



Enduring Resources

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

September 20, 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
Bonanza 9-24-14-16
SWSW 16-9S-24E
State Lease: ML-46526
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 303-350-5719

Very truly yours,

ENDURING RESOURCES, LLC
Evette Bissett
Regulatory Compliance Assistant

Enclosures

cc: SITLA w/ attachments

RECEIVED
SEP 26 2006
DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-46526	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: Bonanza 9-24-14-16	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY Denver STATE CO ZIP 80220		PHONE NUMBER: (303) 350-5719	10. FIELD AND POOL, OR WILDCAT: Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 464' FSL - 651' FWL AT PROPOSED PRODUCING ZONE: Same			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 16 9S 24E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 4.8 Northwesterly of Bonanza, UT			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 464'	16. NUMBER OF ACRES IN LEASE: 80	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: 8,125	20. BOND DESCRIPTION: RLB0008031		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5323' RT-KB	22. APPROXIMATE DATE WORK WILL START: 12/1/2006	23. ESTIMATED DURATION: 20 days		

*651410X 4432371Y 40.029870
-109.225535*

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#	2,016	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#	8,125	Class G	177 sxs	3.3	11.0
					50/50 Poz Class G	801 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) Evette Bissett TITLE Regulatory Compliance Assistant

SIGNATURE *Evette Bissett* DATE 9/20/2006

(This space for State use only)

API NUMBER ASSIGNED: 43047-58658

(11/2001)

(See Instructions on Reverse Side)

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

**RECEIVED
SEP 26 2006**

APPROVAL:

Date: 01-23-2008
By: *[Signature]*

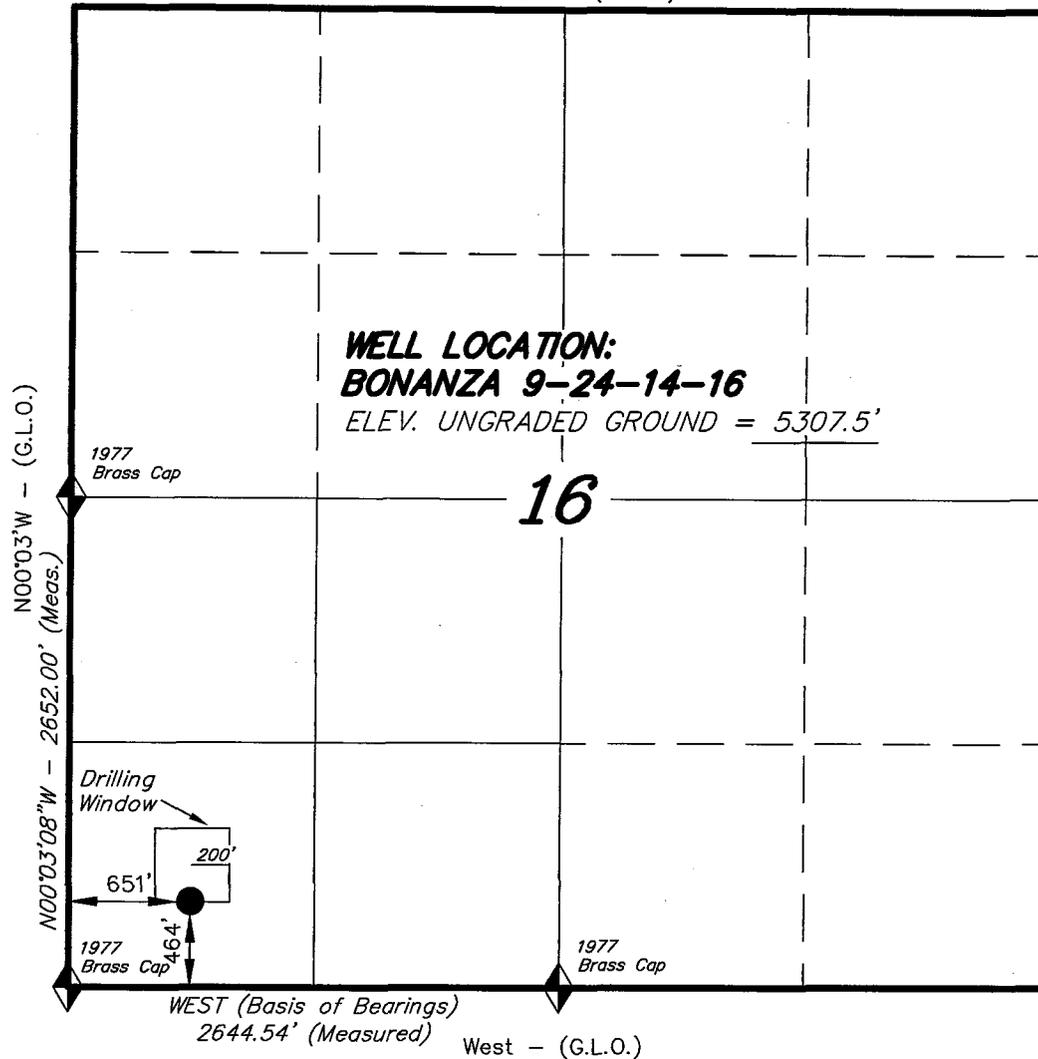
DIV. OF OIL, GAS & MINING

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

ENDURING RESOURCES

N89°52'W - (G.L.O.)

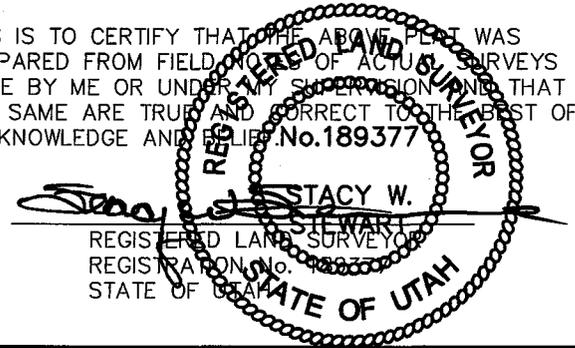
WELL LOCATION, BONANZA 9-24-14-16,
LOCATED AS SHOWN IN THE SW 1/4 SW
1/4 OF SECTION 16, T9S, R24E,
S.L.B.&M. UINTAH COUNTY, UTAH.



WELL LOCATION:
BONANZA 9-24-14-16
ELEV. UNGRADED GROUND = 5307.5'

16

THIS IS TO CERTIFY THAT THE ABOVE PLAN 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 (ROCK HOUSE)

BONANZA 9-24-14-16
(Surface Location) NAD 83
LATITUDE = 40° 01' 47.58"
LONGITUDE = 109° 13' 34.12"

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

DATE DRAWN: 8-9-06	SURVEYED BY: J.H.	SHEET 2
REVISED:	DRAWN BY: M.W.	
NOTES:	SCALE: 1" = 1000'	OF 10

Enduring Resources, LLC
Bonanza 9-24-14-16
SWSW 16-T9S-R24E
Uintah County, Utah
State Lease: ML-46526

ONSHORE ORDER 1 - DRILLING PLAN

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

Formation	Depth (K.B.)
Uinta	Surface
Green River	838
Wasatch	4138
Mesaverde	5614

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

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 5323'	
Oil / Gas	Green River	838
Oil /Gas	Wasatch	4138
Oil /Gas	Mesaverde	5614
	Estimated TD	8125

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 - 8125' (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)
8125' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.50 (d)	7780/2.00 (e)	223/2.75(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	2022	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	177	25	11.0	3.3
4-1/2"	Tail	4387	50/50 POZ Class G + 2% gel + 1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	801	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'-8125' (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 4225 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 2438 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.

Directions to the Bonanza 9-24-14-16 Well Pad

Beginning at the city of Bonanza, Utah. Leave the city of Bonanza heading northerly on State Highway 45 for a distance of approximately 2.1 miles where there is a turn-off to the left onto an existing road; turn left and head westerly for approximately 1.6 miles where there is a fork in the road. Keep to the right and continue westerly for approximately 1.0 miles to the beginning of the proposed access; turn right and head northerly along the proposed access approximately 100' (less than 0.1 mile) to the proposed Bonanza 9-24-14-16 well pad.

Enduring Resources, LLC

Bonanza 9-24-14-16
SWSW 16-9S-24E
Uintah County, Utah
State Lease: ML-46526

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Beginning at the city of Bonanza, Utah, leave the city of Bonanza heading northerly on State Highway 45 for a distance of approximately 2.1 miles where there is a turn-off to the left onto an existing road; turn left and head westerly for approximately 1.6 miles where there is a fork in the road. Keep to the right and continue westerly for approximately 1.0 miles to the beginning of the proposed access; turn right and head northerly along the proposed access approximately 100' (less than 0.1 mile) to the proposed Bonanza 9-24-14-16 well pad.

2. Planned Access Roads:

The proposed access road will be approximately 100 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. (2): Producing Wells:
 - 1. Dirty Devil Federal 23-20, NESW 20
 - 2. Devil's Playground 23-17, NESW 17
- d. (1): Drilling Wells:
 - 1. NW Bullhorn 17-24, SENE 17
- e. None: Shut-in Wells:
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. (4): Abandoned Wells:
 - 1. Bonanza 2B-16, NWNE 16
 - 2. Bonanza 14-16, SESW 16
 - 3. State 1-16, NWSW 16
 - 4. State 16-1, SWSE16
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. (3): Pending (staked) Wells:
 - 1. There are three other proposed wells 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:

960'	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 960 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 crosses this lease (on-lease).

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

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

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

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

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

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

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

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

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

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

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

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

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

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

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

8. **Ancillary Facilities:**

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

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

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

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

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

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

All pits shall be fence to the following minimum standards:

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

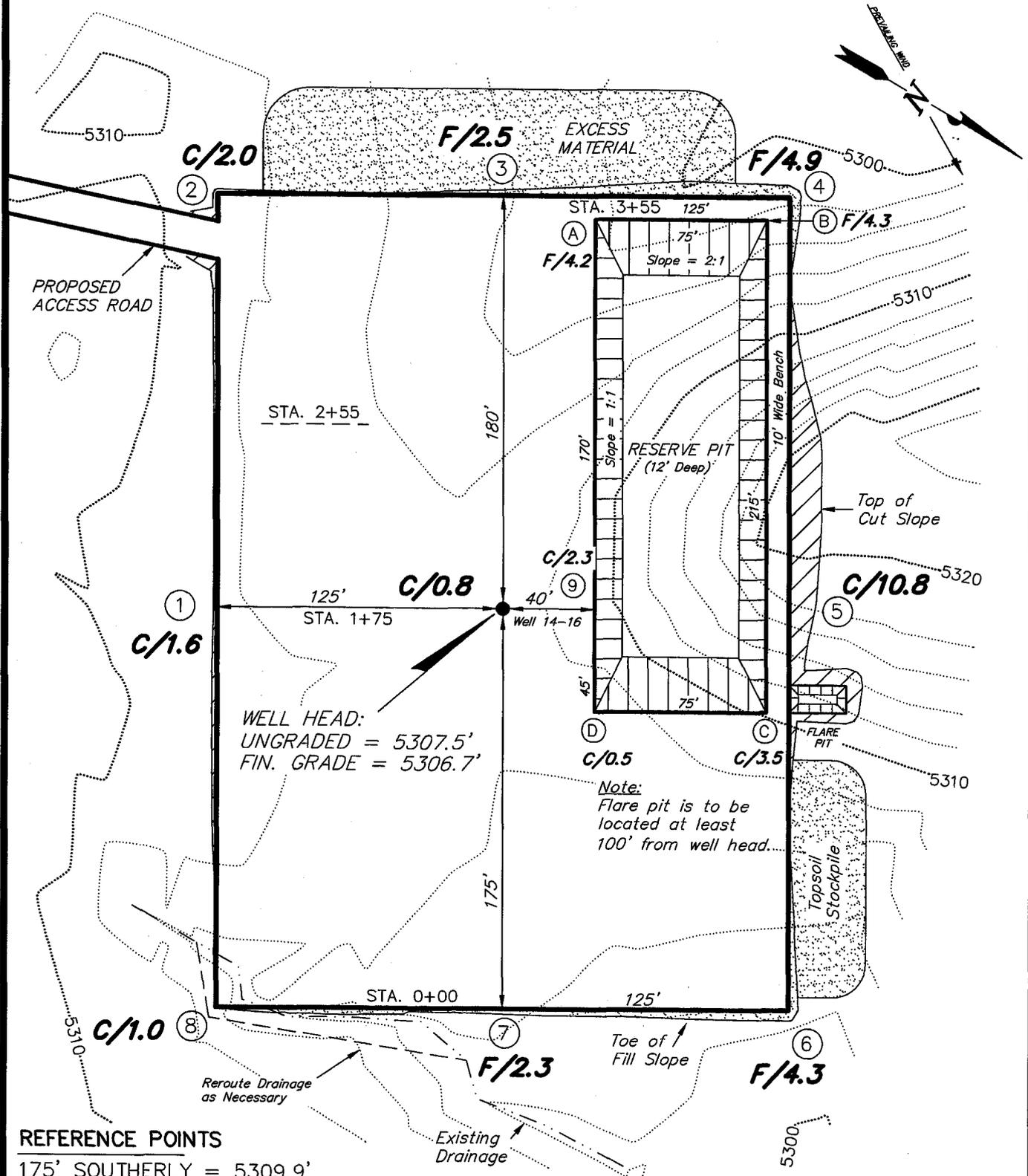
Alvin R. (Al) Arian
Landman – Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5114
Fax Tel: 303-573-0461
aarlian@enduringresources.com

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

ENDURING RESOURCES

BONANZA 9-24-14-16

Pad Location: SWSW Section 16, T9S, R24E, S.L.B.&M.



WELL HEAD:
UNGRADED = 5307.5'
FIN. GRADE = 5306.7'

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

REFERENCE POINTS
175' SOUTHERLY = 5309.9'
225' SOUTHERLY = 5310.9'

SURVEYED BY:	J.H.	DATE DRAWN:	8-10-06
DRAWN BY:	M.W.	SCALE:	1" = 60'
NOTES:			

Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078
(435) 781-2501

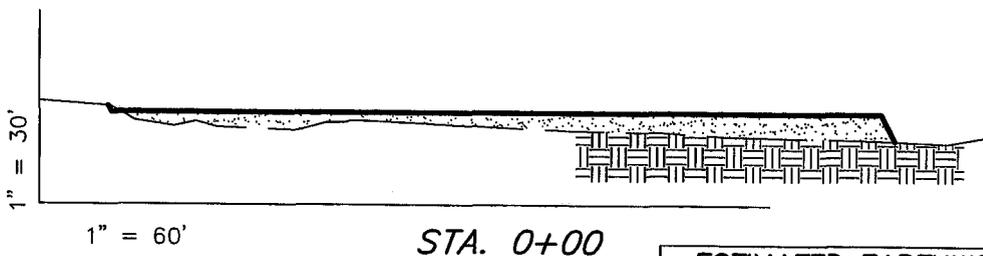
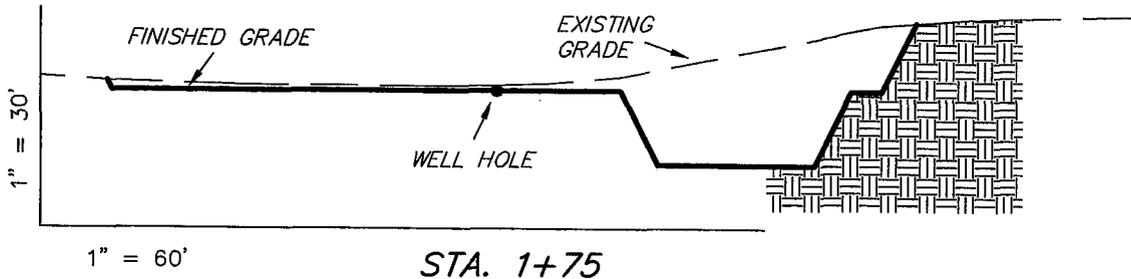
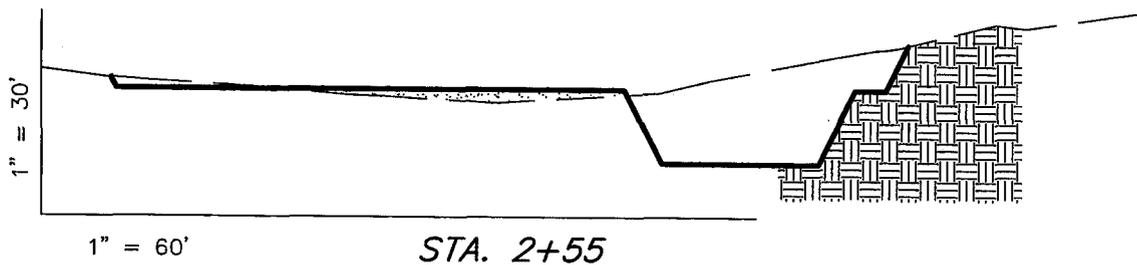
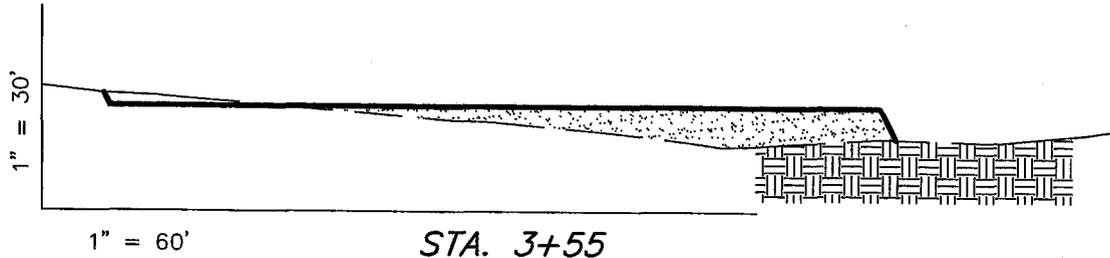
SHEET
3
OF 10

ENDURING RESOURCES

CROSS SECTIONS

BONANZA 9-24-14-16

Pad Location: SWSW Section 16, T9S, R24E, S.L.B.&M.



ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,170	3,150	Topsoil is not included in Pad Cut	20
PIT	5,390	0		5,390
TOTALS	8,560	3,150	1,730	5,410

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

SURVEYED BY: J.H. DATE DRAWN: 8-10-06

DRAWN BY: M.W. SCALE: 1" = 60'

NOTES:

Tri State (435) 781-2501
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180 NORTH VERNAL AVE. VERNAL, UTAH 84078

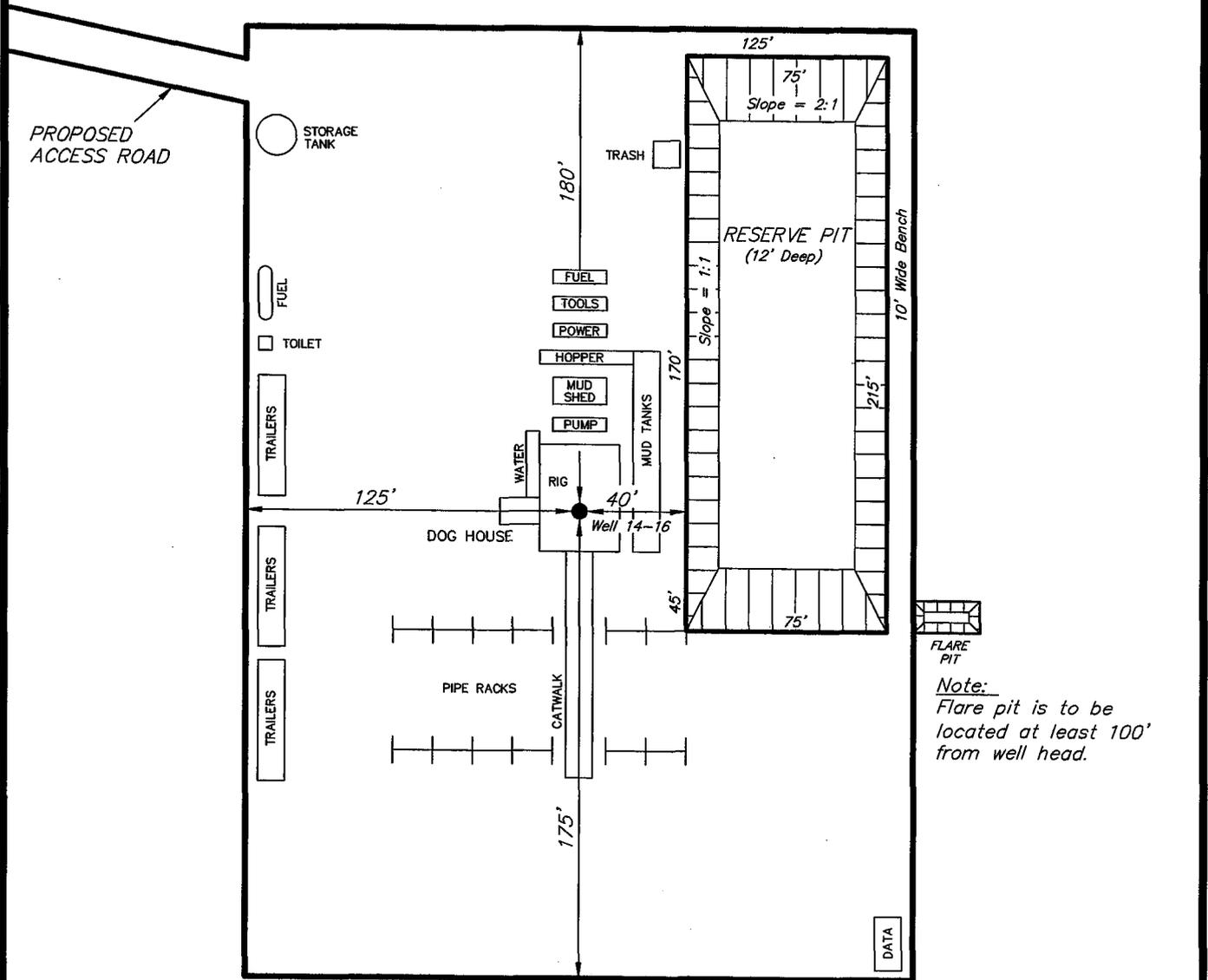
SHEET
4
OF 10

ENDURING RESOURCES

TYPICAL RIG LAYOUT

BONANZA 9-24-14-16

Pad Location: SWSW Section 16, T9S, R24E, S.L.B.&M.



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

SURVEYED BY: J.H.	DATE DRAWN: 8-10-06
DRAWN BY: M.W.	SCALE: 1" = 60'
NOTES:	

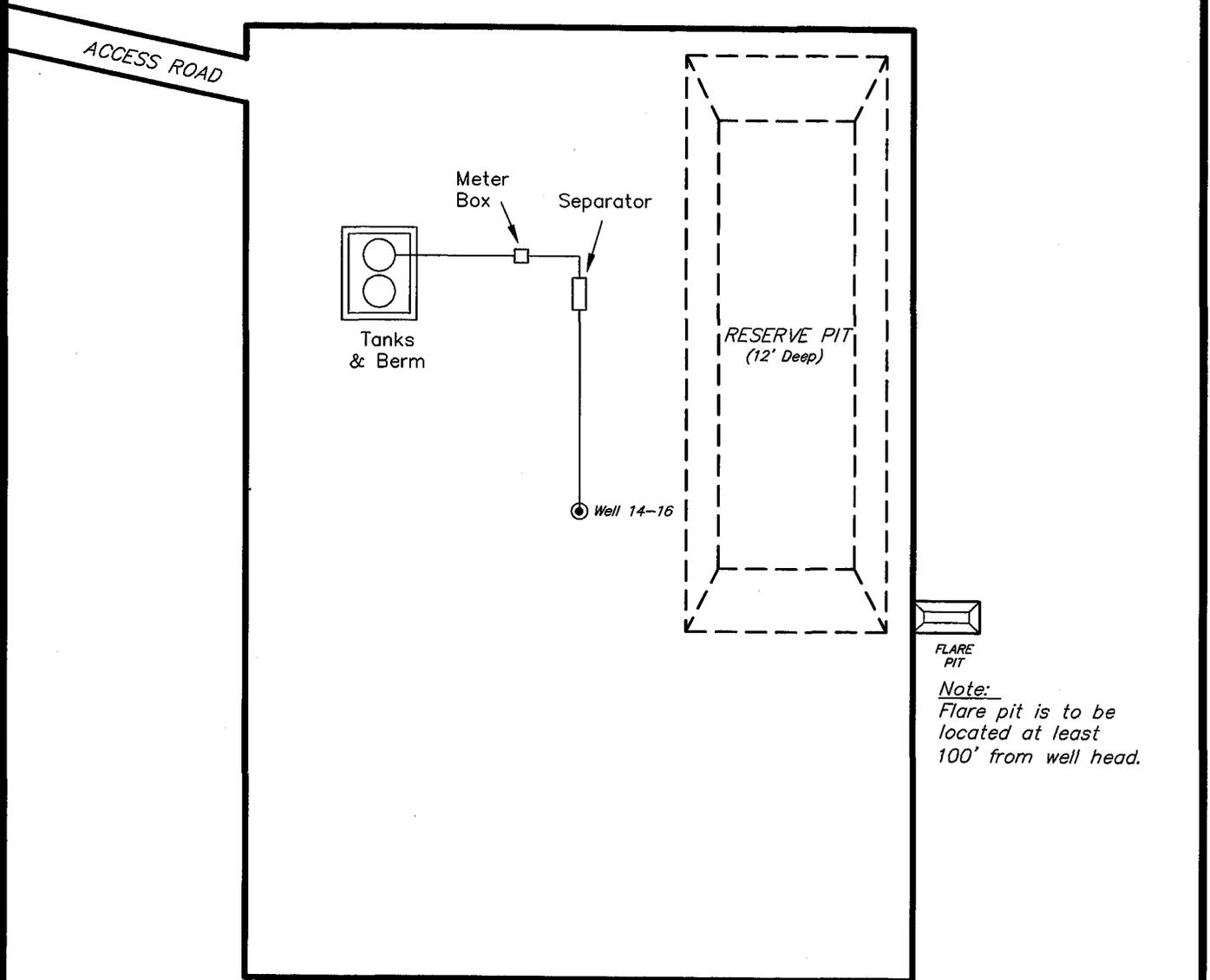
Tri State (435) 781-2501
 Land Surveying, Inc.
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

ENDURING RESOURCES

PRODUCTION SCHEMATIC

BONANZA 9-24-14-16

Pad Location: SWSW Section 16, T9S, R24E, S.L.B.&M.



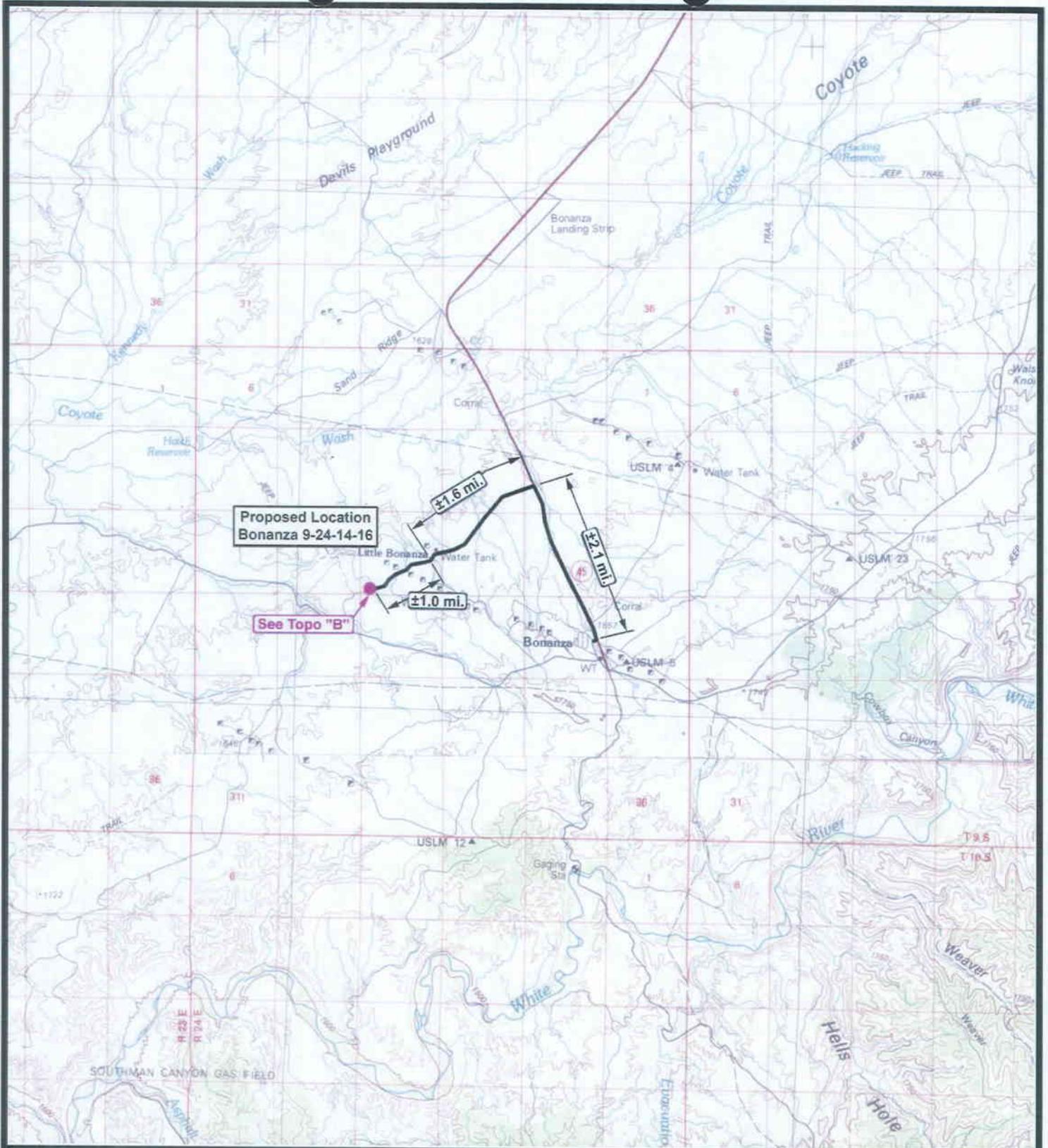
FLARE
PIT

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

SURVEYED BY: J.H.	DATE DRAWN: 8-10-06
DRAWN BY: M.W.	SCALE: 1" = 60'
NOTES:	

Tri State (435) 781-2501
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

SHEET
6
OF 10



ENDURING RESOURCES

Bonanza 9-24-14-16

Sec. 16, T9S, 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: 08-10-2006

Legend

- Existing Road
- Proposed Access

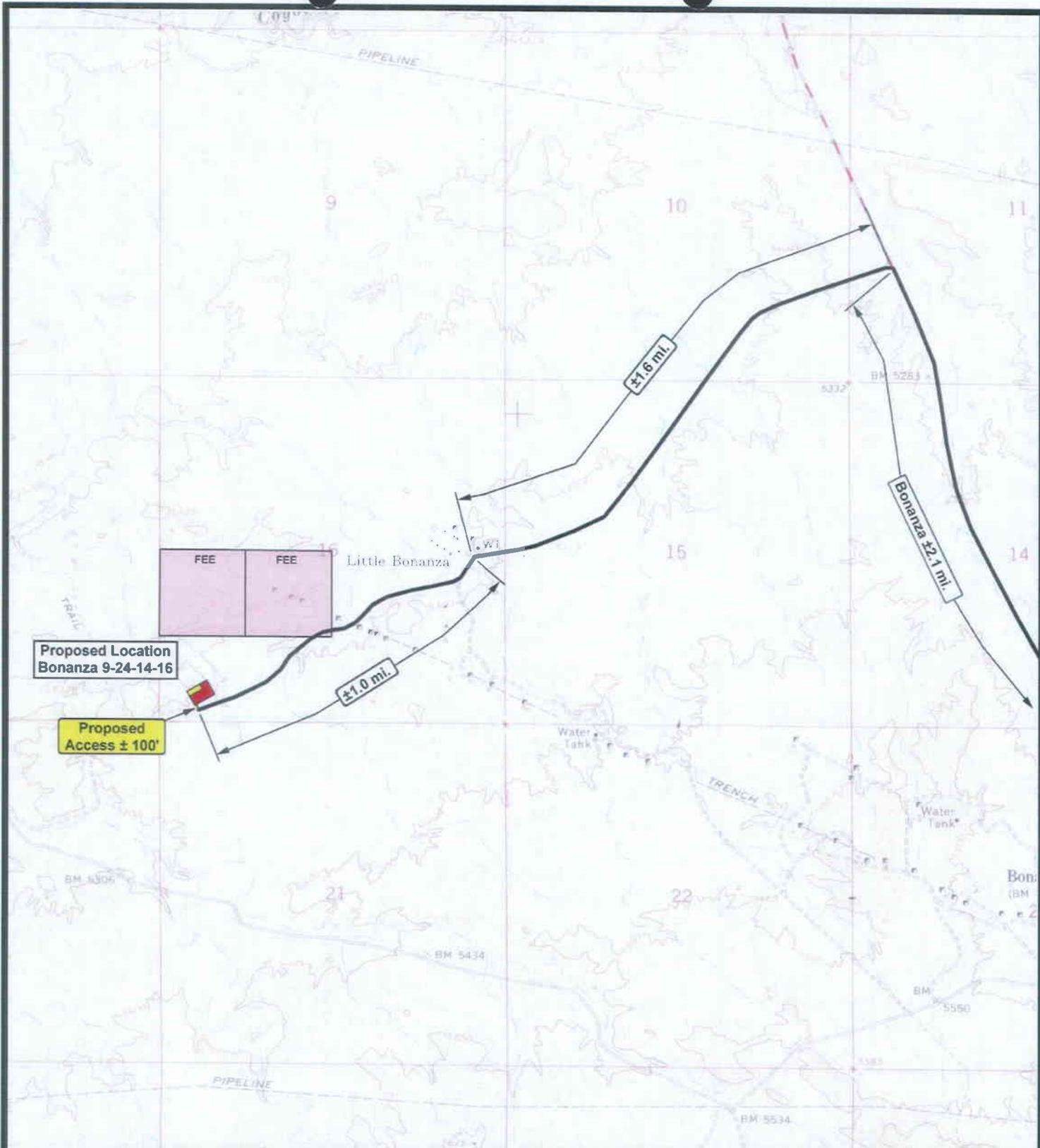
TOPOGRAPHIC MAP

"A"

SHEET

7

OF 10




ENDURING RESOURCES

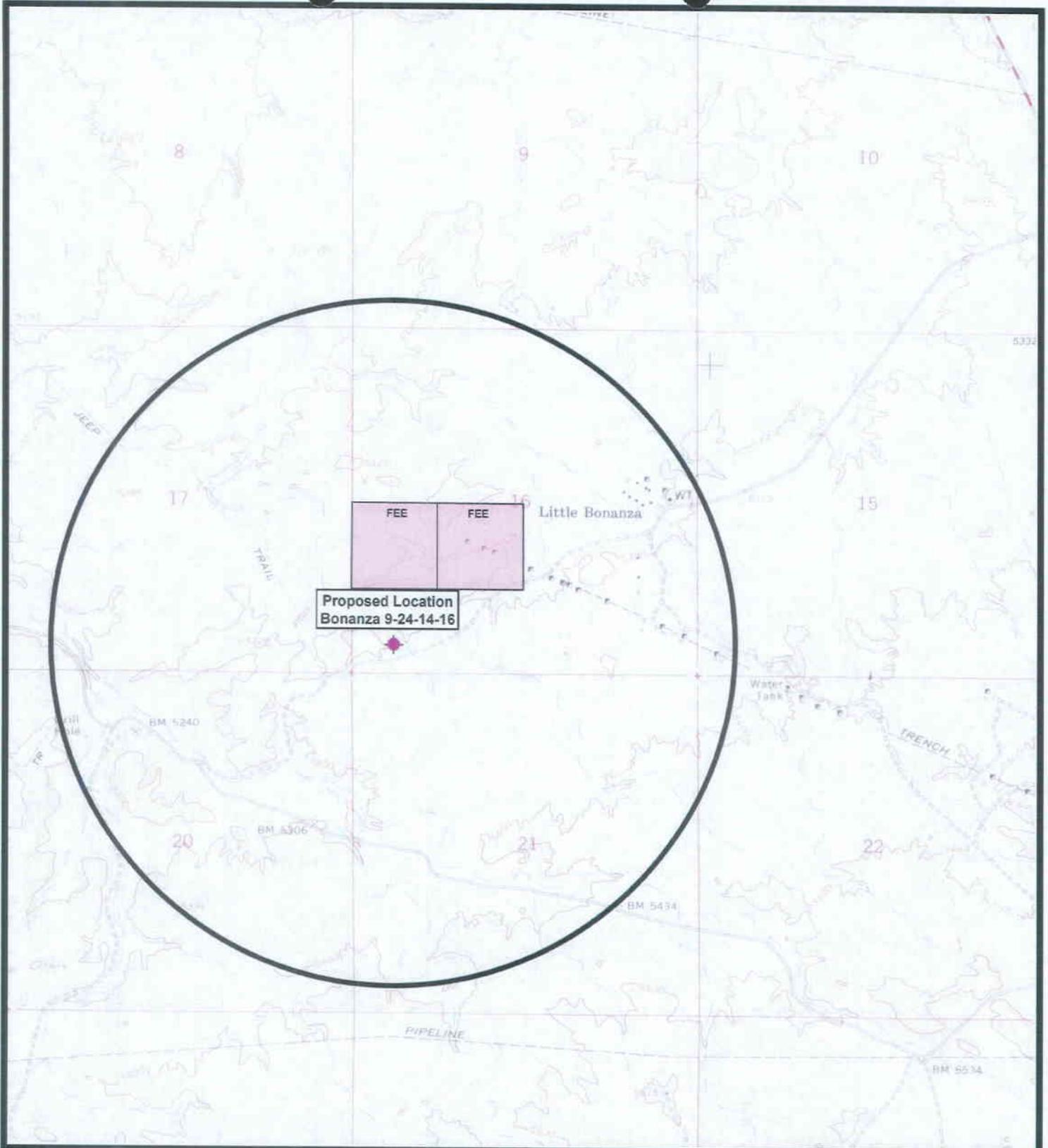
Bonanza 9-24-14-16
Sec. 16, T9S, R24E, S.L.B.&M.




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

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 08-10-2006

Legend	
	Existing Road
	Proposed Access
TOPOGRAPHIC MAP	
"B"	8
	OF 10




ENDURING RESOURCES

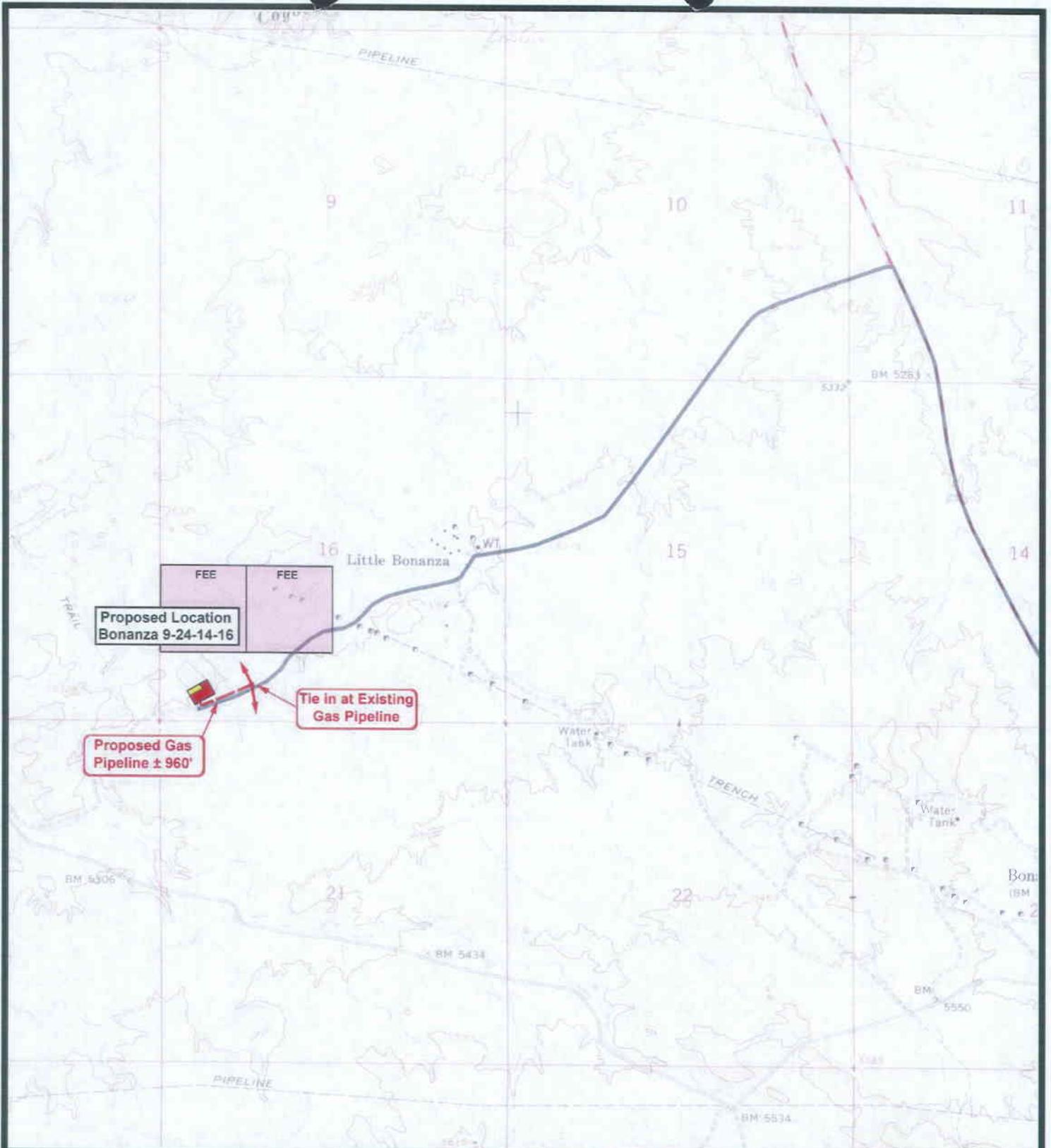
Bonanza 9-24-14-16
Sec. 16, T9S, R24E, S.L.B.&M.




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

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 08-10-2006

Legend	
●	Location
○	One-Mile Radius
TOPOGRAPHIC MAP	
"C"	SHEET
	9
	OF 10



ENDURING RESOURCES

Bonanza 9-24-14-16
Sec. 16, T9S, R24E, S.L.B.&M.

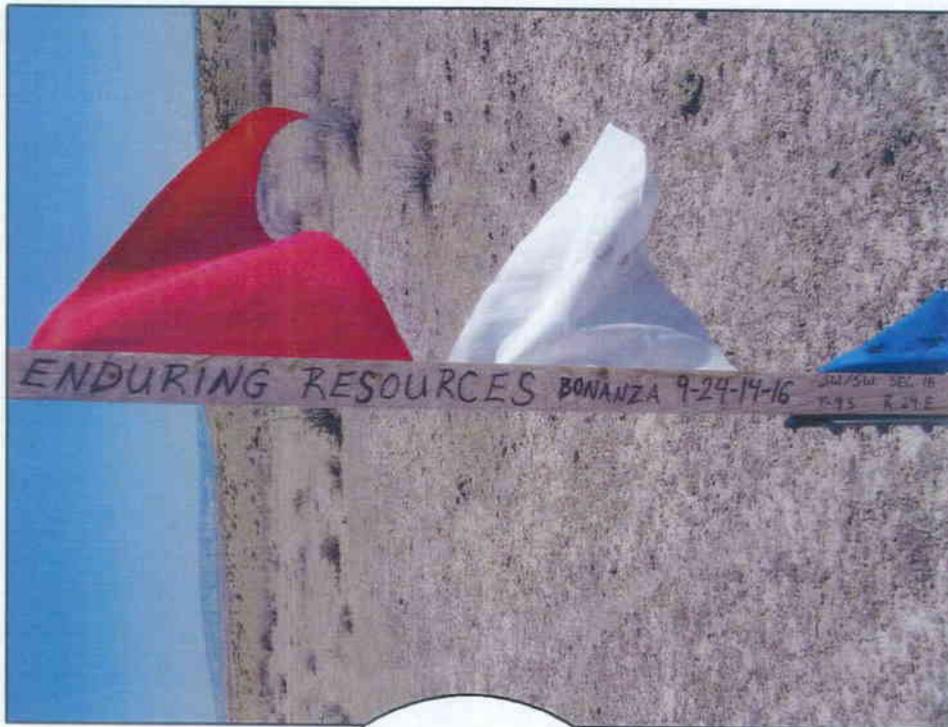


Tri-State
Land Surveying Inc.
 (435) 781-2501
 180 North Vernal Ave. Vernal, Utah 84076

SCALE: 1" = 2,000'
DRAWN BY: mw
DATE: 08-10-2006

Legend	
	Roads
	Existing Gas Line
	Proposed Gas Line

TOPOGRAPHIC MAP
"D"
SHEET 10 OF 10



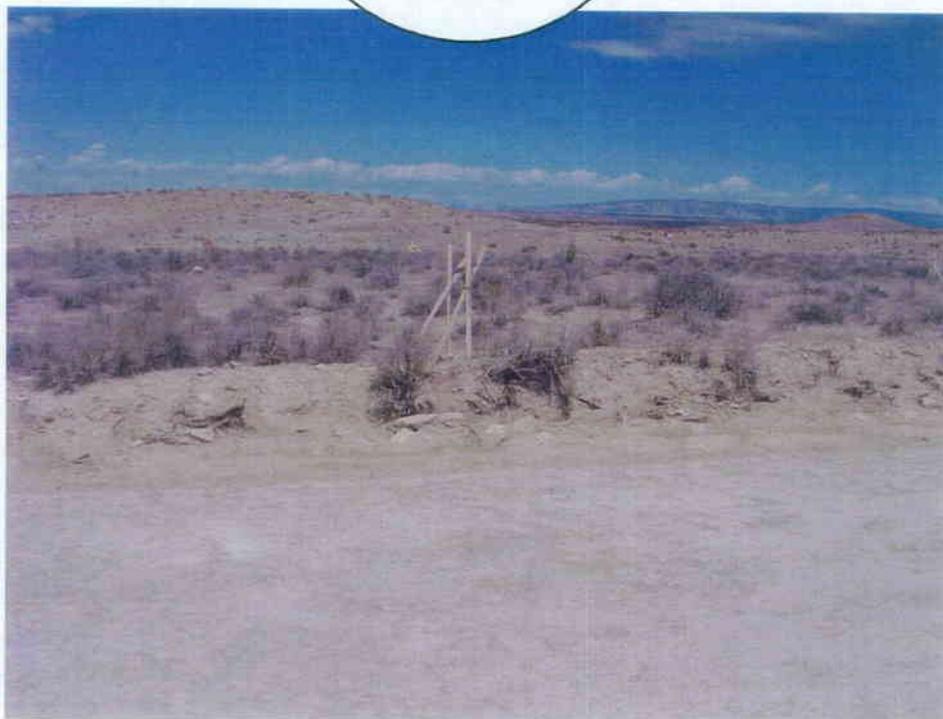
CENTER STAKE


ENDURING RESOURCES
Bonanza 9-24-14-16

Date Photographed: 08/08/2006
Date Drawn: 08/10/2006
Drawn By: mw


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

**LOOKING NORTH
ACCESS**





NORTH


ENDURING RESOURCES

Bonanza 9-24-14-16

Date Photographed: 08/08/2006

Date Drawn: 08/10/2006

Drawn By: mw


*Tri-State
Land Surveying Inc.*
(435) 781-2501

180 North Vernal Ave. Vernal, Utah 84078

EAST





SOUTH


ENDURING RESOURCES
Bonanza 9-24-14-16

Date Photographed: 08/08/2006
Date Drawn: 08/10/2006
Drawn By: mw


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

WEST



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/26/2006

API NO. ASSIGNED: 43-047-38658

WELL NAME: BONANZA 9-24-14-16

OPERATOR: ENDURING RESOURCES, LLC (N2750)

PHONE NUMBER: 303-350-5719

CONTACT: EVETTE BISSETT

PROPOSED LOCATION:

SWSW 16 090S 240E
 SURFACE: 0464 FSL 0651 FWL
 BOTTOM: 0464 FSL 0651 FWL
 COUNTY: UTAH
 LATITUDE: 40.02987 LONGITUDE: -109.2255
 UTM SURF EASTINGS: 651410 NORTHINGS: 4432371
 FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	12/1/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-46526

PROPOSED FORMATION: MVRD

SURFACE OWNER: 3 - State

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RUB 000 8031)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-222)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS:

Needs Permit (11-21-06)

STIPULATIONS:

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

BIG VALLEY UNIT

T9S R24E

BONANZA
2B-16

STATE 14-16

BONANZA
9-24-11-16

DEVIL'S PLAYGROUND FIELD

THURSTON
5-15-9-24

16

BONANZA
9-24-14-16

BONANZA
14-16

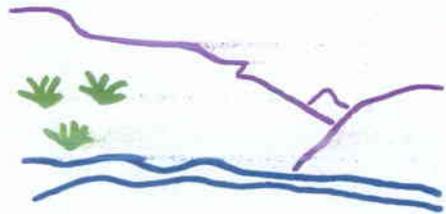
OPERATOR: ENDURING RES LLC (N2750)

SEC: 16 T.9S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

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

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



PREPARED BY: DIANA WHITNEY
DATE: 27-SEPTEMBER-2006

Application for Permit to Drill

Statement of Basis

11/27/2006

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
120	43-047-38658-00-00		GW	S	No
Operator	ENDURING RESOURCES, LLC	Surface Owner-APD			
Well Name	BONANZA 9-24-14-16	Unit			
Field	UNDESIGNATED	Type of Work			
Location	SWSW 16 9S 24E S 0 FL 0 FL GPS Coord (UTM) 651410E 4432371N				

Geologic Statement of Basis

Enduring proposes to set 2,016 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,300 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 Formation overlaying the Green River Formation. 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.

Brad Hill
APD Evaluator

11/27/2006
Date / Time

Surface Statement of Basis

The proposed location is approximately 3/4 miles southwest of Little Bonanza, UT. Little Bonanza is approximately 33 air miles southeast of Vernal, UT. All drainages in the area run toward the White River which is approximately 5 miles to the south. Occasional seeps or springs occur in the draws or swales with some coming from the gilsonite mines.

Little Bonanza is a historic and active gilsonite mining settlement owned and operated by Zigler Chemical. Significant mining both surface and underground has occurred for nearly 100 years in the area. Topography is characterized by rolling terrain with flat lands intermixed between gentle hills and swales.

The Bonanza 9-24-14-16 is immediately north of the Fidlar Uintah County oil field access road. It is on a flat which slightly slopes to the north. The slope to the north becomes a swale beyond the location. A knob with exposed sandstone occurs in the northwest portion of the location. It will be leveled for construction of the pad. A small drainage will be re-routed around the southeast corner of the location. No past or current gilsonite mining occurs within about 1/8 mile.

Mr. Duane Boren and Ms. Valynn Davis of Zigler Chemical Company joined the last portion on the review. Neither had any concerns with the proposal. Mr. Boren ask that the near-by mining headquarters be notified prior to any blasting in the area.

SITLA owns both the surface and the minerals for the proposed well. The location appears to be the best spot for drilling and operating a well in the immediate area. Mr. Jim Davis represented SITLA on the review. He had no concerns not covered in the APD.

Floyd Bartlett
Onsite Evaluator

11/21/2006
Date / Time

Application for Permit to Drill

Statement of Basis

11/27/2006

Utah Division of Oil, Gas and Mining

Page 2

Conditions of Approval / Application for Permit to Drill

Category	Condition
	Notify Zigler Gilsonite Mining Headquarters prior to any blasting in the area.
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator ENDURING RESOURCES, LLC
Well Name BONANZA 9-24-14-16
API Number 43-047-38658-0 **APD No** 120 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SWSW **Sec** 16 **Tw** 9S **Rng** 24E 0 FL 0 FL
GPS Coord (UTM) 651420 4432375 **Surface Owner**

Participants

Floyd Bartlett (DOGMM), Doug Hammond (Enduring Resources), Larry Rowell (Ponderosa Construction), Jim Davis (SITLA), Ben Williams (UDWR), Chris Stewart (Tri-State Land Surveying)

Regional/Local Setting & Topography

The proposed location is approximately 3/4 miles southwest of Little Bonanza, UT. Little Bonanza is approximately 33 air miles southeast of Vernal, UT. All drainages in the area run toward the White River which is approximately 5 miles to the south. Occasional seeps or springs occur in the draws or swales with some coming from the gilsonite mines.

Little Bonanza is a historic and active gilsonite mining settlement owned and operated by Zigler Chemical.. Significant mining both surface and underground has occurred for nearly 100 years in the area. Topography is characterized by rolling terrain with flat lands intermixed between gentle hills and swales.

The Bonanza 9-24-14-16 is immediately north of the Fidler Uintah County oil field access road. It is on a flat which slightly slopes to the north. The slope to the north becomes a swale beyond the location. A knob with exposed sandstone occurs in the northwest portion of the location. It will be leveled for construction of the pad. A small drainage will be re-routed around the southeast corner of the location. No past or current gilsonite mining occurs within about 1/8 mile.

Surface Use Plan

Current Surface Use

Grazing
Deer Winter Range

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.01	Width 250 Length 355	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Vegetation is a desert shrub type consisting of sagebrush, greasewood prickly pears annual mustard weed and other annuals. The are is mostly baren.

Deer, antelope, rabbits, coyotes and numerous small mammals and birds.

Soil Type and Characteristics

Deep light brown sandy loam with small rocks on surface.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources?

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	300 to 1000	2
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	10 to 30	6
Presence Nearby Utility Conduits	Not Present	0
	Final Score	38
		1 Sensitivity Level

Characteristics / Requirements

The reserve pit will be 75' x 215' x 12' deep located within an area of cut on the northwest corner of the location. It will be lined with aq 16 mil liner.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Ben Williams representing the UDWR stated the area is classified as critical value yearlong habitat for antelope. He did not recommend any restrictions on drilling or operating a well in the area considering the high level of activity that is already occurring. He recommended to Doug Hammond and Larry Rowell that a catchment pit be dug in the small swale east of the location to catch runoff water for antelope. He said he would try to meet the construction contractor when they are building the location. Mr. Hammond said they would be willing to do this. Mr. Williams provided Mr. Jim Davis of SITLA and Mr. Hammond a copy of his wildlife evaluation and a seed mix recommended to be used when the site is reclaimed.

Mr. Duane Boren and Ms. Valynn Davis of Zigler Chemical Company joined the last portion on the review. Neither had any concerns with the proposal. Mr. Boren ask that the near-by mining headquarters be notified prior to any blasting in the area.

Floyd Bartlett
Evaluator

11/21/2006
Date / Time

Casing Schematic

BHP
 $(0.052)(8125)9.8 = 4140.5 \text{ psi}$
 anticipate - 4225 psi

Cgas
 $0.12(8125) = 975$

Cas/mud $\geq 166 \text{ psi MASP}$

$(0.22)(8125) = 1788 \text{ psi}$
 MASP = 2437 psi
 BOPE - 3000 psi ✓

Burst - 2950 psi
 70% - 2065 psi

Max P @ esg, shoe
 $.22(6109) = 1344$
 $4141 - 1344 = 2797 \text{ psi}$

test to 2065 psi ✓

✓ Stip. ⇒ surf. cnt

✓ Adequate OAD 12/1/06

Surface

127'

182'

Winta TOC @ 4% w/o

838' TOC @ 766. Green River

* Stip ✓

1989' TOC w/10% w/o

Surface 2016. MD

TOC @ 2282.

3300' ± BMSW

✓

4138' Wasatch

5614' Mesaverde

4-1/2" MW 9.8

Production 8125. MD

Well name:	2006-11 Enduring Bonanza 9-24-14-16		
Operator:	Enduring Resources, LLC		
String type:	Surface	Project ID:	43-047-38658
Location:	Uintah County, Utah		

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 1,774 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 2,016 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 1,762 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 103 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,000 ft

Cement top: 766 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,125 ft
 Next mud weight: 9.800 ppg
 Next setting BHP: 4,136 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,016 ft
 Injection pressure: 2,016 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)	Est. Cost (\$)
1	2016	8.625	24.00	J-55	ST&C	2016	2016	7.972	10378
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	880	1370	1.557	2016	2950	1.46	42.3	244	5.77 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 801/538-5357
 FAX: 801/359-3940

Date: November 30, 2006
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2016 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:	2006-11 Enduring Bonanza 9-24-14-16		
Operator:	Enduring Resources, LLC		
String type:	Production	Project ID:	43-047-38658
Location:	Uintah County, Utah		

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 2,349 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP: 4,136 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 6,935 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 189 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,000 ft

 Cement top: 2,282 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	8125	4.5	11.60	N-80	LT&C	8125	8125	3.875	33462
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	4136	6350	1.535	4136	7780	1.88	80.4	223	2.77 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 801/538-5357
 FAX: 801/359-3940

Date: November 30, 2006
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8125 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: Mason, Diana
Date: 1/23/2007 11:11 AM
Subject: Well Clearance

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

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

Enduring Resources, LLC

Long Draw 12-24-13-36 (API 43 047 38290)

Bonanza 9-24-14-16 (API 43 047 38658)

Royale Energy, Inc

Moon Canyon #3 (API 43 019 31471)

Royalite Petroleum Corporation

Royalite State 16-1 (API 43 031 30013)

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



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

January 23, 2007

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

Re: Bonanza 9-24-14-16 Well, 464' FSL, 651' FWL, SW SW, Sec. 16, T. 9 South,
R. 24 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38658.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
SITLA

Operator: Enduring Resources, LLC
Well Name & Number Bonanza 9-24-14-16
API Number: 43-047-38658
Lease: ML-46526

Location: SW SW **Sec.** 16 **T.** 9 South **R.** 24 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

6. Surface casing shall be cemented to the surface.

Page 2

43-047-38658

January 23, 2007

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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-46526
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: 464' FSL - 651' FWL		8. WELL NAME and NUMBER: Bonanza 9-24-14-16
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 16 9S 24E S		9. API NUMBER: 4304738658
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Undesignated
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> 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: 1-23-2008
TO: 1-23-2009

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-23-08
By: [Signature]

COPY SENT TO OPERATOR
Date: 1-24-2008
Initials: KS

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>1/14/2008</u>

(This space for State use only)

RECEIVED
JAN 22 2008



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

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

API: 4304738658
Well Name: Bonanza 9-24-14-16
Location: 464' FSL - 651' FWL, SWSW, Sec 16, T9S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 1/23/2007

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

1/14/2008

Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

RECEIVED

JAN 22 2008

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 16 9S 24E S		9. API NUMBER: 4304738658
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STATE: UTAH		

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

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

FROM: 1/23/2009
TO: ~~1/23/2010~~ DM

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-22-09
By: [Signature]

COPY SENT TO OPERATOR
Date: 1-27-2009
Initials: KS

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>1/12/2009</u>

(This space for State use only)

RECEIVED
JAN 22 2009

DIV. OF OIL, GAS & MINING



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

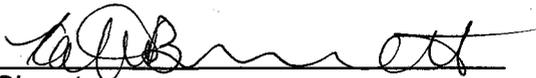
(this form should accompany the Sundry Notice requesting permit extension)

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Well Name: Bonanza 9-24-14-16
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- Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No



 Signature

1/12/2009

 Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

RECEIVED
JAN 22 2009
 DIV. OF OIL, GAS & MINING



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

February 3, 2010

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

Re: APD Rescinded – Bonanza 9-24-14-16, Sec. 16 T.9S, R. 24E
Uintah County, Utah API No. 43-047-38658

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 January 23, 2007. On January 23, 2008 and January 22, 2009 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 3, 2010.

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

