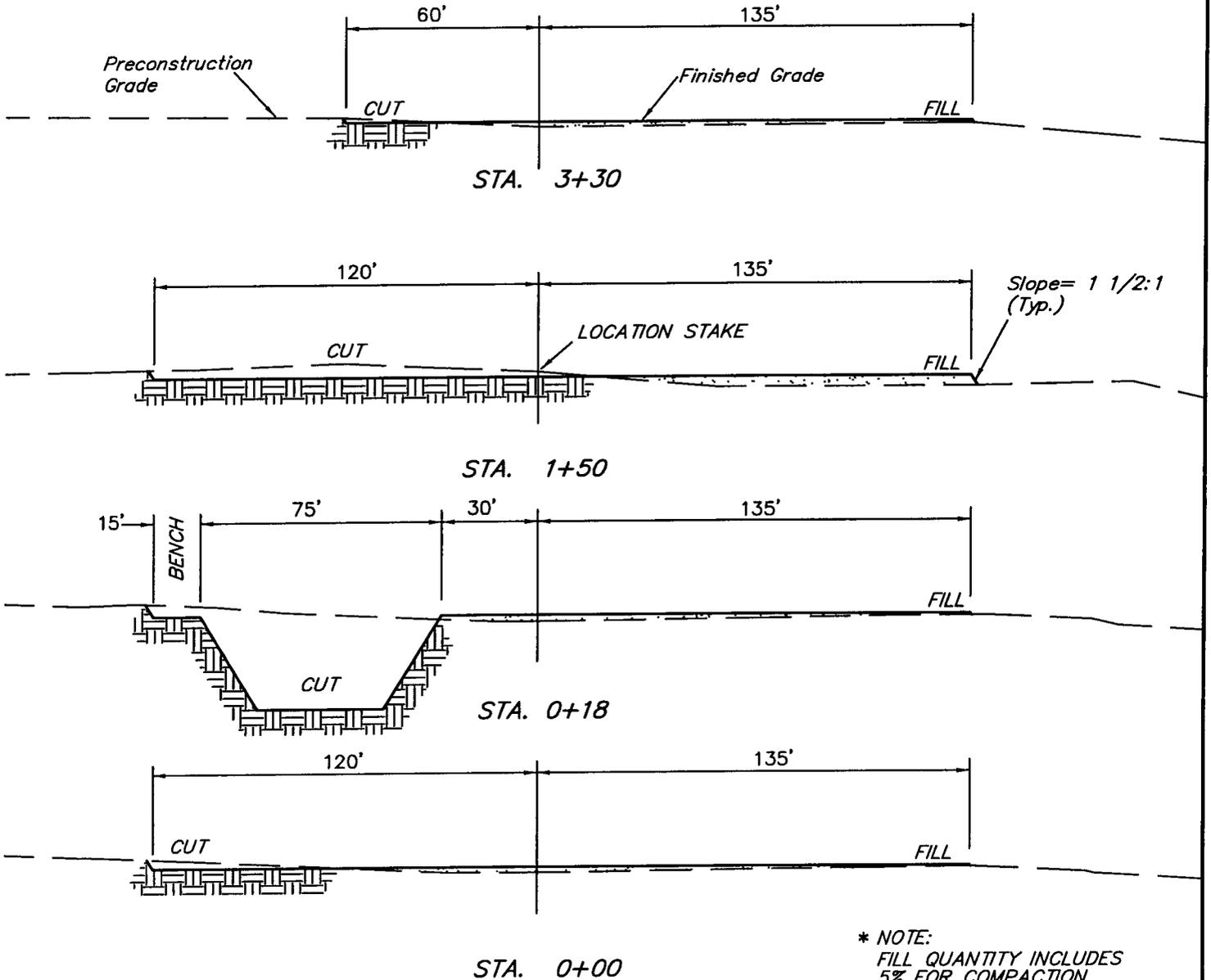
BONANZA #4-11

SECTION 11, T9S, R23E, S.L.B.&M.

671' FNL 729' FWL



DATE: 8-12-04  
Drawn By: C.G.



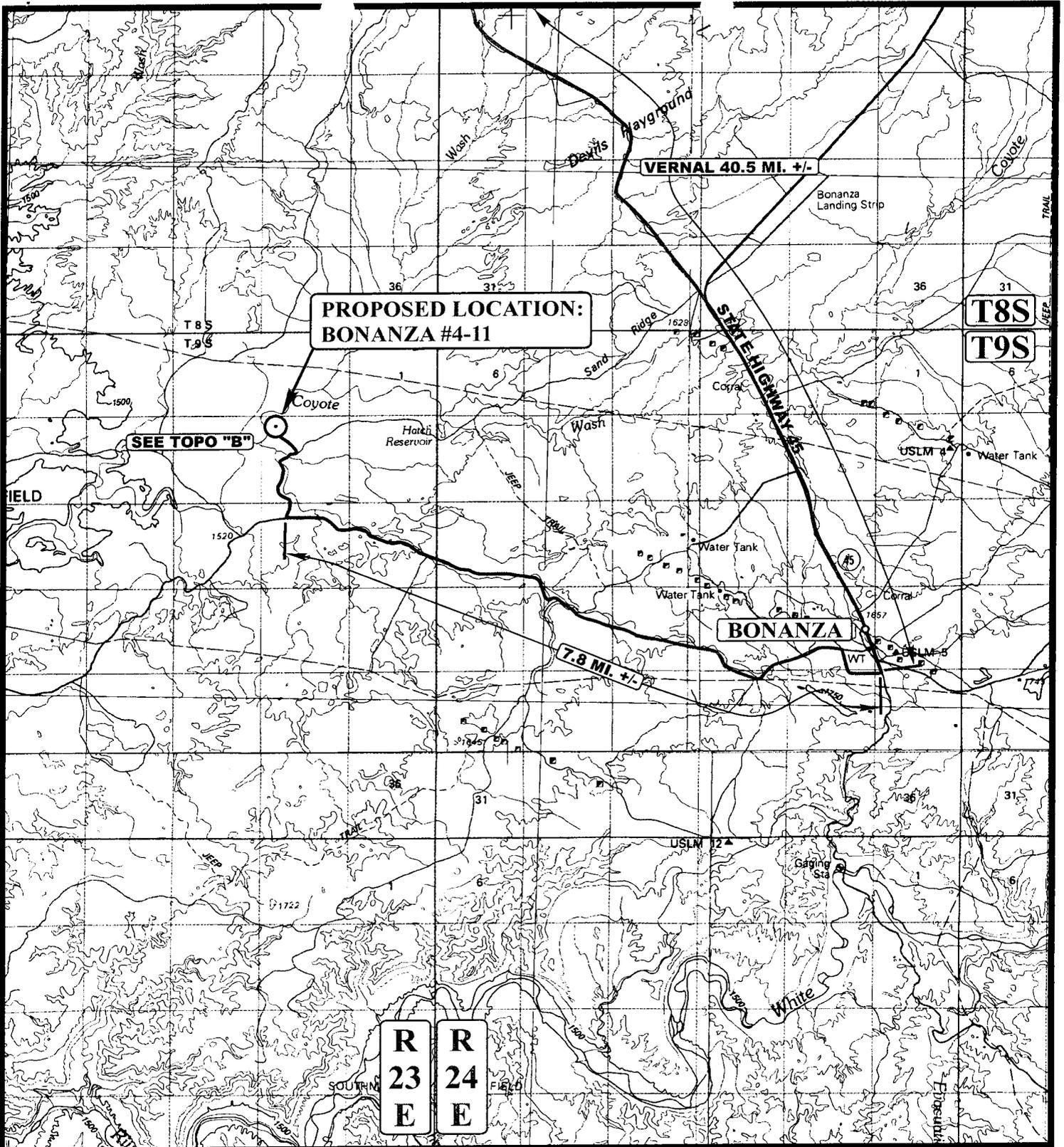
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

### FIGURE #2

#### APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,480 Cu. Yds.
Remaining Location	=	3,860 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>5,340 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>2,200 CU.YDS.</b>

EXCESS MATERIAL	=	3,140 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,140 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



**LEGEND:**

⊙ PROPOSED LOCATION

**THE HOUSTON EXPLORATION COMPANY**

**BONANZA #4-11**  
**SECTION 11, T9S, R23E, S.L.B.&M.**  
**671' FNL 729' FWL.**



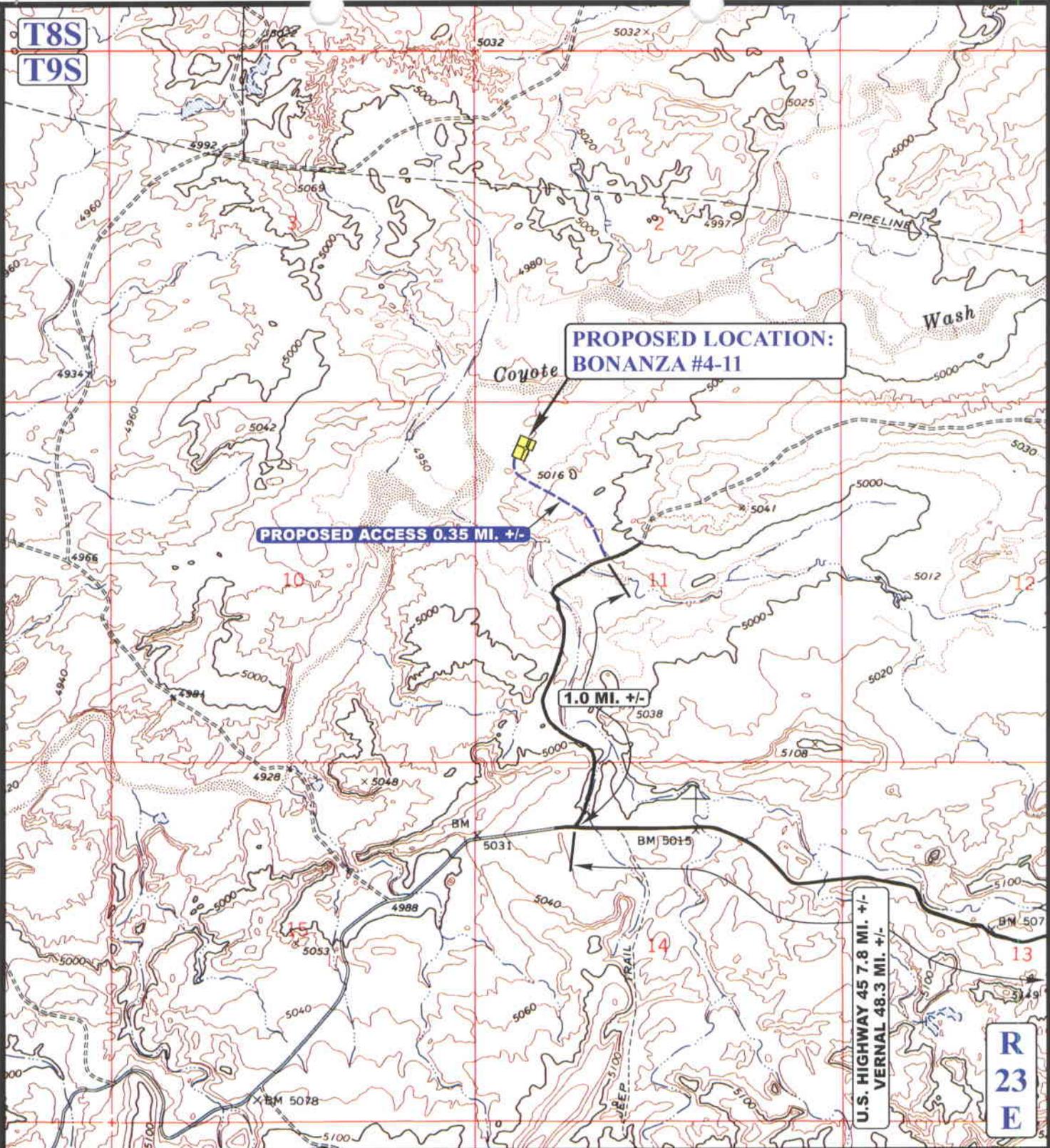
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC** 08 12 04  
**MAP** MONTH DAY YEAR

**SCALE: 1:100,000** | **DRAWN BY: P.M.** | **REVISED: 00-00-00**





**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD

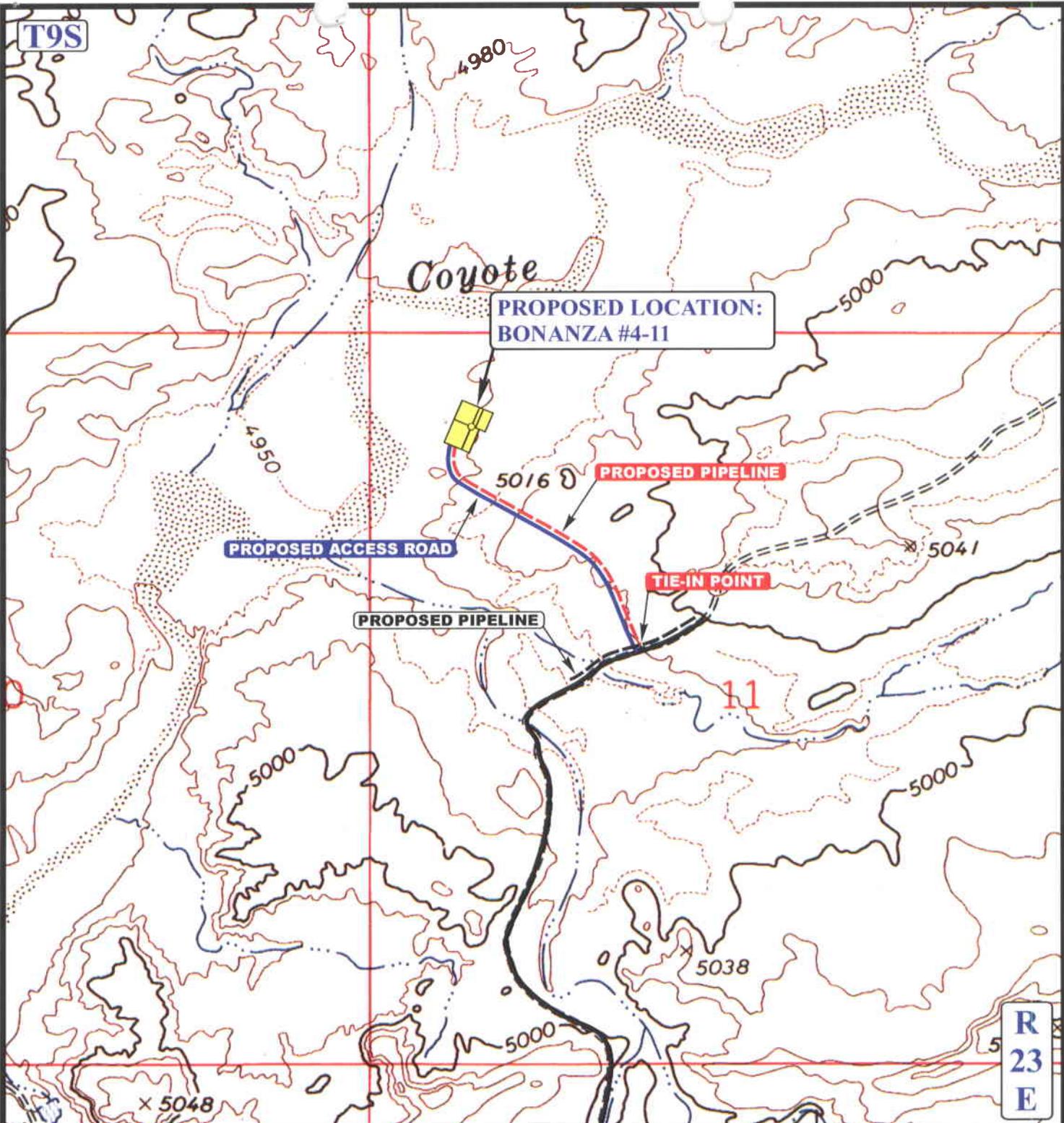


**THE HOUSTON EXPLORATION COMPANY**

**BONANZA #4-11**  
**SECTION 11, T9S, R23E, S.L.B.&M.**  
**671' FNL 729' FWL**

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

**TOPOGRAPHIC MAP** **08 12 04**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00 **B TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 2,000' +/-

**LEGEND:**

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

**THE HOUSTON EXPLORATION COMPANY**

BONANZA #4-11  
 SECTION 11, T9S, R23E, S.L.B.&M.  
 671' FNL 729' FWL



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



TOPOGRAPHIC  
 MAP

08	12	04
MONTH	DAY	YEAR

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



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/12/2006

API NO. ASSIGNED: 43-047-38128

WELL NAME: BONANZA 9-23-11-11  
 OPERATOR: ENDURING RESOURCES, LLC ( N2750 )  
 CONTACT: AL ARLIAN

PHONE NUMBER: 303-350-5114

PROPOSED LOCATION:

NWNW 11 090S 230E  
 SURFACE: 0671 FNL 0729 FWL  
 BOTTOM: 0671 FNL 0729 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.05593 LONGITUDE: -109.3003  
 UTM SURF EASTINGS: 644972 NORTHINGS: 4435138  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-74426  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. RLB0008031 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-222 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

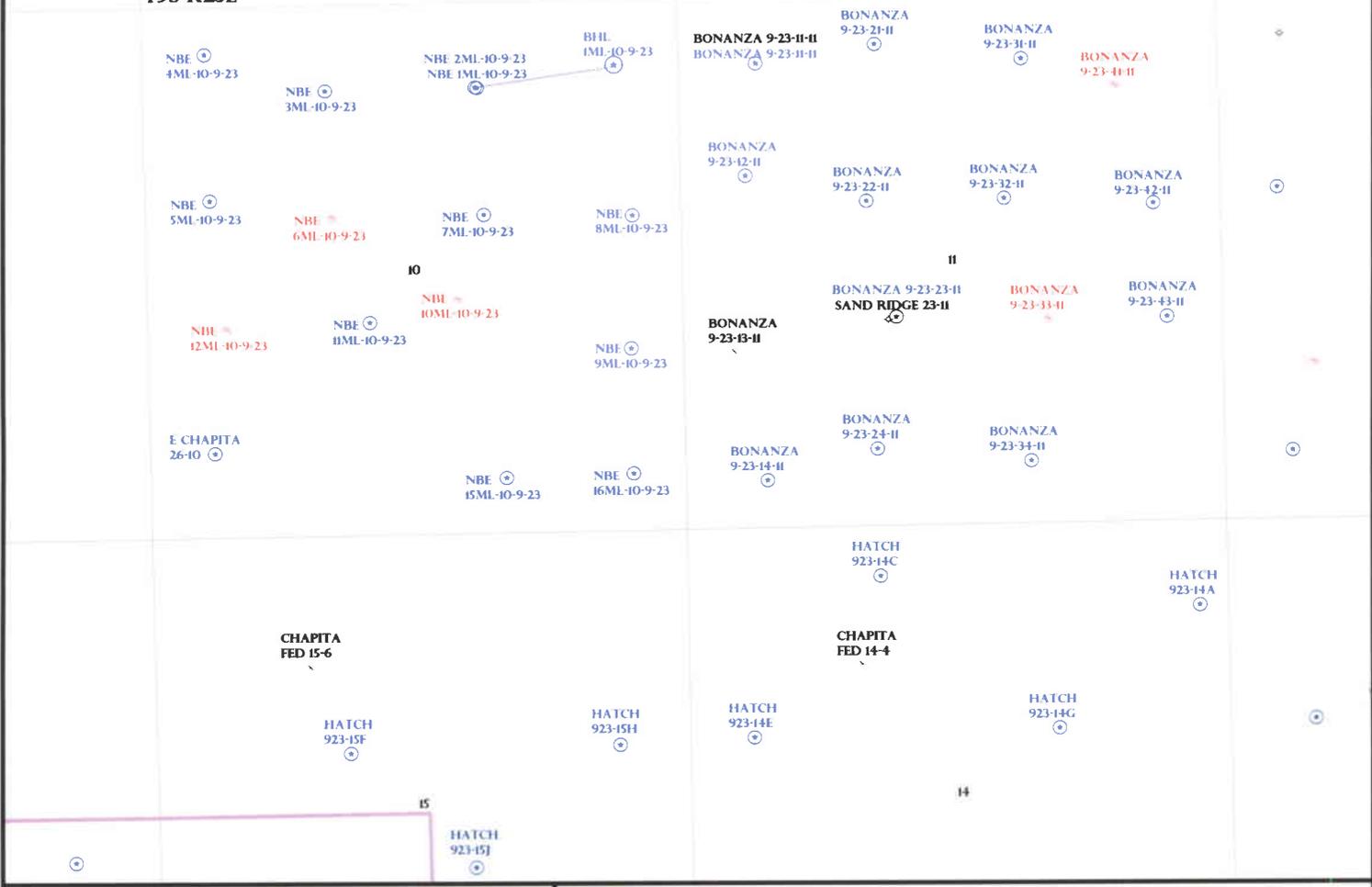
COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

1- Federl Approval  
2- Spacing Strip

# NATURAL BUTTES FIELD

T9S R23E



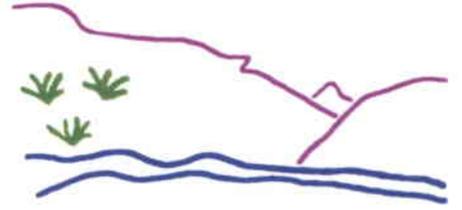
OPERATOR: ENDURING RES LLC (N2750)

SEC: 11 T. 9S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 24-MAY-2006

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

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

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



**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*

May 25, 2006

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

Re: Bonanza 9-23-11-11 Well, 671' FNL, 729' FWL, NW NW, Sec. 11,  
T. 9 South, R. 23 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 43-047-38128.

Sincerely,

Gil Hunt  
Associate Director

mf  
Enclosures

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

**Operator:** Enduring Resources, LLC

**Well Name & Number** Bonanza 9-23-11-11

**API Number:** 43-047-38128

**Lease:** UTU-74426

**Location:** NW NW                      **Sec.** 11                      **T.** 9 South                      **R.** 23 East

**Conditions of Approval**

**1. General**

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

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

**3. Reporting Requirements**

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

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

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

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

**CONFIDENTIAL**

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-74426</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
1. TYPE OF WELL    OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: n/a
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>			8. WELL NAME and NUMBER: <b>Bonanza 9-23-11-11</b>
3. ADDRESS OF OPERATOR: <b>475 17th Street, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		PHONE NUMBER: <b>(303) 350-5719</b>	9. API NUMBER: <b>4304738128</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>671' FNL - 729' FWL</b>			10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 11 9S 23E S</b>			COUNTY: <b>Uintah</b>
			STATE: <b>UTAH</b>

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

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

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

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

FROM: 5/25/2007  
TO: 5/25/2008

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 06-04-07  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 6-4-07  
Initials: RM

NAME (PLEASE PRINT) <u><b>Evette Bissett</b></u>	TITLE <u><b>Regulatory Affairs Assistant</b></u>
SIGNATURE <u><i>Evette Bissett</i></u>	DATE <u><b>5/22/2007</b></u>

(This space for State use only)

**RECEIVED**  
**MAY 24 2007**

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

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

**API:** 4304738128  
**Well Name:** Bonanza 9-23-11-11  
**Location:** 671' FNL - 729' FWL, NWNW, Sec 11, T9S-R23E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 5/25/2006

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

*Lyndee Brant*  
Signature

5/22/2007  
Date

Title: Regulatory Affairs Assistant

Representing: Enduring Resources, LLC

**RECEIVED  
MAY 24 2007**

DIV. OF OIL, GAS & MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-74426</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>n/a</b>
		7. UNIT OR CA AGREEMENT NAME: <b>n/a</b>
1. TYPE OF WELL <b>OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____	8. WELL NAME and NUMBER: <b>Bonanza 9-23-11-11</b>	
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>		9. API NUMBER: <b>4304738128</b>
3. ADDRESS OF OPERATOR: <b>475 17th Street, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>	PHONE NUMBER: <b>(303) 350-5719</b>	10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>671' FNL - 729' FWL</b>		COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 11 9S 23E S</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u><b>Request for APD Extension</b></u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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FROM: 6/4/2008  
TO: 6/4/2009

Approved by the  
Utah Division of  
Oil, Gas and Mining

**COPY SENT TO OPERATOR**

Date: 6-4-2008

Initials: KS

Date: 06-02-08

By: [Signature]

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman</u>
SIGNATURE <u>[Signature]</u>	DATE <u>6/1/2008</u>

(This space for State use only)

**RECEIVED**  
**JUN 02 2008**  
DIV. OF OIL, GAS & MINING

RESET

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

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

**API:** 4304738128  
**Well Name:** Bonanza 9-23-11-11  
**Location:** 671' FNL - 729' FWL, NWNW, Sec 11, T9S-R23E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 5/25/2006

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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

6/1/2008

Date

Title: Landman

Representing: Enduring Resources, LLC

**RECEIVED**  
**JUN 02 2008**  
DIV. OF OIL, GAS & MINING

RECEIVED  
VERNAL FIELD OFFICE

Form 3160-3  
(April 2004)

2006 MAY 12 PM 2: 53

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU- <del>874426</del>
6. If Indian, Allottee or Tribe Name N/A
7. If Unit or CA Agreement, Name and No. N/A
8. Lease Name and Well No. Bonanza 9-23-11-11
9. API Well No. <del>43-047-35368</del> 38128
10. Field and Pool, or Exploratory undesignated
11. Sec., T. R. M. or Blk. and Survey or Area Sec 11-T9S-R23E S.L.B.&M.
12. County or Parish Utah
13. State UT

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone
2. Name of Operator Enduring Resources, LLC
3a. Address 475 17th Street, Suite 1500 Denver, CO 80202
3b. Phone No. (include area code) 303-350-5114
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 671' FNL - 729' FWL NWNW At proposed prod. zone SAME
14. Distance in miles and direction from nearest town or post office* 9.8 miles west of Bonanza, UT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 671'
16. No. of acres in lease 1,200
17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,000' +
19. Proposed Depth 8855'
20. BLM/BIA Bond No. on file BLM - UTB000173
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4976' KB-RT
22. Approximate date work will start* 09/01/2006
23. Estimated duration 20 days

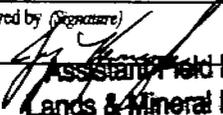
24. Attachments

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

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

25. Signature 	Name (Printed/Typed) Alvina R. (Al) Arlian	Date 05/10/2006
---	---	--------------------

Title  
Landman - Regulatory Specialist

Approved by (Signature) 	Name (Printed/Typed) Jean Kenicka	Date JAN 28 2009
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

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

CONDITIONS OF APPROVAL ATTACHED

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

\*(Instructions on page 2)

RECEIVED NOTICE OF APPROVAL  
FEB 02 2009  
DIV. OF OIL, GAS & MINING

NOGIM  
No NOS  
07PP1387A



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 9-23-11-11  
API No: 43-047-38128

Location: NWNW, Sec. 11, T9S, R23E  
Lease No: UTU-74426  
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	

Fax: (435) 781-3420

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

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

**NOTIFICATION REQUIREMENTS**

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

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

- 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.
- This proposed well is located within the West Bonanza Area Natural Gas Well Development EA Project. Adhere to applicable COA's approved in the FONSI and Record of Decision for this EA that are listed below:

1. 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 sage grouse, pronghorn, red-tailed hawk 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**

March 15 – August 15.....*Red-tailed hawk nesting season*  
*During this period, there will be no construction, drilling or fracing operations within 0.5 mile of red-tailed hawk nest.*

2. Noxious Weeds:

- Power-wash all construction equipment before commencing construction activities.
- On a weekly basis, power-wash all vehicles that will travel between WBA and outside areas that are infested with noxious weed species.
- The operator will be responsible for treatment and control of invasive and noxious weeds. Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.

3. Transportation:

- Limit use of roads by heavy equipment during the periods when the roads are muddy.
- Operator will perform normal operational winter maintenance: roads will be plowed to allow safe navigation. And if snow is heavy, plows will provide breaks in the snow piled berms to allow free movement of wildlife across all roads.
- When possible, operator will avoid grades > 8% when constructing access roads. Operator will utilize slope-stabilizing structures in areas of steep or unstable slopes.

- 4. **Special Status Plants:** If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
  
- 5. **Interim Reclamation:**  
All portions of the well pads and ROWS not utilized for the operation phase of the project will be re-seeded. Post construction seeding applications will continue until determined successful by the BLM.

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

shadscale ( <i>Atriplex confertifolia</i> ).....	3 lbs/acre
Indian Ricegrass ( <i>Achnatherum hymenoides</i> ).....	3 lbs/acre
galleta grass ( <i>Hilaria jamesii</i> ) .....	3 lbs/acre
Fourwing Saltbush ( <i>Atriplex canescens</i> ).....	2 lbs/acre
hycrest crested wheatgrass ( <i>Agropyron cristayum/Agropyron desertorum hybrid</i> ) .....	2 lbs/acre

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

- Reseeding may be required if initial seeding is not successful.
- If no germination, contact BLM Authorized Officer.

- **Special Status Plants:** If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
  
- **County Class D Road - Upgrade:**
  - o Coordinate with Uintah County before upgrading County Class D existing road (approximately 1 mile long.)
  
- **Specific Conditions Pertaining to Location Construction:**
  - o Closed loop drilling due to proximity to the floodplain.
  
- **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.
  
- Paint all facilities Covert Green or Carlsbad Canyon within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA).

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

**SITE SPECIFIC DOWNHOLE COAs:**

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe. To reach the annulus of the surface casing and production casing, operator is required to pump additional cement beyond the stated amounts of sacks in application.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.
- For surface casing cementing program, stage Top Out or Top Job is to bring cement to surface. Note that stage TopOut is to bring cement to surface.
- A casing shoe integrity test shall be run on 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](mailto:UT_VN_Welllogs@BLM.gov). This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## **OPERATING REQUIREMENT REMINDERS:**

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

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

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

<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-74426
<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>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BONANZA 9-23-11-11
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047381280000
<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> 0671 FNL 0729 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 11 Township: 09.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

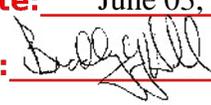
**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 5/28/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Enduring Resources, LLC respectfully requests a one year extension of the expiration date of this Application for Permit to Drill.

Approved by the  
 Utah Division of  
 Oil, Gas and Mining

Date: June 03, 2009  
 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> 5/28/2009



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047381280000**

**API:** 43047381280000

**Well Name:** BONANZA 9-23-11-11

**Location:** 0671 FNL 0729 FWL QTR NWNW SEC 11 TWP 090S RNG 230E MER S

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

**Date Original Permit Issued:** 5/25/2006

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 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:** 5/28/2009

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

**Date:** June 03, 2009

**By:**

RESET

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

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

**API:** 4304738128  
**Well Name:** Bonanza 9-23-11-11  
**Location:** 671' FNL - 729' FWL, NWNW, Sec 11, T9S-R23E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 5/25/2006

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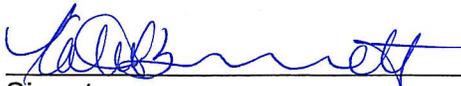
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

5/26/2009  
\_\_\_\_\_  
Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

<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-74426
<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>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BONANZA 9-23-11-11
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047381280000
<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> 0671 FNL 0729 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 11 Township: 09.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <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: 5/25/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Request for an one-year extension to APD termination date.

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

**Date:** May 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> 5/25/2010



**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 43047381280000**

**API:** 43047381280000

**Well Name:** BONANZA 9-23-11-11

**Location:** 0671 FNL 0729 FWL QTR NWNW SEC 11 TWP 090S RNG 230E MER S

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

**Date Original Permit Issued:** 5/25/2006

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 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:** 5/25/2010

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

**Date:** May 25, 2010

**By:** 

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**

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

**SUNDRY NOTICES AND REPORTS ON WELLS** **DEC 09 2010**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.* **BLM**

**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		5. Lease Serial No. UTU74426
2. Name of Operator ENDURING RESOURCES, LLC Contact: AL ARLIAN E-Mail: aarlian@enduringresources.com		6. If Indian, Allottee or Tribe Name
3a. Address 475-17TH STREET, SUITE 1500 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-350-5114 Fx: 303-573-0461	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T9S R23E NWNW 671FNL 729FWL 40.00326 N Lat, 109.11365 W Lon		8. Well Name and No. BONANZA 9-23-11-11
		9. API Well No. 43-047-38128
		10. Field and Pool, or Exploratory NATURAL BUTTES
		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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Change to Original PD

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

Request for a two-year extension to APD termination date from 1-28-2011 to 1-28-2013.

**RECEIVED**  
**MAR 14 2011**

DIV. OF OIL, GAS & MINING

VERNAL FIELD OFFICE  
ENG.   GD   JAN 19 2011  
GEOL. \_\_\_\_\_  
E.S. \_\_\_\_\_  
PET. \_\_\_\_\_  
RECL. \_\_\_\_\_

**CONDITIONS OF APPROVAL ATTACHED**

14. I hereby certify that the foregoing is true and correct.  
Electronic Submission #98846 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 12/13/2010 ()

Name (Printed/Typed) AL ARLIAN	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 12/09/2010

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

Approved By <u>  [Signature]  </u>	Title Assistant Field Manager Lands & Mineral Resources	Date 2/7/2011
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.

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

**UDOGM**

1102PH0476SE

# CONDITIONS OF APPROVAL

## Enduring Resources, LLC

### Notice of Intent APD Extension

**Lease:** UTU-74426  
**Well:** Bonanza 9-23-11-11  
**Location:** NWNW Sec 11-T9S-R23E

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

---

1. The extension and APD shall expire on 7/18/11 due to the expiration of the overlying NEPA document.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Carey Doyle of this office at (435) 781-3406

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-74426
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</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>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>8. WELL NAME and NUMBER:</b> BONANZA 9-23-11-11
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>9. API NUMBER:</b> 43047381280000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0671 FNL 0729 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 11 Township: 09.0S Range: 23.0E Meridian: S		<b>COUNTY:</b> UINTAH
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 5/25/2011  <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 an one-year extension to APD termination date.		
<p style="color: red; font-weight: bold;">Approved by the Utah Division of Oil, Gas and Mining</p> <p style="color: red; font-weight: bold;">Date: <u>05/24/2011</u></p> <p style="color: red; font-weight: bold;">By: <u></u></p>		
<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/20/2011



**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 43047381280000**

**API:** 43047381280000

**Well Name:** BONANZA 9-23-11-11

**Location:** 0671 FNL 0729 FWL QTR NWNW SEC 11 TWP 090S RNG 230E MER S

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

**Date Original Permit Issued:** 5/25/2006

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

**Signature:** Alvin Arlian

**Date:** 5/20/2011

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



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

June 13, 2012

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

Re: APD Rescinded – Bonanza 9-23-11-11, Sec.11 T.9S, R.23E  
Uintah County, Utah API No. 43-047-38128

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 May 25, 2006. On June 4, 2007, June 2, 2008, June 3, 2009, May 25, 2010 and May 24, 2011 the Division granted a one-year APD extension. On June 13, 2012, 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 June 13, 2012.

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