

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

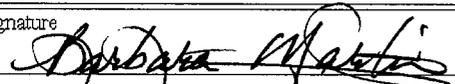
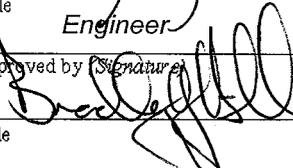
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-66761
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		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator McElvain Oil & Gas Properties, Inc.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 1050-17th Street, Ste. 1800 Denver, CO 80265	3b. Phone No. (include area code) (303) 893-0933	8. Lease Name and Well No. Rainbow 11-24-23-24
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2050' FSL & 2046' FWL (NESW) Sec. 24, T11S-R24E S.L.B. & M At proposed prod. zone same (vertical well) <i>655626 X 39.845727 4412008 Y -109.181014</i>		9. API Well No. 43-047-38254
14. Distance in miles and direction from nearest town or post office* 19 miles South of Bonanza, Utah		10. Field and Pool, or Exploratory Undesignated
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2050 ft S. of lease/unit line	16. No. of Acres in lease 2,494.86	11. Sec., T., R., M., or Blk. and Survey or Area Sec. 24, T11S-R24E, SLB&M
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Topo "C" 1 mi radius	19. Proposed Depth 6,500 ft	12. County or Parish Uintah
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,156.6' GL	22. Approximate date work will start* October 2006	13. State ut
17. Spacing Unit dedicated to this well 40 Acres		
20. BLM/BIA Bond No. on file LPM 4138223 (Nation-Wide Bond)		
23. Estimated duration 30 Days Construction & Drilling		

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) Barbara Martin	Date June 2, 2006
Title Engineer		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 06-15-06
Title ENVIRONMENTAL MANAGER	Office	

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

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

*(Instructions on reverse)

Federal Approval of this
Action is Necessary

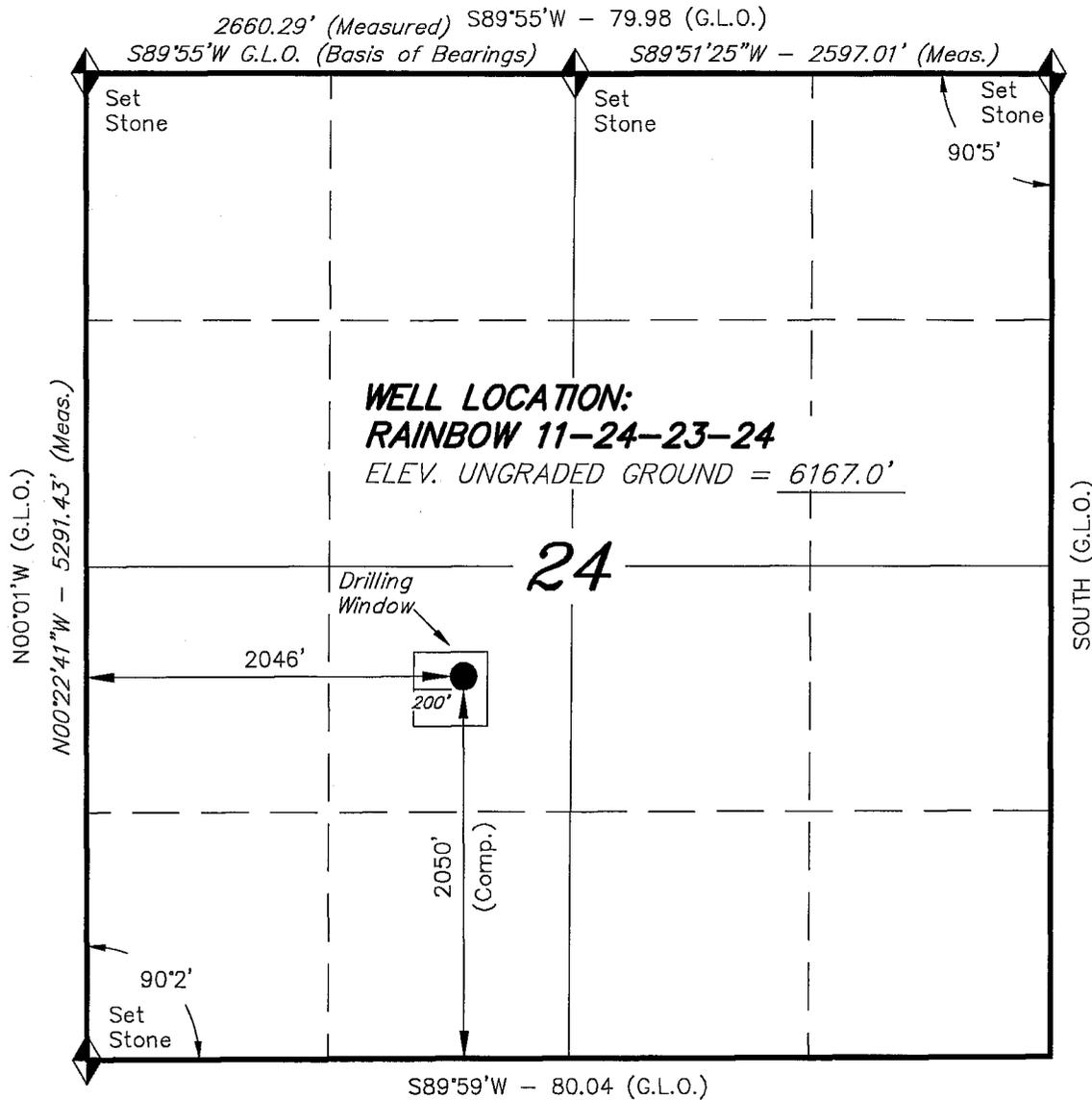
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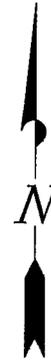
DIV. OF OIL, GAS & MINING

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

ENDURING RESOURCES

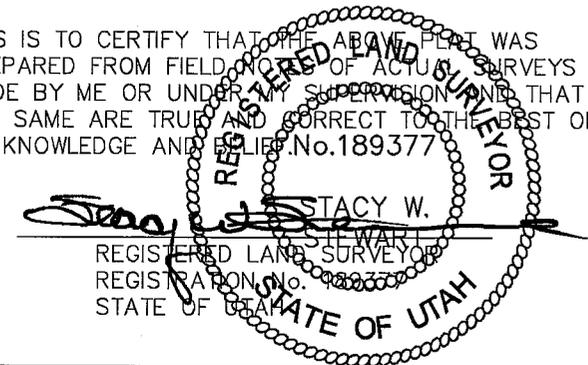


WELL LOCATION, RAINBOW 11-24-23-24,
 LOCATED AS SHOWN IN THE NE 1/4 SW
 1/4 OF SECTION 24, T11S, R24E,
 S.L.B.&M. UTAH COUNTY, UTAH.



Note:
 The Proposed Well head bears
 N44°34'17"E 2895.35' from the
 Southwest Corner of Section 24.

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



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

RAINBOW 11-24-23-24
 (Surface Location) NAD 83
 LATITUDE = 39° 50' 45.03"
 LONGITUDE = 109° 10' 53.85"

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

DATE DRAWN: 11-21-05	SURVEYED BY: J.H.	SHEET 2 OF 9
REVISED:	DRAWN BY: F.T.M.	
NOTES:	SCALE: 1" = 1000'	

McELVAIN OIL & GAS PROPERTIES, INC.

Rainbow 11-24-23-24
Surface Location: NESW Sec. 24-T11S-R24E
BH Location: NESW Sec. 24-T11S-R24E
Uintah County, Utah

Lease #: UTU-66761

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

Ungraded Ground Level Elevation: 6,167'
Graded Ground Level Elevation: 6,156.6'
Estimated KB Elevation: (25') 6,182'

Formation	Drill Depth	Subsea Depth (KB)
Uinta	Surface	
Green River	362'	+ 5,820
Wasatch	2,562'	+ 3,620
Mesaverde	3,892'	+ 2,290
Buck Tongue	6,242'	- 60
TD	6,500'	

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

Formation	Drill Depth	Anticipated Fluids
Uinta	Surface	
Green River	362'	Gas, Water, Oil
Wasatch	2,562'	Gas, Water
Mesaverde	3,892'	Gas, Water, Oil
TD	6,500'	

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

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

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

- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

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

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

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

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

Blow-Out Preventer

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

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

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

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

- E. Miscellaneous Information:

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

4. Proposed Casing & Cementing Program:

- A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2,000' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6,500' (KB)

The surface casing will have a thread locked guide shoe, 1 joint, insert float collar. At a minimum, the surface casing will have the bottom 3 joints centralized, starting with the shoe joint. Depending on hole conditions, a maximum of 8 bowspring centralizers may be utilized.

All casing strings below the conductor 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).

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2000' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.5 (a)	2950/3.2(b)	244/5.8 (c)
6500' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.9 (d)	7780/2.3 (e)	223/3.4 (f)

Safety Factor (SF) estimated using the following criteria:

- (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 estimated BHP (0.52 psi/ft gradient) @ surface. No annular fluid
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

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

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1500	Premium cement + 16% gel + 0.25 pps celloflake	140	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	150	25%	15.8	1.15

If a cement top job is required due to cement fallback greater than 10' below ground level, the top job cement will be a premium cement (weight 15.8 ppg, yield 1.15 ft³/sx) w/3% CaCl₂ + 0.25 pps celloflake. The top job volume will cement to surface.

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

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	150	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl ₂ + 0.25 pps celloflake	As Req.		15.8	1.15

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

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS (+/-)	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	500	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	60	25	11.0	3.3
4-1/2"	Tail	4300	50/50 POZ Class G + 2% gel + 1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	800	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' – 2000' (KB)		No cntrl		Air/mist
2000'-2200' (KB)	8.4-8.6	No cntrl	28-36	Water
2200'-6500' (KB)	8.8-10.2	8 - 10 ml	32-42	Water/Gel

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

6. Evaluation Program:

Inclination Survey: Single shot drift surveys will be dropped or "teledrift" surveys performed every 2000 feet of hole to monitor hole angle.

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

Anticipated bottom hole pressure may be slightly above normal (estimated calculation at 0.52 psi/foot) and is estimated to be 3,400 psi and maximum anticipated surface pressure equals approximately 2,000 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole is estimated to be 0.22 psi/foot of hole).

8. Anticipated Starting Dates:

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 20 days
- Completion Days - Approximately 30 days
- Anticipate location construction within 30 days before rig move.

9. Variances:

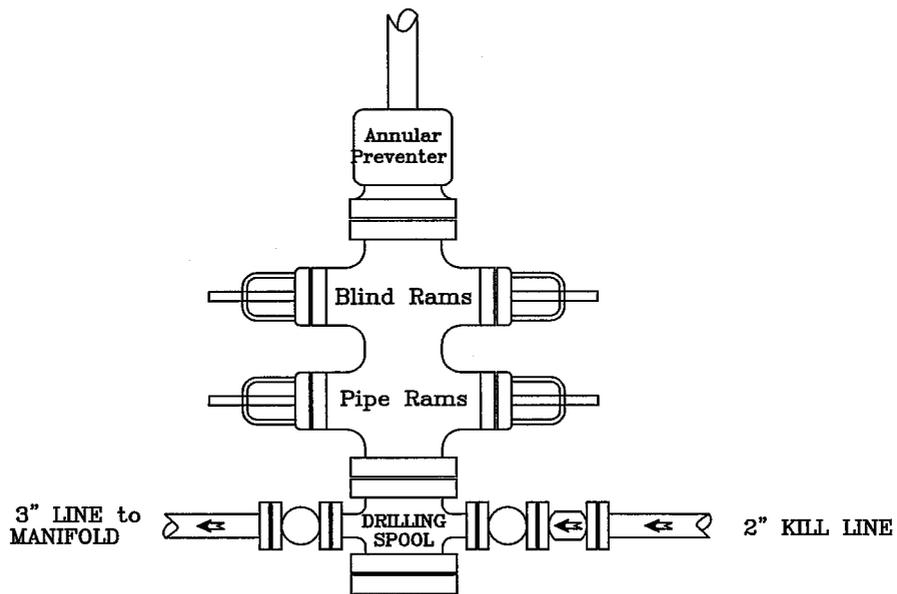
None anticipated

10. Other:

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access road and pipeline route. The reports shall be submitted to the Vernal Field Office of the Bureau of Land Management upon their receipt.

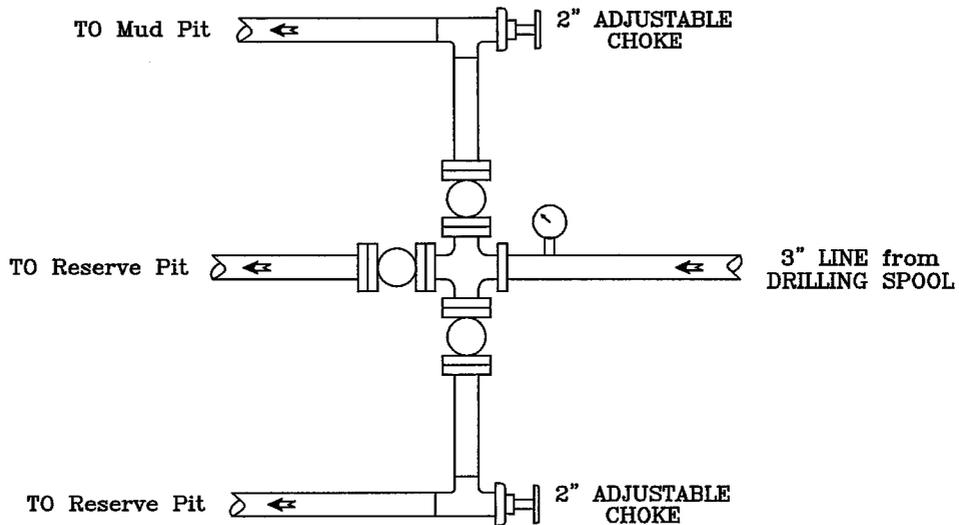
PRESSURE CONTROL

BOP Assembly



Preventer, Rams and Spool are to have a 9" Bore or larger and a 3000 PSI or higher Pressure Rating

Choke Manifold



McElvain Oil & Gas Properties, Inc.

Rainbow 11-24-23-24

MCELVAIN OIL & GAS PROPERTIES, INC.

**Rainbow 11-24-23-24
NESW Sec 24-T11S-R24E
Uintah County, Utah**

Lease #: UTU-66761

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

1. Existing Roads:

Directions to the proposed location are as follows:

PROCEED EAST AND SOUTHEAST FROM VERNAL ON HIGHWAY 40 TO HIGHWAY 45 AT NAPLES, UTAH WHERE A SIGN INDICATES THE DIRECTION TO BONANZA POWER PLANT. RIGHT (SOUTH) \pm 36 MILES ON HIGHWAY 45 TO BONANZA, UTAH. PROCEED SOUTH (PAST BONANZA AND WHITE RIVER) ON HIGHWAY 45 AN ADDITIONAL \pm 5 MILES TO MILE MARKER "0". LEFT (SOUTHEAST) AT MILE MARKER "0" ON GRAVEL ROAD. BLM SIGN INDICATES THIS IS THE ACCESS ROAD LEADING TO "RAINBOW JUNCTION" AND "BAXTER PASS" (UINTAH COUNTY RD #4180) PROCEED SOUTH/SOUTHEAST ON GRAVEL ROAD APPROXIMATELY 3.7 MILES TO A "Y" IN THE ROAD AT CORRALS KNOWN AS THE "GREEK" CORRALS. RIGHT AT THE "Y" BY THE "CREEK" CORRALS TOWARDS ATCHEE RIDGE & RAINBOW (UINTAH COUNTY RD #4190). PROCEED \pm 8.5 MILES TO A JUNCTION. LEFT AT THE JUNCTION TOWARDS KINGS WELLS ROAD ON UINTAH COUNTY RD #4190. PROCEED \pm 0.7 MILES TO A JUNCTION. LEFT AT THE JUCTION TOWARDS ATCHEE RIDGE ROAD ON UINTAH COUNTY RD #4270. PROCEED ON COUNTY RD #4270 \pm 0.1 MILES TO LOCATION ACCESS ROAD. LEFT OFF OF COUNTY RD #4270 ONTO LOCATION ACCESS ROAD. PROCEED ON ACCESS ROAD \pm 1560 FT INTO LOCATION.

2. Planned Access Roads:

The proposed 90 feet of new construction for the access road indicated on TOPO MAP "B" will all be new ON-LEASE construction in Sections 14 of T11S-R24E. Bladed, ditched and crowned County Class B roads will be utilized up to the start of the new construction and no upgrading will be required on these County roads.

Please refer to Topo Map "B" for the takeoff point from the existing County Class B road to the new ON-LEASE road construction point.

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:

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

a.	Water Wells:	NONE
b.	Injection Wells:	NONE
c.	Producing Wells:	ONE
	1) Thimble Rock 23-15, Sec 23, T11S-R24E	
d.	Drilling Wells:	NONE
e.	Shut-in Wells:	NONE
f.	Temporarily Abandoned Wells:	NONE
g.	Disposal Wells:	NONE
h.	Abandoned Wells:	NONE
i.	Dry Holes:	NONE
j.	Observation Wells:	NONE

4. Location of Existing and/or Proposed Facilities:

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

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

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

All facilities will be painted within 6 months of installation. 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.

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 2250 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

- a. ON-LEASE approximately 2250 feet.

The proposed gathering line will be placed above ground adjacent to the proposed access route. The line will be welded together and pulled from the beginning point to the tie-in point when practical; however, it may be necessary to utilize the access road for welding of the line. The line will then be boomed off to the side of the road. The gas meter run will be located ON-LEASE and within 500 feet of the wellhead. The meter run will be housed.

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

5. Location and Type of Water Supply:

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

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 and will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will not be located 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 5.

9. Well Site Layout: (Refer to Sheets #3, #4, and #5)

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 stock-piled and reseeded at the time the location is constructed. Seeding will be of the type specified by the BLM in their "Conditions of Approval".

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.

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

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

The on-site was conducted February 23, 2006.

Special Conditions of Approval:

Wildlife stipulations and possible activity restrictions will be detailed in the "Conditions of Approval" received with an approved Permit to Drill. Operator will comply with these all conditions of approval.

Archeology:

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

Paleontology:

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

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

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

Representatives:

Barbara Martin
Engineer
McElvain Oil & Gas Properties, Inc.
1050 – 17th Street, Suite 1800
Denver, Colorado 80265
Office Tel: 303-893-0933 xtn 345
Fax Tel: 303-893-0914
BarbaraM@mcelvain.com

Ivan Sadlier
Production Foreman
McElvain Oil & Gas Properties, Inc.
P.O. Box 985
Vernal, Utah 84078
Cell #1: 435-828-0284
Cell #2: 435-828-0282
sadlier@easilink.com

Certification:

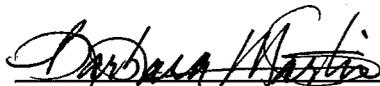
Certification: All lease and/or unit operations will be conducted in a manner that is fully compliant with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations and any applicable Notice to Lessees.

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

McElvain Oil & Gas Properties, Inc. is considered to be the operator of the subject well. McElvain Oil & Gas Properties, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 DFR 3104 for the lease activities is being provided by the McElvain Oil & Gas Properties, Inc. BLM Nationwide bond #LPM4138223.

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



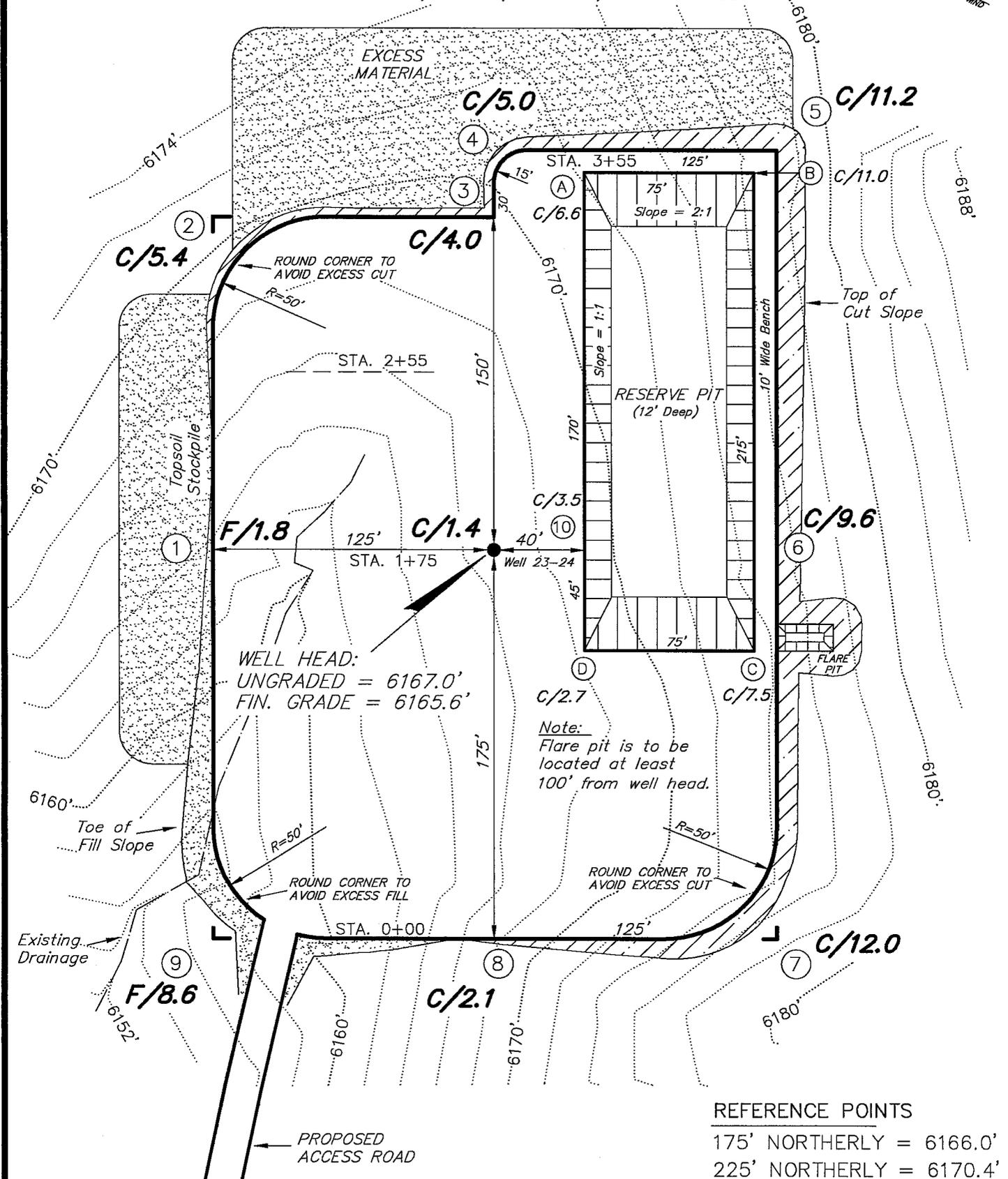
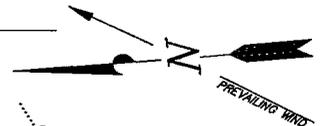
Barbara Martin
Engineer



Date:

ENDURING RESOURCES

RAINBOW 11-24-23-24
Section 24, T11S, R24E, S.L.B.&M.



WELL HEAD:
UNGRADED = 6167.0'
FIN. GRADE = 6165.6'

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

REFERENCE POINTS
175' NORTHERLY = 6166.0'
225' NORTHERLY = 6170.4'

SURVEYED BY: J.H.	DATE DRAWN: 11-21-05
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

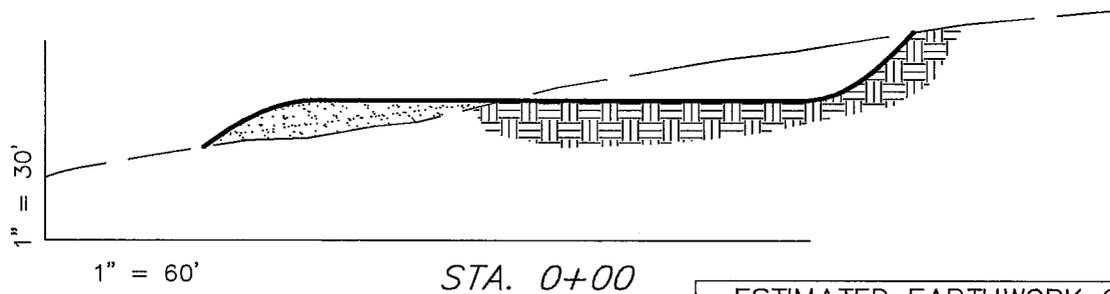
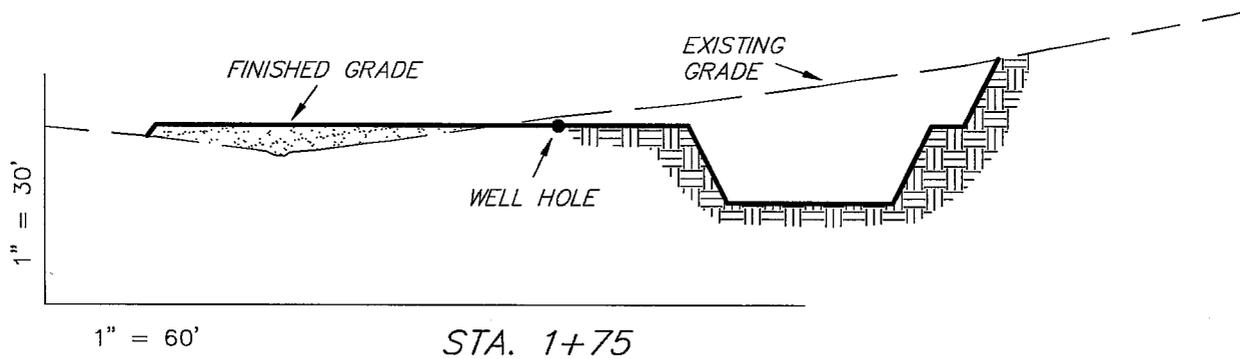
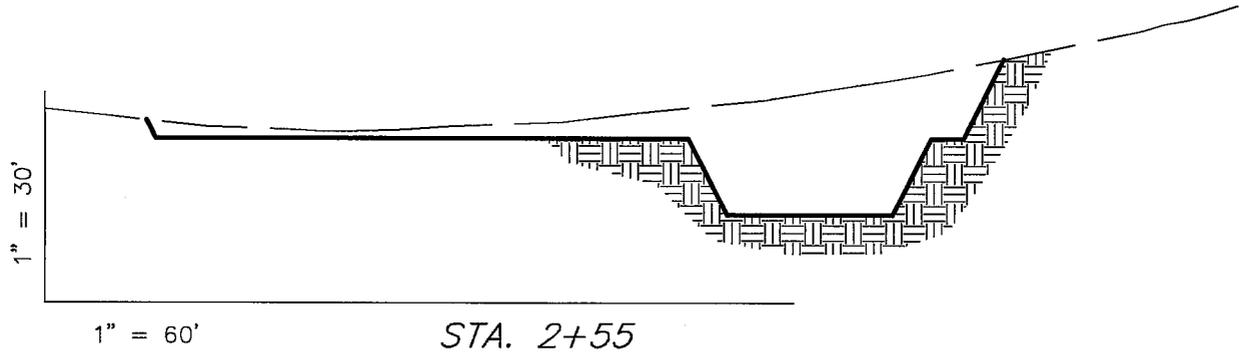
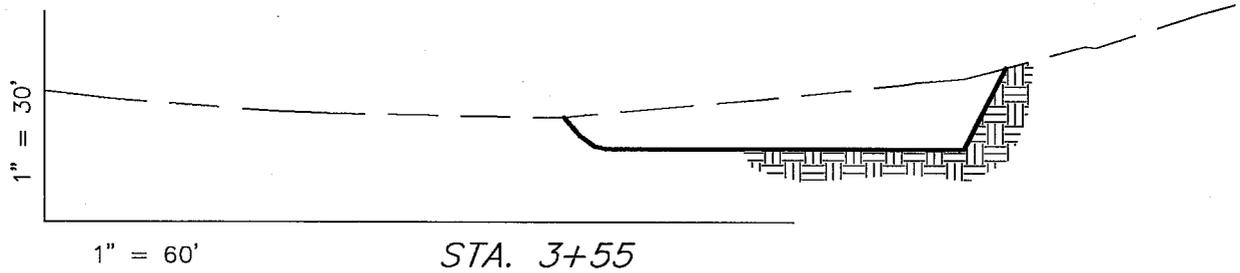
(435) 781-2501

SHEET
3
OF 9

ENDURING RESOURCES

CROSS SECTIONS

RAINBOW 11-24-23-24



ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	9,580	4,330	Topsoil is not included in Pad Cut	5,250
PIT	5,390	0		5,390
TOTALS	14,970	4,330	1,730	10,640

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

SURVEYED BY: J.H.	DATE DRAWN: 11-21-05
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

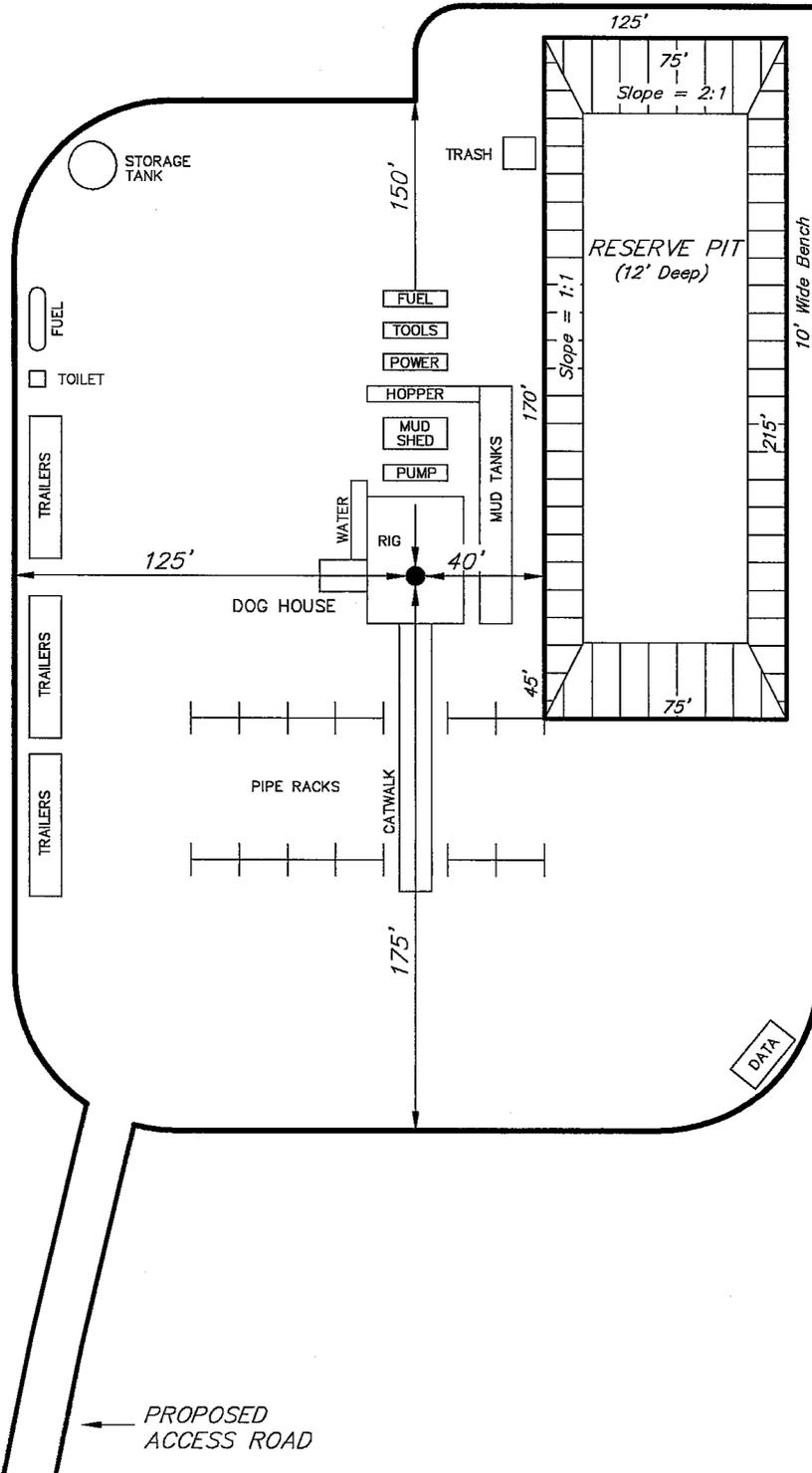
(435) 781-2501

SHEET
4
OF 9

ENDURING RESOURCES

TYPICAL RIG LAYOUT

RAINBOW 11-24-23-24



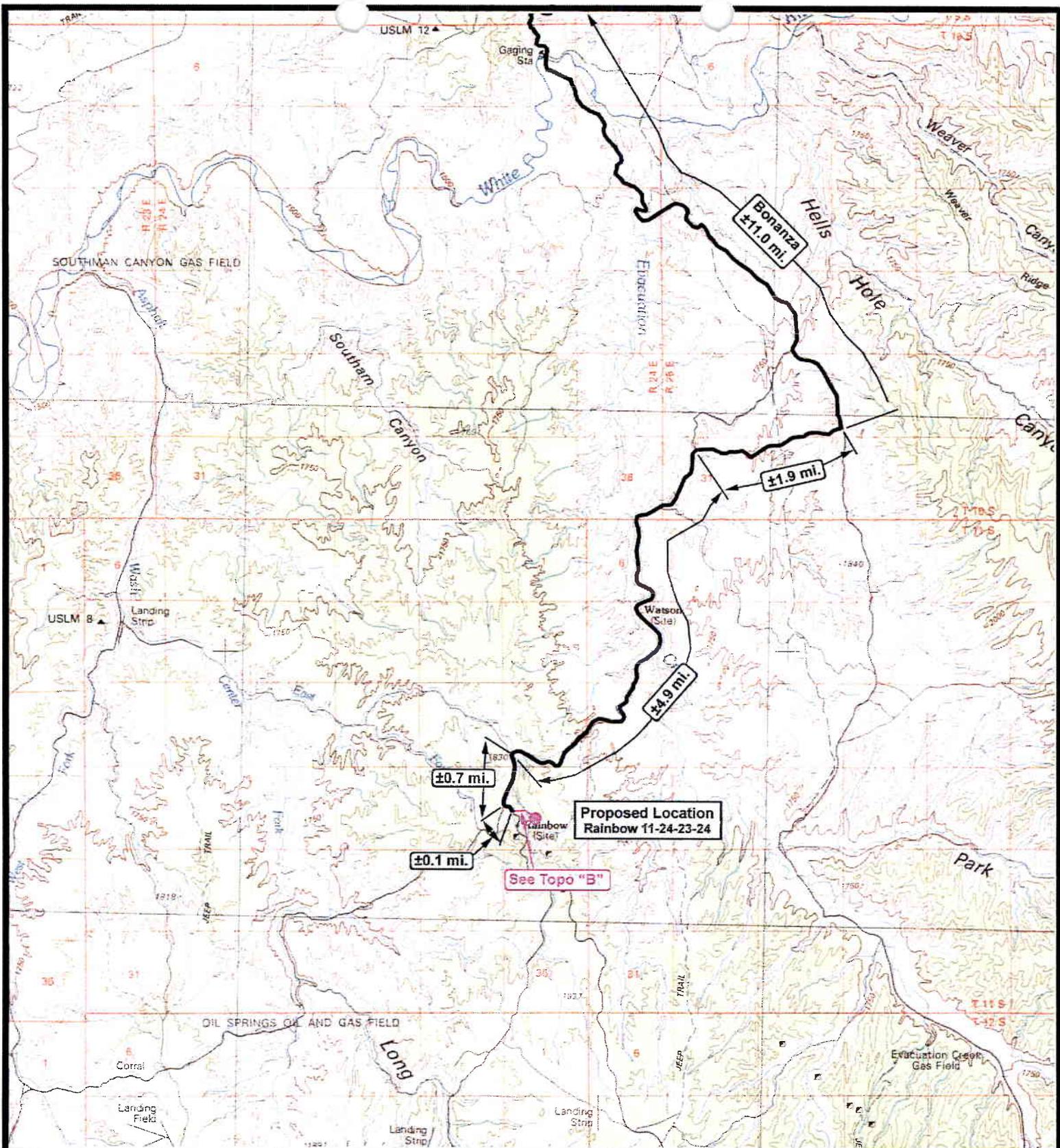
Note:
Flare pit is to be located at least 100' from well head.

SURVEYED BY: J.H.	DATE DRAWN: 11-21-05
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

(435) 781-2501

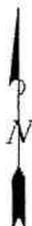
Tri State
Land Surveying, Inc.

180 NORTH VERNAL AVE. VERNAL, UTAH 84078



ENDURING RESOURCES

Rainbow 11-24-23-24
Sec. 24, T11S, R24E, S.L.B.&M.



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

SCALE: 1 = 100,000

DRAWN BY: mw

DATE: 04-03-2006

Legend

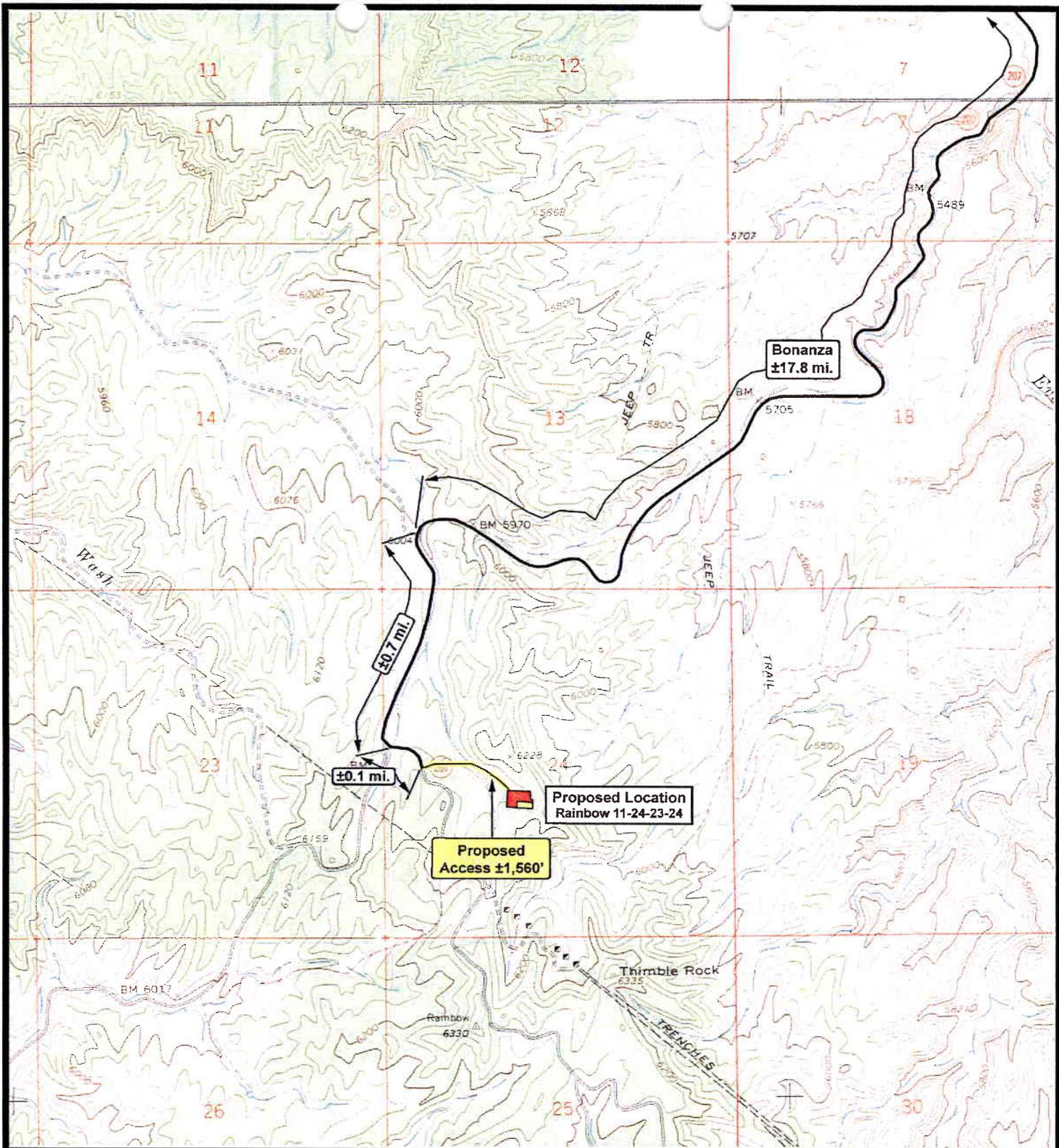
- Existing Road
- Proposed Access

TOPOGRAPHIC MAP

"A"

SHEET

6
OF 9



ENDURING RESOURCES

Rainbow 11-24-23-24
Sec. 24, T11S, R24E, S.L.B.&M.



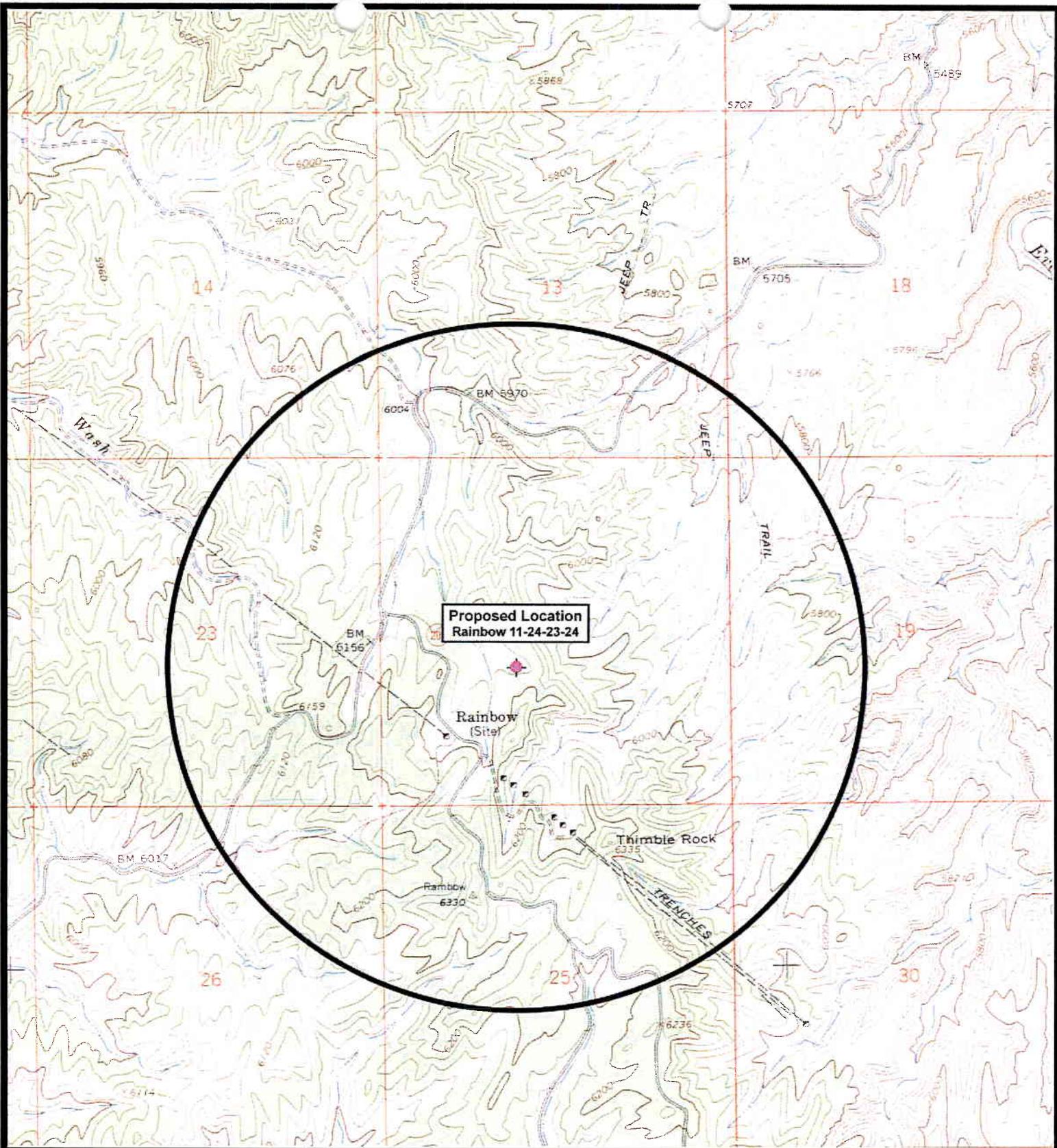
Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 04-03-2006

Legend

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP **SHEET**
"B" **7**
 OF 9



ENDURING RESOURCES

Rainbow 11-24-23-24
Sec. 24, T11S, R24E, S.L.B.&M.



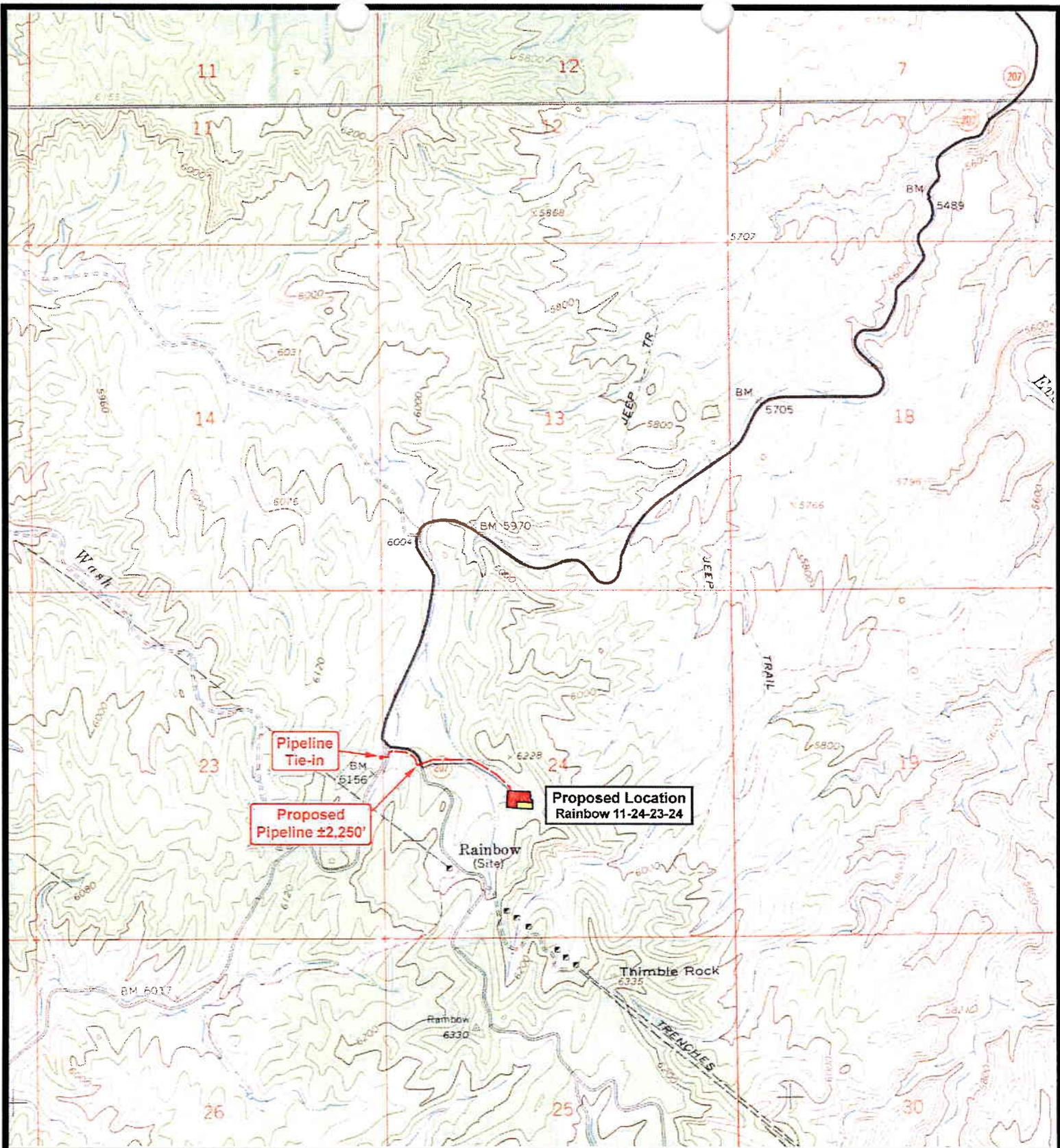
Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 02-23-2006

Legend

- Location
- One-Mile Radius

TOPOGRAPHIC MAP **SHEET**
"C" **8**
 OF 9



ENDURING RESOURCES

Rainbow 11-24-23-24
Sec. 24, T11S, R24E, S.L.B.&M.



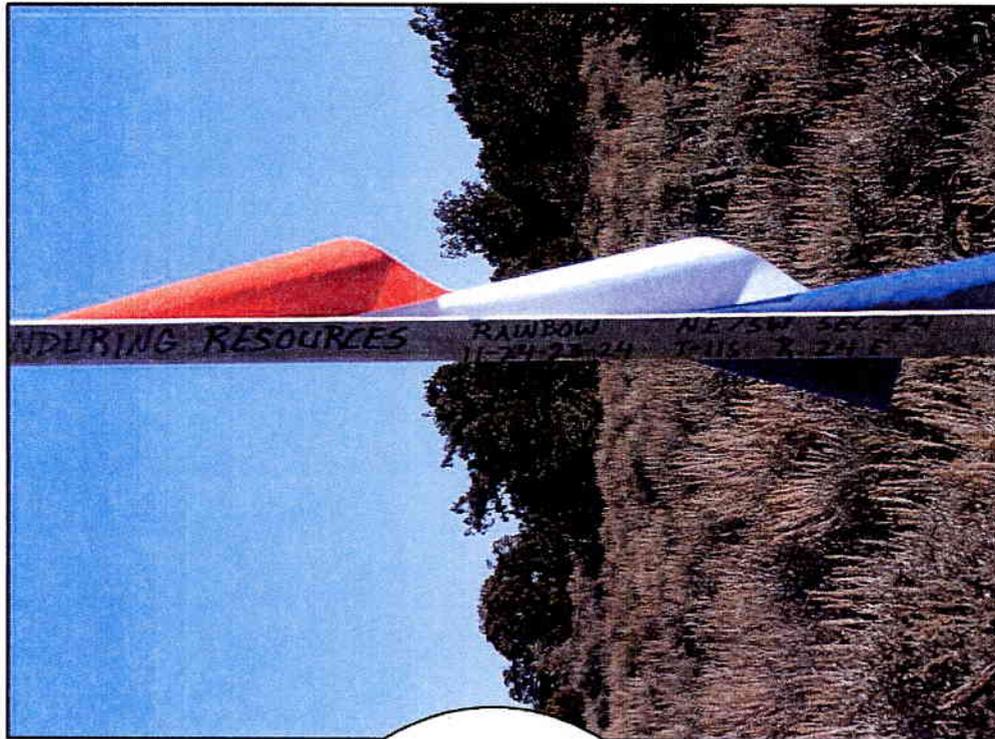
Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 04-03-2006

Legend

- Existing Road
- Proposed Access
- Proposed Gas Line

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

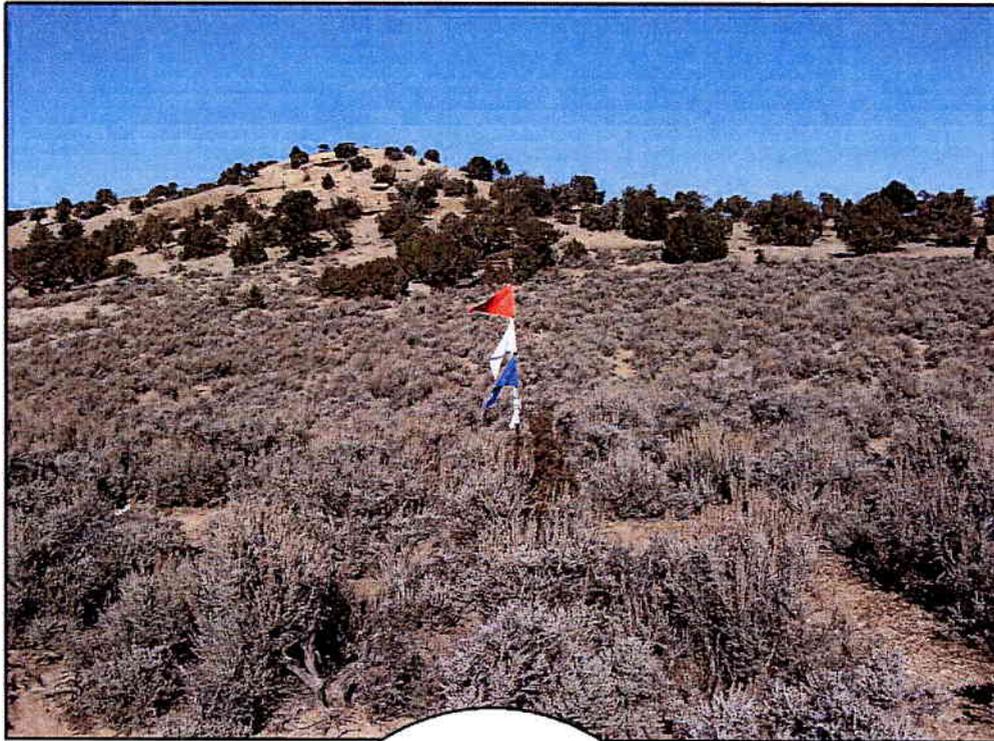


CENTER STAKE


ENDURING RESOURCES
Rainbow 11-24-23-24

Date Photographed: 11/14/2005
Date Drawn: 11/30/2005
Drawn By: bgm


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



NORTH


ENDURING RESOURCES
Rainbow 11-24-23-24

Date Photographed: 11/14/2005

Date Drawn: 11/30/2005

Drawn By: bgm


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

EAST





SOUTH


ENDURING RESOURCES
Rainbow 11-24-23-24

Date Photographed: 11/14/2005
Date Drawn: 11/30/2005
Drawn By: bgm


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

WEST

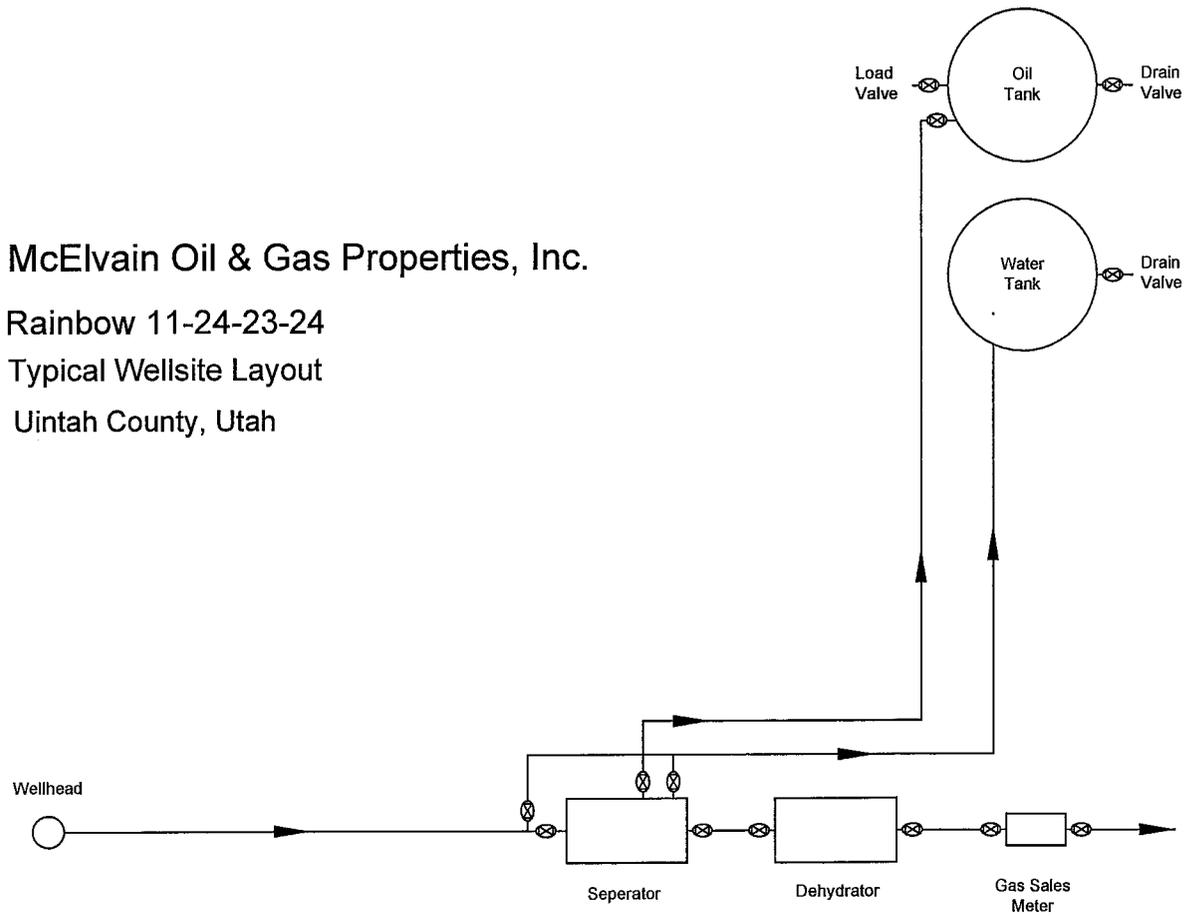


McElvain Oil & Gas Properties, Inc.

Rainbow 11-24-23-24

Typical Wellsite Layout

Uintah County, Utah



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/08/2006

API NO. ASSIGNED: 43-047-38254

WELL NAME: RAINBOW 11-24-23-24
 OPERATOR: MCELVAIN OIL & GAS (N2100)
 CONTACT: BARBARA MARTIN

PHONE NUMBER: 303-893-0933

PROPOSED LOCATION:

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

NE SW 24 110S 240E
 SURFACE: 2050 FSL 2046 FWL
 BOTTOM: 2050 FSL 2046 FWL
 COUNTY: UINTAH
 LATITUDE: 39.84573 LONGITUDE: -109.1810
 UTM SURF EASTINGS: 655626 NORTHINGS: 4412008
 FIELD NAME: UNDESIGNATED (2)

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-66761
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. LPM 4138223)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

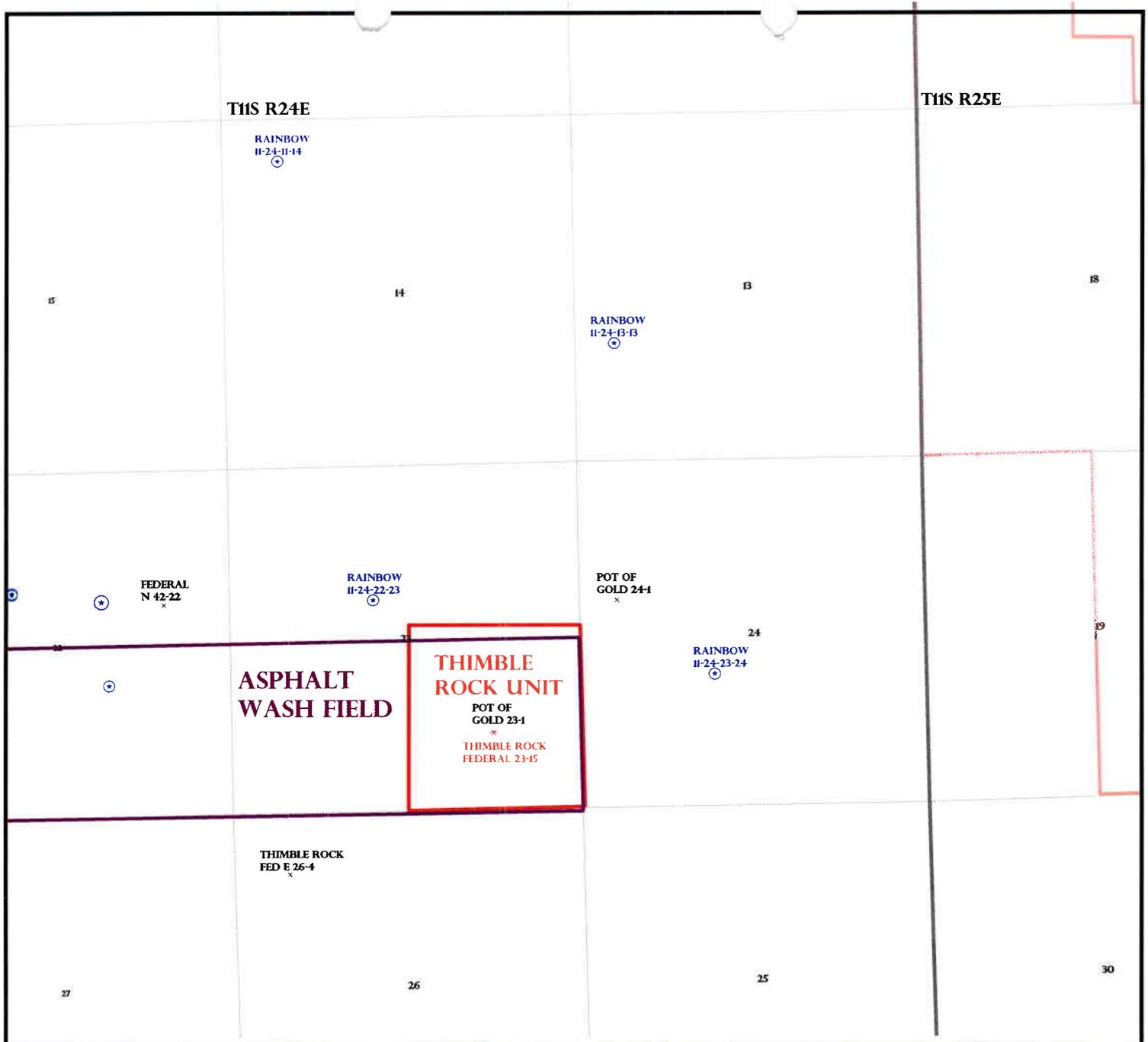
LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing Strip



OPERATOR: MCELVAIN O&G PROP (N2100)

SEC: 23,24 T. 11S R. 24E

FIELD: UNDESIGNATED (002)

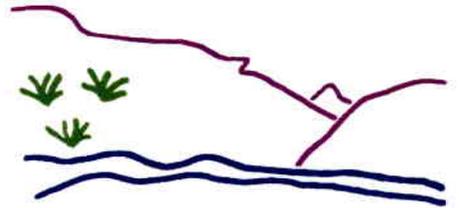
COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

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

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

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 15-JUNE-2006



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

June 15, 2006

McElvain Oil & Gas Properties, Inc.
1050 17th St., Ste. 1800
Denver, CO 80265

Re: Rainbow 11-24-23-24 Well, 2050' FSL, 2046' FWL, NE SW, Sec. 24,
T. 11 South, R. 24 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38254.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: McElvain Oil & Gas Properties, Inc.
Well Name & Number Rainbow 11-24-23-24
API Number: 43-047-38254
Lease: UTU-66761

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

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold)
 Operator Name Change

Designation of Agent/Operator
 Merger

The operator of the well(s) listed below has changed, effective: 5/1/2007

FROM: (Old Operator): N2100-McElvain Oil & Gas Properties, Inc. 1050 17th St, Suite 1800 Denver, CO 80202 Phone: 1-(303) 893-0933	TO: (New Operator): N2750-Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202 Phone: 1-(303) 350-5102
--	--

CA No. _____ **Unit:** _____

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
RAINBOW 11-24-13-13	13	110S	240E	4304738247		Federal	GW	APD
RAINBOW 11-24-22-23	23	110S	240E	4304738249		Federal	GW	APD
RAINBOW 11-24-23-24	24	110S	240E	4304738254		Federal	GW	APD

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/21/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/21/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 10/12/2006
- Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 5/31/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/31/2007
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 5/21/2007

FEDERAL WELL(S) BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000173

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66761
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Rainbow 11-24-23-24	
2. NAME OF OPERATOR: Enduring Resources, LLC <i>N2750</i>	9. API NUMBER: 4304738254	
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,050' FSL - 2,046' FWL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 24 11S 24E S		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>5/1/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective May 1, 2007

- Change of Operator from: **McElvain Oil & Gas Properties, Inc.**
- Change of Operator to: **Enduring Resources, LLC:**
BLM Statewide Oil & Gas Lease Bond no. UTB000173
State of Utah, Division of Oil, Gas & Mining Surety Bond No. RL00008031

MCELVAIN OIL & GAS PROPERTIES, INC. *N2100*

BY: *[Signature]*
James G. Hohenstein,
Vice President - Land

DATE: 5-17-2007

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <i>[Signature]</i>	DATE <u>5/16/2007</u>

(This space for State use only)

APPROVED 5131107

Earlene Russell
Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

RECEIVED
MAY 21 2007

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

Request to Transfer Application or Permit to Drill

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

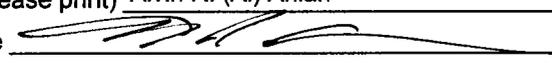
Well name:	Rainbow 11-24-23-24
API number:	4204738254
Location:	Qtr-Qtr: NESW Section: 24 Township: 11S Range: 24E
Company that filed original application:	McElvain Oil & Gas Properties, Inc.
Date original permit was issued:	06/15/2006
Company that permit was issued to:	McElvain Oil & Gas Properties, Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0008031</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

RECEIVED

Name (please print) Alvin R. (Al) Arlian Title Landman - Regulatory Specialist **MAY 21 2007**
 Signature  Date 05/16/2007
 Representing (company name) Enduring Resources, LLC DIV. OF OIL, GAS & MINING

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

Approved by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED
VERNAL FIELD OFFICE
2006 JUN -8 PM 4:00
DEPT. OF THE INTERIOR
BUREAU OF LAND MGMT.

Form 3160-3
(September 2001)

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

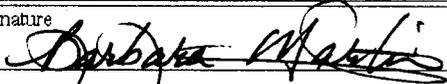
APPLICATION FOR PERMIT TO DRILL OR REENTER

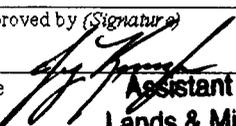
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-66761	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator McElvain Oil & Gas Properties, Inc.		7. If Unit or CA Agreement, Name and No.	
3a. Address 1050-17th Street, Ste. 1800 Denver, CO 80265		8. Lease Name and Well No. Rainbow 11-24-23-24	
3b. Phone No. (include area code) (303) 893-0933		9. API Well No. 43-047-38254	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2050' FSL & 2046' FWL (NESW) Sec. 24, T11S-R24E S.L.B. & M At proposed prod. zone same (vertical well)		10. Field and Pool, or Exploratory Undetermined	
14. Distance in miles and direction from nearest town or post office* 19 miles South of Bonanza, Utah		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 24, T11S-R24E, SLB&M	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2050 ft S. of lease/unit line	16. No. of Acres in lease 2,494.86	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. Topo "C" 1 mi radius	19. Proposed Depth 6,500 ft	20. BLM/BIA Bond No. on file LPM 4138223 (Nation-Wide Bond)	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,156.6' GL	22. Approximate date work will start* October 2006	23. Estimated duration 30 Days Construction & Drilling	

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) Barbara Martin	Date June 2, 2006
Title Engineer		

Approved by (Signature) 	Name (Printed/Typed) TERRY HENZKA	Date 5-25-2007
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

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

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

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

JUN 07 2007

DIV. OF OIL, GAS & MINING

07BM5129A

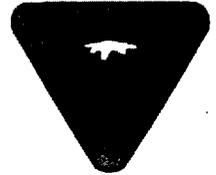


**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: McElvain Oil & Gas Properties, Inc. **Location:** **NESW, Sec. 24, T11S, R24E**
Well No: Rainbow 11-24-23-24 **Lease No:** **UTU-66761**
API No: 43-047-38254 **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:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	435-828-7368
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Scott Ackerman	435-781-4437	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	

Fax: 435-781-4410

**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)**

General Surface 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 report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

Specific Surface COAs

- The interim seed mix for this location shall be:

Crested wheatgrass	<i>Agropyron cristatum</i>	4 lbs. /acre
Needle and Threadgrass	<i>Stipa comata</i>	4 lbs. /acre
Indian Ricegrass	<i>Stipa hymenoides</i>	4 lbs. /acre

 - All pounds are in pure live seed.
 - Reseeding may be required if first seeding is not successful.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.
- The well will be spudded within five years of the existing or supplemented NEPA documentation.
- The requested color for all permanent structures is Olive Black.
- All pits will be lined with felt.
- The lessee/operator is given notice that lands in the lease have been identified as containing critical soils. It is requested that the lessee/operator not initiate surface disturbing activities or wet or muddy conditions.
- The lessee/operator is given notice that lands in the lease have been identified as containing red-tailed hawk habitat. It is requested that the lessee/operator not initiate surface disturbing activities or drilling from April 1 through July 15. A survey may be conducted by a qualified

biologist or a BLM representative during this timing period to determine if red-tailed hawks are in the area.

- The pipeline shall be buried within the identified construction width of an access corridor that contains the access road and pipelines. The operator may request in writing an exception to this COA. Exceptions to this COA may include but are not limited to: laterally extensive, hard indurated bedrock, such as sandstone, which is at or within 2 feet of the surface; and, soil types with a poor history for successful rehabilitation. The exception request will be reviewed by the authorized officer (AO) and a determination made.
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.
- The best method to avoid entrainment is to pump from an off-channel location-one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:

do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;

limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (see above); and

limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.

Screen all pump intakes with ¼" mesh material.

Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

Northeastern Region
152 East 100 North,
Vernal, UT 84078
Phone: (435) 781-9453

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- A surface casing shoe integrity test shall be performed.
- Production casing cement top shall be at a minimum of 200' above the surface casing shoe.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- 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.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

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

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66761
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: Enduring Resources, LLC		8. WELL NAME and NUMBER: Rainbow 11-24-23-24
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4304738254
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2050' FSL - 2046' FWL		10. FIELD AND POOL, OR WILDCAT: Undesignated
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 24 11S 24E S		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (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: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

FROM: 6/15/2007
TO: 6/15/2008

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED
JUN 15 2007

DIV. OF OIL, GAS & MINING

Date: 06-18-07
By: [Signature]

COPY SENT TO OPERATOR
DATE: 6-19-07
TIME: 4:17 PM

NAME (PLEASE PRINT) Evette Bissett	TITLE Regulatory Affairs Assistant
SIGNATURE <u>[Signature]</u>	DATE 6/12/2007

(This space for State use only)

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

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

API: 4304738254
Well Name: Rainbow 11-24-23-24
Location: 2050' FSL - 2046' FWL, NESW, Sec 24, T11S-R24E
Company Permit Issued to: McElvain Oil and Gas Properties, Inc.
Date Original Permit Issued: 6/15/2006

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

Erin Bussitt
Signature

6/12/2007
Date

Title: Regulatory Affairs Assistant

Representing: Enduring Resources, LLC



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

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

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



IN REPLY REFER TO:

3160

UT08300

May 2, 2008

Alvin R. (Al) Arlian
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

Re: Well No. Rainbow 11-24-23-24
NESW, Sec. 24, T11S, R24E
Uintah County, Utah
Lease No. UTU-66761

Dear Mr. Arlian:

This correspondence is in regard to the self-certification statement submitted requesting a change of operator for the referenced well. After a review by this office, the change of operator request is approved. Effective immediately, Enduring Resources, LLC is responsible for all operations performed on the above referenced well. All liability will now fall under your bond, BLM Bond No. UTB000173, for all operations conducted on the referenced well on the leased land.

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

Sincerely,

Matt Baker
Petroleum Engineer

Enclosure

cc: UDOGM
Rosewood Resources Inc

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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. UTU-66761
2. Name of Operator Enduring Resources, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 475-17th Street, Suite 1500, Denver, CO 80202	3b. Phone No. (include area code) 303-350-5114	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2,050' FSL - 2,046' FWL NESW Sec 24, T11S-R24E		8. Well Name and No. Rainbow 11-24-23-24
		9. API Well No. 4304738254
		10. Field and Pool, or Exploratory Area undesignated
		11. County or Parish, State Uintah, Utah

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

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

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

Effective May 1, 2007

- Change of Operator from: **McElvain Oil & Gas Properties, Inc.**
- Change of Operator to: **Enduring Resources, LLC;**
BLM Statewide Oil & Gas Lease Bond no. UTB000173
State of Utah, Division of Oil, Gas & Mining Surety Bond No. RL00008031

MCELVAIN OIL & GAS PROPERTIES, INC.

[Signature]
BY: **James G. Hohenstein,**
Vice President - Land

DATE: 5-17-2007

RECEIVED
 VERNAL FIELD OFFICE
 2007 MAY 21 PM 3:58
 DEPT. OF THE INTERIOR
 BUREAU OF LAND MGMT
 RECEIVED

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

Alvin R. (Al) Arlian

Title **Landman - Regulatory Specialist**

Signature *[Signature]*

Date

05/16/2007

MAY 19 2008
 DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Petroleum Engineer MAY 02 2008

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

Office

VERNAL FIELD OFFICE

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

(Instructions on page 2)



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.

Rainbow 11-24-23-24
NESW Sec. 24-11S-24E
2,050' FSL – 2,046' FWL
Lease Serial No.: UTU-66761
Uintah County, Utah

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.



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

5/14/2007
Date

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66761
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
PHONE NUMBER: (303) 350-5719		8. WELL NAME and NUMBER: Rainbow 11-24-23-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2050' FSL - 2046' FWL		9. API NUMBER: 4304738254
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 24 11S 24E S		10. FIELD AND POOL, OR WILDCAT: Undesignated
COUNTY: Uintah		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (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>Request for APD Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

FROM: 6/18/2008
TO: 6/18/2009

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 6.19.2008

Initials: KG

Date: 06-18-08

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 18 2008

DIV. OF OIL, GAS & MINING



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

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

API: 4304738254
Well Name: Rainbow 11-24-23-24
Location: 2050' FSL - 2046' FWL, NESW, Sec 24, T11S-R24E
Company Permit Issued to: McElvain Oil and Gas Properties, Inc.
Date Original Permit Issued: 6/15/2006

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



Signature

6/1/2008

Date

Title: Landman

Representing: Enduring Resources, LLC

RECEIVED
JUN 18 2008

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66761
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: RAINBOW 11-24-23-24
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047382540000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2050 FSL 2046 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 24 Township: 11.0S Range: 24.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/18/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Request Extension of APD expiration date.

Approved by the Utah Division of Oil, Gas and Mining

Date: June 23, 2009

By:

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 6/18/2009



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 43047382540000

API: 43047382540000

Well Name: RAINBOW 11-24-23-24

Location: 2050 FSL 2046 FWL QTR NESW SEC 24 TWNP 110S RNG 240E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 6/15/2006

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: 6/18/2009

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

Date: June 23, 2009

By:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66761
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: ASPHALT
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: RAINBOW 11-24-23-24
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: 43047382540000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202	PHONE NUMBER: 303 350-5114 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2050 FSL 2046 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 24 Township: 11.0S Range: 24.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/15/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____

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

Request an one-year extension to APD termination date.

Approved by the Utah Division of Oil, Gas and Mining

Date: June 14, 2010

By:

NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory
SIGNATURE N/A		DATE 6/11/2010



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 43047382540000

API: 43047382540000

Well Name: RAINBOW 11-24-23-24

Location: 2050 FSL 2046 FWL QTR NESW SEC 24 TWNP 110S RNG 240E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 6/15/2006

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

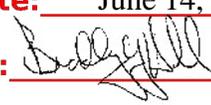
**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Alvin Arlian

Date: 6/11/2010

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

Date: June 14, 2010

By: 

RECEIVED June 11, 2010



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 15, 2011

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

Re: APD Rescinded – Rainbow 11-24-23-24, Sec.24 T.11S, R.24E
Uintah County, Utah API No. 43-047-38254

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 June 15, 2006. On June 18, 2007, June 18, 2008, June 23, 2009 and June 14, 2010 the Division granted a one-year APD extension. On June 13, 2011, you requested that the APD be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 13, 2011.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

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

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



DEC 06 2011

IN REPLY REFER TO:
3160 (UTG011)

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

43 047 38254

Re: Notice of Expiration
Well No. Rainbow 11-24-23-24
NESW, Sec. 24, T11S, R24E
Uintah County, Utah
Lease No. UTU-66761
Asphalt Unit

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the above-referenced well was approved on May 25, 2007. A two (2) year extension request of the original APD was received on April 27, 2009. On May 22, 2009 the request was reviewed and the extension request was approved to May 25, 2011. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

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

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

RECEIVED

DEC 14 2011

DIV. OF OIL, GAS & MINERAL RESOURCES

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> <input type="checkbox"/> Other		5. Lease Serial No. UTU-66761
2. Name of Operator Enduring Resources, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 475-17th Street, Suite 1500, Denver, CO 80202	3b. Phone No. (include area code) 303-350-5114	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2,050' FSL - 2,046' FWL NESW Sec 24, T11S-R24E		8. Well Name and No. Rainbow 11-24-23-24
		9. API Well No. 4304738254
		10. Field and Pool, or Exploratory Area undesignated
		11. County or Parish, State Uintah, Utah

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

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

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

This well's APD was approved 5-25-2007.

Request extension of APD expiration:

From: May 25, 2009
To: May 25, 2011

RECEIVED

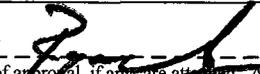
APR 27 2009

BLM VERNAL, UTAH

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Alvin R. (Al) Arlian		Title Landman - Regulatory Specialist
Signature 		Date 04/24/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 	Petroleum Engineer	Date MAY 22 2009
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office

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

(Instructions on page 2)

RECEIVED

JUN 29 2009

DIV. OF OIL, GAS & MINING

UDOGM

CONDITIONS OF APPROVAL

Enduring Resources, LLC

Notice of Intent APD Extension

Lease: UTU-66761
Well: Rainbow 11-24-23-24
Location: NESW Sec 24-T11S-R24E

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

1. The extension and APD shall expire on 5/25/2011.
2. No other extension shall be granted.

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