



Enduring Resources

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

July 14, 2006

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

Attn.: Ms. Diana Whitney

RE: Enduring Resources, LLC
Bitter Creek 12-23-21-36
NE-NW 36-12S-23E
State Lease: ML-47152
Uintah County, Utah

Dear Ms. Whitney:

Enclosed are two original applications to drill concerning the above-referenced proposed well. This information was also submitted to SITLA.

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

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

Very truly yours,

ENDURING RESOURCES, LLC

Alvin R. (Al) Arlian
Landman-Regulatory Specialist

RECEIVED

JUL 19 2006

DIV. OF OIL, GAS & MINING

ara
Enclosures:

cc: SITLA w/ attachments

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-47152	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Enduring Resources, LLC		9. WELL NAME and NUMBER: Bitter Creek 12-23-21-36	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY Denver STATE CO ZIP 80220		PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 833' FNL - 1853' FWL <i>646208 X 39.734900</i> AT PROPOSED PRODUCING ZONE: <i>43995000 - 109.213822</i> <i>Same</i>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 12S 23E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 70.1 Southeast of Vernal, UT		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 833'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1000' +	19. PROPOSED DEPTH: 6,255	20. BOND DESCRIPTION: RLB0008031	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6476' RT-KB	22. APPROXIMATE DATE WORK WILL START: 9/1/2006	23. ESTIMATED DURATION: 20 days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
20"	14" line pipe	40	3 yards	Ready Mix		
11"	8-5/8" J-55 24#	2,000	Premium Lead	138 sxs	3.50	11.1
			Premium Tail	138 sxs	1.15	15.8
7-7/8"	4-1/2" N-80 11.6#	6,255	Class G	46 sxs	3.3	11.0
			50/50 Poz Class G	736 sxs	1.56	14.3

25. ATTACHMENTS

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

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

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist
SIGNATURE *Al Arlian* DATE 7/11/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38394

APPROVAL:

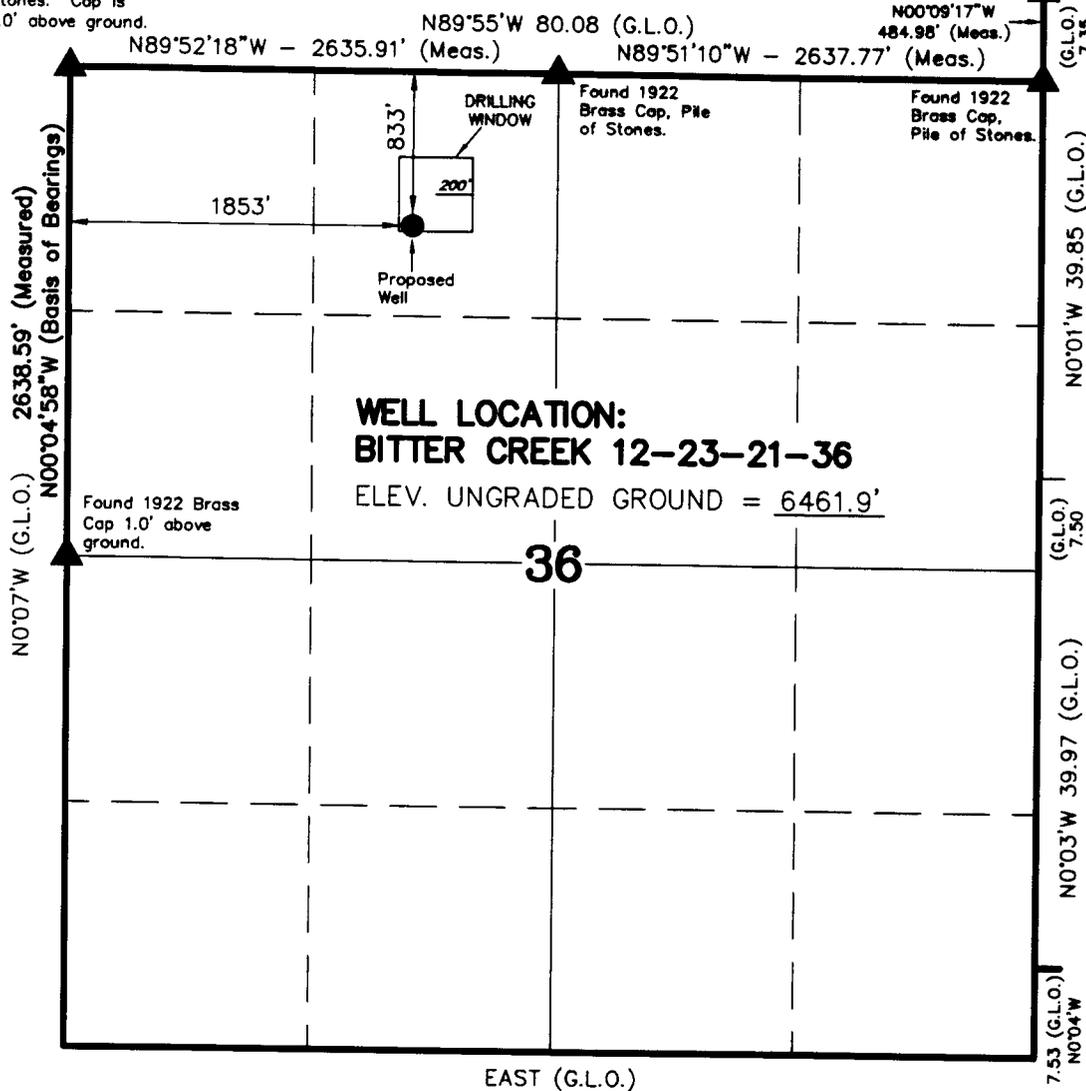
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T12S, R23E, S.L.B.&M.

Found 1922 Brass Cap, Pile of Stones. Cap is 1.0' above ground.

Found Set Mark Stone. Stone is 1.0' above ground X 0.1' E/W X 0.8' N/S. Found BT Northwest.

ENDURING RESOURCES



**WELL LOCATION:
BITTER CREEK 12-23-21-36**

ELEV. UNGRADED GROUND = 6461.9'

36

WELL LOCATION, BITTER CREEK 12-23-21-36, LOCATED AS SHOWN IN THE NE 1/4 NW 1/4 OF SECTION 36, T12S, R23E, S.L.B.&M. UTAH COUNTY, UTAH.



SCALE



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

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

Kolby R. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 362251
 STATE OF UTAH

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 85 EAM 1965 LOCATED IN THE NE 1/4 OF SECTION 14, T12S, R23E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN. QUADRANGLE AS BEING 6104'.

BITTER CREEK 12-23-21-36
 (Proposed Well Head)
 NAD 83 Autonomous
 LATITUDE = 39° 44' 06.00"
 LONGITUDE = 109° 17' 39.70"

TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
 (435) 789-1365

DATE SURVEYED: 05-24-06	SURVEYED BY: K.R.K.	SHEET 2
DATE DRAWN: 05-25-06	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'		OF 10

Enduring Resources, LLC
Bitter Creek 12-23-21-36
NE-NW 36-T12S-R23E
Uintah County, Utah
State Lease: ML-47152

ONSHORE ORDER 1 - DRILLING PLAN

1. **Estimated Tops of Geological Markers:**

Formation	Depth (K.B.)
Uinta	Surface
Green River	76
Wasatch	2625
Mesaverde	3858

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

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 6476'	
Oil / Gas	Green River	76
Oil /Gas	Wasatch	2625
Oil /Gas	Mesaverde	3858
	Estimated TD	6255

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

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

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

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

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

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

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

Blow-Out Preventer

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

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

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

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

E. Miscellaneous Information:

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

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2,016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6255' (KB)

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

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

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
6255' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.95 (d)	7780/2.60 (e)	223/3.58(f)

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

PROPOSED CEMENTING PROGRAM

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

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

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

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

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

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

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	509	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	46	25	11.0	3.3
4-1/2"	Tail	4030	50/50 POZ Class G + 2% gel + 1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	736	25	14.3	1.56

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

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

5. Drilling Fluids (mud) Program:

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' - 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-6255' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

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

6. Evaluation Program:

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

Logging

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

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

7. **Abnormal Conditions:**

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

Maximum anticipated bottom hole pressure equals approximately 3,253 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1,877 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

None anticipated

10. **Other:**

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

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

ENDURING RESOURCES
Bitter Creek 12-23-21-36
Section 36, T12S, R23E, S.L.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.5 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 4.0 MILES TO THE JUNCTION OF COUNTY B ROAD 4160. CONTINUE IN A SOUTHERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THE BIG PARK ROAD (COUNTY B ROAD 4330). EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4330 APPROXIMATELY 1.1 MILES TO THE JUNCTION OF A COUNTY D ROAD TO THE SOUTH; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 2.4 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 215 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 70.1 MILES IN A SOUTHEASTERLY DIRECTION.

Enduring Resources, LLC

Bitter Creek 12-23-21-36

NE- NW-36- 12S-23E

Uintah County, Utah

State Lease: ML-47152

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the Bitter Creek 12-23-21-36 Well Pad

From the intersection of U.S. highway 40 and 500 East Street in Vernal, Utah proceed in an easterly then southerly direction along U.S. highway 40 approximately 3.3 miles to the junction of state highway 45; Exit right and proceed in a southerly direction along state highway 45 approximately 40.5 miles to the junction of the Dragon Road (County B Road 4180). This road is located approximately 4.5 miles south of Bonanza, Utah. Exit left and proceed in a southeasterly direction along County B Road 4180 approximately 4.0 miles to the junction of the Kings Wells Road (County B Road 4190). Exit right and proceed in a southwesterly direction along County D Road 4190 approximately 8.7 miles to the junction of the Atchee Ridge Road (County B Road 4270). Continue along County B Road 4190 in a southwesterly direction approximately 4.3 miles to the junction of the Long Draw Road (County B Road 4260). Continue along County B Road 4190 in a southerly, then westerly direction approximately 4.0 miles to the junction of County B Road 4160. Continue in a southerly direction along County B Road 4190 approximately 1.8 miles to the junction of the Big Park Road (County B Road 4330). Exit left and proceed in a southeasterly direction along County B Road 4330 approximately 1.1 miles to the junction of a County D Road to the south; exit right and proceed in a southerly, then southwesterly direction along the County D Road approximately 2.4 miles to the proposed access road; follow road flags in a northwesterly direction approximately 215 feet to the proposed location.

Total distance from Vernal, Utah to the proposed location is approximately 70.1 miles in a southeasterly direction.

2. Planned Access Roads:

The proposed access road will be approximately 215 feet of new construction all on-lease.

ALL NEW CONSTRUCTION IS ON SITLA LANDS.

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

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. No fence crossings, culverts,

turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

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

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

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

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

- | | | |
|----|-------|---|
| a. | None: | Water Wells: |
| b. | None: | Injection Wells: |
| c. | None: | Producing Wells: |
| d. | None: | Drilling Wells: |
| e. | None: | Shut-in Wells: |
| f. | None: | Temporarily Abandoned Wells: |
| g. | None: | Disposal Wells: |
| h. | (1): | Abandoned Wells: |
| | | 1. SW Hanging Rock Fed 25-1 |
| i. | None: | Dry Holes: |
| j. | None: | Observation Wells: |
| k. | (3): | Pending (staked) Wells: |
| | | i. Enduring has three other wells staked in this section. |

4. Location of Existing and/or Proposed Facilities:

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

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

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

All facilities will be painted within 6 months of installation. The color shall be designated by DOG&M and SITLA. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

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

Gas Gathering Pipeline for this well will be:

225'	Surface Pipeline	On-Lease	SITLA
-0-	Surface Pipeline	Off-Lease	n/a

If this well is capable of economic production, a 4" (or less) steel surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately less than 225 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

The proposed pipeline will begin at the well site; and be laid on the surface next to the new access road to tie-in to a steel surface pipeline that is located next to the county road.

The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

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

5. Location and Type of Water Supply:

Whenever practical, water will be obtained from Enduring Resources LLC Water Right Number 49-2215 or Water Right Number 49-2216 (*See Townships of permitted Use below). If those sources are not available, a new water source shall be submitted prior

to commencing operations. (These permits have one-year terms and then must be renewed)

*Enduring Water Permits' Townships of Use:

T10S-R22E	T11S-R22E	T12S-R22E
T10S-R23E	T11S-R23E	<u>T12S-R23E</u>
T10S-R24E	T11S-R24E	T12S-R24E

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

No water well is to be drilled on this lease.

6 Source of Construction Materials:

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

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

7. Methods of Handling Waste Materials:

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

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

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

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

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

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

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

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

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

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

8. Ancillary Facilities:

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

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

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

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

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

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

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

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

10. Plans for Surface Reclamation:

Producing Location:

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

Dry Hole/Abandoned Location:

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

practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

To be provided by the DOG&M and/or SITLA.

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

Wellsite: SITLA

Access: SITLA

Pipeline: SITLA

12. Other Information

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

The on-site will be scheduled by SITLA and DOG&M.

Special Conditions of Approval:

- Tanks and Production Equipment shall be painted pursuant of SITLA and DOG&M.
- Surface Gathering Pipeline shall be 4" or less

Archeology:

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

Paleontology:

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

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

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

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

Teme Singleton
Drilling Engineer
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-573-5711
Fax Tel: 303-573-0461
tsingleton@enduringresources.com



PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY

ENDURING RESOURCES

**Bitter Creek 12-23-21-36
SECTION 36, T12S, R23E, S.L.B.&M.**

LOCATION PHOTOS

TAKEN BY: K.R.K. DRAWN BY: M.W.W.

DATE TAKEN: 05-24-06

DATE DRAWN: 05-30-06

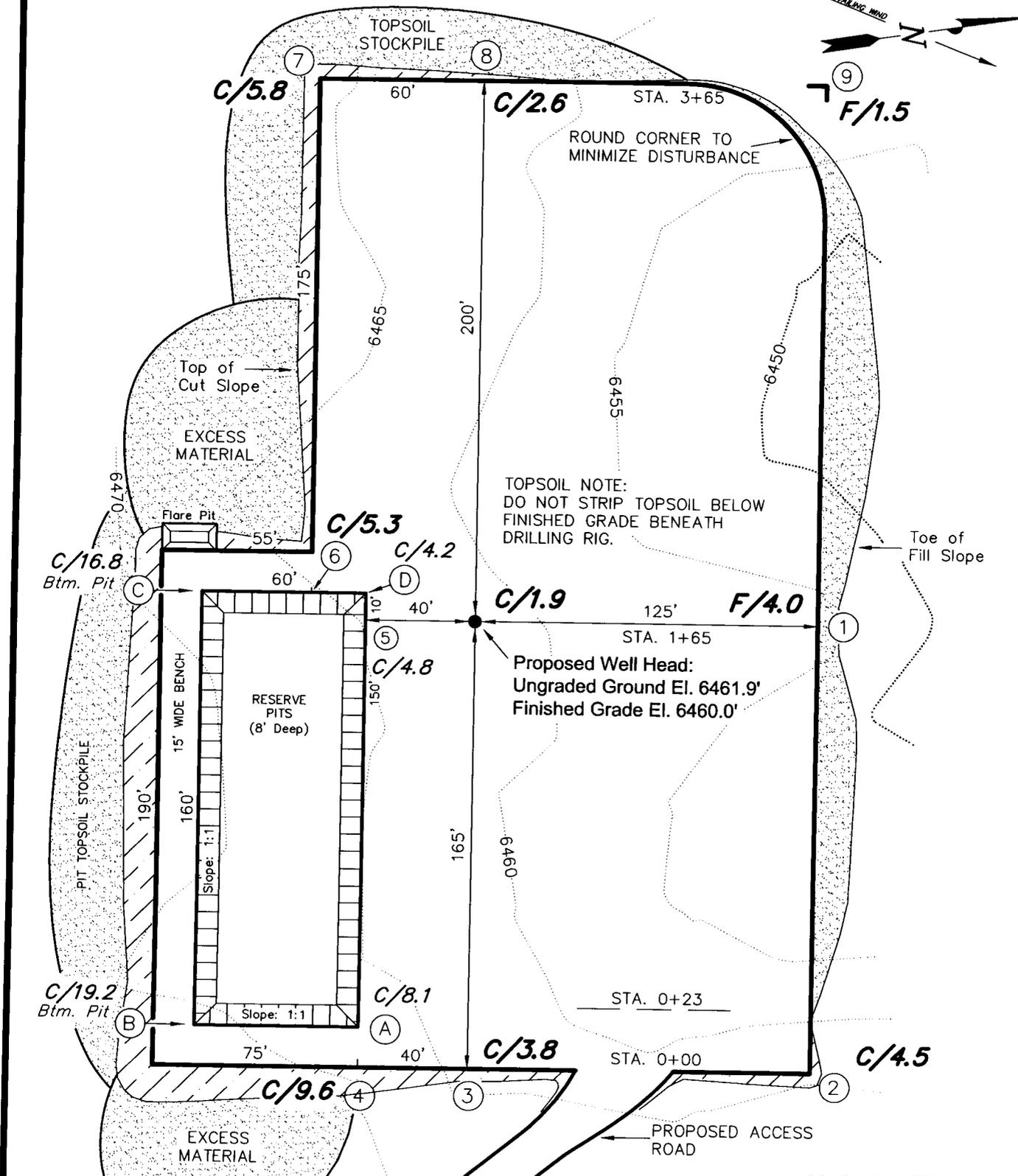
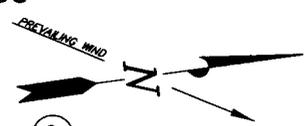
REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET
1
OF 10

ENDURING RESOURCES

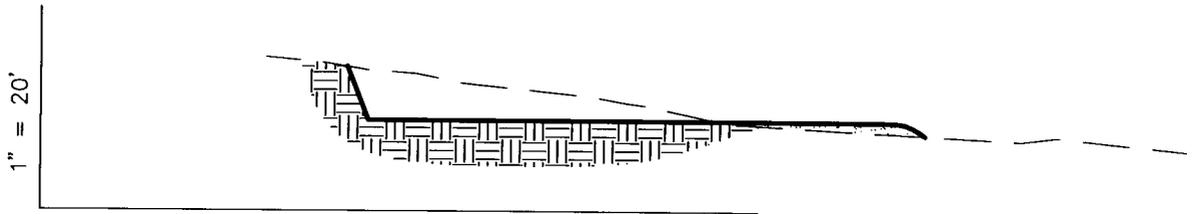
CUT SHEET - BITTER CREEK 12-23-21-36



Section 36, T12S, R23E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 833' FNL & 1853' FWL
Date Surveyed: 05-24-06	Date Drawn: 05-25-06	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 3 OF 10

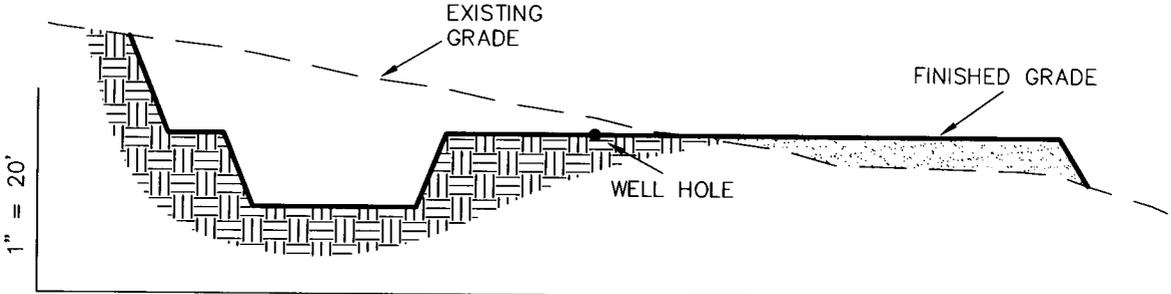
ENDURING RESOURCES

CROSS SECTIONS - BITTER CREEK 12-23-21-36



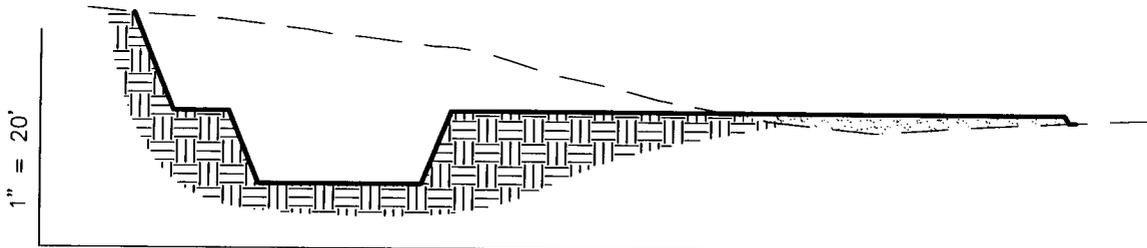
1" = 50'

STA. 3+65



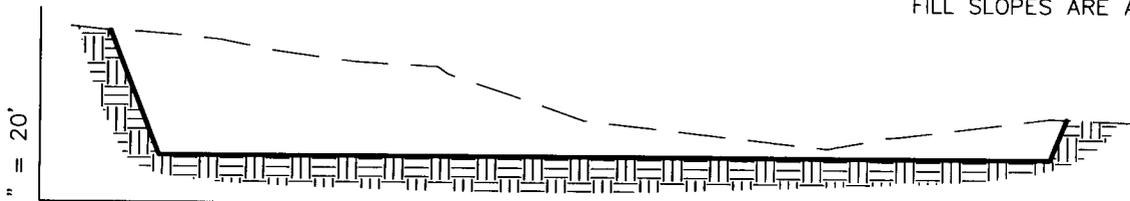
1" = 50'

STA. 1+65



1" = 50'

STA. 0+23



1" = 50'

STA. 0+00

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

Pit overburden is included in pad cut.

ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	7,000	7,500	Topsoil is not included in Pad Cut	-500
PIT	2,340	0		2,340
TOTALS	9,340	7,500	1,440	1,840

Excess Material after Pit Rehabilitation = 670 Cu. Yds.

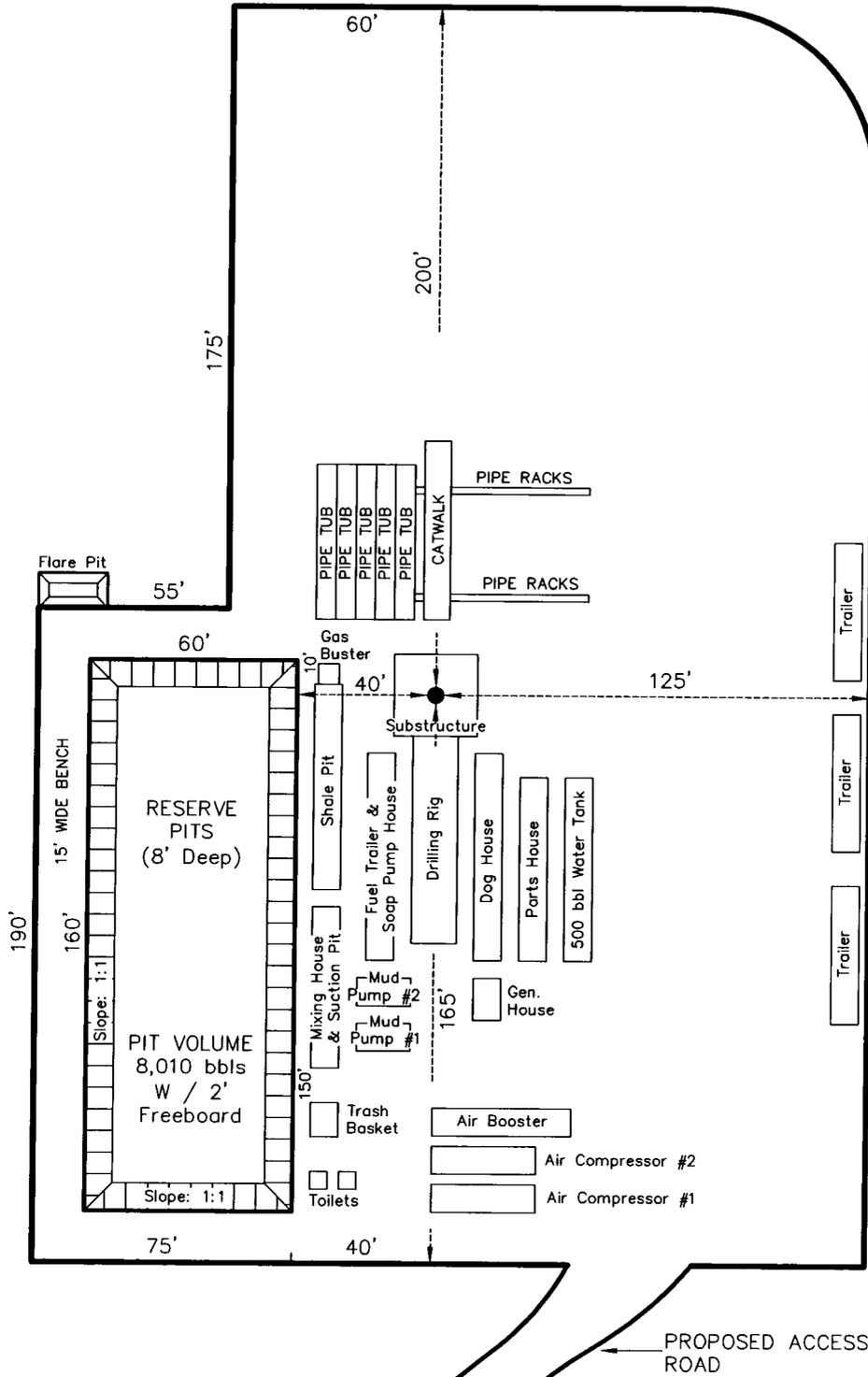
REFERENCE POINTS

175' NORTHERLY = 6448.4'
 225' NORTHERLY = 6440.3'
 250' WESTERLY = 6462.2'
 300' WESTERLY = 6458.0'

Section 36, T12S, R23E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 833' FNL & 1853' FWL
Date Surveyed: 05-24-06	Date Drawn: 05-25-06	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 4 OF 10

ENDURING RESOURCES

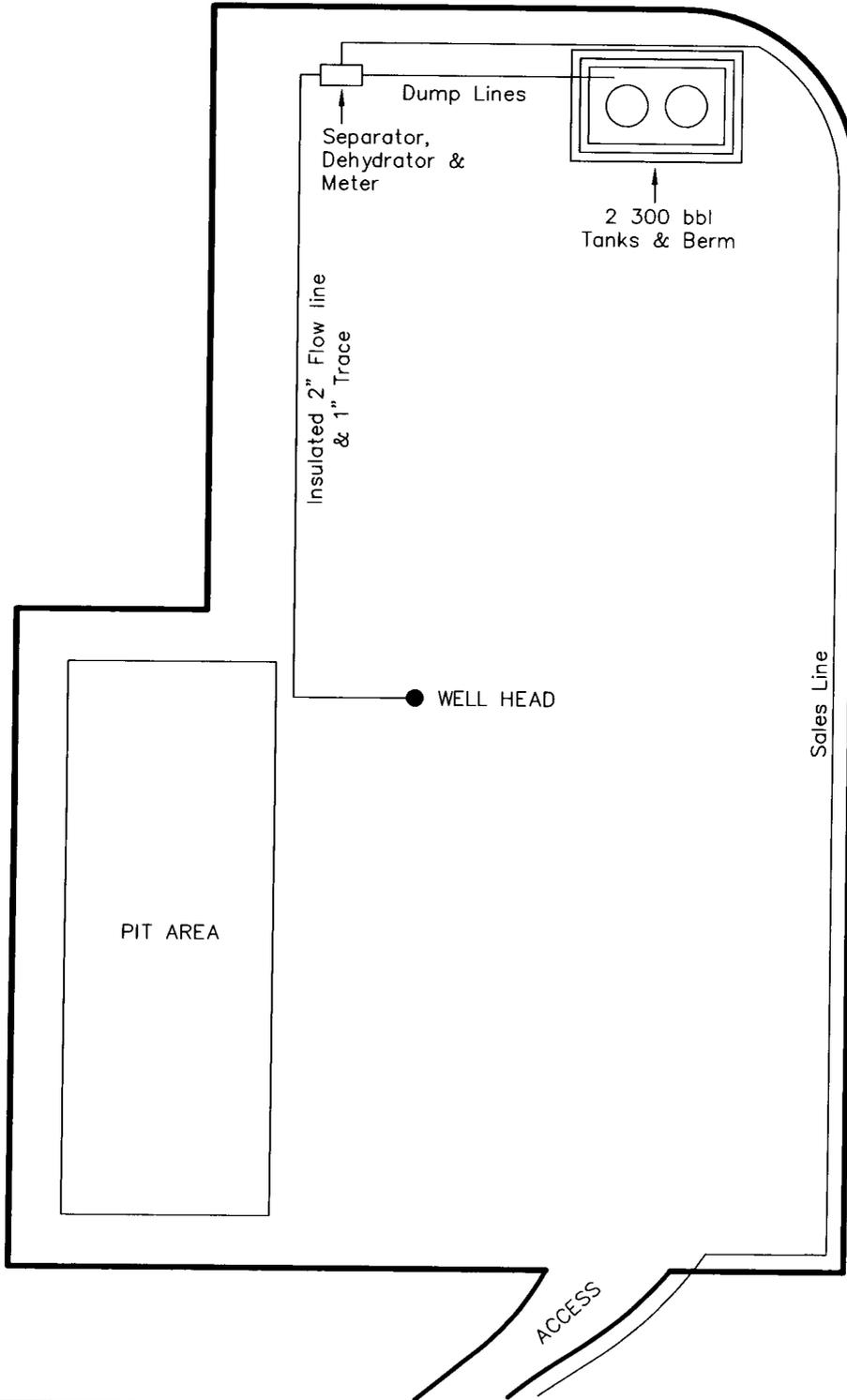
TYPICAL RIG LAYOUT - BITTER CREEK 12-23-21-36



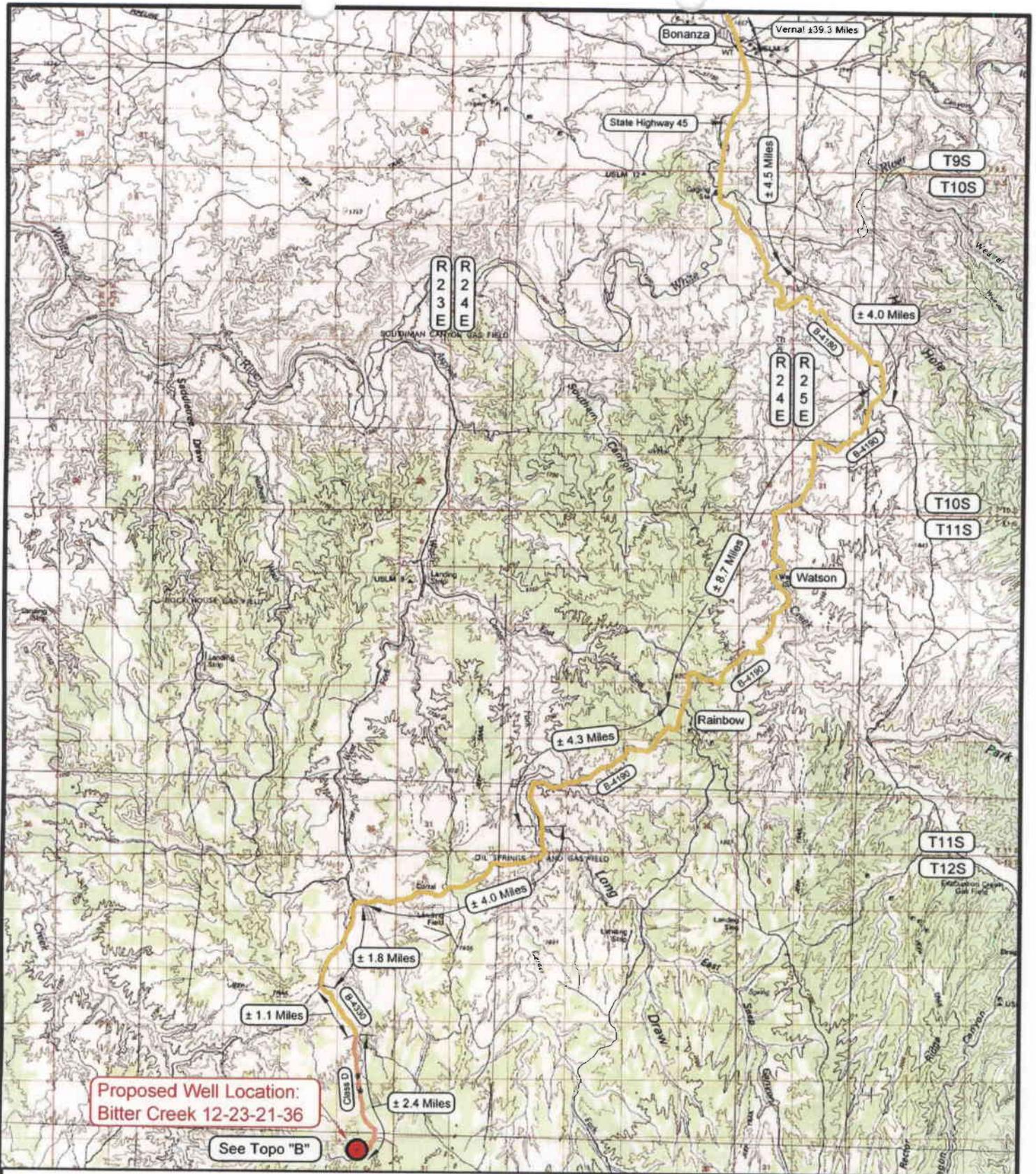
Section 36, T12S, R23E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 833' FNL & 1853' FWL
Date Surveyed: 05-24-06	Date Drawn: 05-25-06	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET 5 OF 10

ENDURING RESOURCES

TYPICAL PRODUCTION LAYOUT - BITTER CREEK 12-23-21-36



Section 36, T12S, R23E, S.L.B.&M.		Qtr/Qtr Location: NE NW	Footage Location: 833' FNL & 1853' FWL
Date Surveyed: 05-24-06	Date Drawn: 05-25-06	Date Last Revision:	Timberline (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	



Proposed Well Location:
Bitter Creek 12-23-21-36

See Topo "B"

LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = COUNTY ROAD CLASS & NUMBER

ENDURING RESOURCES

Bitter Creek 12-23-21-36
SECTION 36, T12S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "A"

DATE SURVEYED: 05-24-06

DATE DRAWN: 05-25-06

SCALE: 1:150,000

DRAWN BY: M.W.W.

REVISED:

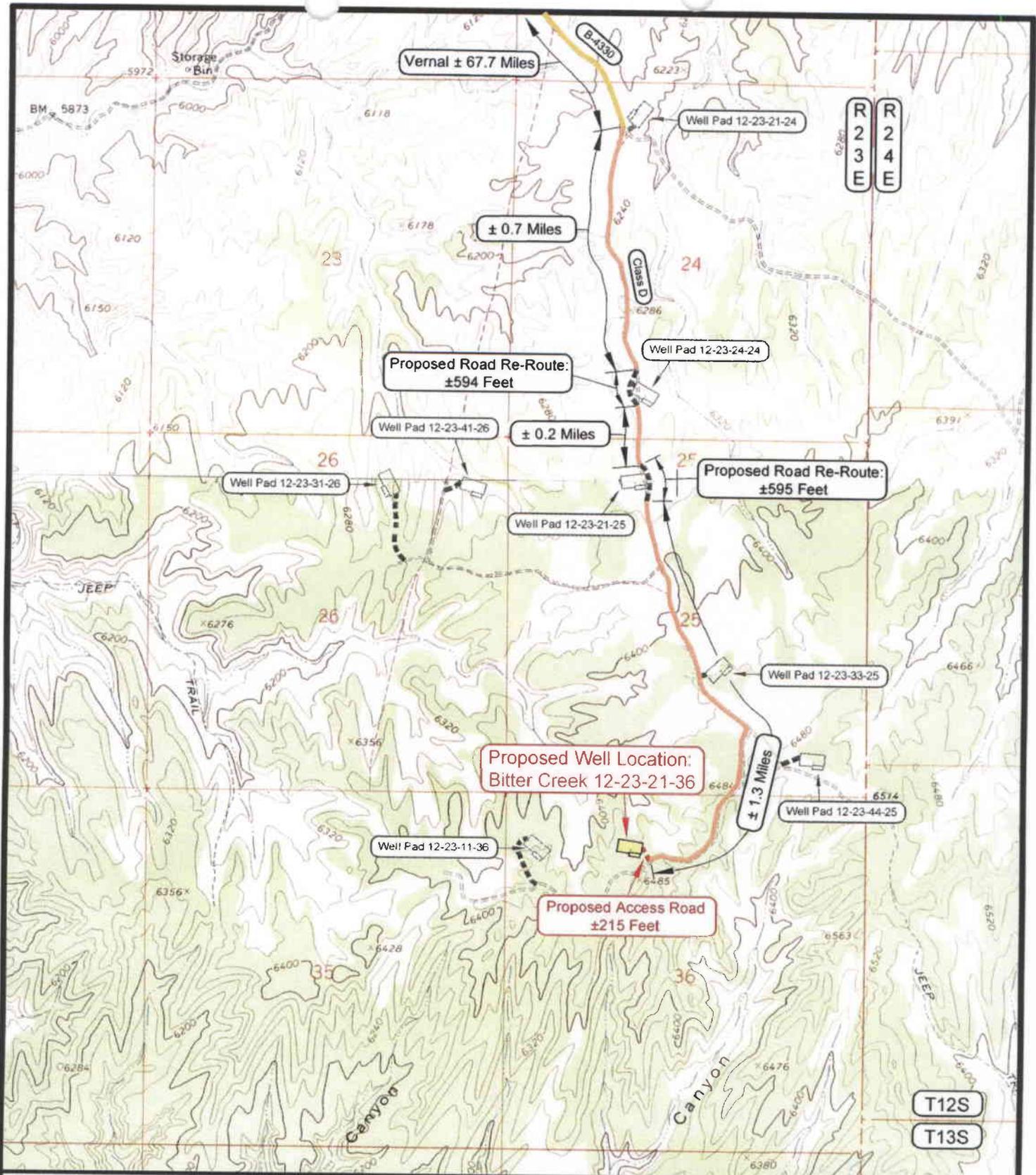
Timberline Land Surveying, Inc.

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(435) 789-1365

SHEET

7

OF 10



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

ENDURING RESOURCES

Bitter Creek 12-23-21-36
SECTION 36, T12S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "B"

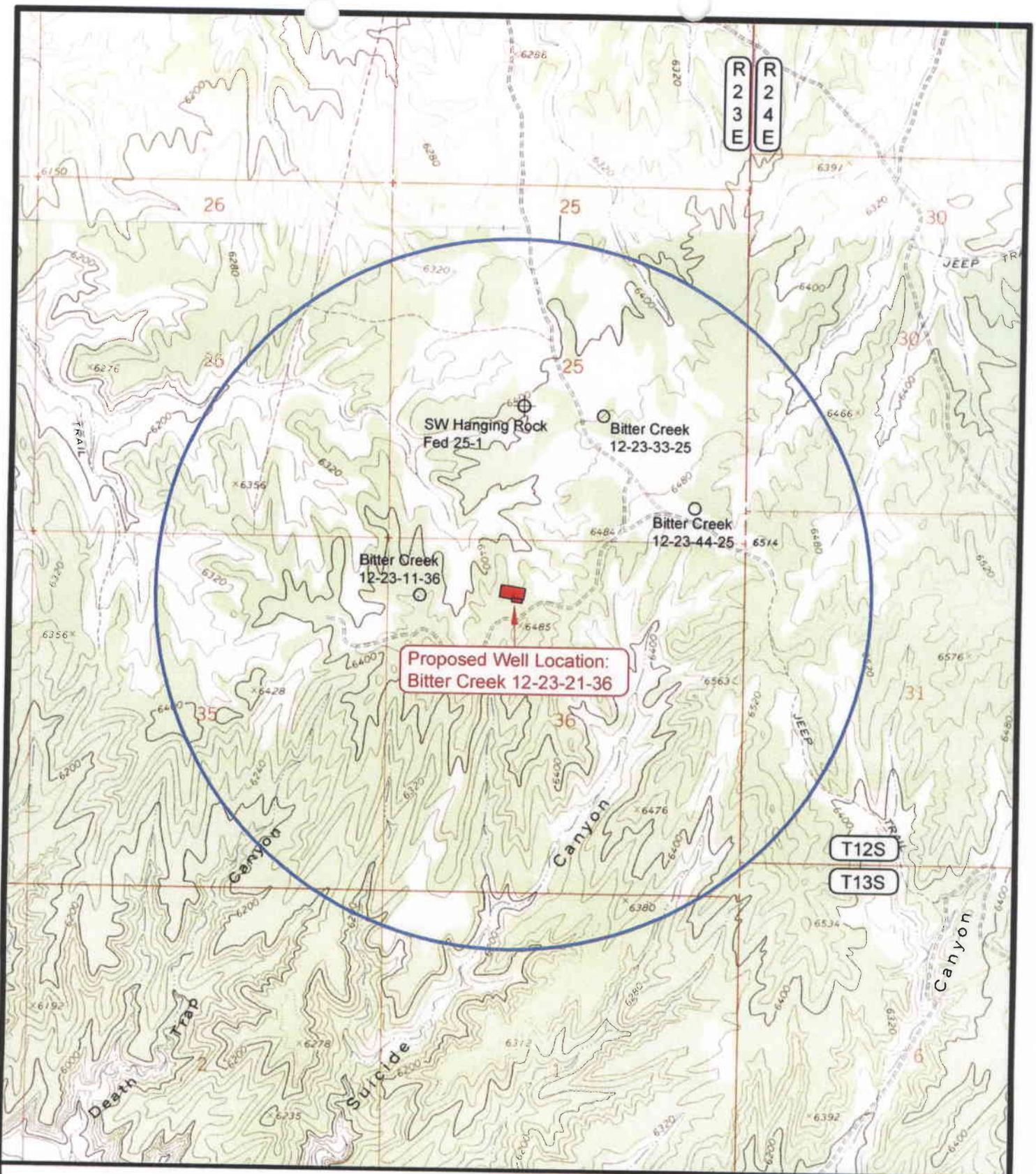
DATE SURVEYED: 05-24-06
 DATE DRAWN: 05-25-06
 REVISED:

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
8
OF 10



LEGEND

- ⊗ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊗ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊗ = ABANDONED LOCATION

ENDURING RESOURCES

Bitter Creek 12-23-21-36
SECTION 36, T12S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 05-24-06

DATE DRAWN: 05-25-06

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

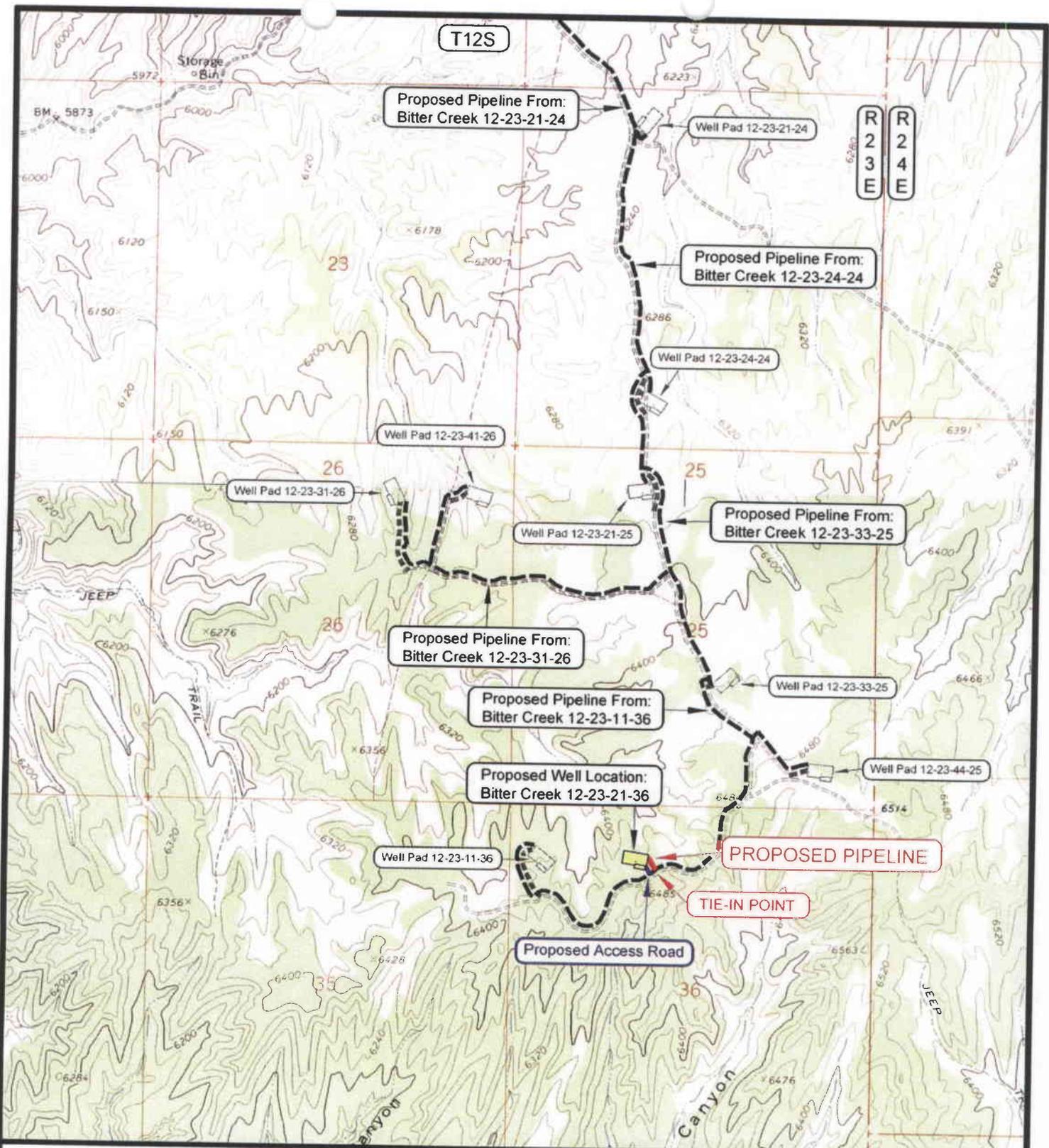
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET

9

OF 10



APPROXIMATE PIPELINE LENGTH = ±225 Feet

LEGEND

- = PROPOSED PIPELINE
- = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 05-24-06

DATE DRAWN: 05-30-06

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

ENDURING RESOURCES

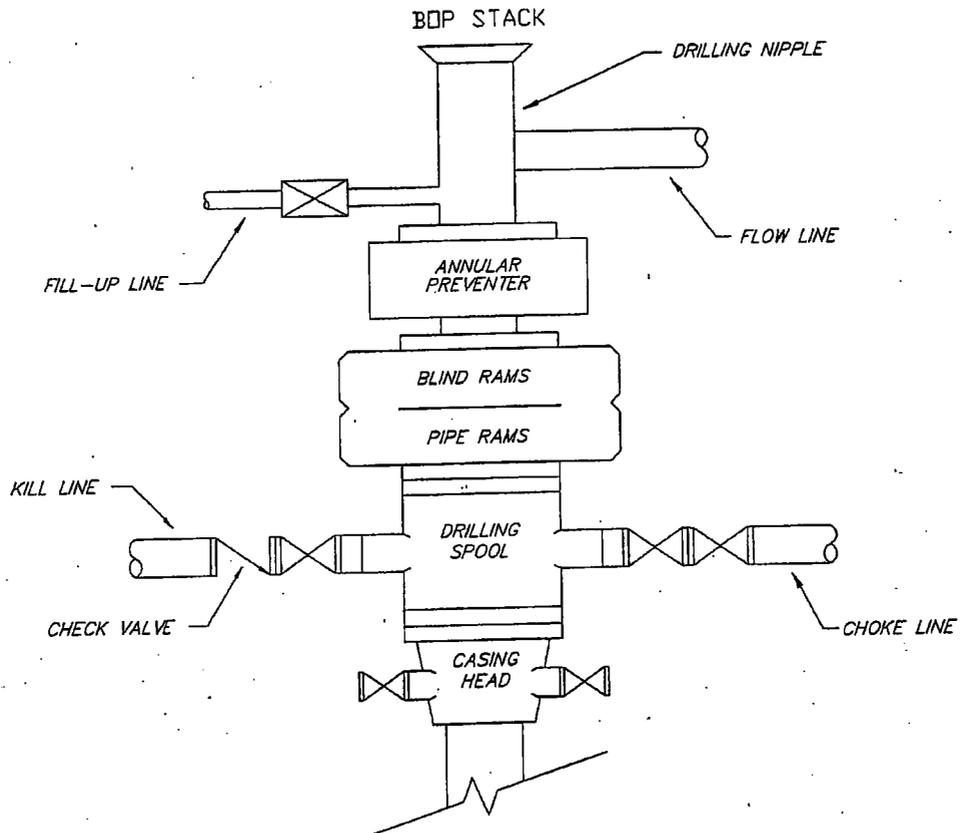
**Bitter Creek 12-23-21-36
SECTION 36, T12S, R23E, S.L.B.&M.**

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

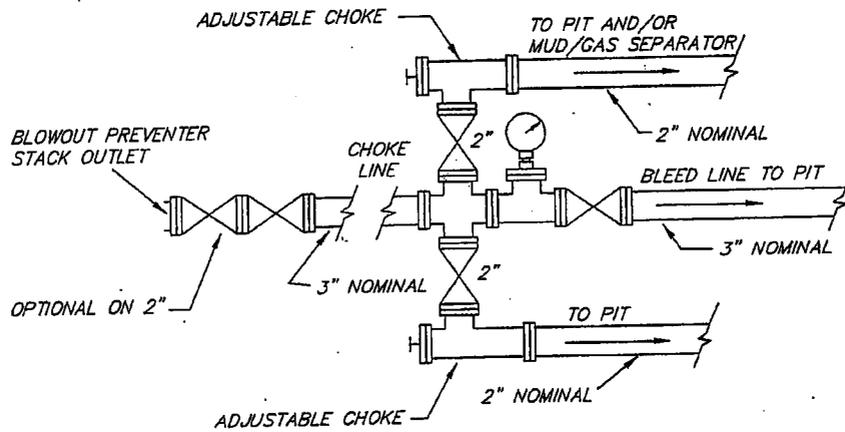
**SHEET
10
OF 10**

ENDURING RESOURCES, LLC

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



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



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/19/2006

API NO. ASSIGNED: 43-047-38394

WELL NAME: BITTER CREEK 12-23-21-36

OPERATOR: ENDURING RESOURCES, LLC (N2750)

CONTACT: AL ARLIAN

PHONE NUMBER: 303-350-5114

PROPOSED LOCATION:

NENW 36 120S 230E
 SURFACE: 0833 FNL 1853 FWL
 BOTTOM: 0833 FNL 1853 FWL
 COUNTY: UINTAH
 LATITUDE: 39.73500 LONGITUDE: -109.2938
 UTM SURF EASTINGS: 646208 NORTHINGS: 4399527
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dred	8/22/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47152

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0008031)
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2215)
- RDCC Review (Y/N)
(Date: 08/10/2006)
- N/A Fee Surf Agreement (Y/N)
- N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS:

Needs Post (06-22-06)

STIPULATIONS:

- 1- Spacing Strip
- 2- STATEMENT OF BASIS
- 3- Surface Csg Cont Strip

BITTER CREEK
12-23-44-25

T12S R24E

T12S R23E

BITTER CREEK
12-23-11-36

BITTER CREEK
12-23-21-36

36

T13S R24E

T13S R23E

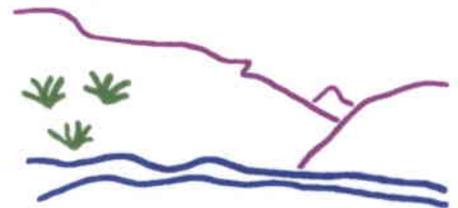
OPERATOR: ENDURING RES LLC (N2750)

SEC: 36 T.12S R. 23E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

- 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



PREPARED BY: DIANA WHITNEY
DATE: 26-JULY-2006

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

OPERATOR: ENDURING RESOURCES, LLC
WELL NAME & NUMBER: Bitter Creek 12-23-21-36
API NUMBER: 43-047-38394
LOCATION: 1/4,1/4 NE/NW Sec: 36 TWP: 12S RNG: 23E; 833' FNL 1853' FWL

Geology/Ground Water:

Enduring proposes to set 2,000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 4,000 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta/Green River Formation transition. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The Green River Formation is made up of interbedded limestones, shales and sandstones. Fresh water aquifers can be found in the Green River Formation and should be protected. The proposed surface casing should adequately protect any potentially useable aquifers. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters up hole.

Reviewer: Brad Hill **Date:** 08-01-06

Surface:

The pre-drill investigation of the surface was performed on June 22, 2006. The State of Utah (SITLA) owns both the surface and minerals of this location. Mr. Jim Davis of SITLA and Mr. Ben Williams of the Utah Division of Wildlife Resources were invited to the pre-site on 06/19/06. Both attended. Douglas Hammond represented Enduring Resources. The proposed Bitter Creek 12-23-21-36 well lies on gentle slopes, which drain to the northwest toward Bitter Creek. Juniper is the dominant vegetation with sagebrush in the deeper soils in the swales and draws. Light natural erosion is occurring on the site. One small drainage is intercepted by the proposed location. It is not of sufficient size to warrant re-routing around the pad. To reach the location, approximately 215 feet of road will be constructed leading off the Cooper Canyon Cut-off Road. Bitter Creek is approximately 2 miles to the south and the White River is approximately 16 miles down-drainage to the north. Mr. Williams stated the area is classified as critical value winter habitat for both deer and elk. To reduce the disturbance to these species during this critical period, he recommended to Mr. Hammond and Mr. Davis a restriction period from November 15 to April 15th where no construction or drilling including work-over rigs would occur. Mr. Williams also presented the concept of the oil companies providing mitigation for the impact to winter ranges. Projects such as chaining and/or lopping and scattering pinion-juniper would be desirable. Mr. Hammond said their company would consider this. Mr. Williams gave Mr. Hammond and Mr. Davis a copy of his evaluation and also a seed mix recommendation to be used when the reserve pit and location are reclaimed.

Reviewer: Floyd Bartlett **Date:** 06/26/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

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

OPERATOR: ENDURING RESOURCES, LLC
WELL NAME & NUMBER: Bitter Creek 12-23-21-36
API NUMBER: 43-047-38394
LEASE: ML-49152 **FIELD/UNIT:** Undesignated
LOCATION: 1/4,1/4 NE/NW Sec: 36 TWP: 12S RNG: 23E; 833' FNL 1853' FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 0646221 E, 4399530 N **SURFACE OWNER:** State of Utah-SITLA

PARTICIPANTS

Floyd Bartlett (DOGM), Douglas Hammond (Enduring Resources), Larry Rowell (Ponderosa Oilfield Services), Jim Davis (SITLA), Ben Williams (UDWR)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The location is approximately 31 road miles south west of Bonanza Ut, and approximately 71 miles southeast of Vernal, UT. Access from Vernal, UT is by Utah State Highways and Uintah County roads to the Uintah County Big Park road then along the Cooper Canyon Cut-off road to where a new road will be constructed northwest approximately 215 feet to the Bitter Creek 12-23-21-36 location.

Topography in the general area is broad flats and canyon bottoms separated by frequently steep and often ledgey side-slopes and draws. Frequent outwash plains and deposits occur along the sides of the major bottoms. Except for Bitter Creek, all drainages in the area are ephemeral having water only during spring runoff and sometimes intense summer rainstorms.

The proposed Bitter Creek 12-23-21-36 well lies on gentle slopes, which drain to the northwest toward Bitter Creek. Juniper is the dominant vegetation with sagebrush on the deeper soils in the swales and draws. No drainages intersect the location. To reach the location, approximately 215 feet of road will be constructed leading off the Cooper Canyon Cut-off Road. Bitter Creek is approximately 2 miles to the south and the White River is approximately 16 miles down-drainage to the north.

SURFACE USE PLAN

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

PROPOSED SURFACE DISTURBANCE: 215 feet of new access road and construction of a well location 365'x 240' not including the soil stockpile storage areas which are outside this area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None. Currently one additional well is planned by Enduring approximately ¼ mile away.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production

facilities will be on location and added after drilling the well. A 225-foot long pipeline located along the access road is planned. This pipeline will tie into the pipeline proposed for the Bitter Creek 12-23-11-36 well.

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

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? EXPLAIN: Unlikely. However, the well is within the heart of critical winter range for deer and elk. Some concern may be shown by sportsmen and is expressed by the UDWR as shown later in this write-up

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Interspersed big sage brush and pinion juniper types. Little or no vegetation occurs under the pinion-juniper. Blue gramma, and gilia can be found in the openings.. Pronghorn, rodents, songbirds, raptors, elk, deer, bobcat, coyote.

SOIL TYPE AND CHARACTERISTICS: Light brown gravelly sandy loam with a few small surface rock.

EROSION/SEDIMENTATION/STABILITY: Light natural erosion is occurring on the site. One small drainage is intercepted by the proposed location. It is not of sufficient size to warrant re-routing around the pad. No stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: Survey completed by I.P.C. on 05-30-06 and will be furnished for the file.

RESERVE PIT

CHARACTERISTICS: 160' by 60' and 8' deep. The reserve pit is planned in an area of cut on the south east corner of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Sensitivity score is 20 and a rating Level I. Doug Hammond said it would be lined with a 16 mil liner.

SURFACE RESTORATION/RECLAMATION PLAN

As per landowner agreement with SITLA.

SURFACE AGREEMENT: SITLA

CULTURAL RESOURCES/ARCHAEOLOGY: A survey was completed by MOAC on 06-13-06 and will be furnished for the file.

OTHER OBSERVATIONS/COMMENTS

Ben Williams representing the UDWR and Jim Davis of SITLA were invited to the pre-site by e-mail on June 19th. Both were in attendance.

Mr. Williams stated the area is classified as critical value winter habitat for both deer and elk. To reduce the disturbance to these species during this critical period, he recommended to Mr. Hammond and Mr. Davis a restriction period from November 15 to April 15th where no construction or drilling including work-over rigs would occur. Mr. Williams also presented the concept of the oil companies providing mitigation for the impact to winter ranges. Projects such as chaining and/or lopping and scattering pinion-juniper would be desirable. Mr. Hammond said their company would consider this. Mr. Williams gave Mr. Hammond and Mr. Davis a copy of his evaluation and also a seed mix recommendation to be used when the reserve pit and location are reclaimed.

This pre-drill investigation was conducted on a hot sunny day.

ATTACHMENTS

Photos of site have been taken and placed on file.

Floyd Bartlett
DOGM REPRESENTATIVE

06/22/2006 3:00 PM
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>00</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 20 (Level II Sensitivity)

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

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

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

STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: <p style="text-align: center;">Upon Approval or August 9, 2006</p>
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: <p style="text-align: center;">Enduring Resources, LLC proposes to drill the Bitter Creek 12-23-21-36 well (wildcat) on a State lease ML-47152, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.</p>	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) <p style="text-align: center;">833' FNL 1853' FWL, NE/4 NW/4, Section 36, Township 12 South, Range 23 East, Uintah County, Utah</p>	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) <p style="text-align: center;">Uintah Basin Association of Governments</p>	
10. For further information, contact: <p style="text-align: center;">Diana Whitney Phone: (801) 538-5312</p>	11. Signature and title of authorized officer <p style="text-align: center;"><i>Don Stobly</i> for Gil Hunt, Associate Director Date: July 26, 2006</p>

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-47152	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Enduring Resources, LLC			9. WELL NAME and NUMBER: Bitter Creek 12-23-21-36	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY Denver STATE CO ZIP 80220		PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: Indesignated Widemat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 833' FNL - 1853' FWL <i>646208 X 39.734996</i> AT PROPOSED PRODUCING ZONE: <i>43995277 - 109.213822</i> <i>Same</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 12S 23E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 70.1 Southeast of Vernal, UT			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 833'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1000' +	19. PROPOSED DEPTH: 6,255	20. BOND DESCRIPTION: RLB0008031		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6476' RT-KB	22. APPROXIMATE DATE WORK WILL START: 9/1/2006	23. ESTIMATED DURATION: 20 days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
20"	14" line pipe	40	3 yards	Ready Mix		
11"	8-5/8" J-55 24#	2,000	Premium Lead	138 sxs	3.50	11.1
			Premium Tail	138 sxs	1.15	15.8
7-7/8"	4-1/2" N-80 11.6#	6,255	Class G	46 sxs	3.3	11.0
			50/50 Poz Class G	736 sxs	1.56	14.3

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist
SIGNATURE *Al Arlian* DATE 7/11/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38394

APPROVAL:

RECEIVED
JUL 19 2006
DIV. OF OIL, GAS & MINING

T12S, R23E, S.L.B.&M.

Found 1922 Brass Cap, Pile of Stones. Cap is 1.0' above ground.

Found Set Mark Stone, Stone is 1.0' above ground X 0.1' E/W X 0.8' N/S. Found BT Northwest.

ENDURING RESOURCES

WELL LOCATION, BITTER CREEK 12-23-21-36, LOCATED AS SHOWN IN THE NE 1/4 NW 1/4 OF SECTION 36, T12S, R23E, S.L.B.&M. UTAH COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

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

Kelly R. Kay
 No. 362251
 KOLBY R.
 REGISTERED LAND SURVEYOR
 STATE OF UTAH

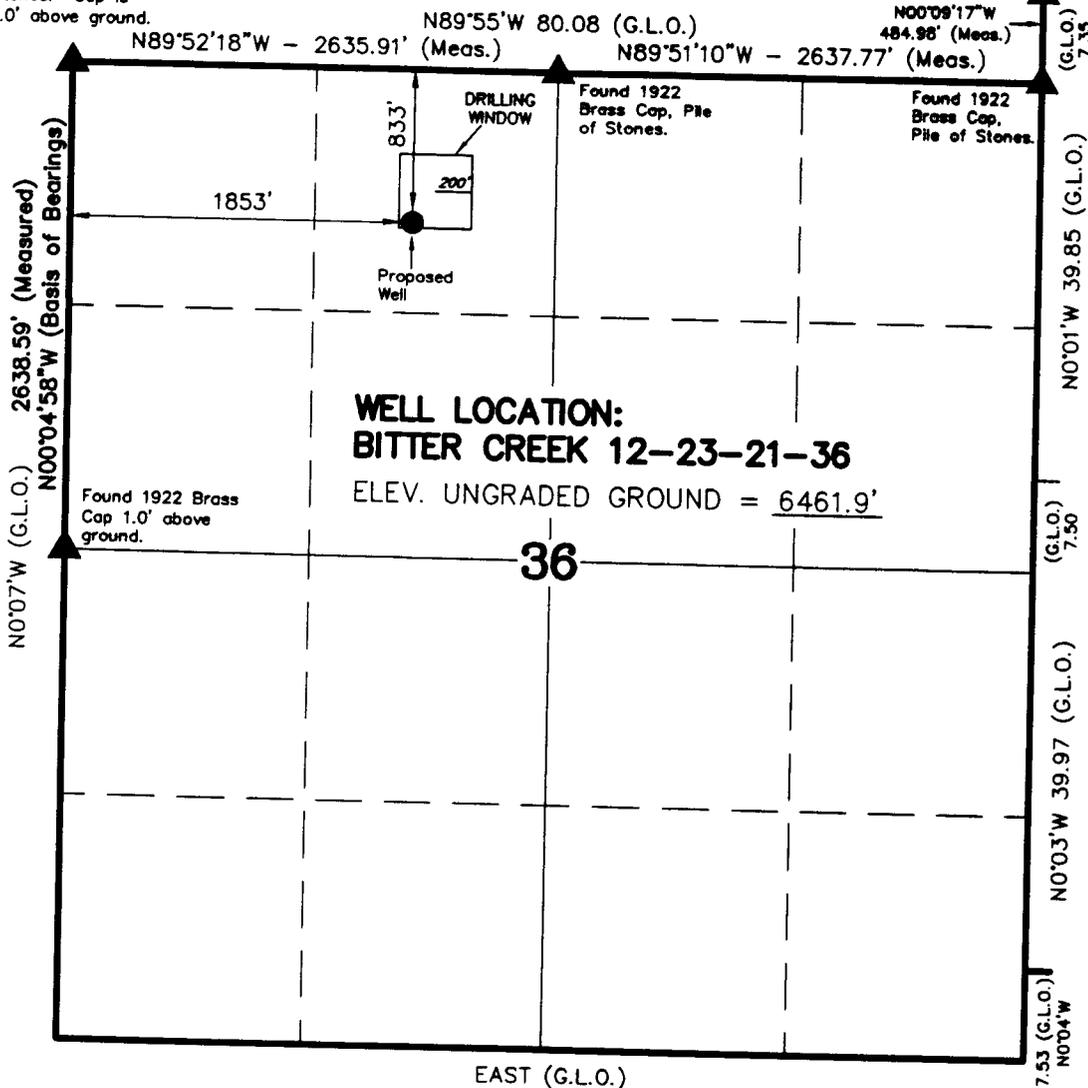
TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
 (435) 789-1365

DATE SURVEYED: 05-24-06	SURVEYED BY: K.R.K.	SHEET 2 OF 10
DATE DRAWN: 05-25-06	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

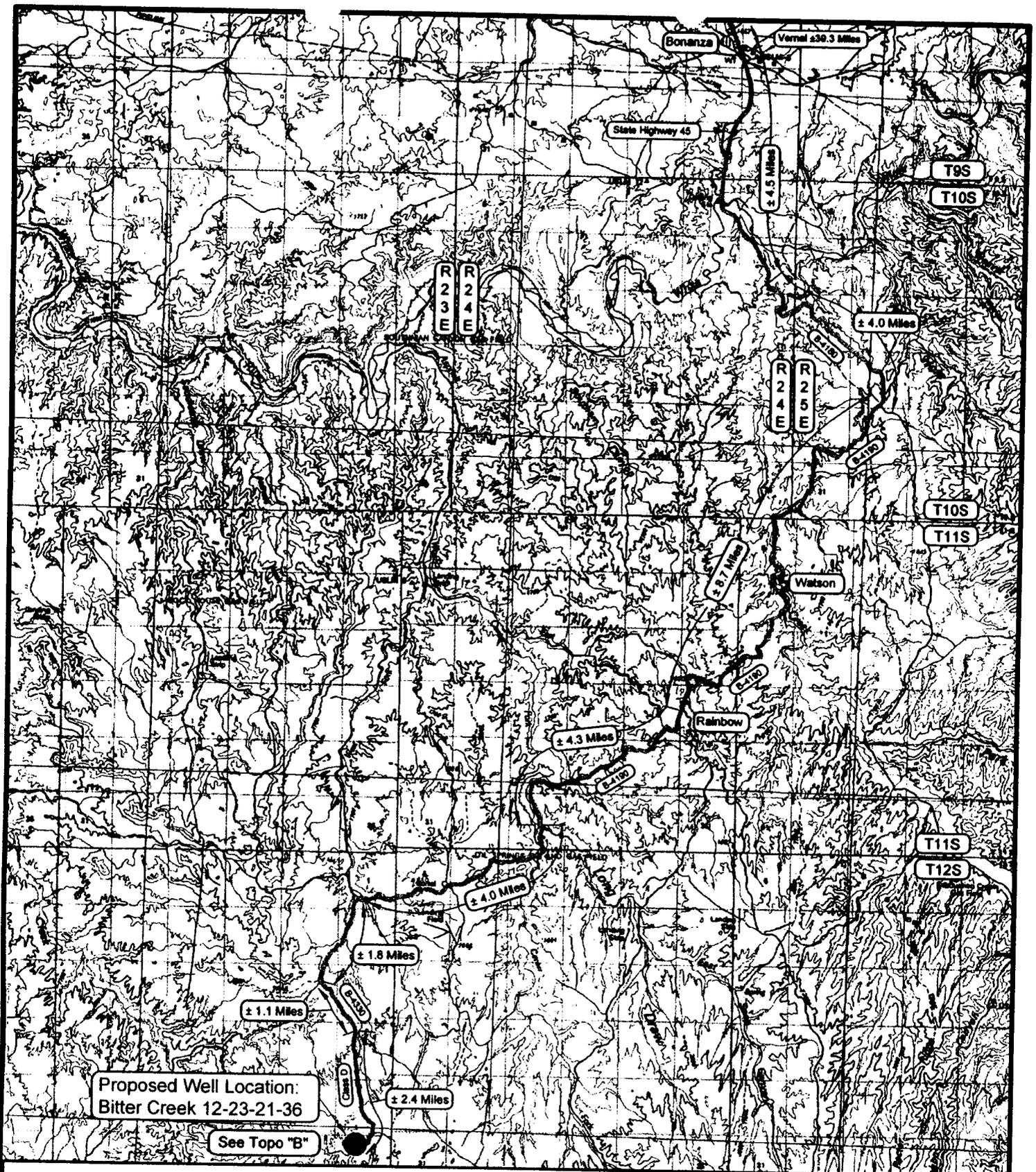
**WELL LOCATION:
BITTER CREEK 12-23-21-36**
 ELEV. UNGRADED GROUND = 6461.9'

36



▲ = SECTION CORNERS LOCATED
 BASIS OF ELEVATION IS BENCH MARK 85 EAM 1965 LOCATED IN THE NE 1/4 OF SECTION 14, T12S, R23E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN. QUADRANGLE AS BEING 6104'.

BITTER CREEK 12-23-21-36
(Proposed Well Head)
NAD 83 Autonomous
 LATITUDE = 39° 44' 06.00"
 LONGITUDE = 109° 17' 39.70"



Proposed Well Location:
Bitter Creek 12-23-21-36

See Topo "B"

LEGEND

- PROPOSED ACCESS ROAD
- ■ ■ ■ ■ SUBJECT WELL
- ■ ■ ■ ■ OTHER WELLS
- — — — — EXISTING ROAD
- — — — — EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER

ENDURING RESOURCES

Bitter Creek 12-23-21-36
SECTION 36, T12S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "A"

DATE SURVEYED: 05-24-06

DATE DRAWN: 05-25-06

SCALE: 1:150,000

DRAWN BY: M.W.W.

REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET
7
OF 10

From: Robert Clark
To: Whitney, Diana
Date: 7/31/2006 11:38:43 AM
Subject: RDCC short turn around responses

The following comments are provided in response to RDCC #6852 through RDCC #6855 and RDCC #6880.

RDCC #6852, Comments begin: The proposal of Berry Petroleum Company to drill the **Wilcox Fee 14-16D-56** wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.** **RDCC #6853, Comments begin:** The proposal of Berry Petroleum Company to drill the **Wilcox Fee 13-16D-56** wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.** **RDCC #6854, Comments begin:** The proposal of Petro-Canada Resources (USA) to drill the **Bryner 11-21** wildcat well, in Carbon County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.** **RDCC #6855, Comments begin:** The proposal of Enduring Resources, LLC to drill the **Sand Wash 12-22-44-28** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for

preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end. RDCC #6880, Comments begin:** The proposal of Enduring Resources, LLC to drill the Bitter Creek 12-23-21-36 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.** Robert Clark Division of Air Quality536-4435

CC: Mcneill, Dave; Wright, Carolyn

From: Carolyn Wright
To: Whitney, Diana
Date: 7/31/2006 3:08:05 PM
Subject: Fwd: UGS comments on RDCC items

>>> Kimm Harty 7/31/2006 3:06 PM >>>

Pam and Gil: Below are UGS comments on three RDCC short-turn-around items (6852, 6853, and 6880). Please let us know if you have any questions. Kimm

6852. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 16, T5S, R6W, Duchesne County
Application for Permit to Drill - proposal to drill a wildcat well the Wilcox Fee 14-16D-56 on a Fee lease

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

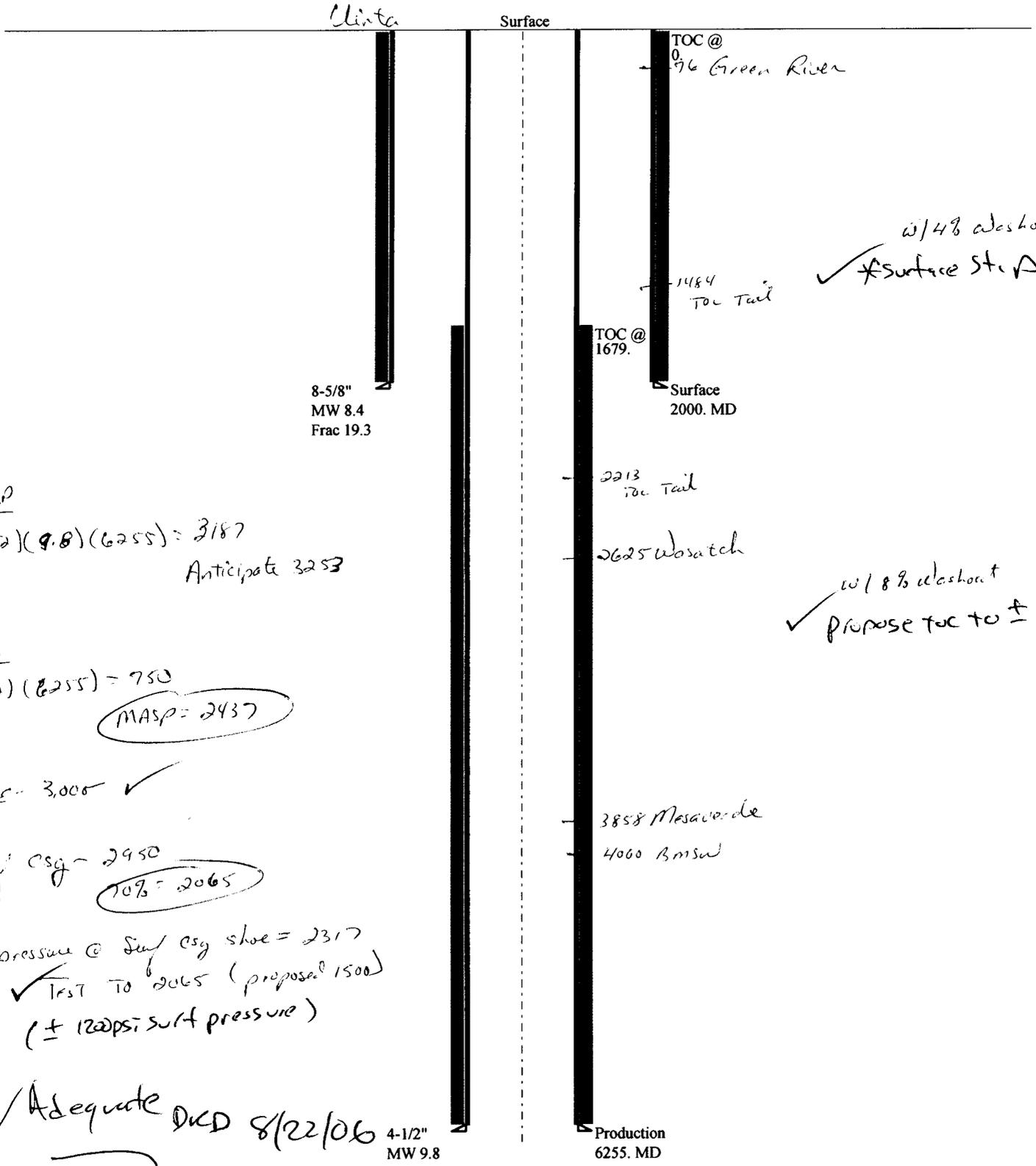
6853. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 16, T5S, R6W, Duchesne County
Application for Permit to Drill - proposal to drill a wildcat well the Wilcox Fee 13-16D-56 on a Fee lease

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6880. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 36, T12S, R23E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well the Bitter Creek 12-23-21-36 on a State lease
ML-47152

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

8-06 Enduring Bitter Creek 11-23-21-36
Casing Schematic



8-5/8"
MW 8.4
Frac 19.3

TOC @
1679.
Surface
2000. MD

BHP
 $(.052)(9.8)(6255) = 3187$
 Anticipate 3253

Gog
 $(.10)(6255) = 750$
 MASP = 2437

BOPE = 3,000 ✓

Sog csg = 2950
 10% = 2065

Max pressure @ Sog csg shoe = 2317
 ✓ Test to 2065 (proposed 1500)
 (± 1200psi surf pressure)

✓ Adequate DCD 8/22/06
 4-1/2"
 MW 9.8

✓ w/ 4% washout
 *Surface Stop

✓ w/ 8% washout
 propose toc to ± 1700'

2213
 Tail
 2625 Watch

3858 Mesaverde
 4000 Bmsw

Production
 6255. MD

Well name:	08-06 Enduring Bitter Creek 12-23-21-36	
Operator:	Enduring Resource, LLC	Project ID:
String type:	Surface	43-047-38394
Location:	Uintah County	

Design parameters:

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

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 500 ft

Cement top: Surface

Burst

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

No backup mud specified.

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

Tension is based on buoyed weight.
Neutral point: 1,747 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 6,255 ft
Next mud weight: 9.800 ppg
Next setting BHP: 3,184 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

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

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

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

Date: August 9, 2006
Salt Lake City, Utah

Remarks:

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

Burst strength is not adjusted for tension.

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

Well name:	08-06 Enduring Bitter Creek 12-23-21-36	
Operator:	Enduring Resource, LLC	Project ID:
String type:	Production	43-047-38394
Location:	Uintah County	

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 163 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 1,679 ft

Burst

Max anticipated surface pressure: 1,018 psi
Internal gradient: 0.346 psi/ft
Calculated BHP 3,184 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 5,339 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6255	4.5	11.60	N-80	LT&C	6255	6255	3.875	145
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3184	6350	1.994	3184	7780	2.44	62	223	3.60 J

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

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

Date: August 9, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6255 ft, a mud weight of 9.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

From: Ed Bonner
To: Whitney, Diana
Date: 8/16/2006 4:41:54 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

ConocoPhillips Company
Utah 19-1182
Utah 34-1217

Enduring Resources, LLC
Bitter Creek 12-23-11-36
Bitter Creek 12-23-21-36

EOG Resources, Inc
Natural Cotton 66-36
Natural Cotton 60-32
Natural Cotton 74-19

Kerr McGee Oil & Gas Onshore LP (Westport)
NBU 1022-19J

Newfield Production Company
Horseshoe Bend State 3-36-6-21
Horseshoe Bend State 12-36-6-21

Parallel Petroleum Corporation
Buckskin Hills 13-32-3-22

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil



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

August 22, 2006

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

Re: Bitter Creek 12-23-21-36 Well, 833' FNL, 1853' FWL, NE NW, Sec. 36,
T. 12 South, R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38394.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Enduring Resources, LLC
Well Name & Number Bitter Creek 12-23-21-36
API Number: 43-047-38394
Lease: ML-47152

Location: NE NW **Sec.** 36 **T.** 12 South **R.** 23 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

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.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
7. Surface casing shall be cemented to the surface.
8. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-47152

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

7. UNIT or CA AGREEMENT NAME:
n/a

8. WELL NAME and NUMBER:
Bitter Creek 12-23-21-36

9. API NUMBER:
4304738394

10. FIELD AND POOL, OR WILDCAT:
Undesignated

1. TYPE OF WELL OIL WELL [] GAS WELL [x] OTHER []

2. NAME OF OPERATOR:
Enduring Resources, LLC

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

4. LOCATION OF WELL FOOTAGES AT SURFACE: 833' FNL - 1853' FWL COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 12S 23E S STATE: UTAH

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, ACIDIZE, ALTER CASING, CASING REPAIR, CHANGE TO PREVIOUS PLANS, CHANGE TUBING, CHANGE WELL NAME, CHANGE WELL STATUS, COMMINGLE PRODUCING FORMATIONS, CONVERT WELL TYPE, DEEPEN, FRACTURE TREAT, NEW CONSTRUCTION, OPERATOR CHANGE, PLUG AND ABANDON, PLUG BACK, PRODUCTION (START/RESUME), RECLAMATION OF WELL SITE, RECOMPLETE - DIFFERENT FORMATION, REPERFORATE CURRENT FORMATION, SIDETRACK TO REPAIR WELL, TEMPORARILY ABANDON, TUBING REPAIR, VENT OR FLARE, WATER DISPOSAL, WATER SHUT-OFF, OTHER: Request for APD Extension.

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: 8/22/2007
TO: 8/22/2008

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 8-27-07
By: [Signature]

NAME (PLEASE PRINT) Evette Bissett TITLE Regulatory Affairs Assistant
SIGNATURE [Signature] DATE 8/20/2007

(This space for State use only)

RECEIVED
AUG 23 2007

8-27-07
Rm

(See Instructions on Reverse Side)

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: 4304738394
Well Name: Bitter Creek 12-23-21-36
Location: 833' FNL - 1853' FWL, NENW, Sec 36, T12S-R23E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 8/22/2006

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

Quetta Bissett
Signature

8/20/2007
Date

Title: Regulatory Affairs Assistant

Representing: Enduring Resources, LLC

RECEIVED
AUG 23 2007
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

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: ML-47152
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: 833' FNL - 1853' FWL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 12S 23E S STATE: UTAH		8. WELL NAME and NUMBER: Bitter Creek 12-23-21-36
		9. API NUMBER: 4304738394
		10. FIELD AND POOL, OR WILDCAT: Undesignated

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

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

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

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

FROM: 8/27/2008
TO: 8/27/2009

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-26-08

By: [Signature]

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman</u>
SIGNATURE <u>[Signature]</u>	DATE <u>7/22/2008</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 8.27.2008

Initials: KS

(See Instructions on Reverse Side)

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AUG 25 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: 4304738394
Well Name: Bitter Creek 12-23-21-36
Location: 833' FNL - 1853' FWL, NENW, Sec 36, T12S-R23E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 8/22/2006

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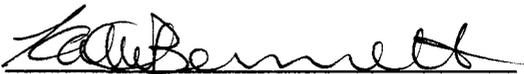
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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


Signature

7/22/2008
Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

RECEIVED
AUG 25 2008
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 10, 2009

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

Re: APD Rescinded – Archy Bench 12-23-21-36, Sec. 36, T.12S, R. 23E
Uintah County, Utah API No. 43-047-38394

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 22, 2006. On August 27, 2007 and August 26, 2008 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 10, 2009.

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

