*Enduring Resources*

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

October 12, 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 12-23-41-26
NE-NE 26-12S-23E
Federal Lease: UTU-77531
Uintah County, Utah

Dear Ms. Whitney:

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

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 303-350-5714.

Very truly yours,

Evette Bissett

Evette Bissett
Regulatory Compliance Assistant
**ENDURING RESOURCES, LLC**

Enclosures

RECEIVED
OCT 16 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: UTU-77531
6. SURFACE: Federal

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☑

8. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR: Enduring Resources, LLC

9. WELL NAME and NUMBER: Bitter Creek 12-23-41-26

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~~ Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 780' FNL - 577' FEL 645431X 39.749671
AT PROPOSED PRODUCING ZONE: Same 4401142Y -109.302535

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 26 12S 23E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 69.9 miles South of Vernal, UT

12. COUNTY: Uintah
13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 577'
16. NUMBER OF ACRES IN LEASE: 1600
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: 6,335
20. BOND DESCRIPTION: RLB0008031

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6277 RT-KB
22. APPROXIMATE DATE WORK WILL START: 1/15/2007
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# | 2,016 | 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# | 6,335 | Class G | 36 sxs | 3.3 | 11.0 |
| | | | | | 50/50 Poz Class G | 773 sxs | 1.56 | 14.3 |
| | | | | | | | | |
| | | | | | | | | |

25. **ATTACHMENTS**

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

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ 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 10/12/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38724

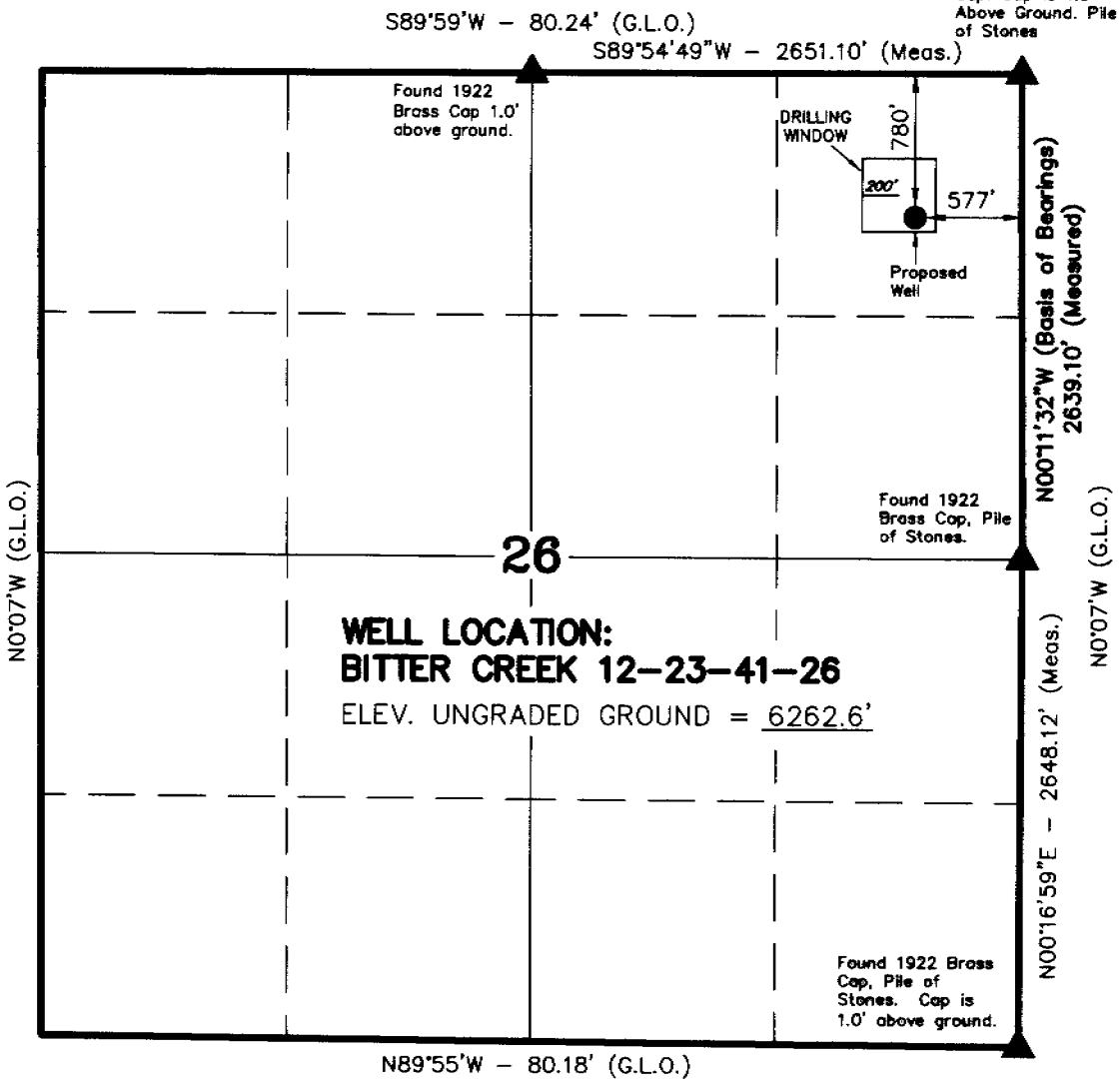
**Approved by the Utah Division of Oil, Gas and Mining**
APPROVAL:
Date: 10-19-06
(See Instructions on Reverse Side)
By: [signature]

RECEIVED
OCT 16 2006
DIV. OF OIL, GAS & MINING

(11/2001)

*Federal Approval of this Action is Necessary*

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



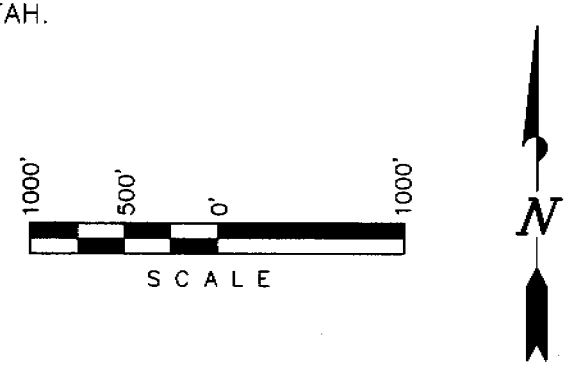

▲ = SECTION CORNERS LOCATED

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 12-23-41-26**
**(Proposed Well Head)**
**NAD 83 Autonomous**
LATITUDE = 39° 44' 58.79"
LONGITUDE = 109° 18' 10.71"

## ENDURING RESOURCES

WELL LOCATION, BITTER CREEK 12-23-41-26, LOCATED AS SHOWN IN THE NE 1/4 NE 1/4 OF SECTION 26, T12S, R23E, S.L.B.&M. UINTAH 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 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.

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

REGISTERED LAND SURVEYOR No.362251 KOLBY R. KAY STATE OF UTAH

**TIMBERLINE LAND SURVEYING, INC.**
38 WEST 100 NORTH. – VERNAL, UTAH 84078
(435) 789-1365

| | | |
|---|---|---|
| DATE SURVEYED: 04-14-06 | SURVEYED BY: K.R.K. | SHEET |
| DATE DRAWN: 04-18-06 | DRAWN BY: M.W.W. | 2 |
| SCALE: 1" = 1000' | Date Last Revised: | OF 10 |

## SELF-CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

**Bitter Creek 12-23-41-26**
Surface Location: NENE Sec. 26-12S-23E
780' FNL – 577' FEL
Lease Serial No.: UTU-77531
Uintah County, Utah

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

Evette Bissett

10/12/2006
Date

Evette Bissett
Regulatory Compliance Assistant
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
(303) 350-5719

# Enduring Resources, LLC
# Bitter Creek 12-23-41-26
# NE-NE 26-12S-23E
# Uintah County, Utah
# Federal Lease: UTU-77531

## ONSHORE ORDER 1 - DRILLING PLAN

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

| Formation | Depth (K.B.) |
|---|---|
| Uinta | Surface |
| Green River | 227 |
| Wasatch | 2502 |
| Mesaverde | 3962 |

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

| Substance | Formation | Depth (K.B.) |
|---|---|---|
| | | |
| | KB-Uinta Elevation: 6277' | |
| Oil / Gas | Green River | 227 |
| Oil /Gas | Wasatch | 2502 |
| Oil /Gas | Mesaverde | 3962 |
| | Estimated TD | 6335 |

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

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

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

B. Pressure Rating: 3,000 psi BOPE

C. Kelly will be equipped with upper and lower Kelly valves.

D. Testing Procedure: Annular Preventer

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

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

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

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

Blow-Out Preventer

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

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

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

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

E. Miscellaneous Information:

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

## 4. Proposed Casing & Cementing Program:

**A.** Casing Program: All New

| Hole Size | Casing Size | Wt./Ft. | Grade | Joint | Depth Set (MD) |
|---|---|---|---|---|---|
| 20" | 14" O.D. | | | | 40' (GL) |
| 11" | 8-5/8" | 24# | J-55 | ST&C | 0 – 2,016' (KB) est. |
| 7-7/8" | 4-1/2" | 11.6# | N-80 | LT&C | 0 – 6335 (KB) |

The surface casing will have guide shoe. 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) |
| 6335' (KB) | 4-1/2", 11.6#/ft, N-80, LTC | 6350/1.93(d) | 7780/2.57 (e) | 223/3.53(f) |

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

**PROPOSED CEMENTING PROGRAM**

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

| CASING | SLURRY | FT. of FILL | CEMENT TYPE | SXS | EXCESS (%) | WEIGHT (ppg) | YIELD ($ft^3$/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% $CaC_2$ + 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 $ft^3$/sx) cement will be premium cement w/ 3% $CaCl_2$.+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 | 386 | Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender | 36 | 25 | 11.0 | 3.3 |
| 4-1/2" | Tail | 4233 | 50/50 POZ Class G + 2% gel +1% $CaCl_2$ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam | 773 | 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'-6335' (KB) | 8.8-9.8 | 8 - 10 ml | 32-42 | Water/Gel |

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

## 6. Evaluation Program:

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

Logging

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

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

## 7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No $H_2S$ 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 3294 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1901 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 12-23-41-26**
**Section 26, 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 DIRECTION ALONG COUNTY D ROAD APPROXIMATELY 1.3 MILES TO THE INTERSECTION OF AN EXISTING TRAIL TO THE WEST; EXIT RIGHT AND FOLLOW EXISTING TRAIL IN A WESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO AN EXISTING TRAIL TO THE NORTHEAST; EXIT RIGHT AND FOLLOW EXISTING TRAIL IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 290 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 69.9 MILES IN A SOUTHEASTERLY DIRECTION.

**Enduring Resources, LLC**
**Biter Creek 12-23-41-26**
NENE 26-12S-23E
Uintah County, Utah

**Federal Lease: UTU-77531**

## MULTI-POINT SURFACE USE & OPERATIONS PLAN

### 1. Existing Roads:

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 Direction Along County D Road Approximately 1.3 Miles To The Intersection Of An Existing Trail To The West; Exit Right And Follow Existing Trail In A Westerly Direction Approximately 0.7 Miles To An Existing Trail To The Northeast; Exit Right And Follow Existing Trail In A Northeasterly Direction Approximately 0.2 Miles To The Proposed Access Road; Follow Road Flags In An Easterly Direction Approximately 290 Feet To The Proposed Location.

Total Distance From Vernal, Utah To The Proposed Well Location Is Approximately 69.9 Miles In A Southeasterly Direction.

### 2. Planned Access Roads:

The proposed access road will be approximately 290 feet of new construction and .8 mile of upgraded two track road. Please refer to Topo Map "B" for the takeoff point for the new ON-LEASE road construction. Access into section 25 will be a Class D County Road which leads onto the upgraded two track into section 26.

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

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

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

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

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

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

| | | |
|---|---|---|
| a. | None: | Water Wells: |
| b. | None: | Injection Wells: |
| c. | None: | Producing Wells: |
| d. | None: | Drilling Wells: |
| e. | None: | Shut-in Wells: |
| f. | None: | Temporarily Abandoned Wells: |
| g. | None: | Disposal Wells: |
| h. | (1): | Abandoned Wells:<br>1. East Bitter Creek Federal 23-24, Sec 24, NESW |
| i. | None: | Dry Holes: |
| j. | None: | Observation Wells: |
| k. | (4): | Pending (staked) Wells:<br>1. Enduring Resources has four 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 Dark Olive Black. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

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

| | | | |
|---|---|---|---|
| Gas Gathering Pipeline: | ON-LEASE | 1,390' | BLM |
| | OFF-LEASE | -0- | |

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately 1,390 feet of surface gas gathering pipeline (4") shall be laid on the surface to minimize surface disturbance:

The proposed pipeline will begin at the well site, be laid on the north side of the access road and tie-into pipeline located next to upgraded 2-track 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 | ***T12S-R23E*** |
| 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 well be constructed on the location and will not be located within natural drainage, where a flood hazard exits or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, brake 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 be burned on location.

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

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

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

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

## 8. Ancillary Facilities:

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

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

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

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

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

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

All pits shall be fence to the following minimum standards:

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

f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

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

## 10. Plans for Surface Reclamation:

**Producing Location:**

a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.

b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.

c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

d. The reserve pit and that portion of the location not needed for production facilities / operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.

f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

**Dry Hole/Abandoned Location:**

i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.

ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

**Seed Mixture for Windrowed Top Soil Will Included:**

To be provided by the BLM

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

Wellsite: Bureau of Land Management

Access: Bureau of Land Management

Pipeline: Bureau of Land Management

## 12. Other Information

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

The on-site was conducted on October 11, 2006

Attending were:

1. Melissa Hawk - BLM
2. Brandon McDonald - BLM
3. Mike Stewart -Ponderosa Construction
4. Kolby Kay - Timberline
5. Doug Hammond - Enduring Resources

**Special Conditions of Approval:**
**Critical Winter Deer Range**

**Archeology:**

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

**Paleontology:**

b. 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
Vice President – Operations
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5711
Fax Tel: 303-573-0461
tsingleton@enduringresources.com

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

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

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

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

**Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Please be advised that Enduring Resources, LLC is considered to be the operator of the Bitter Creek 12-23-41-26 Well; NENE Section 26, Township 12 South, Range 23 East; Lease #:UTU-77531 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah , Division of Oil, Gas & Mining Surety Bond No. RLB0008031

**ENDURING RESOURCES, LLC**

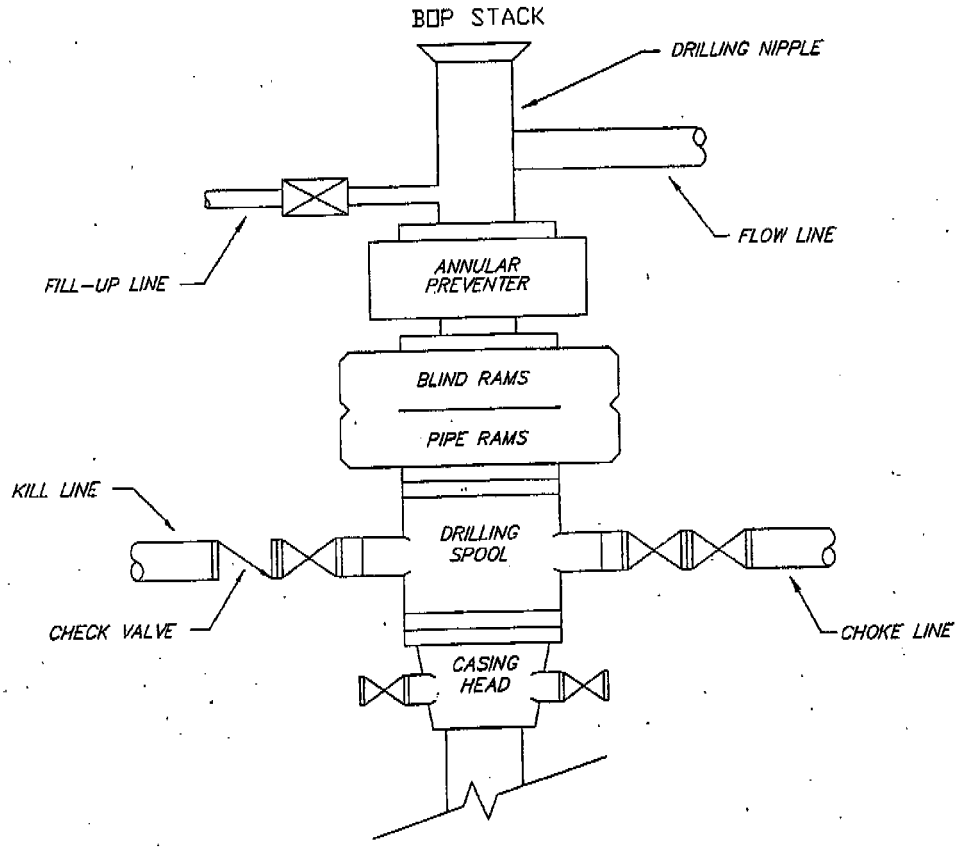
Al Arlian EB

Alvin (Al) R. Arlian
Landman – Regulatory Specialist

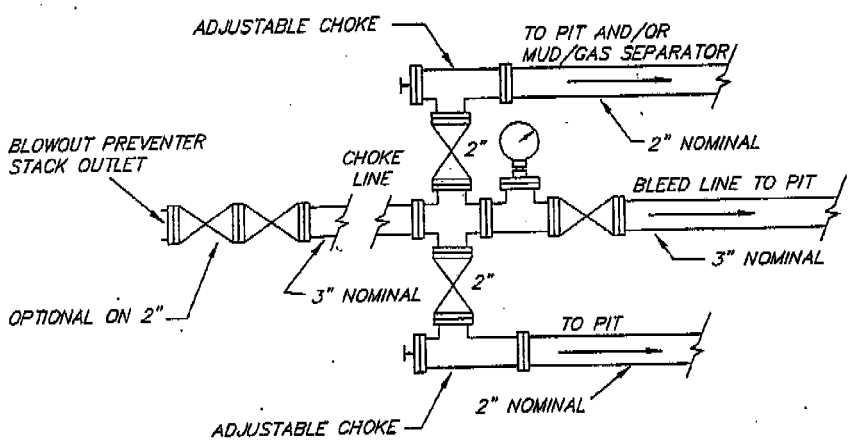
October 12, 2006

## ENDURING RESOURCES, LLC

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




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



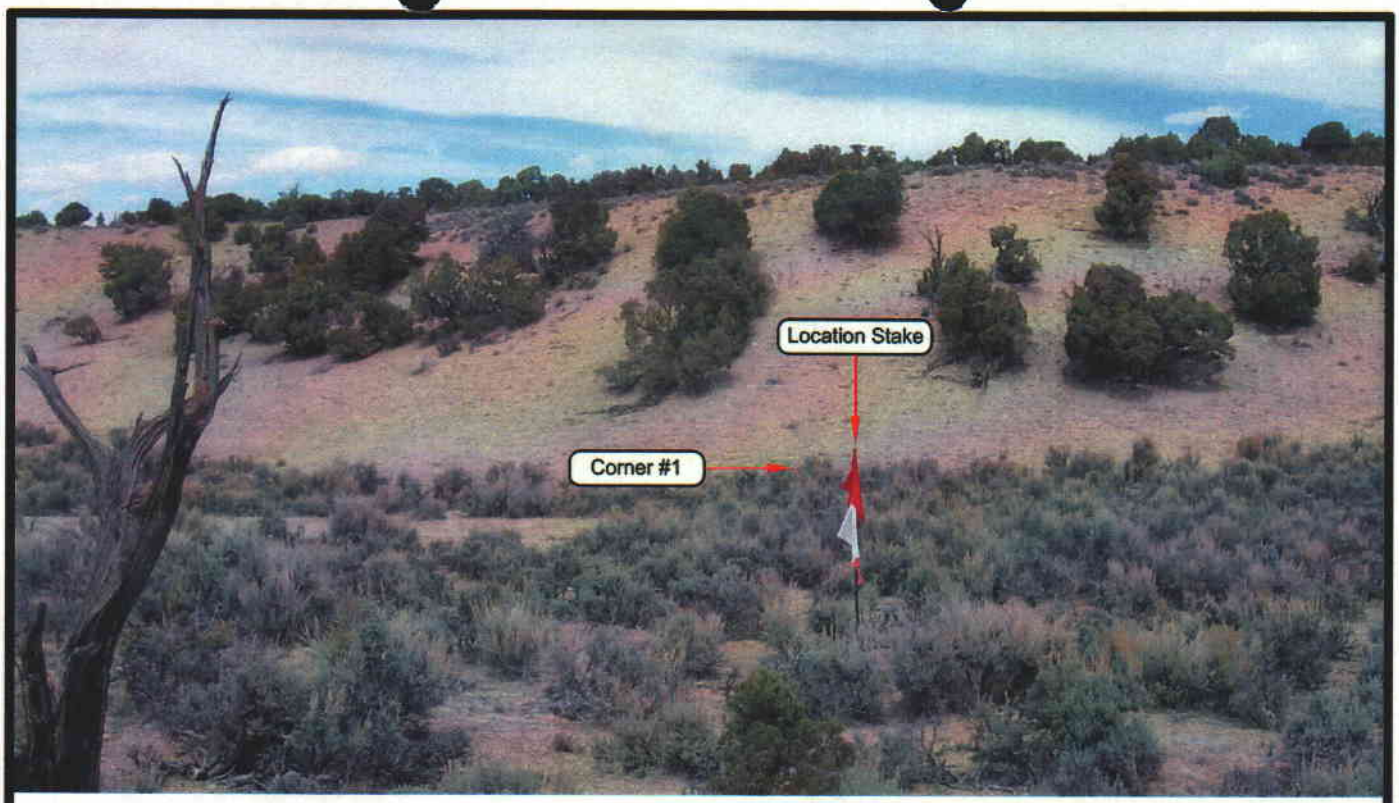



PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

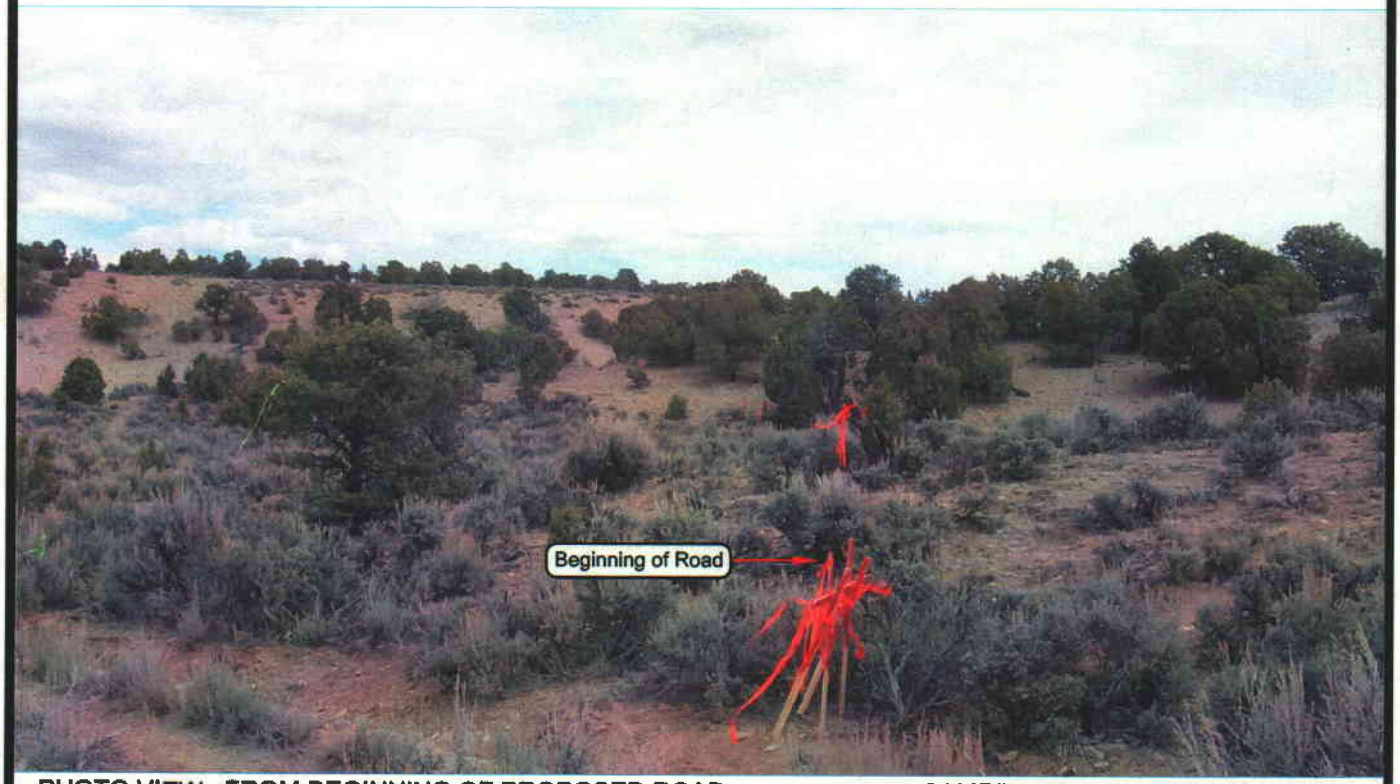



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHEASTERLY

**ENDURING RESOURCES**

Bitter Creek 12-23-41-26
SECTION 26, T12S, R23E, S.L.B.&M.

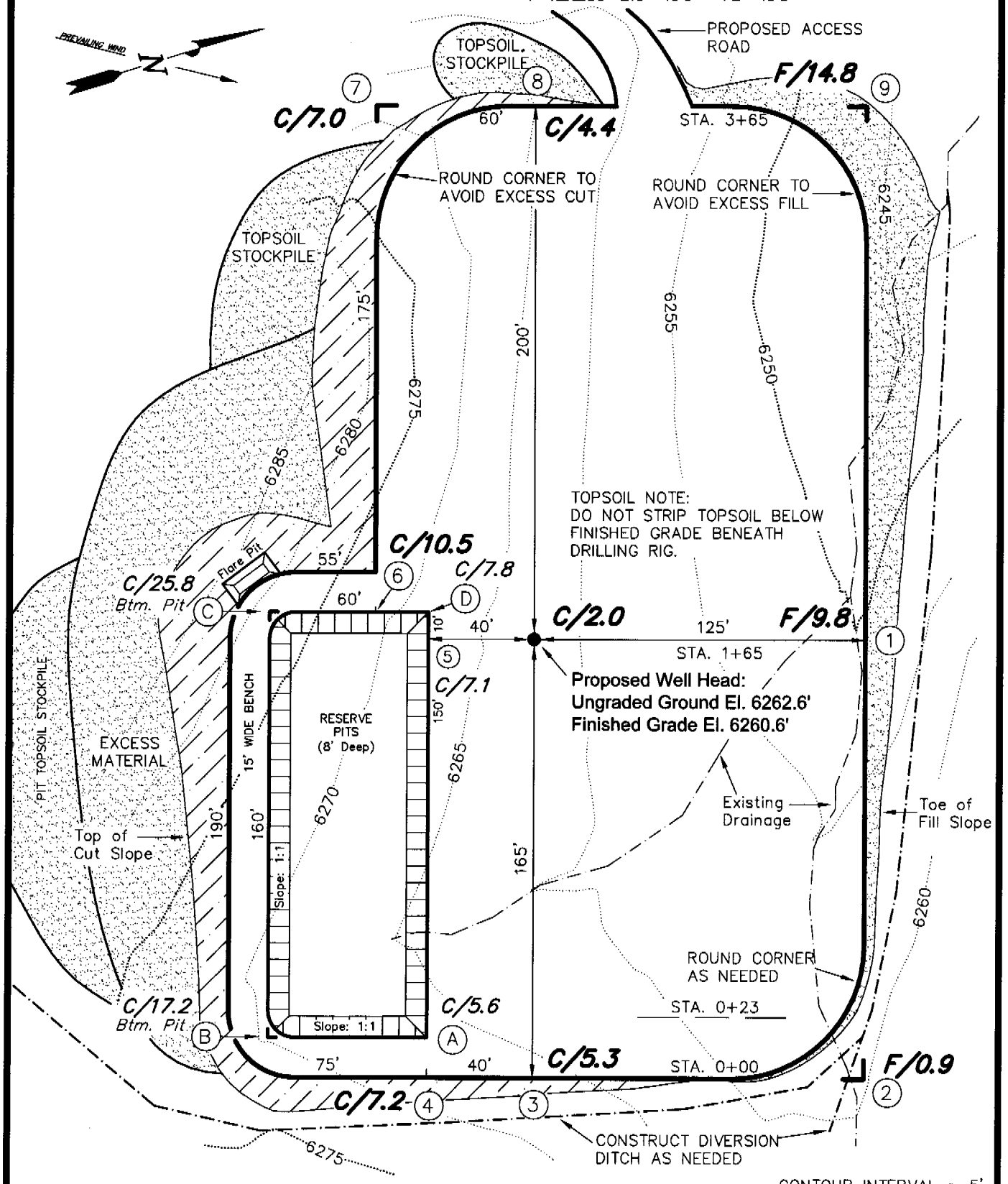
| LOCATION PHOTOS | | DATE TAKEN: 04-14-06 |
|---|---|---|
| | | DATE DRAWN: 04-20-06 |
| TAKEN BY: K.R.K. | DRAWN BY: M.W.W. | REVISED: |

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

SHEET 1 OF 10

# ENDURING RESOURCES

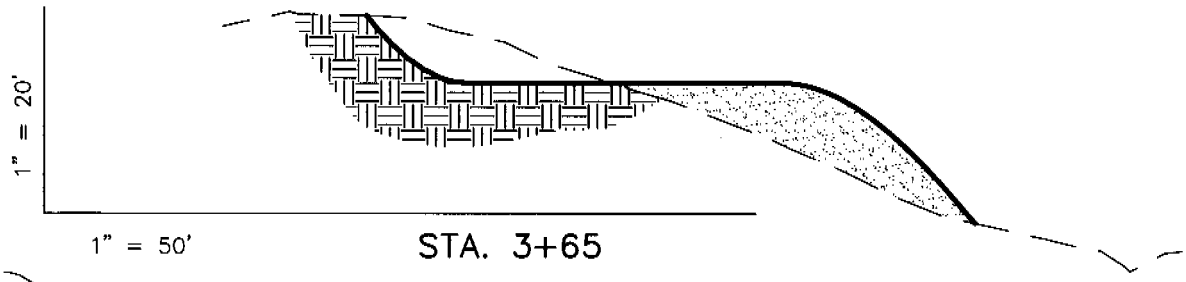
## CUT SHEET – BITTER CREEK 12-23-41-26



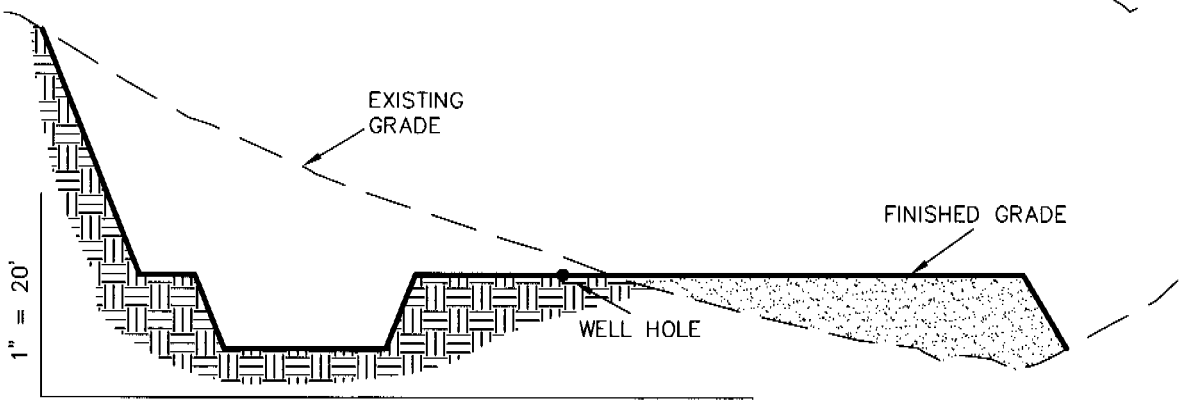

| | | | | |
|---|---|---|---|---|
| Section 26, T12S, R23E, S.L.B.&M. | Qtr/Qtr Location: NE NE | Footage Location: 780' FNL & 577' FEL | | |
| Date Surveyed: 04-14-06 | Date Drawn: 04-19-06 | Date Last Revision: | Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078 | SHEET 3 OF 10 |
| Surveyed By: K.R.K. | Drawn By: M.W.W. | Scale: 1" = 50' | | |

# ENDURING RESOURCES

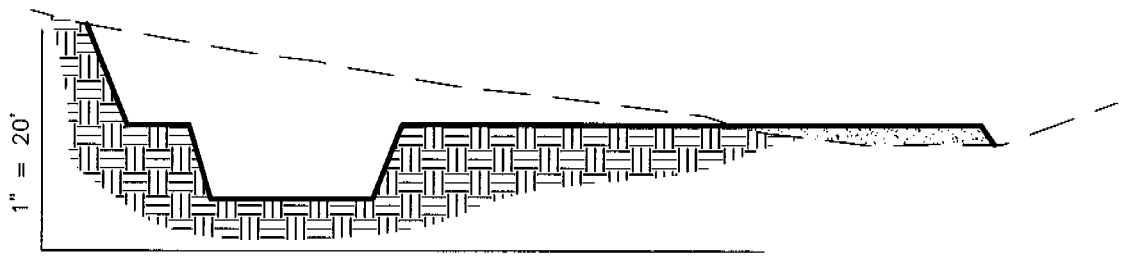
## CROSS SECTIONS – BITTER CREEK 12-23-41-26




STA. 3+65

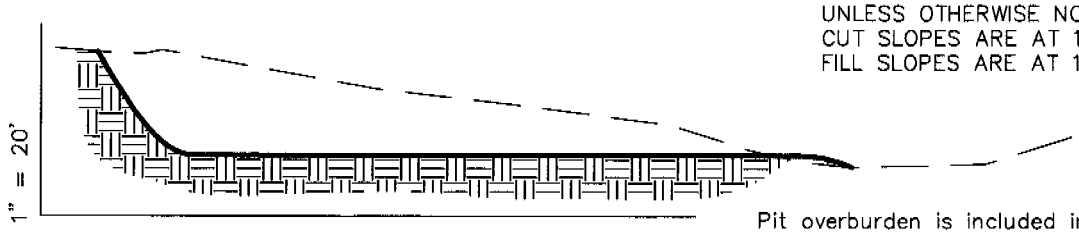



STA. 1+65




STA. 0+23

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




STA. 0+00

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 | 12,310 | 8,960 | Topsoil is not included in Pad Cut | 3,350 |
| PIT | 2,340 | 0 | | 2,340 |
| TOTALS | 14,650 | 8,960 | 1,440 | 5,690 |

Excess Material after Pit Rehabilitation = 4,520 Cu. Yds.

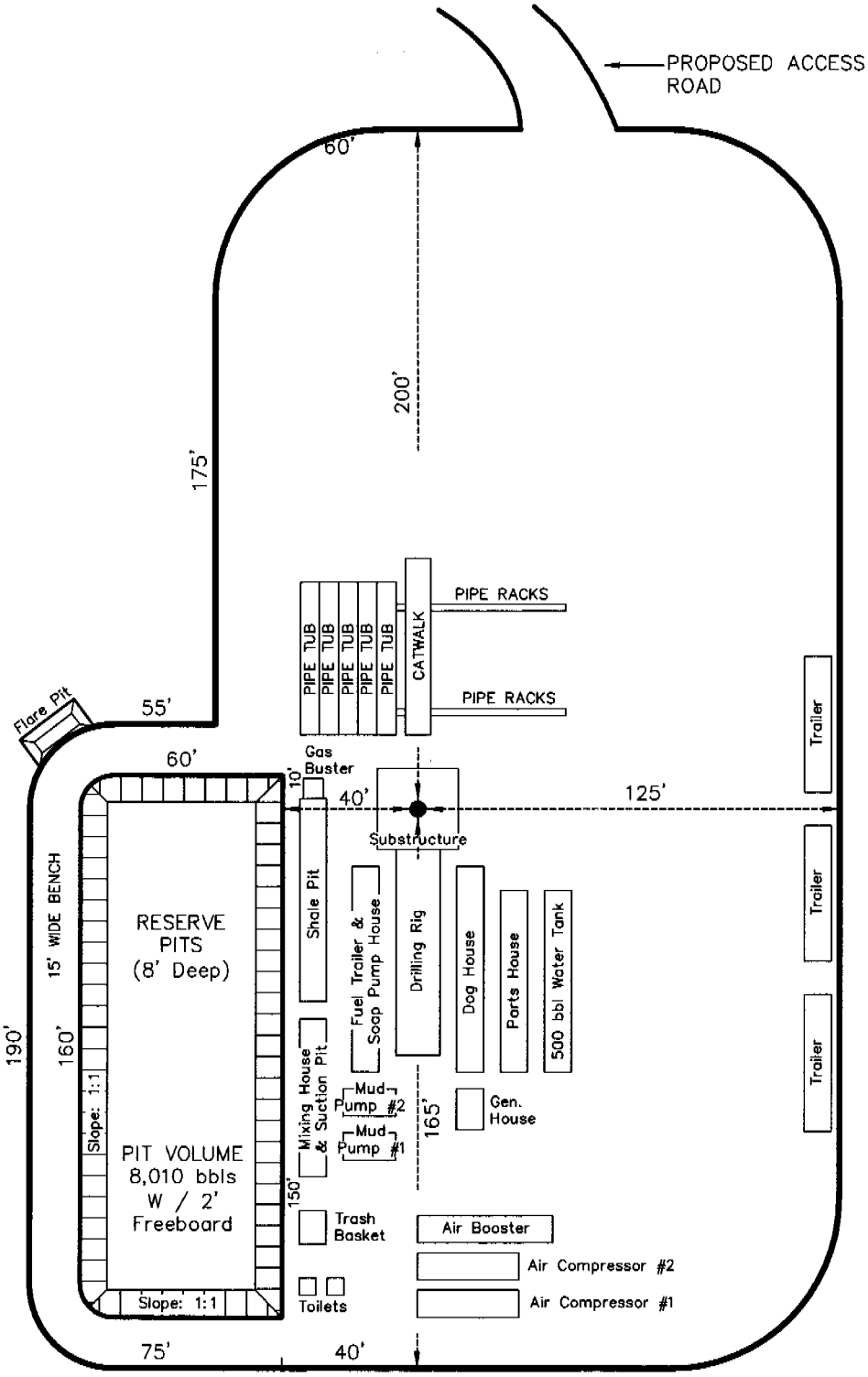
**REFERENCE POINTS**

161' NORTHEASTELRY = 6257.9'
202' NORTHEASTERLY = 6273.5'
215' SOUTHEASTERLY = 6273.7'
265' SOUTHEASTELRY = 6280.0'

| | | | |
|---|---|---|---|
| Section 26, T12S, R23E, S.L.B.&M. | Qtr/Qtr Location: NE NE | Footage Location: 780' FNL & 577' FEL | |
| Date Surveyed: 04-14-06 | Date Drawn: 04-19-06 | Date Last Revision: | Timberline Land Surveying, Inc. (435) 789-1365 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

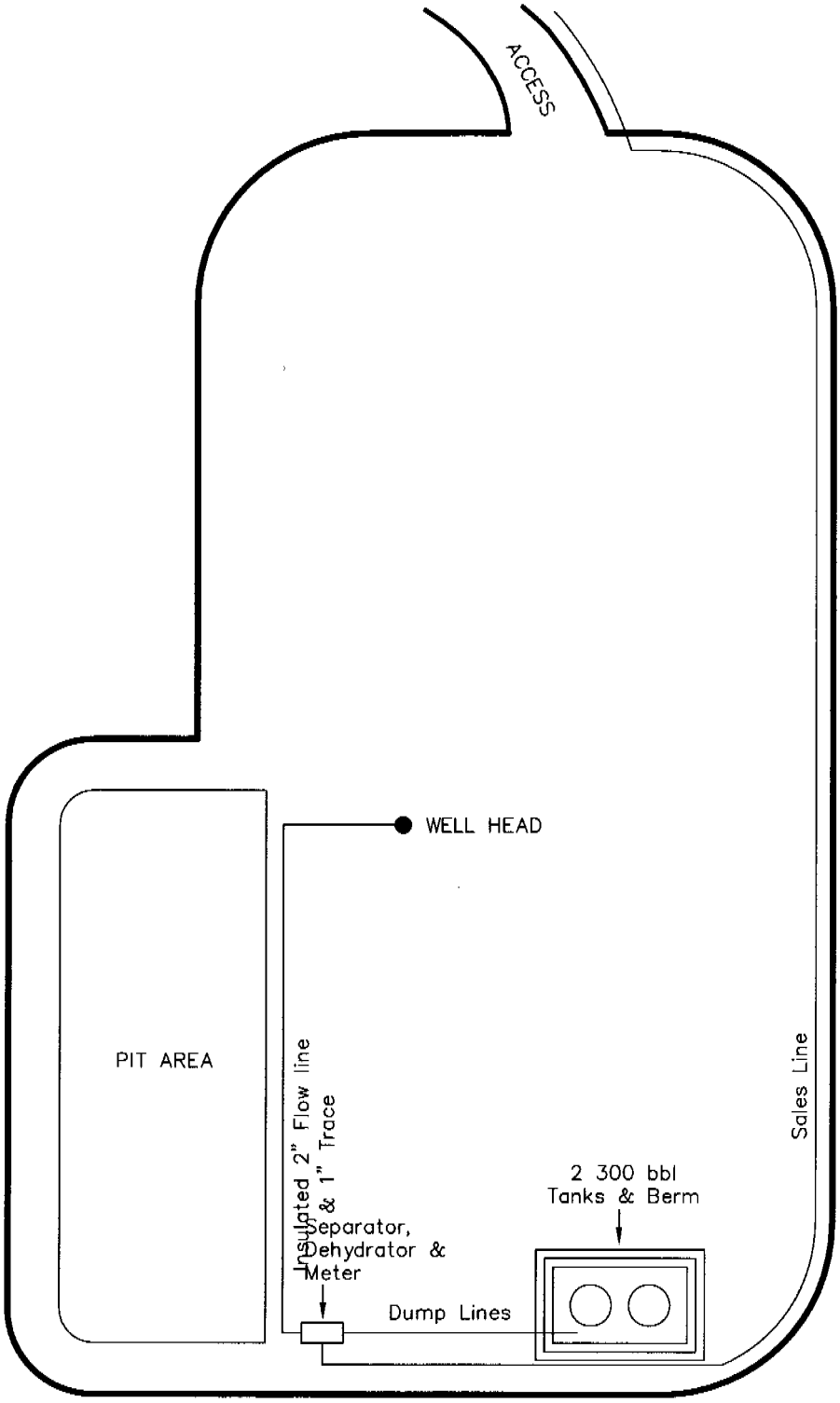
## TYPICAL RIG LAYOUT – BITTER CREEK 12-23-41-26




| | | | | |
|---|---|---|---|---|
| Section 26, T12S, R23E, S.L.B.&M. | Qtr/Qtr Location: NE NE | | Footage Location: 780' FNL & 577' FEL | |
| Date Surveyed: 04-14-06 | Date Drawn: 04-19-06 | Date Last Revision: | Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078 | SHEET 5 OF 10 |
| Surveyed By: K.R.K. | Drawn By: M.W.W. | Scale: 1" = 50' | | |

# ENDURING RESOURCES

## TYPICAL PRODUCTION LAYOUT – BITTER CREEK 12-23-41-26




| | | | | |
|---|---|---|---|---|
| Section 26, T12S, R23E, S.L.B.&M. | Qtr/Qtr Location: NE NE | | Footage Location: 780' FNL & 577' FEL | |
| Date Surveyed: 04-14-06 | Date Drawn: 04-19-06 | Date Last Revision: | Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078 | SHEET 6 OF 10 |
| Surveyed By: K.R.K. | Drawn By: M.W.W. | Scale: 1" = 50' | | |

LEGEND

PROPOSED ACCESS ROAD
= SUBJECT WELL
= OTHER WELLS
= EXISTING ROAD
= EXISTING ROAD (TO BE IMPROVED)

B-5460 = COUNTY ROAD CLASS & NUMBER

N

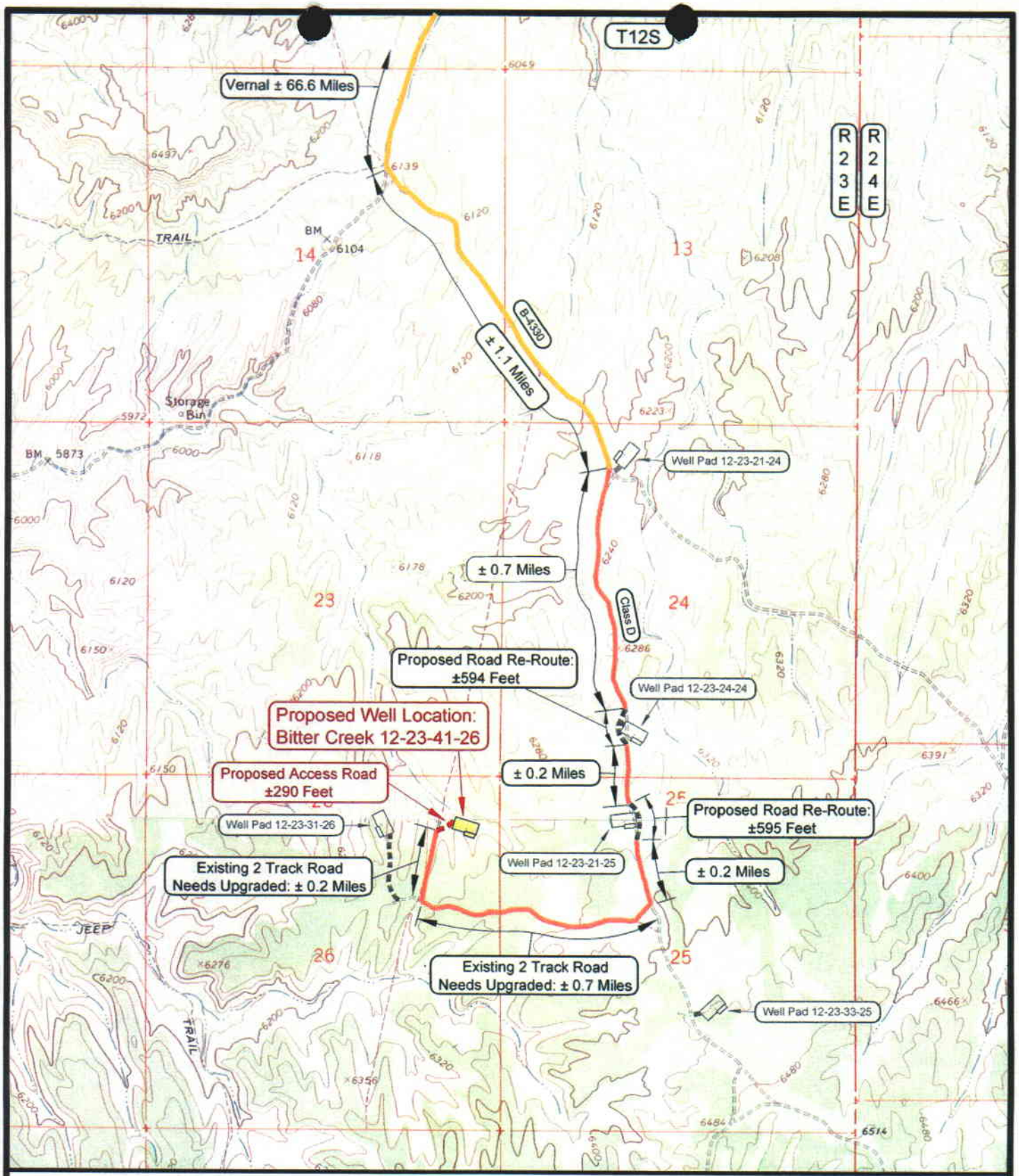
# ENDURING RESOURCES

## Bitter Creek 12-23-41-26
## SECTION 26, T12S, R23E, S.L.B.&M.

| TOPOGRAPHIC MAP "A" | | DATE SURVEYED: 04-14-06 |
|---|---|---|
| | | DATE DRAWN: 04-20-06 |
| 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




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

N

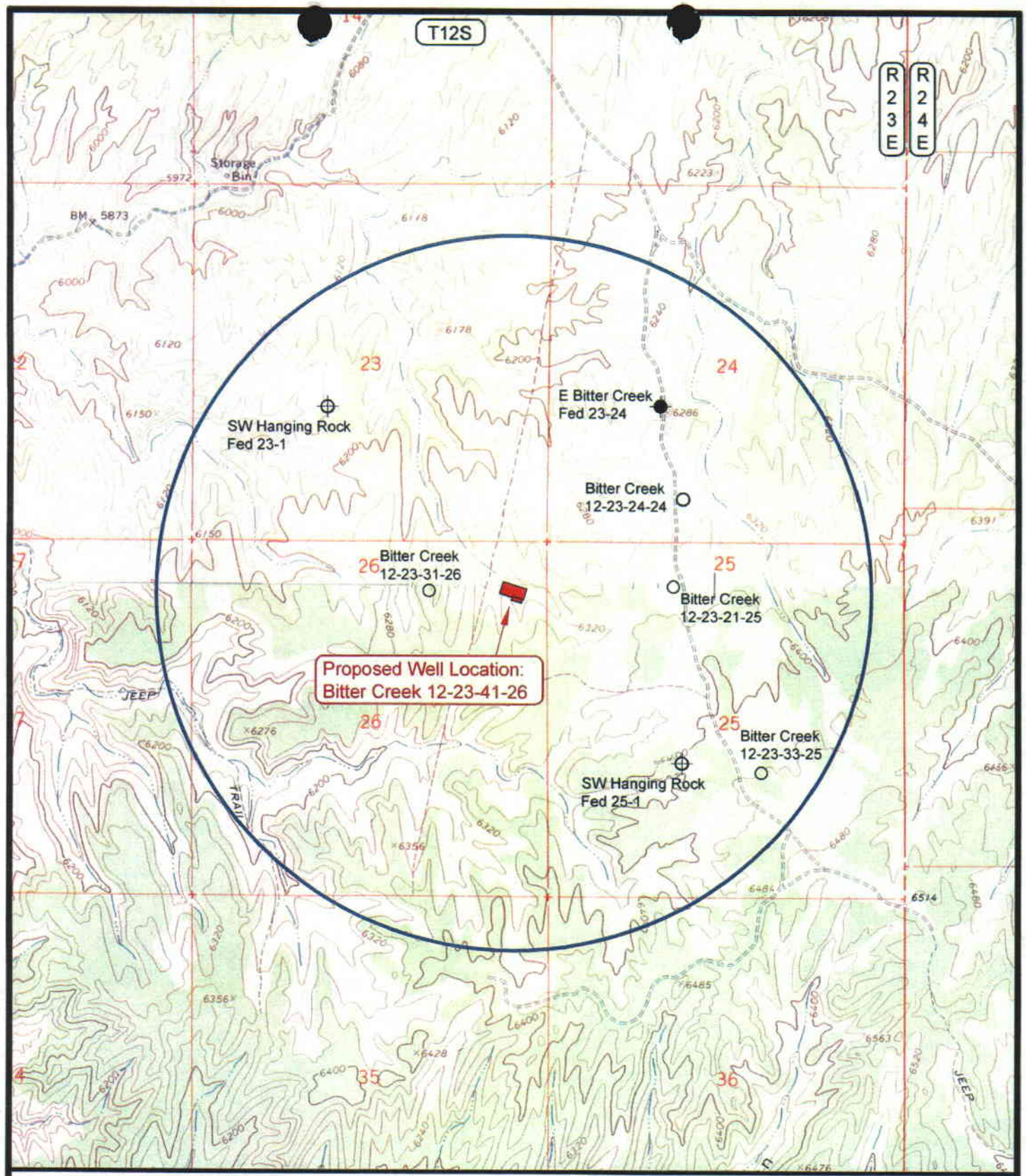
# ENDURING RESOURCES

## Bitter Creek 12-23-41-26
## SECTION 26, T12S, R23E, S.L.B.&M.

| TOPOGRAPHIC MAP "B" | | DATE SURVEYED: 04-14-06 |
|---|---|---|
| | | DATE DRAWN: 04-20-06 |
| SCALE: 1" = 2000' | DRAWN BY: M.W.W. | REVISED: |

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

SHEET 8 OF 10




LEGEND

- ∅ = DISPOSAL WELL
- ● = PRODUCING WELL
- ● = SHUT IN WELL
- ○ = PROPOSED WELL
- ∅ = WATER WELL
- ● = ABANDONED WELL
- ● = TEMPORARILY ABANDONED WELL
- ⊕ = ABANDONED LOCATION

N

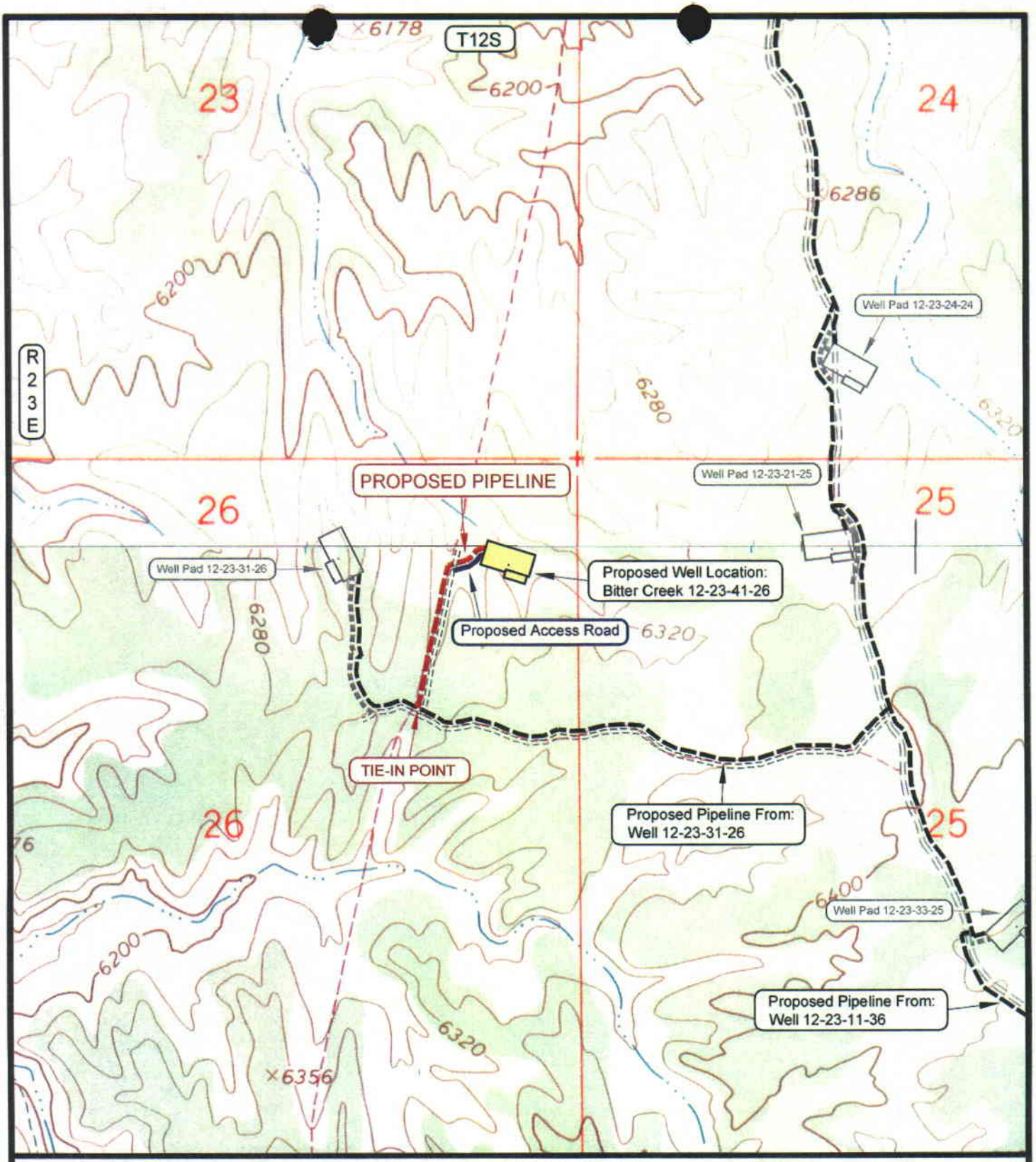
# ENDURING RESOURCES

## Bitter Creek 12-23-41-26
## SECTION 26, T12S, R23E, S.L.B.&M.

| TOPOGRAPHIC MAP "C" | | DATE SURVEYED: 04-14-06 |
|---|---|---|
| | | DATE DRAWN: 04-20-06 |
| 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 = ±1,390Feet

LEGEND

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

N

# ENDURING RESOURCES

**Bitter Creek 12-23-41-26**
**SECTION 26, T12S, R23E, S.L.B.&M.**

| TOPOGRAPHIC MAP "D" | | DATE SURVEYED: 04-14-06 |
|---|---|---|
| | | DATE DRAWN: 04-20-06 |
| SCALE: 1" = 1000' | DRAWN BY: M.W.W. | REVISED: |

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

SHEET 10 OF 10

# WORKSHEET
# APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/16/2006

API NO. ASSIGNED: 43-047-38724

WELL NAME: BITTER CREEK 12-23-41-26

OPERATOR: ENDURING RESOURCES, LLC ( N2750 )

PHONE NUMBER: 303-350-5719

CONTACT: EVETTE BISSETT

PROPOSED LOCATION:

NENE 26 120S 230E

SURFACE: 0780 FNL 0577 FEL

BOTTOM: 0780 FNL 0577 FEL

COUNTY: UINTAH

LATITUDE: 39.74967 LONGITUDE: -109.3025

UTM SURF EASTINGS: 645431 NORTHINGS: 4401142

FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|---|---|---|
| Engineering | | |
| Geology | | |
| Surface | | |

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-77531

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] 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 )

N RDCC Review (Y/N)
(Date: )

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: ___

STIPULATIONS: 1- Federal Approval
2. Spacing Stip

T12S R23E

BITTER CREEK
12-23-31-26

BITTER CREEK
12-23-41-26

26

BITTER CREEK
12-23-11-36

OPERATOR: ENDURING RES LLC (N2750)

SEC: 26 T.12S R. 23E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

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

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

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

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 18-OCTOBER-2006

**State of Utah**

**Department of Natural Resources**

MICHAEL R. STYLER
*Executive Director*

**Division of Oil, Gas & Mining**

JOHN R. BAZA
*Division Director*

JON M. HUNTSMAN, JR.
*Governor*

GARY R. HERBERT
*Lieutenant Governor*

October 19, 2006

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

Re: Bitter Creek 12-23-41-26 Well, 780' FNL, 577' FEL, NE NE, Sec. 26, 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 43-047-38724.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

**Operator:** Enduring Resources, LLC

**Well Name & Number** Bitter Creek 12-23-41-26

**API Number:** 43-047-38724

**Lease:** UTU-77531

**Location:** NE NE **Sec.** 26 **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

   Notify the Division within 24 hours of spudding the well.

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

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

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

CONFIDENTIAL

FORM 9

**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: UTU-77531
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
7. UNIT or CA AGREEMENT NAME: n/a
8. WELL NAME and NUMBER: Bitter Creek 12-23-41-26
9. API NUMBER: 4304738724
10. FIELD AND POOL, OR WILDCAT: Undesignated

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____
2. NAME OF OPERATOR: Enduring Resources, LLC
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 350-5719
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 780' FNL - 577' FEL COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 26 12S 23E S STATE: UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☑ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: _____ | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☐ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: _____ | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☑ OTHER: Request for APD Extension |
| | ☐ CONVERT WELL TYPE | ☐ 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: 10/19/2007
TO: 10/19/2008

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10-15-07
By: [signature]

10-16-07
Rm

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist
SIGNATURE [signature] DATE 10/16/2007

(This space for State use only)

RECEIVED
OCT 15 2007
DIV OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

**Application for Permit to Drill**
**Request for Permit Extension**
**Validation**
(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304738724
**Well Name:** Bitter Creek 12-23-41-26
**Location:** 780' FNL - 577' FEL, NENE, Sec 26, T12S-R23E
**Company Permit Issued to:** Enduring Resources, LLC
**Date Original Permit Issued:** 10/19/2006

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

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

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

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

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

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

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

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

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

Signature

10/16/2007
Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

RECEIVED
OCT 1 5 2007
DIV. OF OIL, GAS & MINING

RECEIVED
VERNAL FIELD OFFICE
2006 OCT 16 PM 2:35
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

# APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-77531**

6. If Indian, Allotee or Tribe Name **N/A**

7. If Unit or CA Agreement, Name and No. **N/A**

8. Lease Name and Well No. **Bitter Creek 12-23-41-26**

9. API Well No. 43 047 38724

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☑ Multiple Zone

2. Name of Operator **Enduring Resources, LLC**

3a. Address **475 17th Street, Suite 1500 Denver, CO 80202**

3b. Phone No. *(include area code)* **303-350-5719**

10. Field and Pool, or Exploratory **Undesignated**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **NE-NE 780' FNL - 577' FEL**
At proposed prod. zone **Same as surface**

11. Sec., T. R. M. or Blk. and Survey or Area **Sec 26 T12S R23E S.L.B.&M.**

14. Distance in miles and direction from nearest town or post office* **69.9 miles South of Vernal, UT**

12. County or Parish **Uintah**

13. State **UT**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **577'**

16. No. of acres in lease **1600**

17. Spacing Unit dedicated to this well **40 acres**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **1000' +**

19. Proposed Depth **6335'**

20. BLM/BIA Bond No. on file **BLM - UTB000173**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6277' RT-KB**

22. Approximate date work will start* **01/15/2007**

23. Estimated duration **20 days**

## 24. Attachments

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

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

25. Signature Evette Bissett — Name *(Printed Typed)* **Evette Bissett** — Date **10/12/2006**

Title **Regulatory Compliance Assistant**

Approved by *(Signature)* — Name *(Printed/Typed)* JERRY KENCZKA — Date 1-28-2008

Title Assistant Field Manager Lands & Mineral Resources — Office VERNAL FIELD OFFICE

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

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

**(Instructions on page 2)*

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

RECEIVED
FEB 01 2008
DIV. OF OIL, GAS & MINING

06BM2186A NOS 4/28/06

**UNITED STATES DEPARTMENT OF THE INTERIOR**
**BUREAU OF LAND MANAGEMENT**
**VERNAL FIELD OFFICE**
**170 South 500 East VERNAL, UT 84078 (435) 781-4400**

## *CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL*

| | | | |
|---|---|---|---|
| **Company:** | **Enduring Resources, LLC** | **Location:** | **NENE, Sec 26, T12S, R23E** |
| **Well No:** | **Bitter Creek 12-23-41-26** | **Lease No:** | **UTU-77531** |
| **API No:** | **43-047-38724** | **Agreement:** | **N/A** |

| Title | Name | Office Phone Number | Cell Phone Number |
|---|---|---|---|
| Petroleum Engineer: | Matt Baker | (435) 781-4490 | (435) 828-4470 |
| Petroleum Engineer: | Michael Lee | (435) 781-4432 | (435) 828-7875 |
| Petroleum Engineer: | James Ashley | (435) 781-4470 | (435) 828-7874 |
| Petroleum Engineer: | Ryan Angus | (435) 781-4430 | (435) 828-7368 |
| Supervisory Petroleum Technician: | Jamie Sparger | (435) 781-4502 | (435) 828-3913 |
| NRS/Enviro Scientist: | Karl Wright | (435) 781-4484 | (435) 828-7381 |
| NRS/Enviro Scientist: | Holly Villa | (435) 781-4404 | |
| NRS/Enviro Scientist: | | (435) 781-4476 | |
| NRS/Enviro Scientist: | Chuck Macdonald | (435) 781-4441 | (435) 828-7481 |
| NRS/Enviro Scientist: | Michael Cutler | (435) 781-3401 | (435) 828-3546 |
| NRS/Enviro Scientist: | Anna Figueroa | (435) 781-3407 | (435) 828-3548 |
| NRS/Enviro Scientist: | Verlyn Pindell | (435) 781-3402 | (435) 828-3547 |
| NRS/Enviro Scientist: | Darren Williams | (435) 781-4447 | |
| NRS/Enviro Scientist: | Nathan Packer | (435) 781-3405 | (435) 828-3545 |
| | | **Fax: (435) 781-3420** | |

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

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

## NOTIFICATION REQUIREMENTS

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

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

### General Surface COAs

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.

- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

### Site Specific Conditions of Approval

This well is located within the Resource Development Group (RDG) EIS project boundary, any **additional mitigation or COAs approved in the Final RDG EIS Record of Decision are also applicable to approval of this proposed action.**

### Stipulations

- The lessee/operator is given notice that the area has been identified as containing crucial deer winter range. Winter usage of the range may occur from November 1 through March 31. Modifications including seasonal restrictions may be required to the Surface Use Plan of Operations in order to protect the winter range. This does not apply to operation and maintenance of producing wells. This notice may be waived, excepted, or modified by the authorized officer if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated.

### Mitigation

### Threatened and Endangered Fish Mitigation for Water Supply

- The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.

- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:

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

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

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

- Screen all pump intakes with ¼" mesh material.

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

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

**Conditions Of Approval:**

- **No drilling of wells or construction will be allowed** on BLM-administered land within the Resource Development Group (RDG) EIS project boundary, that is designated as crucial mule deer winter range or Utah Division of Wildlife Resources identified critical mule deer winter range from **January 1 through March 1,** as allowed by 43 CFR 3101.1-2. A waiver, exception, or modification may be granted by the AO.

- This project is within the RDG EIS area and is also within big game wintering habitat. If the proposed work results in a loss of big sagebrush habitat this loss will need to be mitigated by the operator contributing to a habitat improvement project. The compensation requires 1.5 acres of habitat improvement to each acre of big sagebrush habitat disturbed. Contact the AO for specific on-site or off-site mitigation projects.

- Prior to water disposal, submit Sundry Notice Form 3160-5 specifying Approved Water Disposal facilities to be used in conjunction with Proposed Action.

- If Uinta Basin hookless cactus, White River beardtongue, Graham's beardtongue or other special status plants are found, construction shall cease and the AO shall be notified to determine the appropriate mitigation.

- The operator shall control noxious weeds along access road use authorizations, pipeline route authorizations, rights-of-way, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM weeds specialist or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal (PUP) be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.

- All traffic related to this action shall be restricted to approved routes. Cross-country vehicle travel will not be allowed.

- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.

- The authorized officer may prohibit surface disturbing activities during severe winter, wet, or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.

- The access road shall be crowned and ditched. Flat-bladed roads are not allowed.

- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. shall be needed to control the erosion. Low-water crossings shall be appropriately constructed to avoid sedimentation of drainage ways and other water resources.

- Pipelines shall be buried at all major drainage crossings.

- Prevent fill and stock piles from entering drainages.

- Construct water diversion ditch as needed to direct ephemeral drainage around the east and north side, around the well pad. Armor fill slopes and diversion ditch with rocks as need to reduce erosion.

- The reserve pit shall be lined with **16 ml** or greater liner to prevent pit leakage and at least **one felt liner (double felt as need to prevent pit leakage)** prior to spudding.

- All open pits shall be properly fenced and maintained during operations and until the pits are backfilled. When the reserve pit contains fluids or toxic substances, the operator must ensure that animals do not ingest or become entrapped in pit fluids.

- The reserve pit shall be free of oil and other liquids and solid wastes, allowed to dry, be pumped dry, or solidified in-situ prior to backfilling. The reserve pit must not be "squeezed", (filled with soil while still containing fluids) or cut (puncturing the pit liner while still containing fluids to allow pit fluids to drain from the pit).

- The pit liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.

- All permanent facilities, not regulated by OSHA, shall be painted the same color, **Olive Black (5WA20-6);** within six months of installation.

- During construction the topsoil from the location shall be stripped and windrowed separately from the other excess material. The topsoil windrows shall be re-seeded using the interim seed mix and track walked or drag chained at the time the location is constructed. The topsoil removed from the pit area shall be stored separately and will not be re-seeded until the pit is reclaimed. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded using the interim seed mix listed below.

- All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, shall be stockpiled for use during final reclamation.

- Trees and woody debris must be removed from the site and piled separately off site and saved for final reclamation. During final reclamation the trees and woody debris will be loped and scattered over the recontoured and seeded areas, and spread evenly across the site. Trees and woody debris will not account for more than 20% of the total surface area of the site.

- Upon well completion, the well pad location up to the deadmen, shall be recontoured to the approximate natural contours and the stockpiled topsoil shall be spread evenly over the reclaimed area and then re-seeded using the interim seed mix.

- Reclamation:

Interim seed mix:

| | | |
|---|---|---|
| Hy-crest Crested Wheatgrass | *Agropyron cristatum* | 4 lbs/acre |
| Squirreltail grass | *Elymus elymoides* | 4 lbs/acre |
| Western Wheatgrass | *Agropyron smithii* | 4 lbs/acre |
| Wyoming Big Sagebrush | *Artemisia tridentata var. wyomingensis* | ½ lbs/acre |

Final reclamation seed mix:

| | | |
|---|---|---|
| Hy-crest Crested Wheatgrass | *Agropyron cristatum* | 4 lbs/acre |
| Squirreltail grass | *Elymus elymoides* | 4 lbs/acre |
| Western Wheatgrass | *Agropyron smithii* | 4 lbs/acre |
| Wyoming Big Sagebrush | *Artemisia tridentata var. wyomingensis* | ½ lbs/acre |

  - All pounds are in pure live seed.
  - All seed and mulch shall be certified weed free.
  - Drill seeding is the preferred method.
  - Rates are set for drill seeding; double the rate if broadcasting.
  - If broadcasting seed: The seed shall be walked into the soil with a dozer immediately after the seeding is completed, or covered by soil using a drag chain.
  - Reseeding shall be required if initial seeding is not successful.

- Once the location is plugged and abandoned, the well location and access road shall be recontoured to the natural topography, topsoil shall be respread, and the entire location and access road shall be seeded with the final reclamation seed mix. Seed application shall follow all guidelines in the final reclamation seed mix bullet statement above. If reclamation seeding shall take place using the broadcast method, the seed at a minimum shall be walked into the soil with a dozer, immediately after the seeding is completed, or covered by soil using a drag chain.

## *DOWNHOLE CONDITIONS OF APPROVAL*

### SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- A casing shoe integrity test shall be run on the surface casing shoe.
- For surface casing cementing program, stage Top Out or Top Job is to bring cement to surface. Note that stage Top Out is to bring cement to surface.
- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 300 ft above the surface casing shoe.
    - COA specification is consistent with operators performance standard stated in APD.

### DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment BOPE shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources such as Gilsonite, tar sands, oil shale, trona, etc. to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth from KB or GL of encounter, vertical footage of the encounter and, the name of the person making the report along with a telephone number should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log CBL will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

**OPERATING REQUIREMENT REMINDERS:**

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" Oil and Gas Operations Report OGOR starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 303 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location ¼¼, Sec., Twn, Rng, and P.M..

    - Date well was placed in a producing status date of first production for which royalty will be paid.

    - The nature of the well's production, i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons.

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees NTL 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events fires, accidents, blowouts, spills, discharges as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" BLM Form 3160-4 shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data

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

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" Form BLM 3160-5 must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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

CONFIDENTIAL

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.

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77531

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

7. UNIT or CA AGREEMENT NAME: n/a

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Bitter Creek 12-23-41-26

2. NAME OF OPERATOR: Enduring Resources, LLC

9. API NUMBER: 4304738724

3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 350-5719

10. FIELD AND POOL, OR WILDCAT: Undesignated

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 780' FNL - 577' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 26 12S 23E S

STATE: UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☑ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☐ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☑ OTHER: Request for APD Extension |
| | ☐ CONVERT WELL TYPE | ☐ 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: 10/15/2008
TO: 10/15/2009

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10-15-08
By:

COPY SENT TO OPERATOR
Date: 10·16·2008
Initials: KS

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

SIGNATURE DATE 9/29/2008

(This space for State use only)

RECEIVED
OCT 14 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

RESET

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

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

**API:** 4304738724
**Well Name:** Bitter Creek 12-23-41-26
**Location:** 780' FNL - 577' FEL, NENE, Sec 26, T12S-R23E
**Company Permit Issued to:** Enduring Resources, LLC
**Date Original Permit Issued:** 10/19/2006

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

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

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

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

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

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

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

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

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

Signature

9/29/2008
Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

RECEIVED
OCT 14 2008
DIV. OF OIL, GAS & MINING

API Well No: 43047387240000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-77531

## SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: Gas Well

8. WELL NAME and NUMBER: BITTER CREEK 12-23-41-26

2. NAME OF OPERATOR: Enduring Resources, LLC

9. API NUMBER: 43047387240000

3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202

PHONE NUMBER: 303 350-5114 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0780 FNL 0577 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 26 Township: 12.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ✓ NOTICE OF INTENT<br>Approximate date work will start: 10/15/2009 | ☐ ACIDIZE | ☐ ALTER CASING | ☐ CASING REPAIR |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ CHANGE TUBING | ☐ CHANGE WELL NAME |
| | ☐ CHANGE WELL STATUS | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ CONVERT WELL TYPE |
| ☐ SUBSEQUENT REPORT<br>Date of Work Completion: | ☐ DEEPEN | ☐ FRACTURE TREAT | ☐ NEW CONSTRUCTION |
| | ☐ OPERATOR CHANGE | ☐ PLUG AND ABANDON | ☐ PLUG BACK |
| | ☐ PRODUCTION START OR RESUME | ☐ RECLAMATION OF WELL SITE | ☐ RECOMPLETE DIFFERENT FORMATION |
| ☐ SPUD REPORT<br>Date of Spud: | ☐ REPERFORATE CURRENT FORMATION | ☐ SIDETRACK TO REPAIR WELL | ☐ TEMPORARY ABANDON |
| | ☐ TUBING REPAIR | ☐ VENT OR FLARE | ☐ WATER DISPOSAL |
| ☐ DRILLING REPORT<br>Report Date: | ☐ WATER SHUTOFF | ☐ SI TA STATUS EXTENSION | ✓ APD EXTENSION |
| | ☐ WILDCAT WELL DETERMINATION | ☐ OTHER | OTHER: |

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

Request an one-year extension to APD term.

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

**Date:** October 15, 2009

**By:** [signature]

| NAME (PLEASE PRINT) | PHONE NUMBER | TITLE |
|---|---|---|
| Alvin Arlian | 303 350-5114 | Landman-Regulatory |

| SIGNATURE | DATE |
|---|---|
| N/A | 10/15/2009 |

RECEIVED October 15, 2009

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

**- State of Utah**
**- Department of Natural Resources**

**Electronic Permitting System - Sundry Notices**

## Request for Permit Extension Validation Well Number 43047387240000

**API:** 43047387240000
**Well Name:** BITTER CREEK 12-23-41-26
**Location:** 0780 FNL 0577 FEL QTR NENE SEC 26 TWNP 120S RNG 230E MER S
**Company Permit Issued to:** ENDURING RESOURCES, LLC
**Date Original Permit Issued:** 10/19/2006

**The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.**

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

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

**Signature:** Alvin Arlian **Date:** 10/15/2009
**Title:** Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

**Date:** October 15, 2009

**By:** Dark Gill

**RECEIVED** October 15, 2009

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*

October 21, 2010

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

Re: APD Rescinded – Bitter Creek 12-23-41-26, Sec.26 T.12S, R.23E
Uintah County, Utah API No. 43-047-38724

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 October 19, 2006. On October 15, 2007, October 15, 2008 and October 15, 2009. the Division granted a one-year APD extension. On October 21, 2010, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 21, 2010.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
http://www.blm.gov/ut/st/en/fo/vernal.html

TAKE PRIDE IN AMERICA

IN REPLY REFER TO:
3160
UTG011

March 24, 2010

43-047-38724

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

Re: Notice of APD/Lease Expiration
Well No. Bitter Creek 12-23-41-26
NENE, Sec. 26, T12S, R23E
Uintah County, Utah
Lease No. UTU-77531

Dear Mr. Arlian:

The original Application for Permit to Drill (APD) for the above referenced well was approved on January 28, 2008. A two (2) year extension of the original APD was requested on December 21, 2009 and approved in error by this office December 31, 2009. However, Federal Lease UTU-77531 expired by its own terms and conditions on September 30, 2008, and the case was closed at the BLM Utah State Office on January 12, 2009. Since the lease expired, the original APD simultaneously became invalid prior to its extension. Therefore, the APD extension approved on December 31, 2009 is hereby rescinded. Please be advised, the well referenced above shall not be drilled.

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

If you have any questions regarding this matter, please contact me at (435) 781-4502.

Sincerely,

James H. Sparger
Acting Assistant Field Manager
Lands & Minerals Resources

RECEIVED
APR 01 2010
DIV. OF OIL, GAS & MINING

cc: UDOGM

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

## SUNDRY NOTICES AND REPORTS ON WELLS

DEC 2 1 2009

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

BLM

***SUBMIT IN TRIPLICATE - Other instructions on reverse side.***

5. Lease Serial No.
UTU77531

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
BITTER CREEK 12-23-41-26

2. Name of Operator
ENDURING RESOURCES, LLC
Contact: AL ARLIAN
E-Mail: aarlian@enduringresources.com

9. API Well No.
43-047-38724

3a. Address
475 17TH STREET, SUITE 1500
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-350-5114
Fx: 303-573-0461

10. Field and Pool, or Exploratory
WILDCAT

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 26 T12S R23E NENE 780FNL 577FEL
39.44588 N Lat, 109.18107 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| ☒ Notice of Intent | ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☐ Subsequent Report | ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Final Abandonment Notice | ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☒ Other Change to Original PD |
| | ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| | ☐ Convert to Injection | ☐ Plug Back | ☐ Water Disposal | |

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

Requests a two-year extension of the APD termination date:

From: 1-28-2010

To: 1-28-2012

VERNAL DIST.
ENG. _____
GEOL. _____
E.S. _____
PET. _____
A.M. _____

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.
**Electronic Submission #79062 verified by the BLM Well Information System**
**For ENDURING RESOURCES, LLC, sent to the Vernal**
**Committed to AFMSS for processing by GAIL JENKINS on 12/21/2009 ()**

Name *(Printed/Typed)* AL ARLIAN — Title OPERATIONS

Signature (Electronic Submission) — Date 12/21/2009

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title Petroleum Engineer DEC 31 2009 Date

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

Office

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

RECEIVED
FEB 1 1 2010
DIV. OF OIL, GAS & MINING

UDOGM

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

# CONDITIONS OF APPROVAL

## Enduring Resources, LLC

### Notice of Intent
### APD Extension

**Lease:** UTU-77531
**Well:** Bitter Creek 12-23-41-26
**Location:** NENE Sec 26-T12S-R23E

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

---

1. The extension and APD shall expire on 8/7/2011.

2. Since the APD was approved under a Categorical Exclusion and the referenced NEPA will expire 8/7/2011, if the well has not been spud by that date this APD will expire and the operator is to cease all operations related to the preparing to drill the well.

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