



***Enduring Resources***

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

November 13, 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  
Rainbow 11-24-42-17  
SENE 17-11S-24E BHL  
NESE17-11S-24E Surface  
Federal Lease: UTU-73930  
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  
Regulatory Compliance Assistant  
**ENDURING RESOURCES, LLC**

Enclosures

**RECEIVED**

**NOV 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)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: UTU-73930	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Enduring Resources, LLC				9. WELL NAME and NUMBER: Rainbow 11-24-42-17	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY Denver STATE CO ZIP 80220			PHONE NUMBER: (303) 350-5719	10. FIELD AND POOL, OR WILDCAT: Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2490' FSL - 1087' FEL AT PROPOSED PRODUCING ZONE: 1992' FNL - 658' FEL SENE				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 11S 24E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 68.2 miles Southeasterly of Vernal, UT				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 658'		16. NUMBER OF ACRES IN LEASE: 880		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: 6,640		20. BOND DESCRIPTION: RLB0008031	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5657' RT-KB		22. APPROXIMATE DATE WORK WILL START: 1/10/2007		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#	6,640	Class G	50 sxs	3.3	11.0
			50/50 Poz Class G	797 sxs	1.56	14.3

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Evette Bissett TITLE Regulatory Compliance Assistant

SIGNATURE *Evette Bissett* DATE 11/9/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38852

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

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NOV 16 2006  
DIV. OF OIL, GAS & MINING**

APPROVAL:  
Date: 11-30-06  
By: *[Signature]*

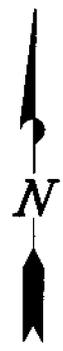
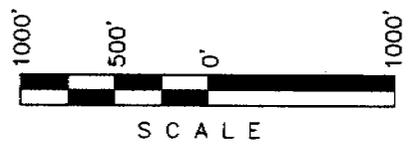
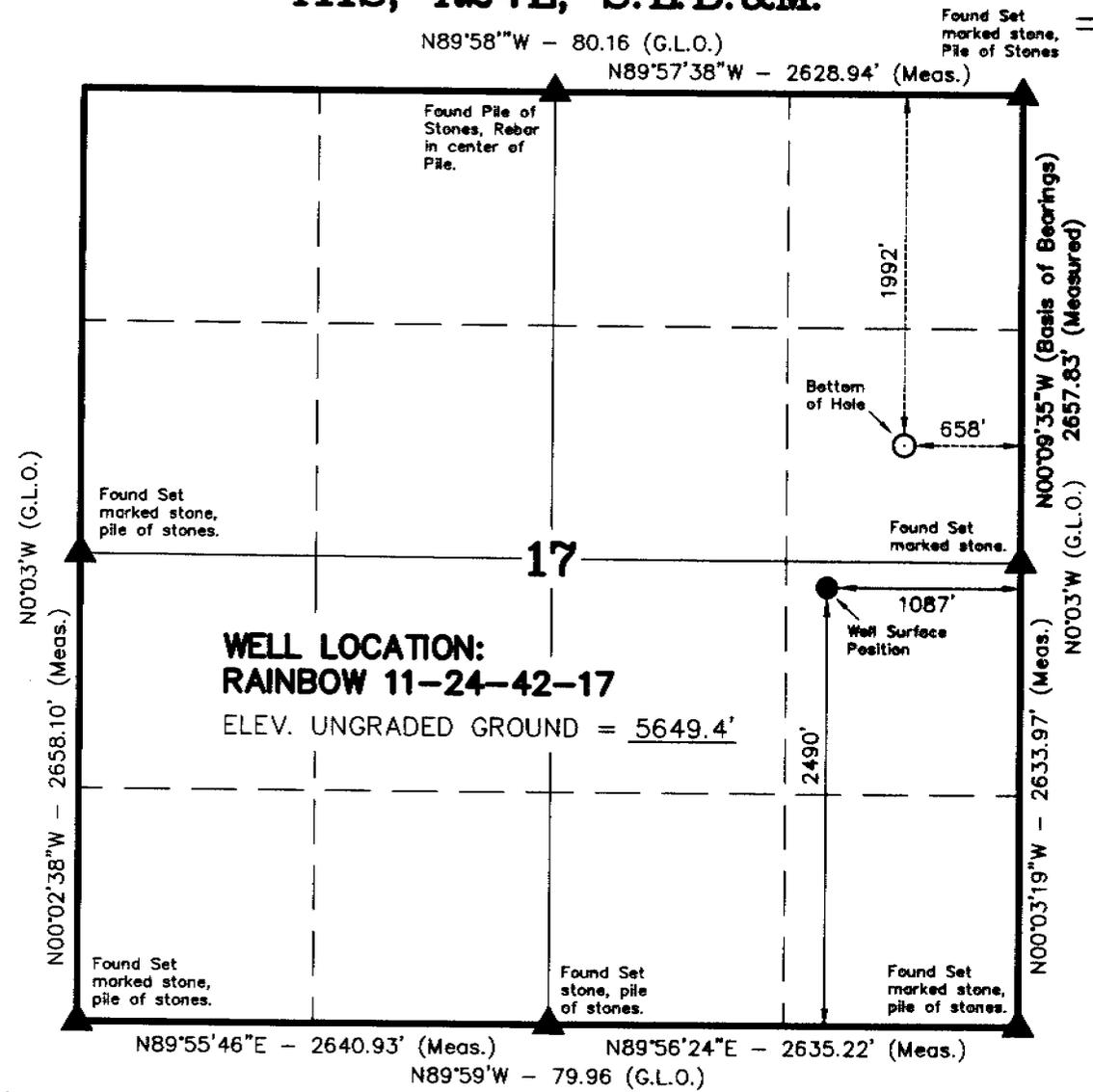
(11/2001) **Federal Approval of this  
Action is Required**

(See Instructions on Reverse Side)

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

## ENDURING RESOURCES

WELL LOCATION, RAINBOW 11-24-42-17,  
LOCATED AS SHOWN IN THE SE 1/4 NE 1/4  
OF SECTION 17, T11S, R24E, 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.
3. The Bottom of hole bears N27°43'58"E 916.67' from the Surface Position.
4. BASIS OF ELEVATION IS BENCH MARK 89 EAM 1965 LOCATED IN THE WEST 1/2 OF SECTION 5, T12S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN. QUADRANGLE AS BEING 6075'.

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.

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

▲ = SECTION CORNERS LOCATED

**RAINBOW 11-24-42-17**  
(Bottom Hole) NAD 83 Autonomous  
LATITUDE = 39° 51' 49.69"  
LONGITUDE = 109° 14' 51.55"

**RAINBOW 11-24-42-17**  
(Surface Position) NAD 83 Autonomous  
LATITUDE = 39° 51' 41.68"  
LONGITUDE = 109° 14' 57.02"

<b>TIMBERLINE LAND SURVEYING, INC.</b>		<b>SHEET 2 OF 11</b>
38 WEST 100 NORTH. - VERNAL, UTAH 84078 (435) 789-1365		
DATE SURVEYED: 09-18-06	SURVEYED BY: B.J.S.	
DATE DRAWN: 09-20-06	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

**ENDURING RESOURCES, LLC**

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

November 13, 2006

State of Utah  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Attention: Ms. Diana Whitney

**RE: Exception Well Location  
Rainbow 11-24-42-17  
SENE 17-T11S-R24E BHL  
NESE 17-T11S-R24E Surface  
1992' FNL - 658' FEL BHL  
2490' FSL - 1087' FEL Surface  
Lease Serial No.: UTU-73930  
Uintah County, Utah**

Dear Ms. Whitney:

Enduring Resources, LLC ("ERLLC") plans to drill the above-referenced well directionally from an existing exception location (Rainbow 11-24-43-17) to limit surface impact and drilling on steep slopes.

ERLLC is the only leasehold interest owner within 460 feet of any part of the above-referenced proposed well's proposed well bore, therefore,

*A. ERLLC also grants itself permission for an exception well location.*

In the event there are any other outstanding matters preventing these APD's from being approved, please let me know at your earliest convenience, 303-350-5719 ([ebissett@enduringresources.com](mailto:ebissett@enduringresources.com)).

Very truly yours



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

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**SELF-CERTIFICATION STATEMENT**

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

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

**Rainbow 11-24-42-17**

BHL: SENE Sec. 17-11S-24E

Surface Location: NESE Sec. 17-11S-24E

BHL: 1992' FNL - 658' FEL

Surface: 2490' FSL - 1087' FEL

Lease Serial No.: UTU-73930

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

11/13/2006

\_\_\_\_\_  
Date

**Enduring Resources, LLC  
Rainbow 11-24-42-17  
SENE17-11S-24E BHL  
NESE 17-11S-24E Surface  
Uintah County, Utah  
Federal Lease: UTU-73930**

**ONSHORE ORDER 1 - DRILLING PLAN**

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

Formation	Depth (K.B.)
Uinta	Surface
Green River	341
Wasatch	2671
Mesaverde	4386

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

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 5657'	
Oil / Gas	Green River	341
Oil /Gas	Wasatch	2671
Oil /Gas	Mesaverde	4386
	Estimated TD	6455
	Estimated MD	6640

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 - 6640 (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)
6640' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.84d)	7780/2.45 (e)	223/3.37(f)

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

**PROPOSED CEMENTING PROGRAM**

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

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

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft<sup>3</sup>/sx) cement will be premium cement w/ 3% CaCl<sub>2</sub>.+0.25 pps celloflake. Volume as required

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

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

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

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
4-1/2"	Lead	555	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	50	25	11.0	3.3
4-1/2"	Tail	4369	50/50 POZ Class G + 2% gel + 1% CaCl <sub>2</sub> + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	797	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'-6640' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

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

**6. Evaluation Program:**

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

## Logging

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

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

## 7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3453 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1992 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**  
**Rainbow 11-24-42-17**  
**Section 17, T11S, R24E, 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 4.8 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 2.3 MILES TO THE JUNCTION OF A COUNTY D ROAD. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 4.2 MILES TO THE RAINBOW 14-17 WELL PAD. PROCEED EASTERLY ACROSS THE WELL PAD TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 4,850 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 68.2 MILES IN A SOUTHEASTERLY DIRECTION.

**Enduring Resources, LLC**  
**Rainbow 11-24-42-17**  
**SENE 17-11S-24E BHL**  
**NESE17-11S-24E Surface**  
**Uintah County, Utah**  
**Federal Lease: UTU-73930**

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. Existing Roads:**

**Directional well drilled from the Rainbow 11-24-43-17 well pad.**

From The Intersection Of U.S. Highway 40 And 500 East Street In Vernal, Utah, Proceed In An Easterly Then Southerly Direction Along U.S. Highway 40 Approximately 3.3 Miles To The Junction Of State Highway 45; Exit Right And Proceed In A Southerly Direction Along State Highway 45 Approximately 40.5 Miles To The Junction Of The Dragon Road (County B Road 4180). This Road Is Located Approximately 4.8 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 2.3 Miles To The Junction Of A County D Road. Exit Right And Proceed In A Northerly Direction Along The County D Road Approximately 4.2 Miles To The Rainbow 14-17 Well Pad. Proceed Easterly Across The Well Pad To The Proposed Access Road. Follow Road Flags In A Northeasterly Direction Approximately 4,850 Feet To The Proposed Location.

Total Distance From Vernal, Utah To The Proposed Well Location Is Approximately 68.2 Miles In A Southeasterly Direction.

**2. Planned Access Roads:**

The proposed access road will be approximately 4.210 feet of new construction. Please refer to Topo Map "B" for the takeoff point for the new ON-LEASE road construction. Access to section 17 will be Oil Springs Gas Field Road East. Then onto an existing access road for the Rainbow 11-24-23-17, then onto the new access road.

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

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

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

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

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

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

- a. None: Water Wells:
- b. None: Injection Wells:
- c. None: Producing Wells:
- d. (4): Drilling Wells:
  - 1. Rainbow 11-24-41-17, NENE 17
  - 2. Rainbow 11-24-24-17, SESW Sec 17
  - 3. Rainbow 11-24-31-16, NWNE Sec 16
  - 4. Asphalt Wash 11-24-42-16, SENE Sec 16
- e. (2): Shut-in Wells:
  - 1. Rainbow Unit #1, NESW Sec 8
  - 2. Rainbow Unit #2A, NESW Sec 18
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. None: Abandoned Wells:
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. (23): Pending (staked) Wells:

1. Enduring Resources has twenty-three other wells staked in this section

**4. Location of Existing and/or Proposed Facilities:**

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

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

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

All facilities will be painted within 6 months of installation. The color shall be 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	4,175'	BLM
	OFF-LEASE	-0-	

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed for year around usage. Approximately 4,175 feet of 6" or less surface gas gathering pipeline shall be laid 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 Oil Springs Gas Field Road East. Access agreements have already been approved. (Copy Attached)

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	<u>T11S-R24E</u>	T12S-R24E

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

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

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

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

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

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

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

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

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

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

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

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

8. **Ancillary Facilities:**

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

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

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

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

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

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

All pits shall be fence to the following minimum standards:

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

- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

**10. Plans for Surface Reclamation:**

**Producing Location:**

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

**Dry Hole/Abandoned Location:**

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

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

To be provided by the BLM

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

Wellsite: Bureau of Land Management

Access: Bureau of Land Management

Pipeline: Bureau of Land Management

**12. Other Information**

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

The on-site was conducted on November 8, 2006

Attending were:

1. Melissa Hawk - BLM
2. Anna Figueroa - BLM
3. Mike Stewart - Ponderosa Construction
4. Larry Rowell – Ponderosa Construction
5. Kolby Kay - Timberline
6. Doug Hammond - Enduring Resources

**Special Conditions of Approval:**

**None for this well(s).**

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

Teme Singleton  
Vice President – Operations  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Office Tel: 303-350-5711  
Fax Tel: 303-573-0461  
[tsingleton@enduringresources.com](mailto: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/her/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 Rainbow 11-24-42-17 Well; NESE Section 17, Township 11 South, Range 24 East, BHL; SENE Section 17, Township 11 South, Range 24 East, Surface; Lease #:UTU-73930 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah , Division of Oil, Gas & Mining Surety Bond No. RLB0008031

**ENDURING RESOURCES, LLC**



Alvin (AI) R. Arlian  
Landman – Regulatory Specialist

November 28, 2006

**Enduring Resources, LLC**  
**Rainbow 11-24-42-17**  
SENE 17-11S-24E BHL  
NESE17-11S-24E Surface  
Uintah County, Utah  
**Federal Lease: UTU-73930**

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. Existing Roads:**

**Directional well drilled from the Rainbow 11-24-43-17 well pad.**

From The Intersection Of U.S. Highway 40 And 500 East Street In Vernal, Utah, Proceed In An Easterly Then Southerly Direction Along U.S. Highway 40 Approximately 3.3 Miles To The Junction Of State Highway 45; Exit Right And Proceed In A Southerly Direction Along State Highway 45 Approximately 40.5 Miles To The Junction Of The Dragon Road (County B Road 4180). This Road Is Located Approximately 4.8 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 2.3 Miles To The Junction Of A County D Road. Exit Right And Proceed In A Northerly Direction Along The County D Road Approximately 4.2 Miles To The Rainbow 14-17 Well Pad. Proceed Easterly Across The Well Pad To The Proposed Access Road. Follow Road Flags In A Northeasterly Direction Approximately 4,850 Feet To The Proposed Location.

Total Distance From Vernal, Utah To The Proposed Well Location Is Approximately 68.2 Miles In A Southeasterly Direction.

**2. Planned Access Roads:**

The proposed access road will be approximately 4.210 feet of new construction. Please refer to Topo Map "B" for the takeoff point for the new ON-LEASE road construction. Access to section 17 will be Oil Springs Gas Field Road East. Then onto an existing access road for the Rainbow 11-24-23-17, then onto the new access road.

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

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

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

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

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

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

- a. None: Water Wells:
- b. None: Injection Wells:
- c. None: Producing Wells:
- d. (4): Drilling Wells:
  - 1. Rainbow 11-24-41-17, NENE 17
  - 2. Rainbow 11-24-24-17, SESW Sec 17
  - 3. Rainbow 11-24-31-16, NWNE Sec 16
  - 4. Asphalt Wash 11-24-42-16, SENE Sec 16
- e. (2): Shut-in Wells:
  - 1. Rainbow Unit #1, NESW Sec 8
  - 2. Rainbow Unit #2A, NESW Sec 18
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. None: Abandoned Wells:
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. (23): Pending (staked) Wells:

1. Enduring Resources has twenty-three other wells staked in this section

**4. Location of Existing and/or Proposed Facilities:**

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

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

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

All facilities will be painted within 6 months of installation. The color shall be 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	4,175'	BLM
	OFF-LEASE	-0-	

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed for year around usage. Approximately 4,175 feet of 6" or less surface gas gathering pipeline shall be laid 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 Oil Springs Gas Field Road East. Access agreements have already been approved. (Copy Attached)

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	<u>T11S-R24E</u>	T12S-R24E

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

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

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

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

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

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

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

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

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

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

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

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

**8. Ancillary Facilities:**

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

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

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

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

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

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

All pits shall be fence to the following minimum standards:

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

- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

**10. Plans for Surface Reclamation:**

**Producing Location:**

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

**Dry Hole/Abandoned Location:**

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

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

To be provided by the BLM

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

Wellsite: Bureau of Land Management

Access: Bureau of Land Management

Pipeline: Bureau of Land Management

**12. Other Information**

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

The on-site was conducted on November 8, 2006

Attending were:

1. Melissa Hawk - BLM
2. Anna Figueroa - BLM
3. Mike Stewart - Ponderosa Construction
4. Larry Rowell – Ponderosa Construction
5. Kolby Kay - Timberline
6. Doug Hammond - Enduring Resources

**Special Conditions of Approval:**

**None for this well(s).**

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

Teme Singleton  
Vice President – Operations  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Office Tel: 303-350-5711  
Fax Tel: 303-573-0461  
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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/her/its contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

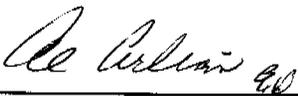
The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

**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 Rainbow 11-24-42-17 Well; NESE Section 17, Township 11 South, Range 24 East, BHL; SENE Section 17, Township 11 South, Range 24 East, Surface; Lease #:UTU-73930 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah , Division of Oil, Gas & Mining Surety Bond No. RLB0008031

**ENDURING RESOURCES, LLC**



Alvin (Al) R. Arlian  
Landman – Regulatory Specialist

November 13, 2006



**Weatherford<sup>®</sup>**

## **Drilling Services**

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## **Proposal**

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**ENDURING RESOURCES, L.L.C**

RAINBOW #11-24-42-17

UINTAH COUNTY, UTAH

**PLAN 1**

OCTOBER 9, 2006

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**Weatherford International, Ltd.**  
15710 John F. Kennedy Blvd, Suite 700  
Houston, Texas 77032 USA  
+1.281.260.1300 Main  
+1.281.260.4729 Fax  
[www.weatherford.com](http://www.weatherford.com)

# ENDURING RESOURCES, L.L.C.

RAINBOW 11-24-42-17  
 SE-NE 17-11S-24E  
 2490' FNL, 1087' FEL  
 UINTAH COUNTY, UTAH



## Weatherford

SECTION DETAILS											
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target	
1	0.00	0.00	27.76	0.00	0.00	0.00	0.00	0.00	0.00		
2	2060.00	0.00	27.76	2060.00	0.00	0.00	0.00	0.00	0.00	KOP	
3	2976.67	27.50	27.76	2941.87	190.96	100.50	3.00	27.76	215.79	HOLD	
4	3934.19	27.50	27.76	3791.21	582.23	306.40	0.00	0.00	657.93	DROP	
5	5034.19	0.00	27.76	4849.46	811.38	427.00	2.50	180.00	916.88	HOLD	
6	5184.73	0.00	27.76	5000.00	811.38	427.00	0.00	0.00	916.88		
7	6639.73	0.00	27.76	6455.00	811.38	427.00	0.00	27.76	916.88	PBHL_11-24-42-17	



Azimuths to True North  
 Magnetic North: 11.49°

Magnetic Field  
 Strength: 52830nT  
 Dip Angle: 65.99°  
 Date: 10/6/2006  
 Model: bggm2005

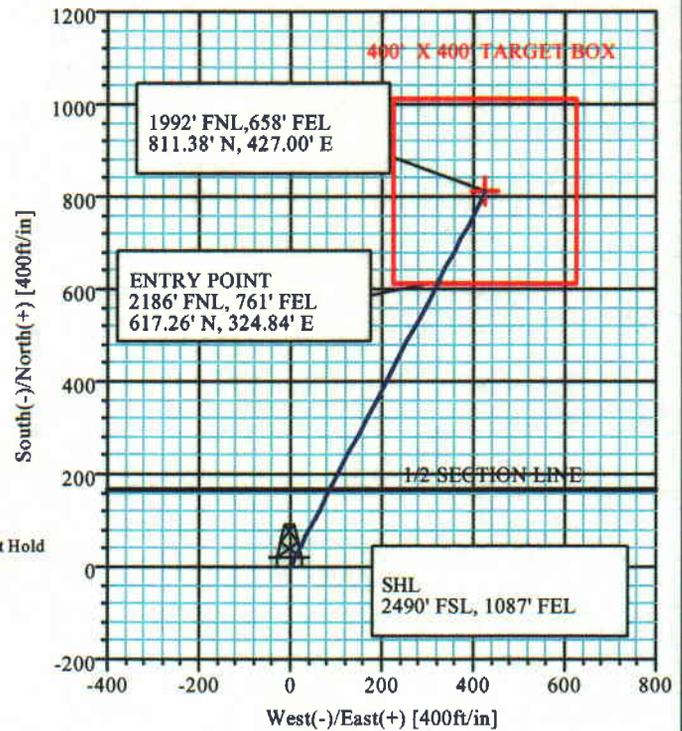
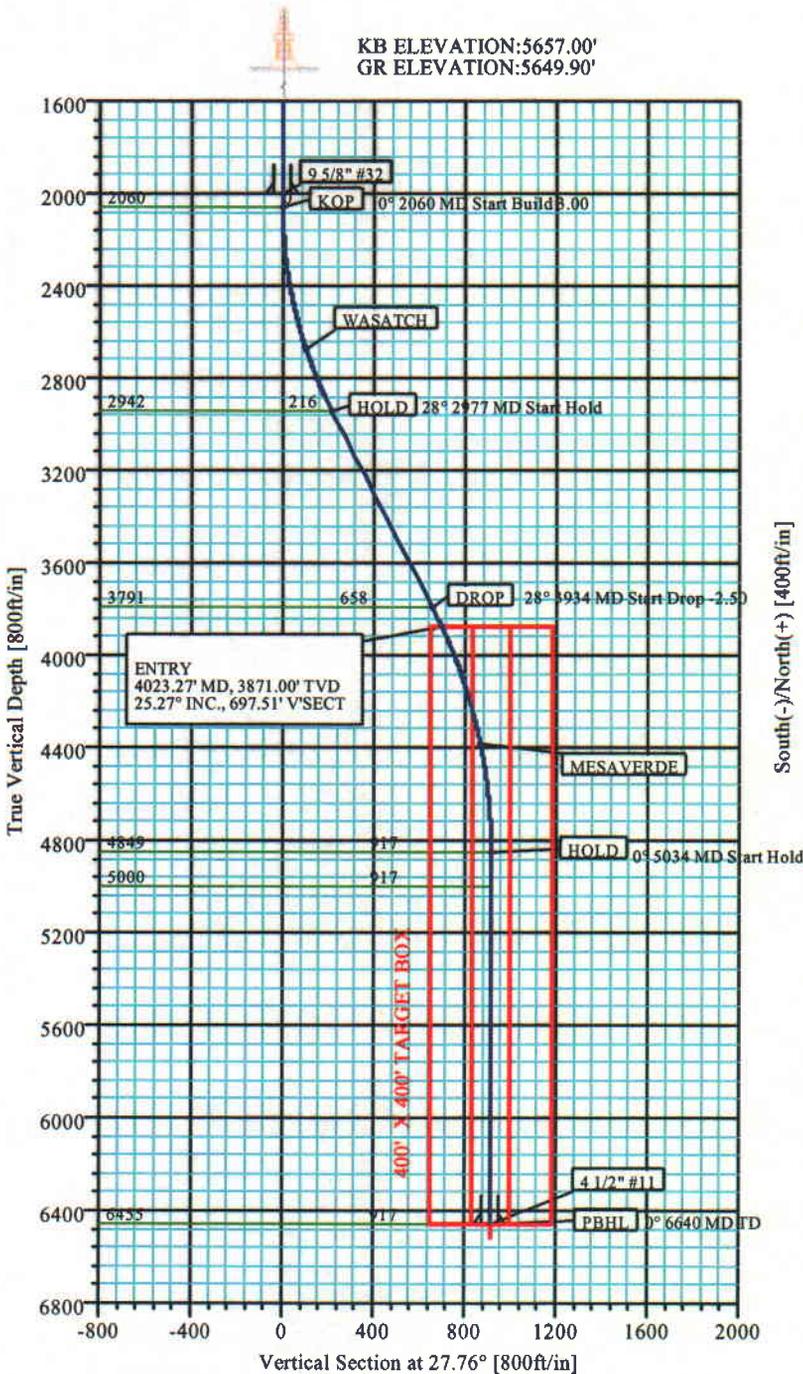
TOTAL CORRECTION TO TRUE NORTH: 11.49°

### FORMATION TOP DETAILS

No.	TVDPath	MDPath	Formation
1	341.00	341.00	GREEN RIVER
2	2671.00	2681.93	WASATCH
3	4386.00	4567.51	MESAVERDE

### CASING DETAILS

No.	TVD	MD	Name	Size
1	2000.00	2000.00	9 5/8" #32	0.000
2	6455.00	6639.73	4 1/2" #11	0.000



Plan: Plan #1 (RAINBOW 11-24-42-17/1)

Created By: ROBERT H. SCOTT

Date: 10/9/2006

# WEATHERFORD DRILLING SERVICES

## WELL PLAN REPORT

<b>Company:</b> Enduring Resources	<b>Date:</b> 10/9/2006	<b>Time:</b> 13:50:05	<b>Page:</b> 1
<b>Field:</b> Uintah, Utah	<b>Co-ordinate(NE) Reference:</b> Well: RAINBOW 11-24-42-17, True North		
<b>Site:</b> SE-NE 17-11S-24E	<b>Vertical (TVD) Reference:</b> SITE 5657.0		
<b>Well:</b> RAINBOW 11-24-42-17	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,27.76Azi)		
<b>Wellpath:</b> 1	<b>Survey Calculation Method:</b> Minimum Curvature	<b>Db:</b> Sybase	

<b>Plan:</b> Plan #1	<b>Date Composed:</b> 10/9/2006
<b>Principal:</b> Yes	<b>Version:</b> 1
	<b>Tied-to:</b> From Surface

<b>Field:</b> Uintah, Utah Utah Central Zone U.S.A.	<b>Map Zone:</b> Utah, Central Zone
<b>Map System:</b> US State Plane Coordinate System 1983	<b>Coordinate System:</b> Well Centre
<b>Geo Datum:</b> GRS 1980	<b>Geomagnetic Model:</b> bggm2005
<b>Sys Datum:</b> Mean Sea Level	

<b>Well:</b> RAINBOW 11-24-42-17	<b>Slot Name:</b>
<b>Well Position:</b>	
+N/-S 0.00 ft Northing: 7127488.18 ft	Latitude: 39 51 41.680 N
+E/-W 0.00 ft Easting: 2318928.23 ft	Longitude: 109 4 57.020 W
<b>Position Uncertainty:</b> 0.00 ft	

<b>Wellpath:</b> 1	<b>Drilled From:</b> Surface
<b>Current Datum:</b> SITE	<b>Tie-on Depth:</b> 0.00 ft
<b>Magnetic Data:</b> 10/6/2006	<b>Above System Datum:</b> Mean Sea Level
<b>Field Strength:</b> 52830 nT	<b>Declination:</b> 11.49 deg
<b>Vertical Section:</b> Depth From (TVD)	<b>Mag Dip Angle:</b> 65.99 deg
ft	+N/-S ft
ft	+E/-W ft
ft	Direction deg
0.00	0.00
0.00	0.00
0.00	27.76

<b>Site:</b> SE-NE 17-11S-24E	
<b>UINTAH COUNTY, UTAH</b>	
<b>Site Position:</b>	<b>Northing:</b> 7127488.18 ft
<b>From:</b> Geographic	<b>Latitude:</b> 39 51 41.680 N
<b>Position Uncertainty:</b> 0.00 ft	<b>Longitude:</b> 109 4 57.020 W
<b>Ground Level:</b> 5649.90 ft	<b>North Reference:</b> True
	<b>Grid Convergence:</b> 1.55 deg

Plan Section Information											
MD	Incl	Azim	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target	
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg		
0.00	0.00	27.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2060.00	0.00	27.76	2060.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2976.67	27.50	27.76	2941.87	190.96	100.50	3.00	3.00	0.00	0.00	27.76	
3934.19	27.50	27.76	3791.21	582.23	306.40	0.00	0.00	0.00	0.00	0.00	
5034.19	0.00	27.76	4849.46	811.38	427.00	2.50	-2.50	0.00	0.00	180.00	
5184.73	0.00	27.76	5000.00	811.38	427.00	0.00	0.00	0.00	0.00	0.00	
6639.73	0.00	27.76	6455.00	811.38	427.00	0.00	0.00	0.00	27.76	PBHL_11-24-42-17	

Survey											
MD	Incl	Azim	TVD	N/S	E/W	VS	DLS	Build	Turn	Comment	
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft		
2060.00	0.00	27.76	2060.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP	
2160.00	3.00	27.76	2159.95	2.32	1.22	2.62	3.00	3.00	0.00		
2260.00	6.00	27.76	2259.63	9.26	4.87	10.46	3.00	3.00	0.00		
2360.00	9.00	27.76	2358.77	20.81	10.95	23.51	3.00	3.00	0.00		
2460.00	12.00	27.76	2457.08	36.93	19.44	41.74	3.00	3.00	0.00		
2560.00	15.00	27.76	2554.31	57.59	30.31	65.08	3.00	3.00	0.00		
2660.00	18.00	27.76	2650.18	82.72	43.53	93.48	3.00	3.00	0.00		
2681.93	18.66	27.76	2671.00	88.82	46.74	100.37	3.00	3.00	0.00	WASATCH	
2760.00	21.00	27.76	2744.43	112.26	59.08	126.85	3.00	3.00	0.00		
2860.00	24.00	27.76	2836.81	146.12	76.90	165.12	3.00	3.00	0.00		
2960.00	27.00	27.76	2927.06	184.21	96.94	208.16	3.00	3.00	0.00		
2976.67	27.50	27.76	2941.87	190.96	100.50	215.79	3.00	3.00	0.00	HOLD	
3060.00	27.50	27.76	3015.79	225.02	118.42	254.27	0.00	0.00	0.00		
3160.00	27.50	27.76	3104.49	265.88	139.92	300.45	0.00	0.00	0.00		
3260.00	27.50	27.76	3193.19	306.74	161.42	346.62	0.00	0.00	0.00		



# WEATHERFORD DRILLING SERVICES

## WELL PLAN REPORT

<b>Company:</b> Enduring Resources	<b>Date:</b> 10/9/2006	<b>Time:</b> 13:50:05	<b>Page:</b> 3
<b>Field:</b> Uintah, Utah	<b>Co-ordinate(NE) Reference:</b>	Well: RAINBOW 11-24-42-17, True North	
<b>Site:</b> SE-NE 17-11S-24E	<b>Vertical (TVD) Reference:</b>	SITE 5657.0	
<b>Well:</b> RAINBOW 11-24-42-17	<b>Section (VS) Reference:</b>	Well (0.00N,0.00E,27.76Azi)	
<b>Wellpath:</b> 1	<b>Survey Calculation Method:</b>	Minimum Curvature	<b>Db:</b> Sybase

### Annotation

MD ft	TVD ft	
2060.00	2060.00	KOP
2976.67	2941.88	HOLD
3934.19	3791.21	DROP
4023.27	3871.00	ENTRY
5034.19	4849.46	HOLD
6639.73	6455.00	PBHL

### Formations

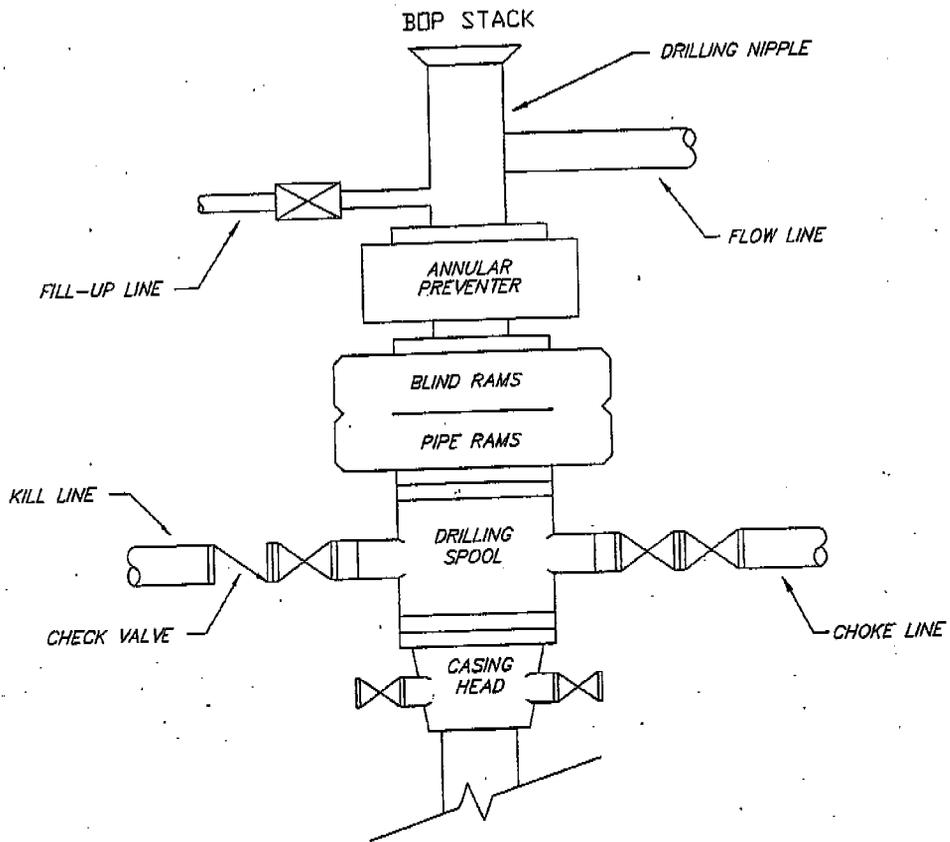
MD ft	TVD ft	Formattions	Lithology	Dip Angle deg	Dip Direction deg
341.00	341.00	GREEN RIVER	(none)	0.00	0.00
2681.93	2671.00	WASATCH		0.00	0.00
4567.51	4386.00	MESAVERDE		0.00	0.00

### Casing Points

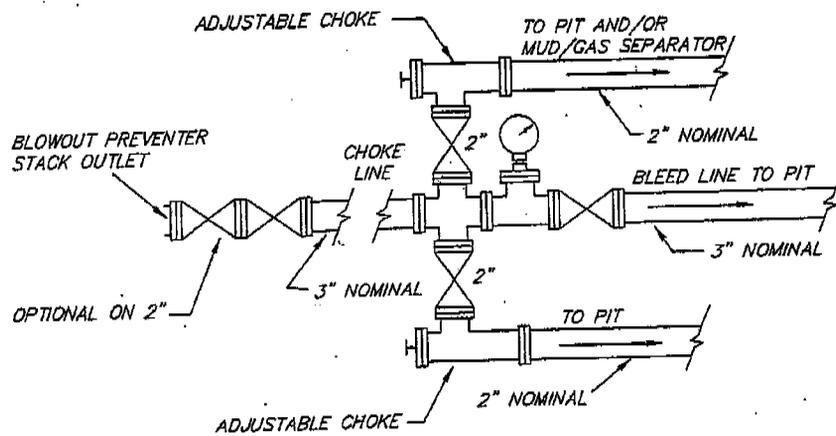
MD ft	TVD ft	Diameter in	Hole Size in	Name
2000.00	2000.00	0.000	0.000	9 5/8" #32
6639.73	6455.00	0.000	0.000	4 1/2" #11

ENDURING RESOURCES, LLC

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



TYPICAL 3,000 p.s.i.  
CHOKER MANIFOLD SCHEMATIC



## RIGHT-OF-WAY and DAMAGE AGREEMENT

THIS AGREEMENT is made and entered into by and between, AMERICAN GILSONITE COMPANY, (hereinafter referred to as "Grantor") and ENDURING RESOURCES, LLC (hereinafter referred to as "Grantee") effective May 31, 2006

WHEREAS, Grantee desires to enter onto and cross such Land for the purpose of drilling two exploratory oil and/or gas wells, Rainbow 1 1-24-12-20 & 11-24-23-20 ("Wells"), located in the SWNW and NESW of Section 20, Township 11 South, Range 24 East, Uintah County, Utah (hereinafter referred to as the "Drillsite"). In addition, there will be fourteen additional wells (listed on Exhibit "A" attached hereto and made a part hereof) requiring access across the roads originating from the Wells, which Grantor will receive compensation pursuant hereto for access to the additional wells.

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- I. Grantee shall pay Grantor the sum of \$3,000.00 up front payment for damages to surface of the Lands for road access to the Drillsite and for the Drillsite for the drilling of each Well. Within sixty days of completion of each Well either as a producer or a plugged and abandoned well, Grantee shall survey the new access road and the Drillsite to compensate Grantor for any additional damage that may have occurred during drilling and completion operations. Compensation will be on a \$3,000.00 per acre cost for any damages exceeding 4.0 acres and such compensation, if due, will be paid within thirty (30) days of the surveyor's report being released. Grantee shall utilize existing access routes to the maximum extent feasible, so as to minimize surface disturbances for access to facilities.
- II. Grantee and their assigns or agents shall have the right to use a reasonable amount of access road across the Lands and shall have the right to move derricks, drilling tools, vehicles, and all other machinery and equipment necessary or incident to the re-drilling, drilling, testing completion, operation of the wells. Such activity shall be restricted to existing public roads or access roads covered by this agreement. Any roads or surface facilities may be relocated at Grantor's expense if needed due to gilsonite mining or processing in the future.
- III. This Agreement and the rights granted herein are effective and shall continue in full force and effect so long as operations are conducted on the Well. Upon execution of this Agreement, all payments due hereunder shall be paid concurrently. Operations are defined under terms of the oil and gas lease with Grantor, and under the Rules and Regulations defined by the State of Utah.
- IV. Cattle guards and gates will be constructed, if requested by Grantor, at all places where the openings go through the existing fences and gates will be kept closed at all times except when opened for passage of traffic. Also, gates shall be installed to limit access to producing wells on roads constructed by Grantee if by mutual agreement between Grantee and Grantor.
- V. If there is any fill used for roads constructed across any drainage, then culverts will be used for the free flow of water through said drainage.

- VI. If the access road departs from existing established roadways and new construction is required, topsoil will be segregated and stockpiled for replacement during reclamation activities.
- VII. It is understood that any road constructed across the said Lands shall not exceed 30 feet in total width, including the total disturbed area between the outside of each berm, without the prior approval of Grantor.
- VIII. Upon completion of the Well as a dry hole and the subsequent abandonment thereof, and at the request of the Grantor, and drill pads and newly constructed road will be restored and seeded within 180 days to the condition it was in prior to commencement of operations insofar as reasonably possible. Any preexisting roads, and the improvements thereto, which are constructed by Grantee, shall be left in a good and useable condition for the continued use by Grantor. Reclaimed areas will be reseeded with a wildlife mixture approved by the Utah Division of Wildlife.
- IX. In the event that the Well is completed as a producer of oil and/or gas, Grantee shall build and maintain a permanent access road in conformance with the already established county road including any variances granted by the county by existing roads to the Drillsite. Disturbed areas not used for production will be regraded and seeded with an approved wildlife seed mix within 90 days unless prohibited by weather.
- X. Upon completion of the Well as a well capable of oil and/or gas production, this Agreement shall continue in full force and effect and Grantee shall pay in advance to Grantor an annual access rental of \$3,000, \$2,000 per pad and \$1,000 per acre of roadway (30-foot width, or a minimum of \$3,000 to include the pad and roadway for each well, whichever is greater, on or before January 31<sup>st</sup> of each year thereafter until the subject well is plugged and abandoned and operations cease thereon.
- XI. It is expressly understood that the settlement amounts in paragraph I are only for construction of a road and drilling location and it is not a settlement for any damages to contiguous property, personal property of the Grantor or a release of any personal injuries that may be sustained by reason of the operations carried on by Grantee or its agents.
- XII. This Agreement does not cover pipeline easements and Grantee acknowledges that it must secure a separate agreement prior to laying pipeline related to production of gas or oil on Grantor's lands.
- XIII. This Agreement shall not be assigned, nor the rights of Grantee hereunder transferred in any manner without the prior written consent of Grantor, which consent shall not be unreasonably withheld.
- XIV. Grantee shall comply at its own expense with the Workman's Compensation Law of the State of Utah and shall maintain such insurance throughout the duration of this Agreement, and shall furnish Grantor prior to beginning work on the Lands evidence of such insurance and at each policy period thereafter renewal evidence

that such insurance is being maintained. Grantee, with respect to its operation in connection with this Agreement, shall also purchase or provide for (1) comprehensive general public liability insurance with a combined single limit not less than One Million Dollars (\$1,000,000) for bodily injury and property damage; and (ii) automobile insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) for bodily injury or property damage. At Grantor's request, Grantee shall furnish Grantor with a certificate or certificates of insurance secured and maintained hereunder and Grantor shall be an additional insured thereon.

- XV. In the event any person or entity (including Grantor) suffers a loss of any kind or character, or death or injury, (1) as a result of a breach of this Agreement by Grantee, or its agents, contractors, or employees, or (2) as a result of Grantee or its agents, contractors or employees performing on the Drillsite or elsewhere, any action, directly or indirectly, in furtherance of a right hereunder, or (3) from any cause whatsoever while being on the Lands and the Drillsite to conduct any work or service for Grantee shall reimburse, indemnify, defend and hold harmless Grantor for any and all losses, costs, claims, liability, litigation, demands, damages and expenses (including all attorney fees) of every kind or character which Grantor may suffer or be subject to as a result of said loss or injury whether or not such losses, costs, claims, liabilities, litigation, demands, damages, and expenses (including all attorney fees) result from the condition of Grantor's premises or facilities, unless through the sole negligence of Grantor or its agents.
- XVI. Grantee shall provide Grantor with not less than forty-eight (48) hours advance notice, either by phone or in person, of Grantee's intent to enter upon the Land for the purpose of commencing operations thereon. Grantee shall conduct its operations in such a manner as to use no more Land than is reasonably necessary and shall use all reasonable efforts not to interfere with the use of the Land by any grazing permittees. All drilling fluid pits shall be fenced within ten days of end of drilling the Well as a producer or dry hole and then the pits will be reclaimed and reseeded within 180 days of the completion of the well as a producer or a dry hole. Surface structures shall be fenced, if they represent a potential hazard to livestock, by mutual agreement between Grantor and Grantee. The type of fencing to be mutually agreed upon by Grantor and Grantee. Grantee will have ten days to effect repairs or problems with fences when notified by e-mail or in writing by Grantor. Grantor can request an extension of the closure of pits beyond the 180 days from the completion of the Well if closing the pits represents a potential hazard or closing the pits at that time will not comply with the State of Utah's reclamation requirements. An extension will not be unreasonably withheld.
- XVII. Grantee shall have the right at any time, and from time to time, to remove any or all property, fixtures, equipment and materials, placed by Grantee on the Land, including the right to draw and remove casing. Within 90 days after plugging of the Well this agreement will expire and Grantee shall remove all remaining property, fixtures, equipment and materials that were placed by Grantee on the Land. Such removal shall be accomplished at Grantee's sole cost, risk and expense. If such items are not removed within 90 days, Grantor shall have the

right to remove those items from the Land and bill the associated cost for such removal to Grantee.

- XVIII. This agreement restricts the Grantee's use of Grantor's lands to the sole purpose of exploration and production of oil and/or gas at this specific site. It does not grant Grantee, its contractors, or its agents the right to use the Grantor's property for any other purpose.
- XIX. All operations of Grantee hereunder which involve drilling for and producing of oil and gas, or both, or the cessation, or abandonment, of its operations shall be conducted in a good and workmanlike manner and in accordance with standard oil field practices and in accordance with all applicable federal, state and local statutes and regulations including specifically, but not by way of limitation, such laws and regulations governing the operation, maintenance and reclamation of well sites, pipelines, tank batteries, and other related facilities as may be utilized by Grantee and its operations hereunder. Grantee shall further adhere to and abide by all federal, state and local environment statutes and regulations addressing air, water, and solid waste pollution and the handling storage, storage use and disposal of hazardous substances as prescribed in the Comprehensive Environmental Response, Compensation and Liability Act of 1986, 42 U.S.C. & 9601, et seq. (CERCLA). Grantee shall provide Grantor with copies of all applications for environmental laws, governmental requests for any information pertaining to environmental issues relating to the Land or products produced therefrom or Grantee's use thereof, copies of any responses from Grantee's to said requests, and any environmental investigations, reports, or studies involving the Land or products produced therefrom or the use thereof by Grantee which from time to time, may be obtained from Grantee.
- XX. Grantee also agrees to abide by the laws of regulations of the State of Utah designed to protect gilsonite deposits, including but not limited to those specific rules set forth in the General Rules and Regulations of the Utah Board of Oil, Gas and Mining, as amended, pertaining to such matters.
- XXI. The provisions hereof shall be considered as covenants running with the Land during the life of the Agreement and all modifications thereof, and any assignment of the Agreement shall be subject to the provisions thereof.
- XXII. This Agreement shall not be terminated in whole or in part, nor Grantee held liable for damages, because of a temporary cessation of production of drilling operations due to breakdown of equipment or due to the repairing of a well or wells or because of failure to comply with any of the express provisions or implied covenants of this Agreement if such failure is the result of the exercise of governmental authority, war, armed hostilities, act of God, strike, civil disturbance, fire, explosion, flood or any other cause, including lack of market, beyond the control of Grantee.
- XXIII. Any controversy or claim, whether based in contract, tort or otherwise arising in any way out of, relating to on in connection with this Agreement (a "Dispute") shall be finally settled by arbitration conducted expeditiously in accordance with the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association (the "AAA"). In the event of a conflict between this Article and the

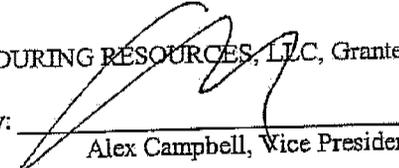
Rules, this Article shall govern. The attorney/client and work product privileges will be honored in the arbitration as though the case were being determined in a Utah state court. The arbitration shall be conducted before one independent and impartial arbitrator selected by the AAA pursuant to the Rules. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. 1-16, to the exclusion of any provision of Utah law inconsistent therewith and which would produce a different result, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of arbitration shall be Salt Lake City, Utah, and the cost of the arbitration proceeding shall be borne equally by the parties to this agreement and each party shall bear its own attorney's fees, and other expenses, provided that the arbitrator may award attorney fees, filing fees, and costs to the prevailing party as the arbitrator deems reasonable and fair. The arbitrators shall determine the claims of the parties and render their final award in accordance with the substantive law of the State of Utah exclusive of its conflict of law rules. The limitations of any actions will be determined under Utah law. The arbitrator shall permit and facilitate such discovery as the arbitrator determines is appropriate in the circumstances, taking into account the needs of the parties and the desirability of making discovery expeditious and cost-effective. The arbitrator shall actively manage the proceedings as the arbitrator deems best so as to make the proceedings fair, expeditious, economical, and less burdensome than litigation. The procedures specified in this section shall be the exclusive means of resolution of Disputes between the parties, provided that either party may seek injunctive action before a court of competent jurisdiction to prevent the occurrence of irreparable harm pending resolution of a Dispute pursuant to the provisions of this section.

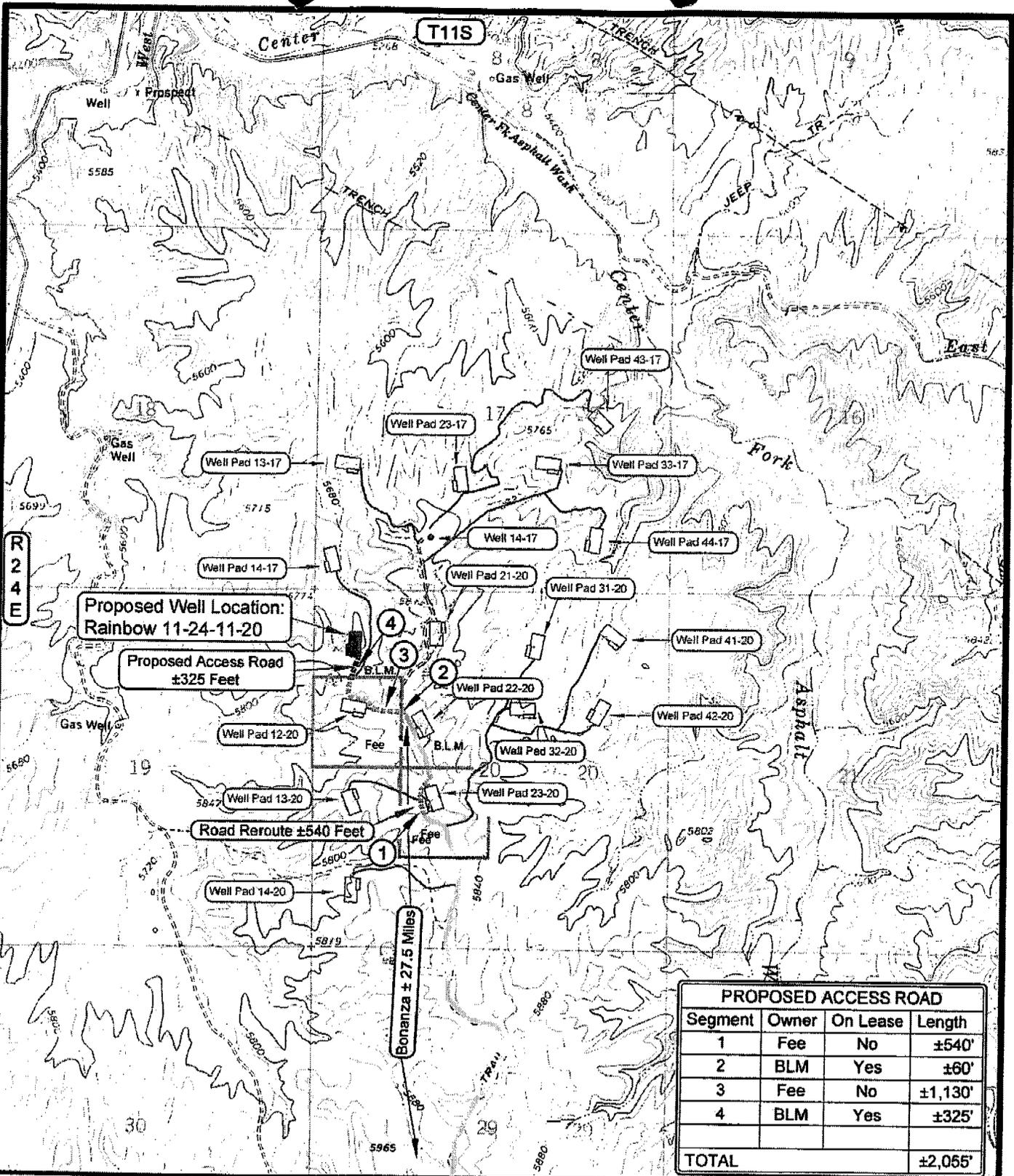
XXIV. This agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

AMERICAN GILSONITE COMPANY, Grantor

By:   
Ted Stevens, General Counsel

ENDURING RESOURCES, LLC, Grantee

By:   
Alex Campbell, Vice President



PROPOSED ACCESS ROAD			
Segment	Owner	On Lease	Length
1	Fee	No	±540'
2	BLM	Yes	±60'
3	Fee	No	±1,130'
4	BLM	Yes	±325'
TOTAL			±2,065'

**LEGEND**

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

**ENDURING RESOURCES**

**Rainbow 11-24-11-20**  
**SECTION 20, T11S, R24E, S.L.B.&M.**  
**844' FNL & 582' FWL**

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

**SHEET**  
**8**  
**OF 10**

**TOPOGRAPHIC MAP "B"**

SCALE: 1" = 2000'

DRAWN BY: B.J.Z.

DATE SURVEYED: 10-14-05

DATE DRAWN: 11-08-05

REVISED:



Exhibit "A"

Amgil/Enduring Agmt effective May 31,2006

	T-R	Sec	Qtr/Qtr	Well Name	Well Number	Mineral/Surface Owner	Comments.
1	11S-24E	20	SWNW	Rainbow	11-24-12-20	AMGIL	Drillsite on Amgil lands.
2	11S-24E	20	NESW	Rainbow	11-24-23-20	AMGIL	Drillsite on Amgil lands.
1	11S-24E	20	NWNW	Rainbow	11-24-11-20	BLM	Must cross Amgil lands to get to well.
2	11S-24E	20	NWSW	Rainbow	11-24-13-20	BLM	Must cross Amgil lands to get to well.
3	11S-24E	20	NENW	Rainbow	11-24-21-20	BLM	Must cross Amgil lands to get to well.
4	11S-24E	20	SENW	Rainbow	11-24-22-20	BLM	Must cross Amgil lands to get to well.
5	11S-24E	20	NWNE	Rainbow	11-24-31-20	BLM	Must cross Amgil lands to get to well.
6	11S-24E	20	SWNE	Rainbow	11-24-32-20	BLM	Must cross Amgil lands to get to well.
7	11S-24E	20	NENE	Rainbow	11-24-41-20	BLM	Must cross Amgil lands to get to well.
8	11S-24E	20	SENE	Rainbow	11-24-42-20	BLM	Must cross Amgil lands to get to well.
9	11S-24E	17	SWSW	Rainbow	11-24-14-17	BLM	Must cross Amgil lands to get to well.
10	11S-24E	17	NWSW	Rainbow	11-24-13-17	BLM	Must cross Amgil lands to get to well.
11	11S-24E	17	NESW	Rainbow	11-24-23-17	BLM	Must cross Amgil lands to get to well.
12	11S-24E	17	NESE	Rainbow	11-24-43-17	BLM	Must cross Amgil lands to get to well.
13	11S-24E	17	NWSE	Rainbow	11-24-33-17	BLM	Must cross Amgil lands to get to well.
14	11S-24E	17	SESE	Rainbow	11-24-44-17	BLM	Must cross Amgil lands to get to well.

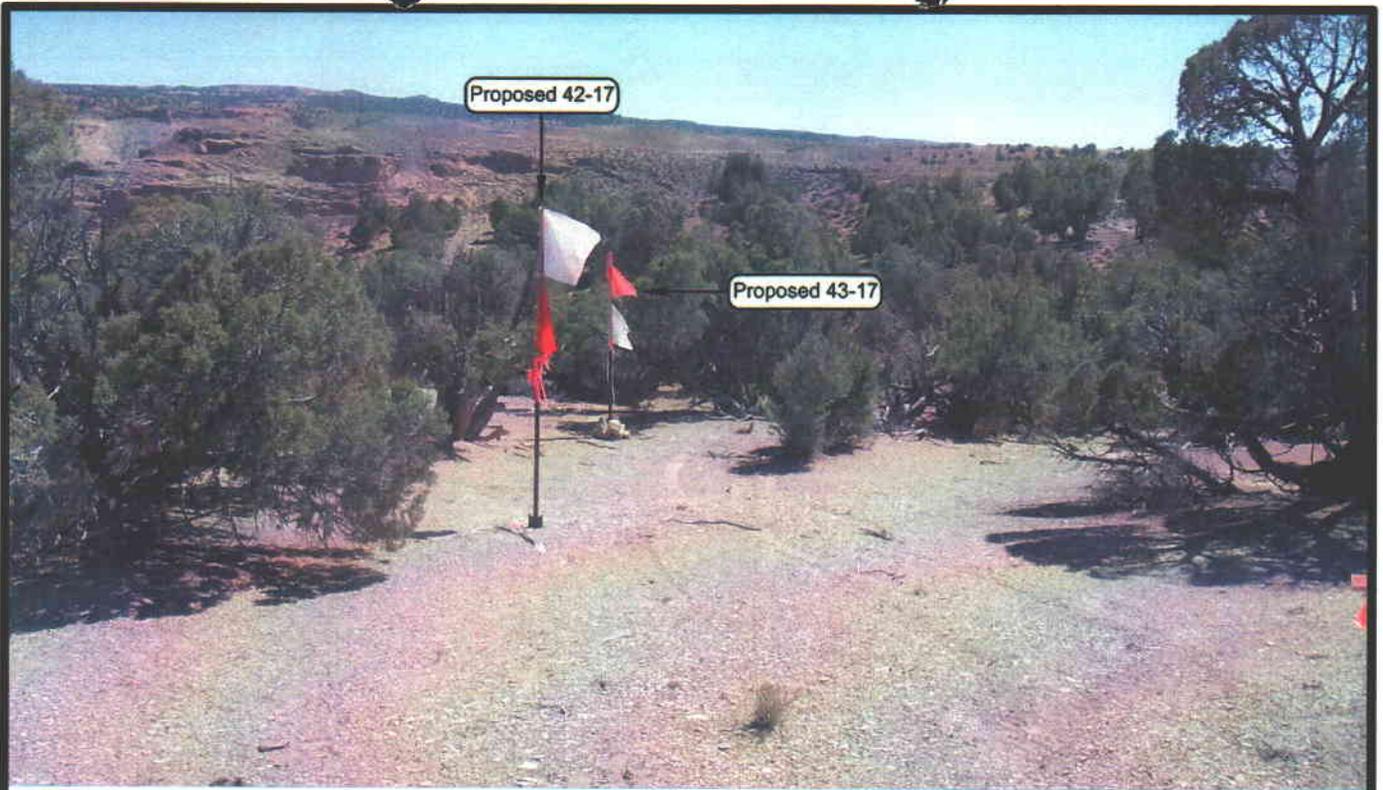


PHOTO VIEW: SOUTHEASTERLY TO LOCATION STAKE



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHEASTERLY

**ENDURING RESOURCES**

**Rainbow 11-24-42-17**

Other wells on this pad: Rainbow 11-24-43-17  
**SECTION 17, T11S, R24E, S.L.B.&M.**

**LOCATION PHOTOS**

DATE TAKEN: 09-18-06

DATE DRAWN: 09-21-06

TAKEN BY: B.J.S.

DRAWN BY: M.W.W.

REVISED:

**Timberline Land Surveying, Inc.**

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

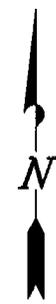
SHEET

1

OF 11

# ENDURING RESOURCES

## WELL PAD INTERFERENCE PLAT RAINBOW 11-24-42-17 & RAINBOW 11-24-43-17



BASIS OF ELEVATION IS BENCH MARK 89 EAM 1965 LOCATED IN THE WEST 1/2 OF SECTION 5, T12S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN. QUADRANGLE AS BEING 6075'.

BASIS OF BEARINGS IS THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 17, T11S, R24E, S.L.B.&M. WHICH IS TAKEN FROM GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR N00°09'35"W.

PROPOSED GRADED GROUND ELEVATION OF PAD IS 5640.9'

RAINBOW 11-24-42-17

RAINBOW 11-24-43-17

Vertical Well

N27°43'58"E - 916.67'  
(To Bottom Hole)

N44°41'21"W

RELATIVE COORDINATES		
From Surface Position to Bottom Hole		
WELL	NORTH	EAST
42-17	811'	427'
43-17	VERTICAL	

### SURFACE POSITION FOOTAGES:

RAINBOW 11-24-42-17  
2490' FSL & 1087' FEL

RAINBOW 11-24-43-17  
2472' FSL & 1069' FEL

LATITUDE & LONGITUDE		
Surface Position - (NAD 83) Autonomous		
WELL	N. LATITUDE	W. LONGITUDE
42-17	39°51'41.68"	109°14'57.02"
43-17	39°51'41.50"	109°14'56.79"

### BOTTOM HOLE FOOTAGES

RAINBOW 11-24-42-17  
1992' FNL & 658' FEL

RAINBOW 11-24-43-17  
VERTICAL

LATITUDE & LONGITUDE		
Bottom Hole - (NAD 83) Autonomous		
WELL	N. LATITUDE	W. LONGITUDE
42-17	39°51'49.69"	109°14'51.55"
43-17	VERTICAL	



SCALE

Section 17, T11S, R24E, S.L.B.&M.

Date Surveyed:  
09-18-06

Date Drawn:  
09-21-06

Date Last Revision:

**Timberline** (435) 789-1365  
*Land Surveying, Inc.*

SHEET  
**3**  
OF 11

Surveyed By: B.J.S.

Drawn By: M.W.W.

Scale: 1" = 60'

38 WEST 100 NORTH VERNAL, UTAH 84078

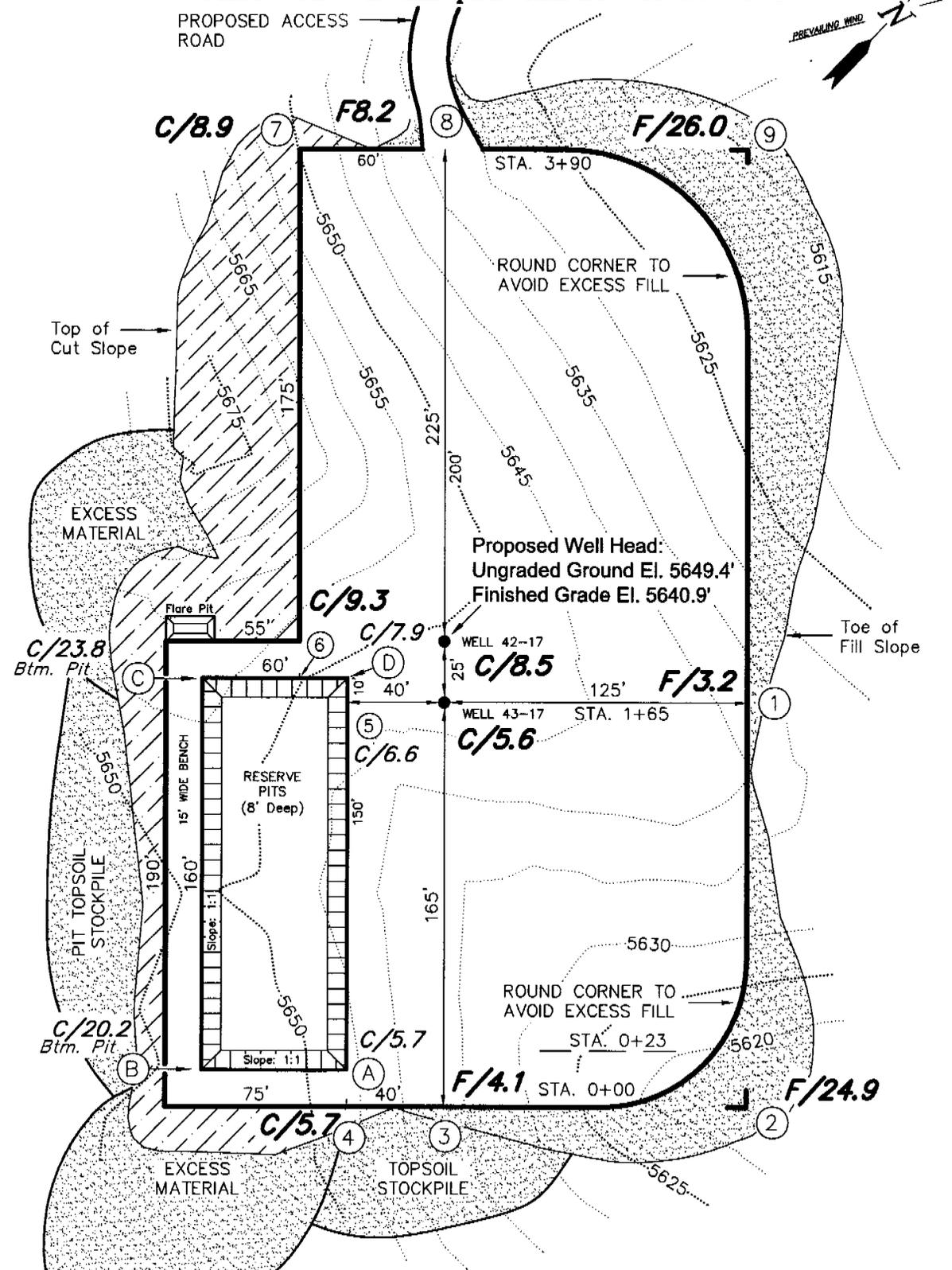
# ENDURING RESOURCES

## CUT SHEET - RAINBOW 11-24-42-17

Other wells on this pad: RAINBOW 11-24-43-17

PROPOSED ACCESS ROAD

PREVAILING WIND



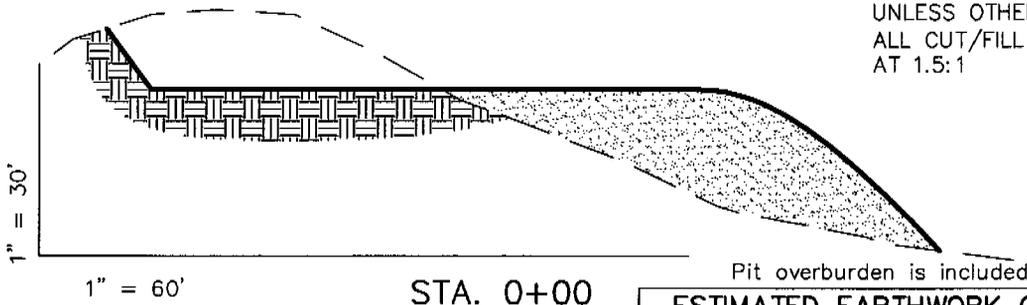
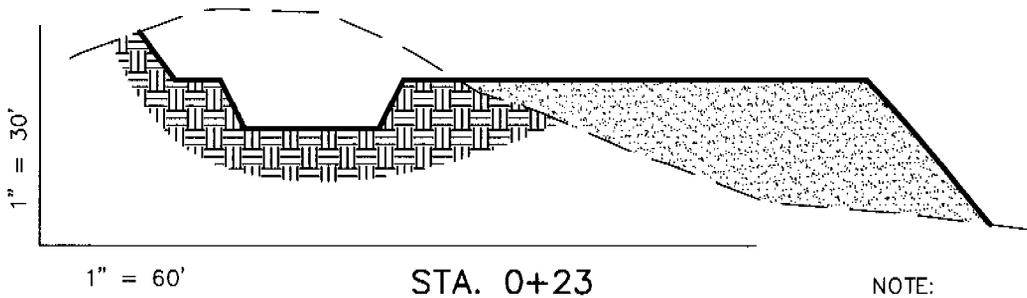
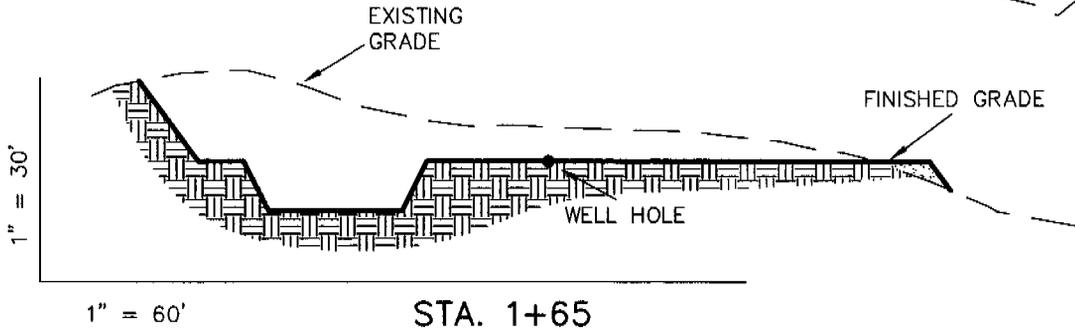
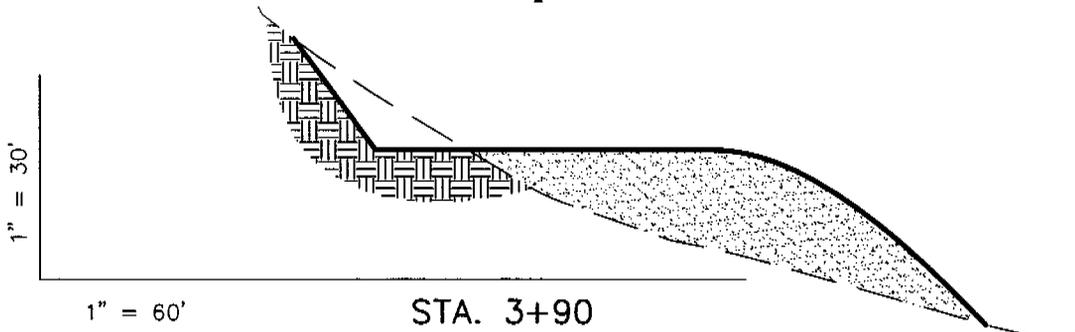
CONTOUR INTERVAL = 5'

Section 17, T11S, R24E, S.L.B.&M.			<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET <b>4</b> OF 11
Date Surveyed: 09-18-06	Date Drawn: 09-21-06	Date Last Revision:		
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 60'		

# ENDURING RESOURCES

## CROSS SECTIONS - RAINBOW 11-24-42-17

Other wells on this pad: RAINBOW 11-24-43-17



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

Pit overburden is included in pad cut.

**ESTIMATED EARTHWORK QUANTITIES**  
(No shrink or swell adjustments have been used)  
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	16,480	17,650	Topsoil is not included in Pad Cut	-1,170
PIT	2,340	0		2,340
<b>TOTALS</b>	<b>18,820</b>	<b>17,650</b>	<b>1,530</b>	<b>1,170</b>

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

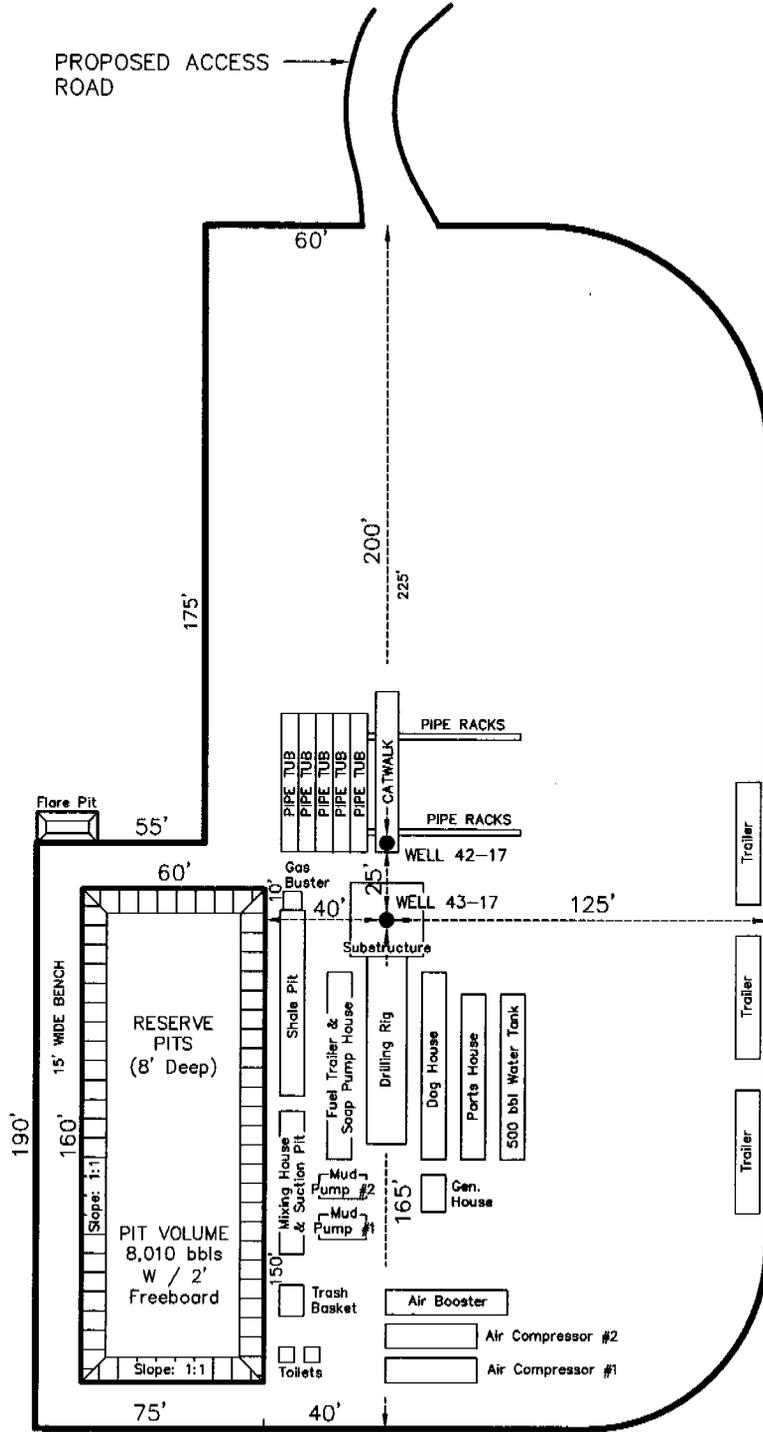
**REFERENCE POINTS**

- 175' NORTHEASTERLY = 5630.2'
- 225' NORTHEASTERLY = 5625.7'
- 215' SOUTHEASTERLY = 5639.2'
- 265' SOUTHEASTERLY = 5645.9'

# ENDURING RESOURCES

## TYPICAL RIG LAYOUT - RAINBOW 11-24-42-17

Other wells on this pad: RAINBOW 11-24-43-17

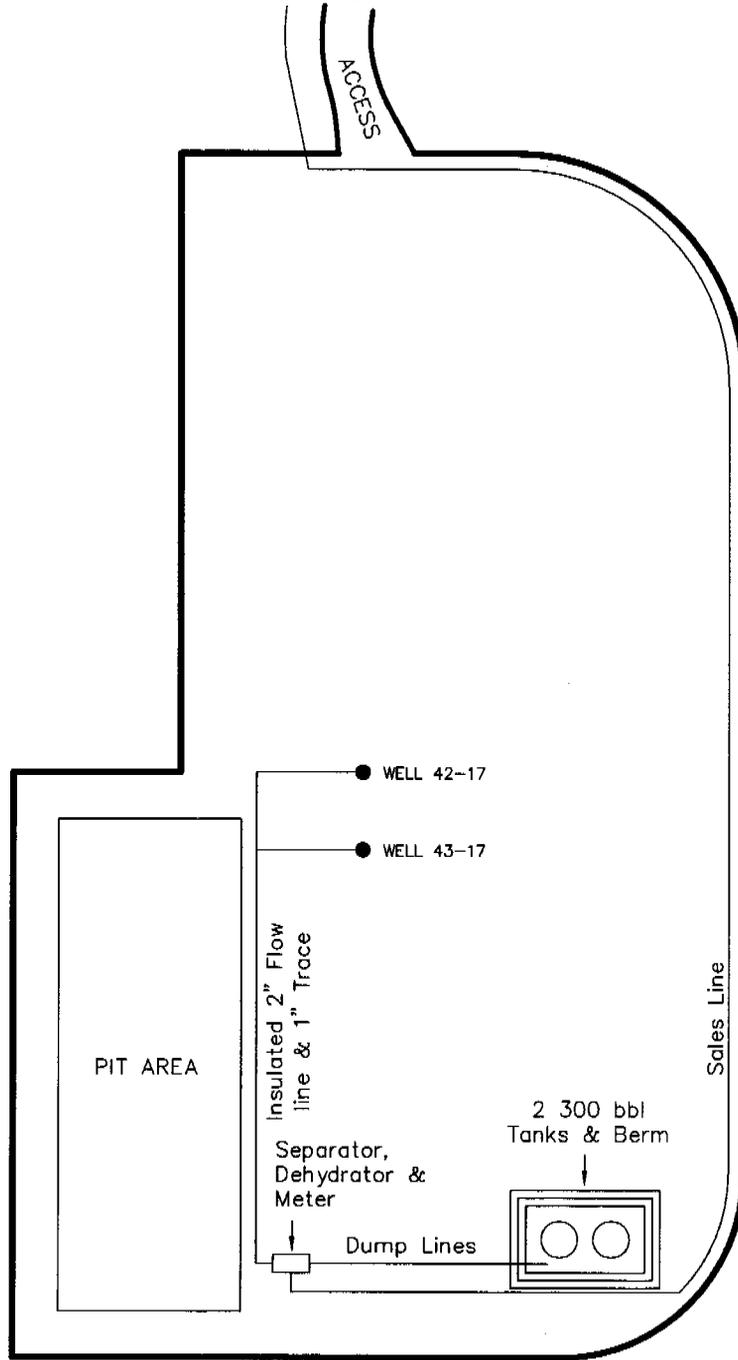


Section 17, T11S, R24E, S.L.B.&M.			<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET <b>6</b> OF 11
Date Surveyed: 09-18-06	Date Drawn: 09-21-06	Date Last Revision:		
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 60'		

# ENDURING RESOURCES

## TYPICAL PRODUCTION LAYOUT – RAINBOW 11-24-42-17

Other wells on this pad: RAINBOW 11-24-43-17



Section 17, T11S, R24E, S.L.B.&M.			<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET <b>7</b> OF 11
Date Surveyed: 09-18-06	Date Drawn: 09-21-06	Date Last Revision:		
Surveyed By: B.J.S.	Drawn By: M.W.W.	Scale: 1" = 60'		



**LEGEND**

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

**ENDURING RESOURCES**

**Rainbow 11-24-42-17**

Other wells on this pad: Rainbow 11-24-43-17  
**SECTION 17, T11S, R24E, S.L.B.&M.**

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

**SHEET**  
**8**  
**OF 11**

**TOPOGRAPHIC MAP "A"**

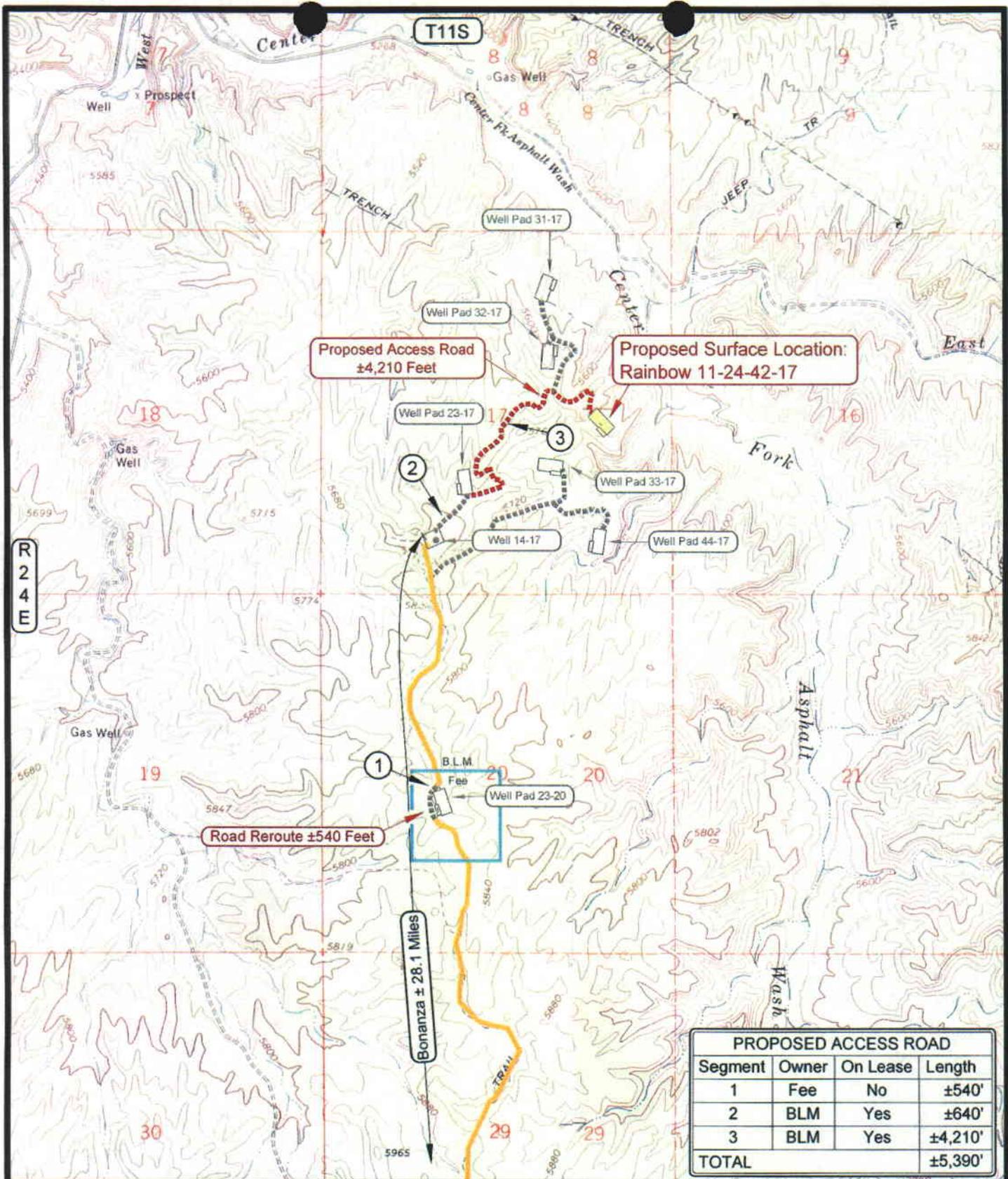
DATE SURVEYED: 09-18-06

DATE DRAWN: 09-21-06

SCALE: 1:100,000

DRAWN BY: M.W.W.

REVISED:



**LEGEND**

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

**ENDURING RESOURCES**

**Rainbow 11-24-42-17**

Other wells on this pad: Rainbow 11-24-43-17  
**SECTION 17, T11S, R24E, S.L.B.&M.**

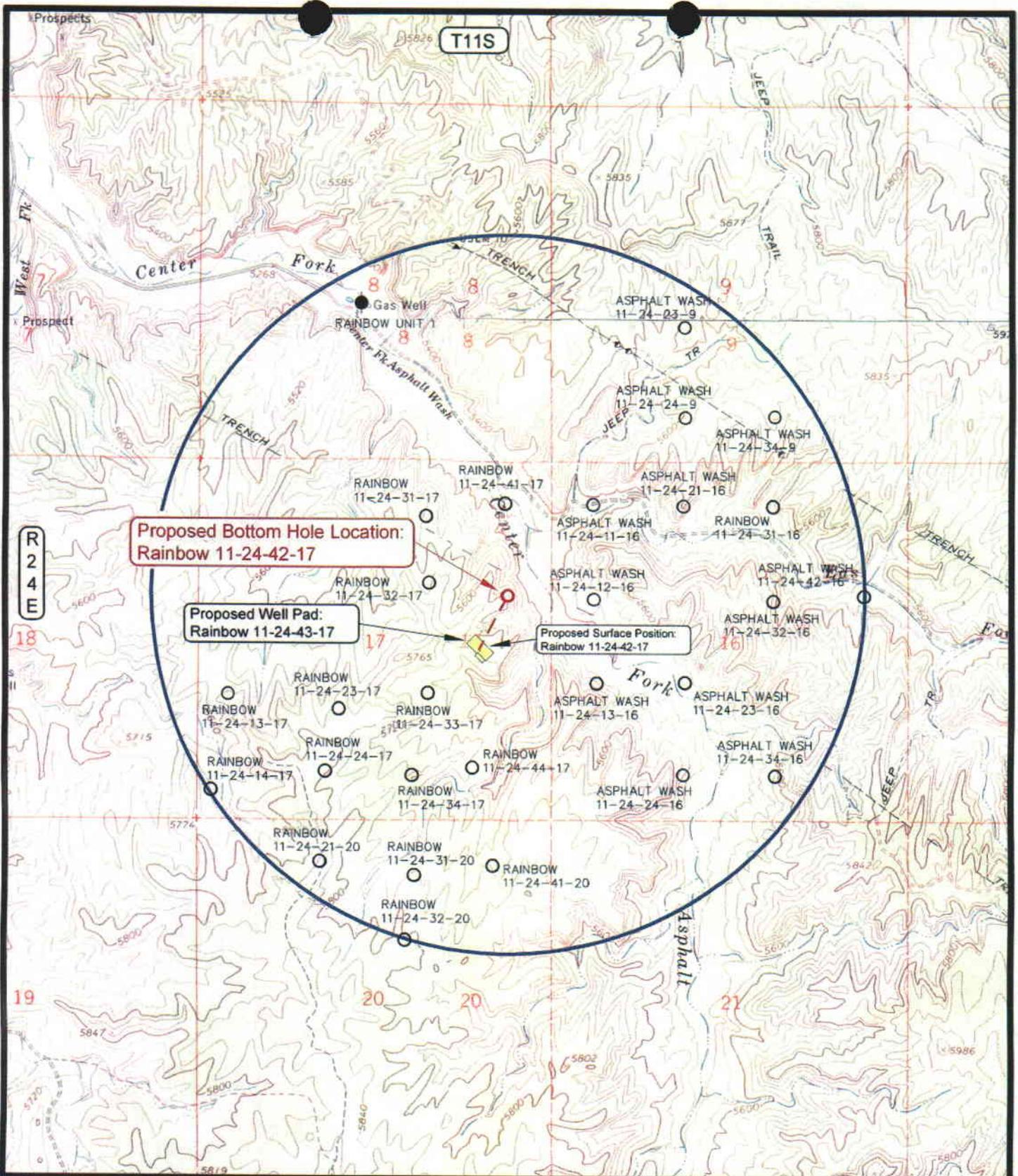
**TOPOGRAPHIC MAP "B"**

DATE SURVEYED: 09-18-06  
 DATE DRAWN: 09-21-06  
 REVISED:

SCALE: 1" = 2000' DRAWN BY: M.W.W.

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

**SHEET 9**  
 OF 11



**Proposed Bottom Hole Location:  
Rainbow 11-24-42-17**

**Proposed Well Pad:  
Rainbow 11-24-43-17**

**Proposed Surface Position:  
Rainbow 11-24-42-17**

**LEGEND**

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

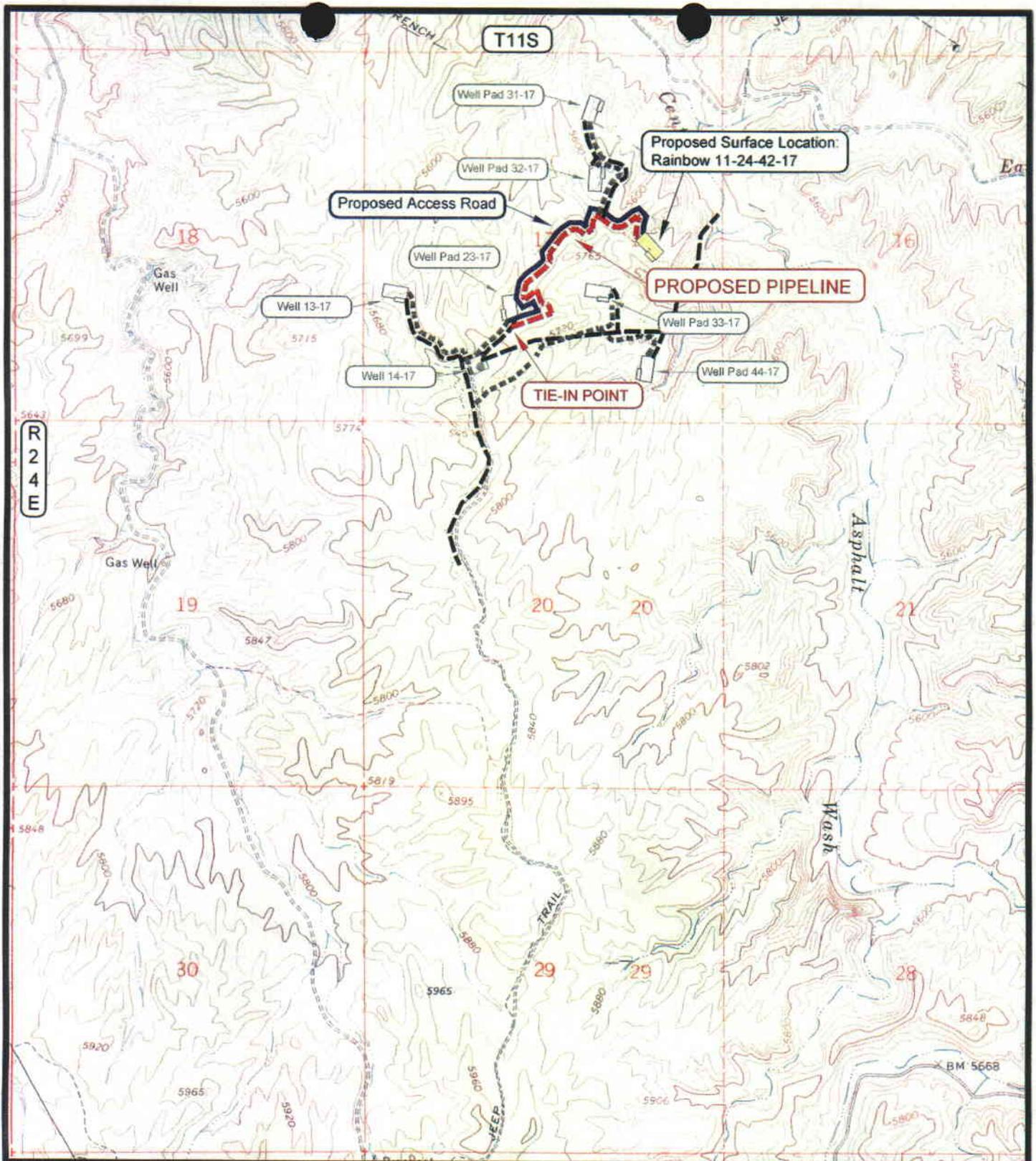
**ENDURING RESOURCES**

**Rainbow 11-24-42-17  
SECTION 17, T11S, R24E, S.17 & M.**

<b>TOPOGRAPHIC MAP "C"</b>		DATE SURVEYED: 09-18-06
SCALE: 1" = 2000'		DATE DRAWN: 09-21-06
DRAWN BY: M.W.W.	REVISED:	

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

**SHEET  
10  
OF 11**



**APPROXIMATE PIPELINE LENGTH = ±4,175 FEET**

**LEGEND**

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

**ENDURING RESOURCES**

**Rainbow 11-24-42-17**

Other wells on this pad: Rainbow 11-24-43-17  
**SECTION 17, T11S, R24E, S.L.B.&M.**

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

**SHEET**  
**11**  
**OF 11**

**TOPOGRAPHIC MAP "D"**

DATE SURVEYED: 09-18-06

DATE DRAWN: 09-21-06

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/16/2006

API NO. ASSIGNED: 43-047-38852

WELL NAME: RAINBOW 11-24-42-17  
 OPERATOR: ENDURING RESOURCES, LLC ( N2750 )  
 CONTACT: EVETTE BISSETT

PHONE NUMBER: 303-350-5719

PROPOSED LOCATION:

NESE 17 110S 240E  
 SURFACE: 2490 FSL 1087 FEL  
 BOTTOM: 1992 FNL 0658 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.86156 LONGITUDE: -109.2486  
 UTM SURF EASTINGS: 649813 NORTHINGS: 4413650  
 FIELD NAME: UNDESIGNATED ( 2 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-73930  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. RLB0008031 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-2215 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

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

\_\_\_\_\_

\_\_\_\_\_

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

*1- Federal Approval*

*2- Spacing Strip*

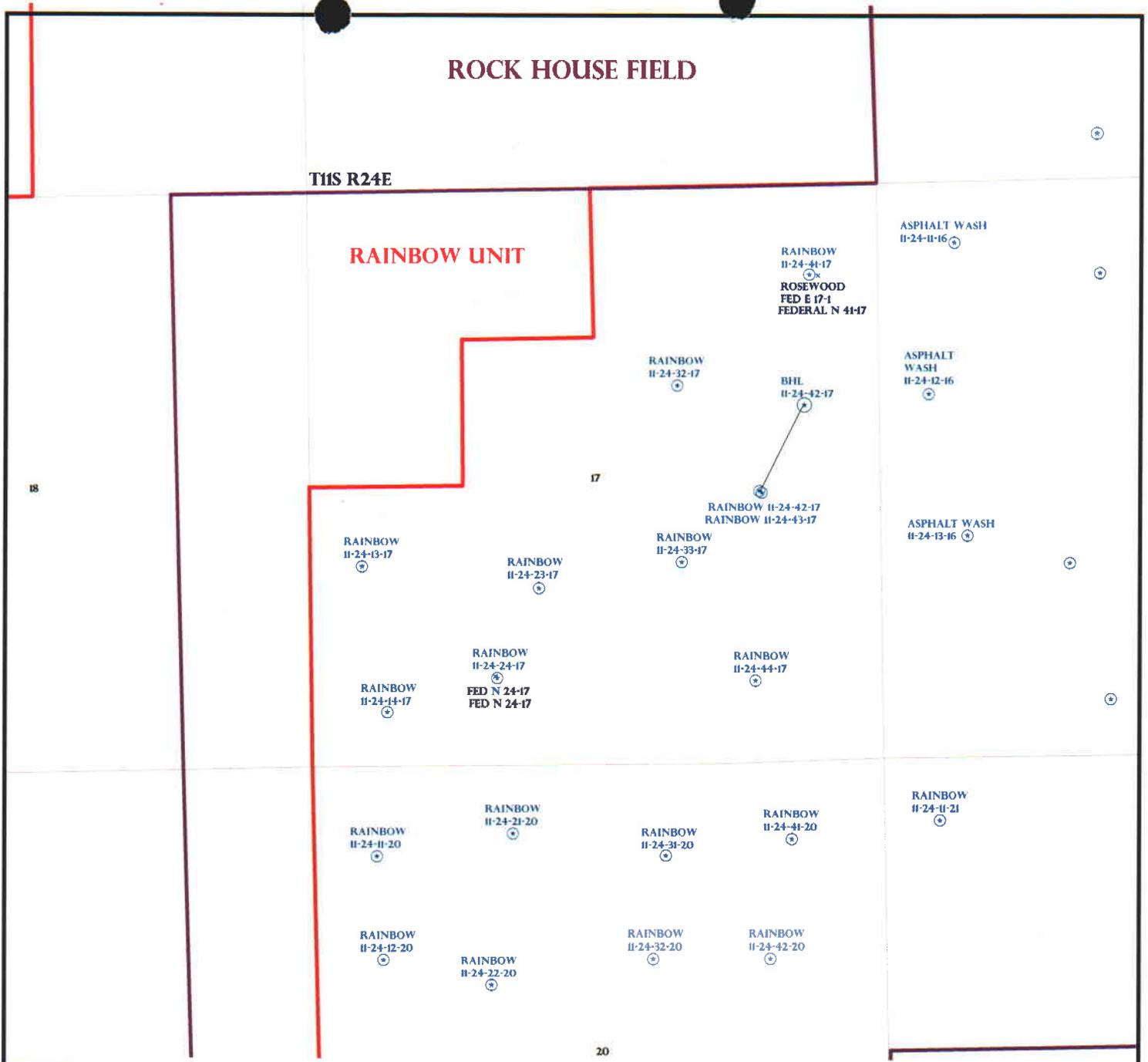
\_\_\_\_\_

\_\_\_\_\_

# ROCK HOUSE FIELD

T11S R24E

## RAINBOW UNIT



OPERATOR: ENDURING RES LLC (N2750)

SEC: 17 T.11S R. 24E

FIELD: UNDESIGNATED (001)

COUNTY: UINTAH

SPACING: R649-3-11 / DIRECTIONAL DRILLING

### Wells Status

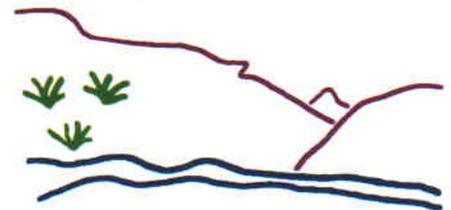
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

### Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

### Unit Status

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON  
DATE: 20-NOVEMBER-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*

November 30, 2006

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

Re: Rainbow 11-24-42-17 Well, Surface Location 2490' FSL, 1087' FEL, NE SE,  
Sec. 17, T. 11 South, R. 24 East, Bottom Location 1992' FNL, 658' FEL,  
SE NE, Sec. 17, T. 11 South, R. 24 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38852.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor (via e-mail)  
Bureau of Land Management, Vernal District Office

**Operator:** Enduring Resources, LLC  
**Well Name & Number** Rainbow 11-24-42-17  
**API Number:** 43-047-38852  
**Lease:** UTU-73930

**Surface Location:** NE SE                      **Sec.** 17                      **T.** 11 South                      **R.** 24 East  
**Bottom Location:** SE NE                      **Sec.** 17                      **T.** 11 South                      **R.** 24 East

**Conditions of Approval**

1. General  
Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.
2. Notification Requirements  
Notify the Division within 24 hours of spudding the well.
  - Contact Carol Daniels at (801) 538-5284.  
Notify the Division prior to commencing operations to plug and abandon the well.
  - Contact Dan Jarvis at (801) 538-5338
3. Reporting Requirements  
All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.
4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-73930</b>
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: <b>Rainbow 11-24-42-17</b>
2. NAME OF OPERATOR: <b>Enduring Resources, LLC</b>			9. API NUMBER: <b>4304738852</b>
3. ADDRESS OF OPERATOR: <b>475 17th Street, Suite 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		PHONE NUMBER: <b>(303) 350-5719</b>	10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2490' FSL - 1087' FEL</b>			COUNTY: <b>Uintah</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESE 17 11S 24E S</b>			STATE: <b>UTAH</b>

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

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

Above listed lease serial number is incorrect. It should be UTU-73920

Utah State Bond #RLB0008031  
Operator No. N2750

NAME (PLEASE PRINT) <u>Evette Bissett</u>	TITLE <u>Regulatory Affairs Assistnat</u>
SIGNATURE <u><i>Evette Bissett</i></u>	DATE <u>12/11/2006</u>

(This space for State use only)

**RECEIVED**  
**DEC 14 2006**

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73920	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a	
7. UNIT or CA AGREEMENT NAME: n/a	
8. WELL NAME and NUMBER: Rainbow 11-24-42-17	
9. API NUMBER: 4304738852	
10. FIELD AND POOL, OR WILDCAT: Undesignated	PHONE NUMBER: (303) 350-5719

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL      OIL WELL       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

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 2490' FSL - 1087' FEL      COUNTY: Uintah  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 11S 24E S      STATE: UTAH

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

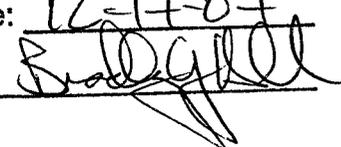
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT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

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

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

FROM: 11/30/2007  
TO: 11/30/2008

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12-17-07  
By: 

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE 	DATE <u>12/4/2007</u>

(This space for State use only)

RECEIVED

DEC 06 2007

DIV. OF OIL, GAS & MINING

COPIED TO OPERATOR  
Date: 12-17-2007  
Initial: 



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

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

**API:** 4304738852  
**Well Name:** Rainbow 11-24-42-17  
**Location:** 2490' FSL - 1087' FEL, NESE, Sec 17, T11S-R24E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 11/30/2006

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

12/4/2007  
\_\_\_\_\_  
Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

**RECEIVED**  
**DEC 06 2007**

DIV. OF OIL, GAS & MINING



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

FORM 9

**CONFIDENTIAL**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73920
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: 2490' FSL - 1087' FEL COUNTY: Uintah		8. WELL NAME and NUMBER: Rainbow 11-24-42-17
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 17 11S 24E S STATE: UTAH		9. API NUMBER: 4304738852
		10. FIELD AND POOL, OR WILDCAT: Undesignated

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

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

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

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

FROM: 12/17/2008  
TO: 12/17/2009

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12-22-08  
By: [Signature]

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>12/8/2008</u>

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 12.30.2008  
Initials: KS

**RECEIVED**  
DEC 18 2008



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

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

**API:** 4304738852  
**Well Name:** Rainbow 11-24-42-17  
**Location:** 2490' FSL - 1087' FEL, NESE, Sec 17, T11S-R24E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 11/30/2006

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

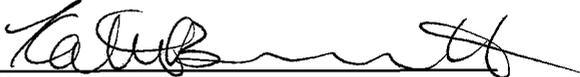
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

12/8/2008  
Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

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DEC 10 2008  
DIV. OF OIL, GAS & MINING

**RECEIVED**  
 NOV 17 2006  
 By \_\_\_\_\_

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

5. Lease Serial No. <b>UTU-73920</b>	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. <b>Asphalt</b>	
8. Lease Name and Well No. <b>Rainbow 11-24-42-17</b>	
9. API Well No. <b>43-047-38852</b>	
10. Field and Pool, or Exploratory <b>Undesignated</b>	
11. Sec., T. R. M. or Blk. and Survey or Area <b>Sec 17 T11S R24E S.L.B.&amp;M.</b>	
12. County or Parish <b>Uintah</b>	13. State <b>UT</b>
14. Distance in miles and direction from nearest town or post office* <b>68.2 miles South of Vernal, UT</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>658'</b>	16. No. of acres in lease <b>880</b>
17. Spacing Unit dedicated to this well <b>40 acres</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1000' +</b>	19. Proposed Depth <b>6640</b>
20. BLM/BIA Bond No. on file <b>BLM - UTB000173</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5657' RT-KB</b>	22. Approximate date work will start* <b>01/10/2007</b>
23. Estimated duration <b>20 days</b>	

**RECEIVED**

**BLM VERNAL, UTAH**

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

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>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).</li> </ol> | <ol style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification</li> <li>6. Such other site specific information and/or plans as may be required by the authorized officer.</li> </ol> |
|--|--|

25. Signature 	Name (Printed/Typed) <b>Evette Bissett</b>	Date <b>11/09/2006</b>
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Title **Regulatory Compliance Assistant**

Approved by (Signature) 	Name (Printed/Typed) <b>Jerry Kenczla</b>	Date <b>JUN 09 2009</b>
-----------------------------	--	----------------------------

Title **Assistant Field Manager  
Lands & Mineral Resources**

**VERNAL FIELD OFFICE**

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

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

\*(Instructions on page 2)

**NOTICE OF APPROVAL**

RECEIVED  
JUN 29 2009

DIV. OF OIL, GAS & MINING

UDOGM

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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



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

**Company:** Enduring Resources, LLC  
**Well No:** Rainbow 11-24-42-17  
**API No:** 43-047-38852

**Location:** NESE, Sec. 17, T11S, R24E  
**Lease No:** UTU-73920  
**Agreement:** Asphalt Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Lori Ford	(435) 781-4406	
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544

**Fax: (435) 781-3420**

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

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

**NOTIFICATION REQUIREMENTS**

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

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

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**CONDITIONS OF APPROVAL (COA)  
Rainbow 11-24-43-17 and Rainbow 11-24-42-17**

- This proposed well is located within the Resource Development Group (RDG) EIS project. Adhere to applicable COA's approved in Final RDG EIS Record of Decision listed below:
  1. **Transportation:**
    - All roads will be constructed to Gold Book standard.
    - Limit use of roads by heavy equipment during the periods when the roads are muddy.
    - Operator will perform normal operational winter maintenance: roads will be plowed to allow safe navigation. And if snow is heavy, plows will provide breaks in the snow piled berms to allow free movement of wildlife across all roads.
  2. **Mitigation for Water Supply - To Protect Threatened and Endangered Fish.**
    - a) 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.
    - b) If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
      - i. Do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
      - ii. 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

iii. 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.

c) Screen all pump intakes with ¼" mesh material.

d) 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

3. Noxious Weeds:

o Power-wash all construction equipment before commencing construction activities in order to eliminate noxious weeds.

4. Well pad was extended by 25 ft. during the onsite discussion in order to better accommodate the directional drilling option for the proposed Rainbow 11-24-42-17.

5. Interim Reclamation:

All portions of the well pads and ROWS not utilized for the operation phase of the project will be re-seeded. Post construction seeding applications will continue until determined successful by the BLM.

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

needle & thread grass ( <i>Stipa comata</i> ),.....	3 lbs/acre
galleta grass ( <i>Hilaria jamesii</i> ) .....	3 lbs/acre
hycrest crested wheatgrass ( <i>Agropyron cristatum/Agropyron desertorum hybrid</i> ).....	2 lbs/acre

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

▪ Reseeding may be required if initial seeding is not successful.

- Critical soils: The project area contains critical soils. 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 three inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- Specific Location Construction Details– as discussed during onsite:
  - o Ditch around the well pad and divert drainage down-slope
  - o Berm location with excess fill
  - o Install 2 low water crossings on access road
  - o Line the reserve pit with 16 mil liner and felt
  - o Lop and scatter trees

- Paleontology monitoring is required: Spot monitor the construction of the access road and the well pad by a qualified, permitted paleontologist. Report all mitigation-curation of scientifically significant fossils that may be affected by the construction.
- Restrictions for placement of surface pipelines:
  - a) Surface pipelines will be placed 5-10 feet outside of the borrow area.
  - b) Surface pipelines will be placed in such a way that they will not wander into the borrow area.
  - c) Pipelines will be buried at all major road and drainage crossings.
- Paint all facilities Yuma green within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA).

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

**SITE SPECIFIC DOWNHOLE COAs:**

- A Cement Bond Log (CBL) shall be run from the TD to the top of cement. A field copy of the CBL shall be submitted to the BLM Vernal Field Office for review.
- The top of the production casing cement shall extend a minimum of 200 feet above the surface casing shoe.

Site Specific Surface Plan COA

- Operator shall notify any active gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during surface construction for this well and access road.

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

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

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

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

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

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

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-73920
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> ASPHALT
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> RAINBOW 11-24-42-17
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047388520000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b> 2490 FSL 1087 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 17 Township: 11.0S Range: 24.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> ROCK HOUSE  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

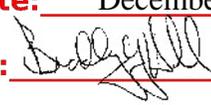
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 12/22/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Request an one-year extension to APD term.

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

**Date:** December 21, 2009

**By:** 

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 12/18/2009



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047388520000**

**API:** 43047388520000

**Well Name:** RAINBOW 11-24-42-17

**Location:** 2490 FSL 1087 FEL QTR NESE SEC 17 TWNP 110S RNG 240E MER S

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

**Date Original Permit Issued:** 11/30/2006

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:** 12/18/2009

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

**Date:** December 21, 2009

**By:**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-73920
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> ASPHALT
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> RAINBOW 11-24-42-17
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047388520000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2490 FSL 1087 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 17 Township: 11.0S Range: 24.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> ROCK HOUSE  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 11/30/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 Request for an one-year extension to the APD termination date.

Approved by the  
 Utah Division of  
 Oil, Gas and Mining  
  
 Date: 11/29/2010  
 By:

<b>NAME (PLEASE PRINT)</b> Alvin Arlian	<b>PHONE NUMBER</b> 303 350-5114	<b>TITLE</b> Landman-Regulatory
<b>SIGNATURE</b> N/A		<b>DATE</b> 11/29/2010



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047388520000**

**API:** 43047388520000

**Well Name:** RAINBOW 11-24-42-17

**Location:** 2490 FSL 1087 FEL QTR NESE SEC 17 TWNP 110S RNG 240E MER S

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

**Date Original Permit Issued:** 11/30/2006

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
  
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- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
  
- Have there been any changes to the access route including ownership, or 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:** 11/29/2010

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

**Date:** 11/29/2010

**By:** 



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 30, 2011

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

Re: APD Rescinded – Rainbow 11-24-42-17, Sec. 17 T.11S, R.24E  
Uintah County, Utah API No. 43-047-38852

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 November 30, 2006. On December 17, 2007, December 22, 2008, December 21, 2009 and November 29, 2010 the Division granted a one-year APD extension. On November 22, 2011, you requested that the APD be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 22, 2011.

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

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

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

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

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



IN REPLY REFER TO:  
3160 (UTG011)

**APR 20 2012**

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

Re: Notice of Expiration  
Well No. Rainbow 11-24-42-17  
NESE, Sec. 17, T11S, R24E  
Uintah County, Utah  
Lease No. UTU-73920  
Asphalt Unit

43 047 38852

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the above-referenced well was approved on June 9, 2009. A two (2) year extension request of the original APD was received on May 2, 2011. On June 16, 2011 the request was reviewed and the extension request was denied due to the NEPA document expiring May 1, 2011, consistent with the expiration of the 390 CX used to process the APD. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

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

Sincerely,

Jerry Kenczka  
Assistant Field Manager  
Lands & Mineral Resources

**RECEIVED**

**MAY 02 2012**

**DIV OF OIL, GAS, & MINING**

cc: UDOGM