



***Enduring Resources***

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

December 28, 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  
Southam Canyon 10-25-33-19  
NWSE 19-10S-25E  
Federal Lease: UTU-78734  
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 303-350-5719.

Very truly yours,

Evette Bissett  
Regulatory Affairs Assistant

Enclosures

RECEIVED

JAN 02 2007

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: <b>UTU-78734</b>	6. SURFACE: <b>Federal</b>
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: <b>Enduring Resources, LLC</b>			9. WELL NAME and NUMBER: <b>Southam Canyon 10-25-33-19</b>	
3. ADDRESS OF OPERATOR: <b>475 17th St., Ste 1500</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80220</b>		PHONE NUMBER: <b>(303) 350-5719</b>	10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1833' FSL - 2175' FEL <b>658818X</b> AT PROPOSED PRODUCING ZONE: Same <b>4421676Y</b> <b>39.932201</b> <b>-109.141368</b>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWSE 19 10S 25E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>11 miles South of Vernal, UT</b>			12. COUNTY: <b>Uintah</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>1833'</b>	16. NUMBER OF ACRES IN LEASE: <b>480</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40 acres</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>1000' +</b>	19. PROPOSED DEPTH: <b>5,280</b>	20. BOND DESCRIPTION: <b>RLB0008031</b>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>5621' RT-KB</b>	22. APPROXIMATE DATE WORK WILL START: <b>3/1/2007</b>	23. ESTIMATED DURATION: <b>20 days</b>		

**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#		Class G	27 sxs	3.3	11.0
			50/50 Poz Class G	599 sxs	1.56	14.3

**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 Affairs Assistant  
SIGNATURE *Evette Bissett* DATE 12/28/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38955

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

**RECEIVED  
JAN 02 2007**

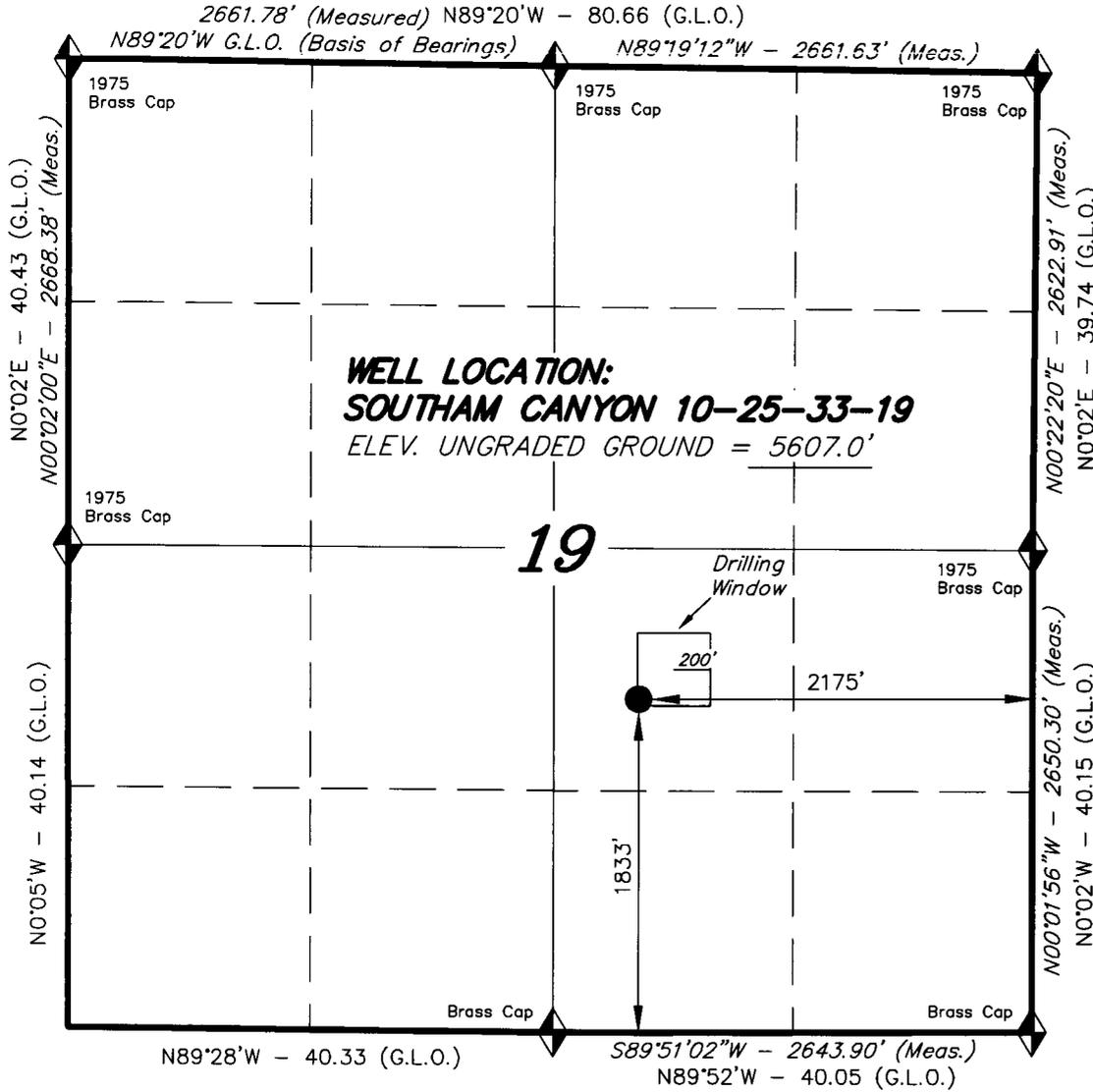
(11/2001) **Federal Approval of this  
Action is Necessary**

Date: 01-03-07  
By: *[Signature]*

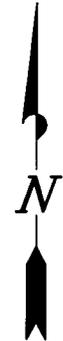
DIV. OF OIL, GAS & MINING

# T10S, R25E, S.L.B.&M.

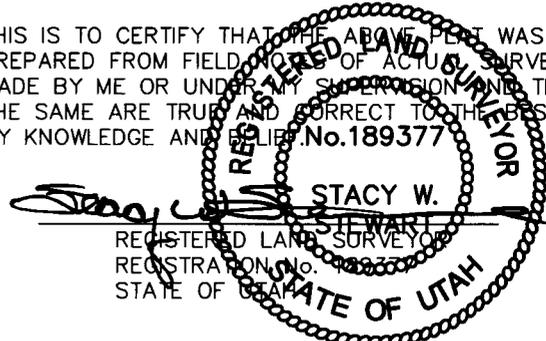
## ENDURING RESOURCES



WELL LOCATION, SOUTHAM CANYON  
 10-25-33-19, LOCATED AS SHOWN IN  
 THE NW 1/4 SE 1/4 OF SECTION 19,  
 T10S, R25E, S.L.B.&M. UINTAH COUNTY,  
 UTAH.



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



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

**SOUTHAM CANYON 10-25-33-19  
 (Surface Location) NAD 83  
 LATITUDE = 39° 55' 56.05"  
 LONGITUDE = 109° 08' 31.52"**

<b>TRI STATE LAND SURVEYING &amp; CONSULTING</b> 180 NORTH VERNAL AVE. - VERNAL, UTAH 84078 (435) 781-2501		
DATE DRAWN: 09-25-06	SURVEYED BY: J.H.	<b>SHEET 2 OF 10</b>
REVISED:	DRAWN BY: F.T.M.	
NOTES:	SCALE: 1" = 1000'	

## 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.

**Southam Canyon 10-25-33-19**

Surface Location: NWSE Sec. 19-10S-25E

1833' FSL – 2175' FEL

Lease Serial No.: UTU-78734

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

12/28/2006

Date

**Enduring Resources, LLC  
 Southam Canyon 10-25-33-19  
 NWSE 19-10S-25E  
 Uintah County, Utah  
 Federal Lease: UTU-78734**

**ONSHORE ORDER 1 - DRILLING PLAN**

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

Formation	Depth (K.B.)
Uinta	Surface
Green River	192
Wasatch	2398
Mesaverde	3672

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

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 5621'	
Oil / Gas	Green River	192
Oil /Gas	Wasatch	2398
Oil /Gas	Mesaverde	3672
	Estimated TD	5280

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 – 5280' (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)
5280' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/2.32(d)	7780/3.08 (e)	223/4.24(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	282	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	27	25	11.0	3.3
4-1/2"	Tail	3282	50/50 POZ Class G + 2% gel +1% CaCl <sub>2</sub> + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	599	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'-5280' (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 2746 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1584 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. Variations:

None anticipated

## 10. Other:

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

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

### **Directions to the Southam Canyon 10-25-33-19 Well Pad**

Beginning at the city of Bonanza, Utah. Leave the city of Bonanza traveling south on a paved road for a distance of approximately 3.7 miles where the road turns left at a gaging station shown on topo "A" (or just before the road crosses the White River). Do not turn left. Continue southeasterly on the same road for a distance of 6.0 miles, turning right where the road forks to Watson. After a short distance (about 250') after turning right toward Watson, turn right onto an existing two-track road and proceed northwesterly for an approximate distance of 5,610' (about 1.1 mi.), then turn right onto the proposed access and proceed north for a approximately 490' (about 0.1 mi.) to the proposed Southam Canyon 10-25-33-19 well pad.

**Enduring Resources, LLC**  
**Southam Canyon 10-25-33-19**  
NWSE 19-10S-25E  
Uintah County, Utah

**Federal Lease: UTU-78734**

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

**1. Existing Roads:**

Beginning at the city of Bonanza, Utah, travel south on a paved road for a distance of approximately 3.7 miles where the road turns left at a gaging station shown on topo "A" (or just before the road crosses the White River). Do not turn left. Continue southeasterly on the same road for a distance of 6.0 miles, turning right where the road forks to Watson. After a short distance (about 250') after turning right toward Watson, turn right onto an existing two-track road and proceed northwesterly for an approximate distance of 5,610' (about 1.1 mi.), then turn right onto the proposed access and proceed north for a approximately 490' (about 0.1 mi.) to the proposed Southam Canyon 10-25-33-19 well pad.

**2. Planned Access Roads:**

The proposed access road will be approximately 490 feet of new construction. Please refer to Topo Map "B" for the takeoff point for the new ON-LEASE road construction. Access into section 20 will be County Road 4180 (Dragon Road), then onto a two-track road up to the new construction.

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

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

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

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

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

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

- a. None: Water Wells:
- b. None: Injection Wells:
- c. None: Producing Wells:
- d. None: Drilling Wells:
- e. None: Shut-in Wells:
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. None: Abandoned Wells:
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. (1): Pending (staked) Wells:
  - 1. Enduring Resources has one other well 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	2,745'	BLM
	OFF-LEASE	945'	BLM

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed for year around usage. Approximately 3,690 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 south side of the access road and tie-into an existing pipeline.

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

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

**5. Location and Type of Water Supply:**

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

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

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

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

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

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

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

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

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

The reserve pit will be lined with ¼ inch 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 September 21, 2006

Attending were:

1. Melissa Hawk - BLM
2. Brandon McDonald – BLM
3. Daren Williams - BLM
4. Mike Stewart - Ponderosa Construction
5. Dennis Petty - Tristate
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.

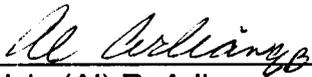
The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

**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 Southam Canyon 10-25-33-19 Well; NWSE Section 19, Township 10 South, Range 25 East; Lease #:UTU-78734 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

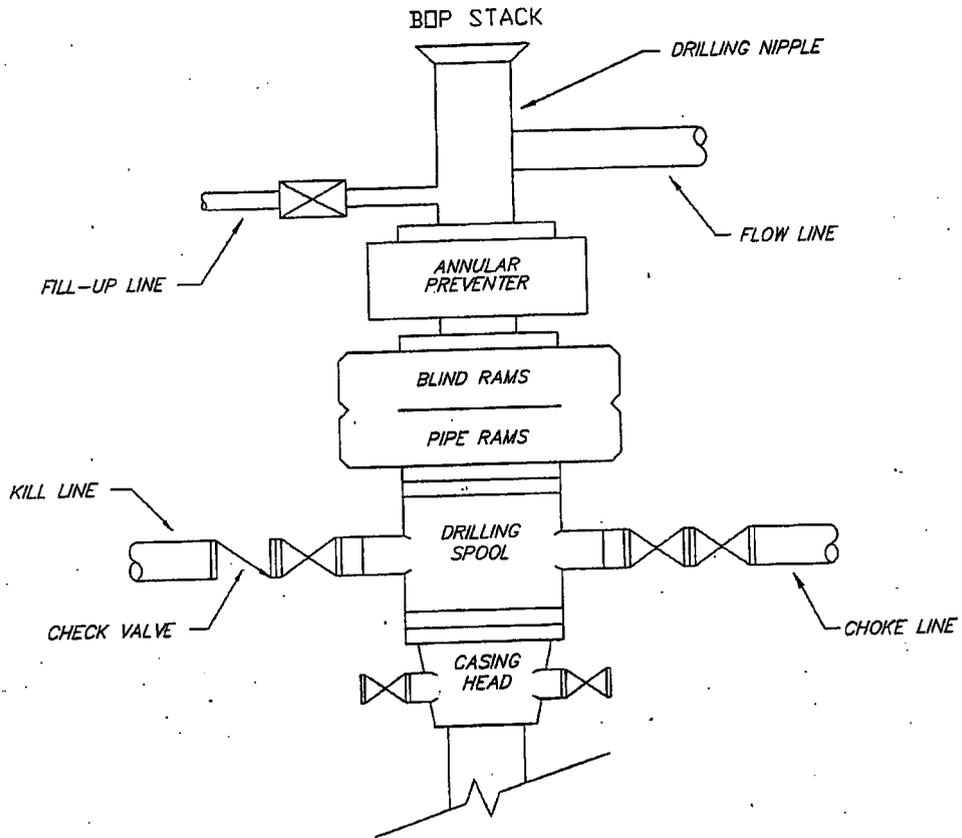
**ENDURING RESOURCES, LLC**

  
\_\_\_\_\_  
Alvin (A) R. Arlian  
Landman – Regulatory Specialist

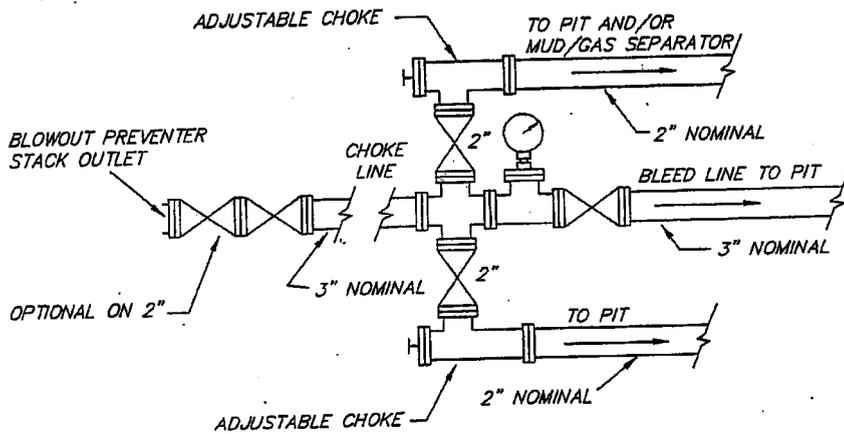
\_\_\_\_\_  
December 28, 2006

# ENDURING RESOURCES, LLC

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

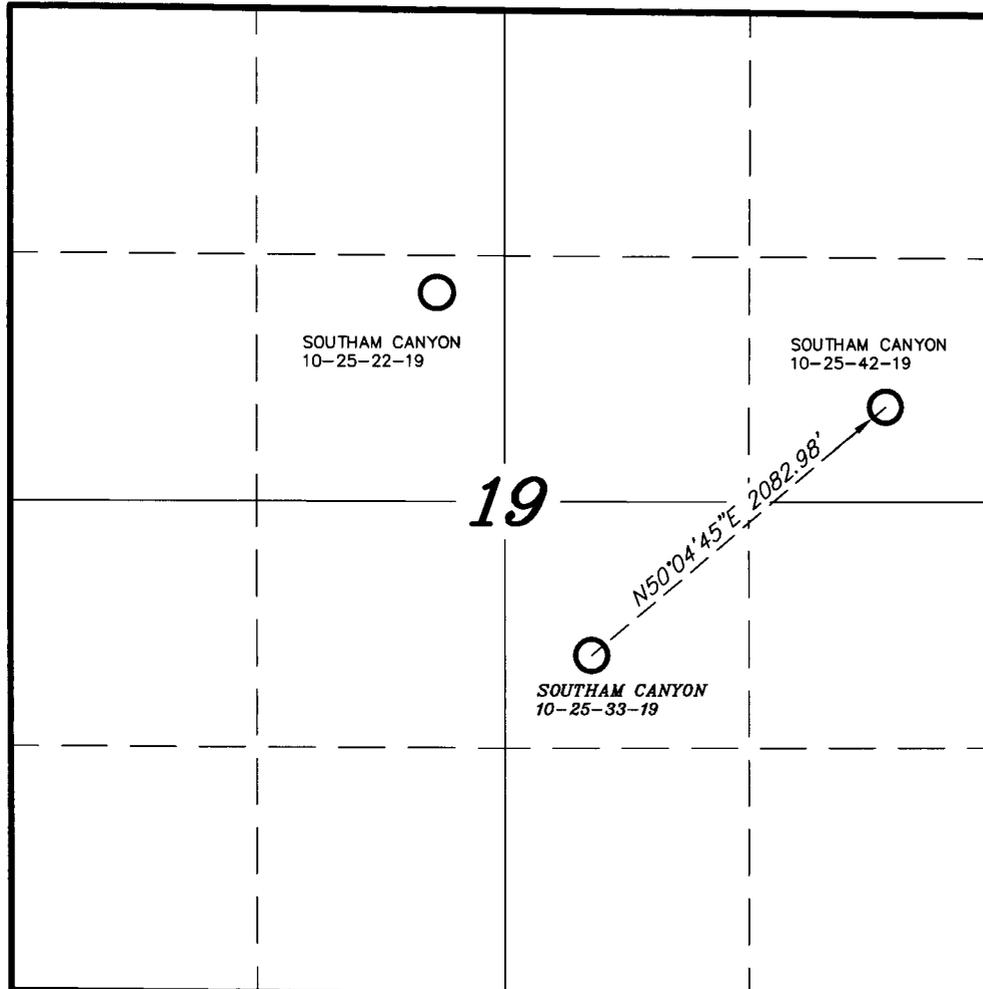


## TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



**T10S, R25E, S.L.B.&M.**

**ENDURING RESOURCES**  
**SECTION DRILLING MAP**  
**SOUTHAM CANYON 10-25-33-19**



**LEGEND**

- = Vertical Well
- ⊙ = Directional Well (Bottom Hole)

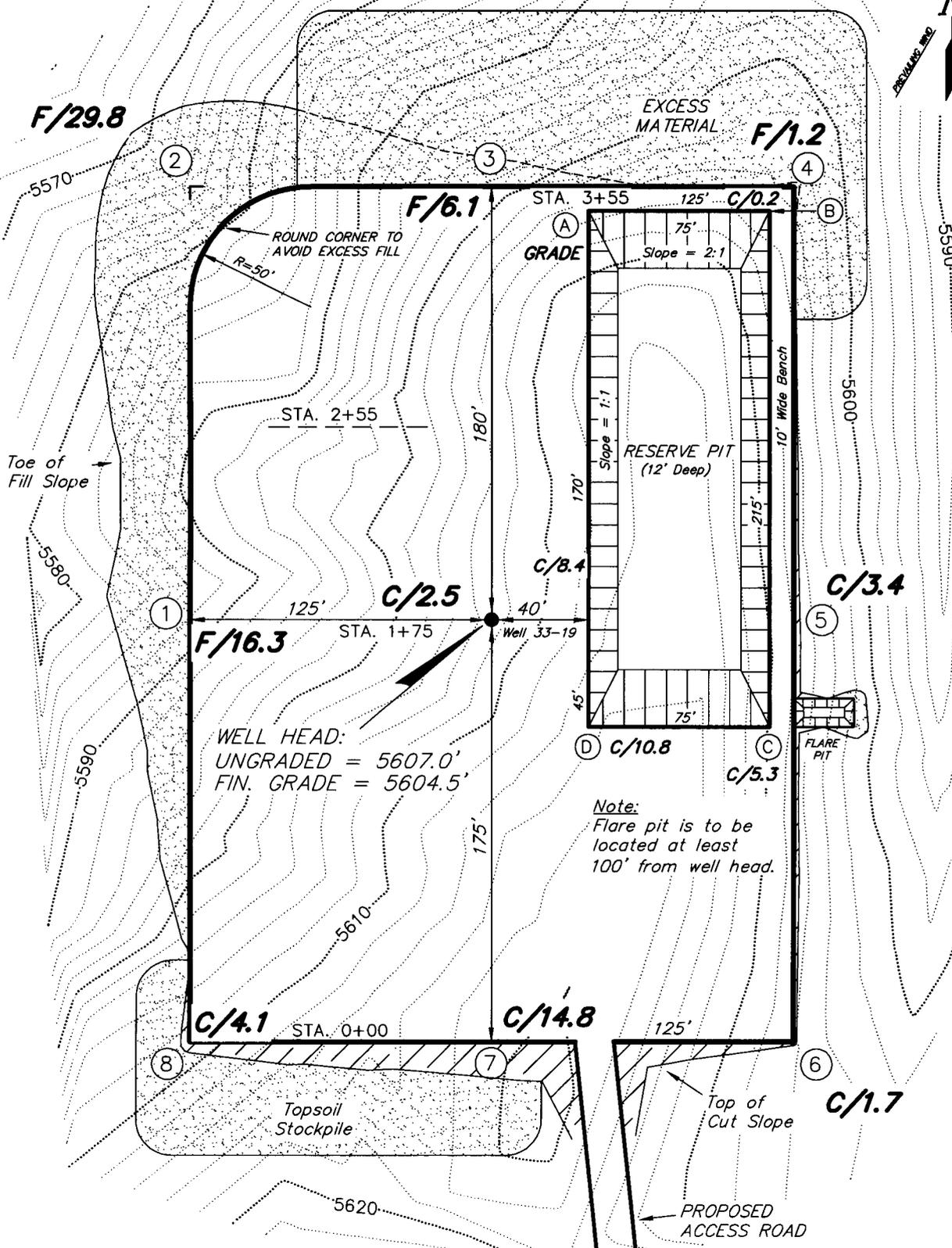
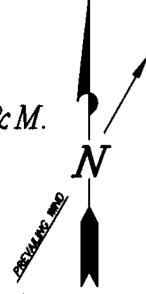
**TRI STATE LAND SURVEYING & CONSULTING**  
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078  
(435) 781-2501

DATE DRAWN: 09-25-06	SURVEYED BY: J.H.	<b>SHEET</b> <b>1</b> <b>OF 10</b>
REVISED:	DRAWN BY: F.T.M.	
NOTES:	SCALE: 1" = 1000'	

# ENDURING RESOURCES

SOUTHAM CANYON 10-25-33-19

Pad Location: NWSE Section 19, T10S, R25E, S.L.B.&M.



WELL HEAD:  
UNGRADED = 5607.0'  
FIN. GRADE = 5604.5'

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

SURVEYED BY: J.H.	DATE DRAWN: 09-25-06
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

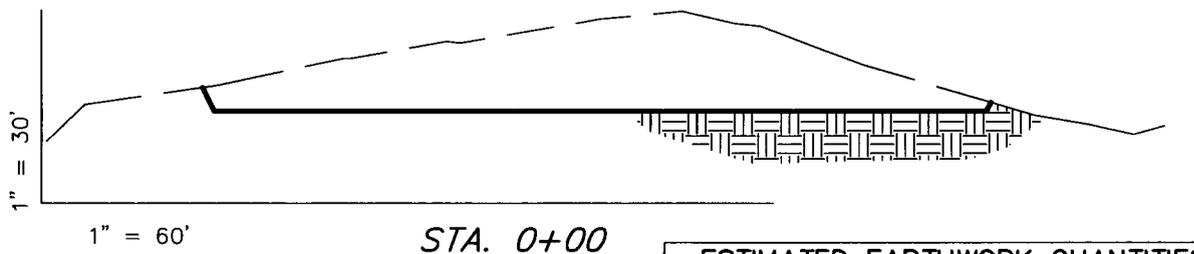
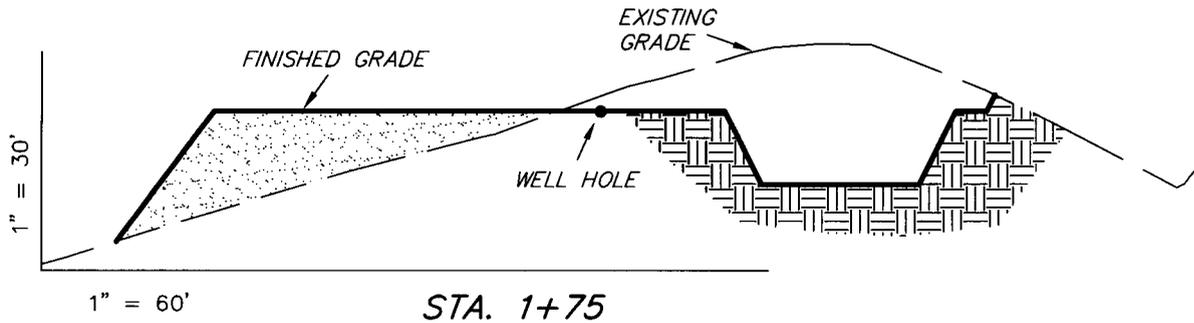
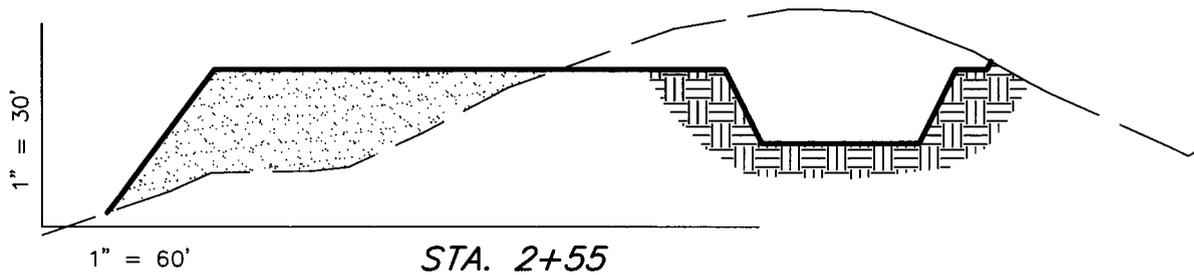
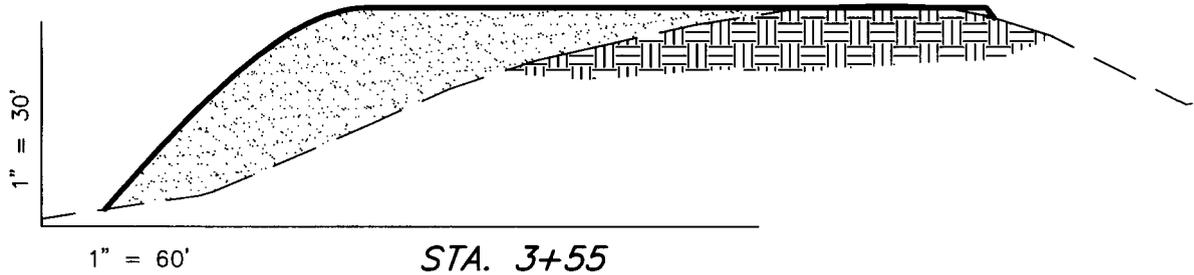
**Tri State** (435) 781-2501  
Land Surveying, Inc.  
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

# ENDURING RESOURCES

## CROSS SECTIONS

### SOUTHAM CANYON 10-25-33-19

Pad Location: NWSE Section 19, T10S, R25E, S.L.B.&M.



ESTIMATED EARTHWORK QUANTITIES (No Shrink or swell adjustments have been used) (Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	15,840	14,370	Topsoil is not included in Pad Cut	1,470
PIT	5,390	0		5,390
TOTALS	21,230	14,370	1,950	6,860

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

SURVEYED BY: J.H. DATE DRAWN: 09-25-06

DRAWN BY: F.T.M. SCALE: 1" = 60'

NOTES:

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

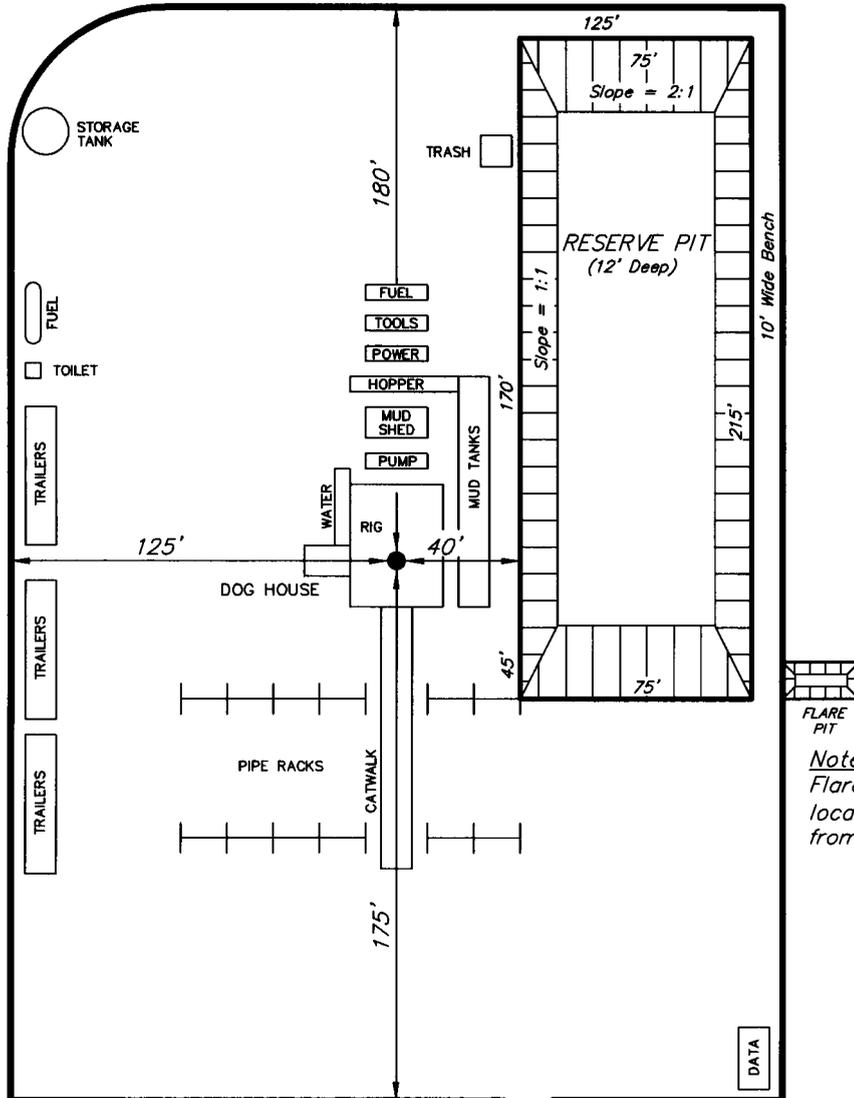
SHEET  
4  
OF 10

# ENDURING RESOURCES

## TYPICAL RIG LAYOUT

### SOUTHAM CANYON 10-25-33-19

Pad Location: NWSE Section 19, T10S, R25E, S.L.B.&M.



FLARE PIT

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

SURVEYED BY: J.H.	DATE DRAWN: 09-25-06
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

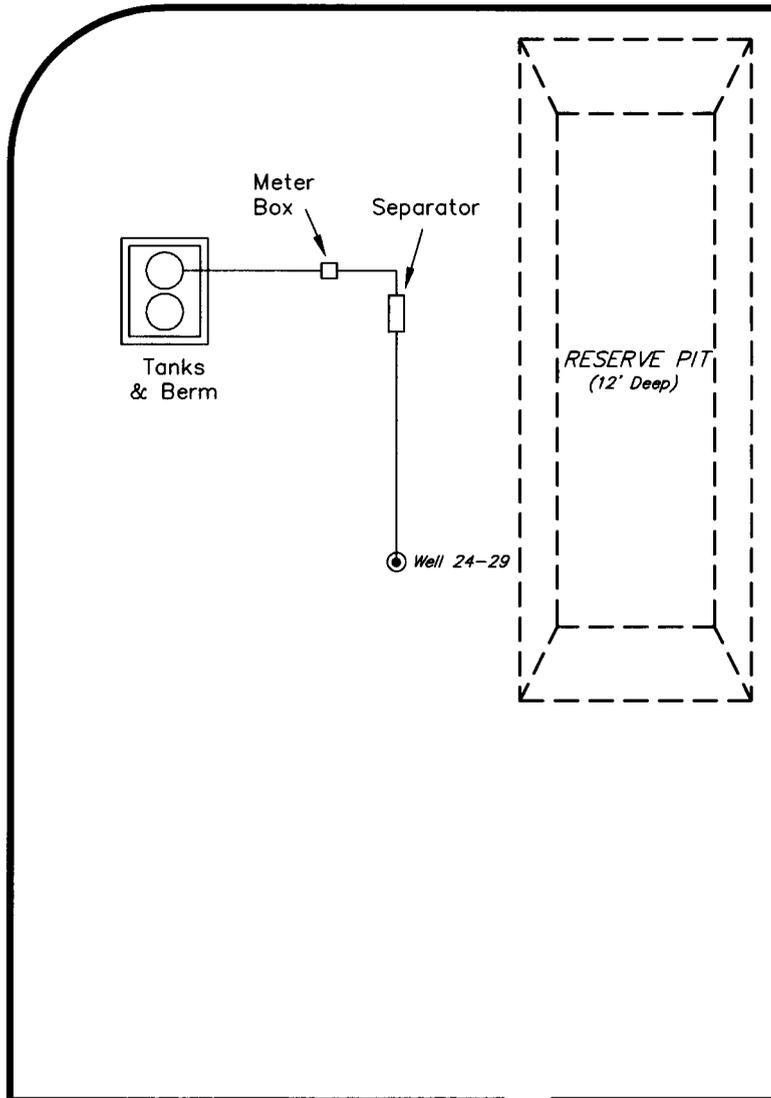
**Tri State**  
Land Surveying, Inc.  
180 NORTH VERNAL AVE. VERNAL, UTAH 84078  
(435) 781-2501

# ENDURING RESOURCES

## PRODUCTION SCHEMATIC

### SOUTHAM CANYON 10-25-33-19

Pad Location: NWSE Section 19, T10S, R25E, S.L.B.&M.



FLARE PIT

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

PROPOSED ACCESS ROAD

SURVEYED BY: J.H.	DATE DRAWN: 09-25-06
DRAWN BY: F.T.M.	SCALE: 1" = 60'
NOTES:	

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

SHEET  
**6**  
OF 10



**ENDURING RESOURCES**

**Southam Canyon 10-25-33-19**  
**Sec. 19, T10S, R25E, S.L.B.&M.**



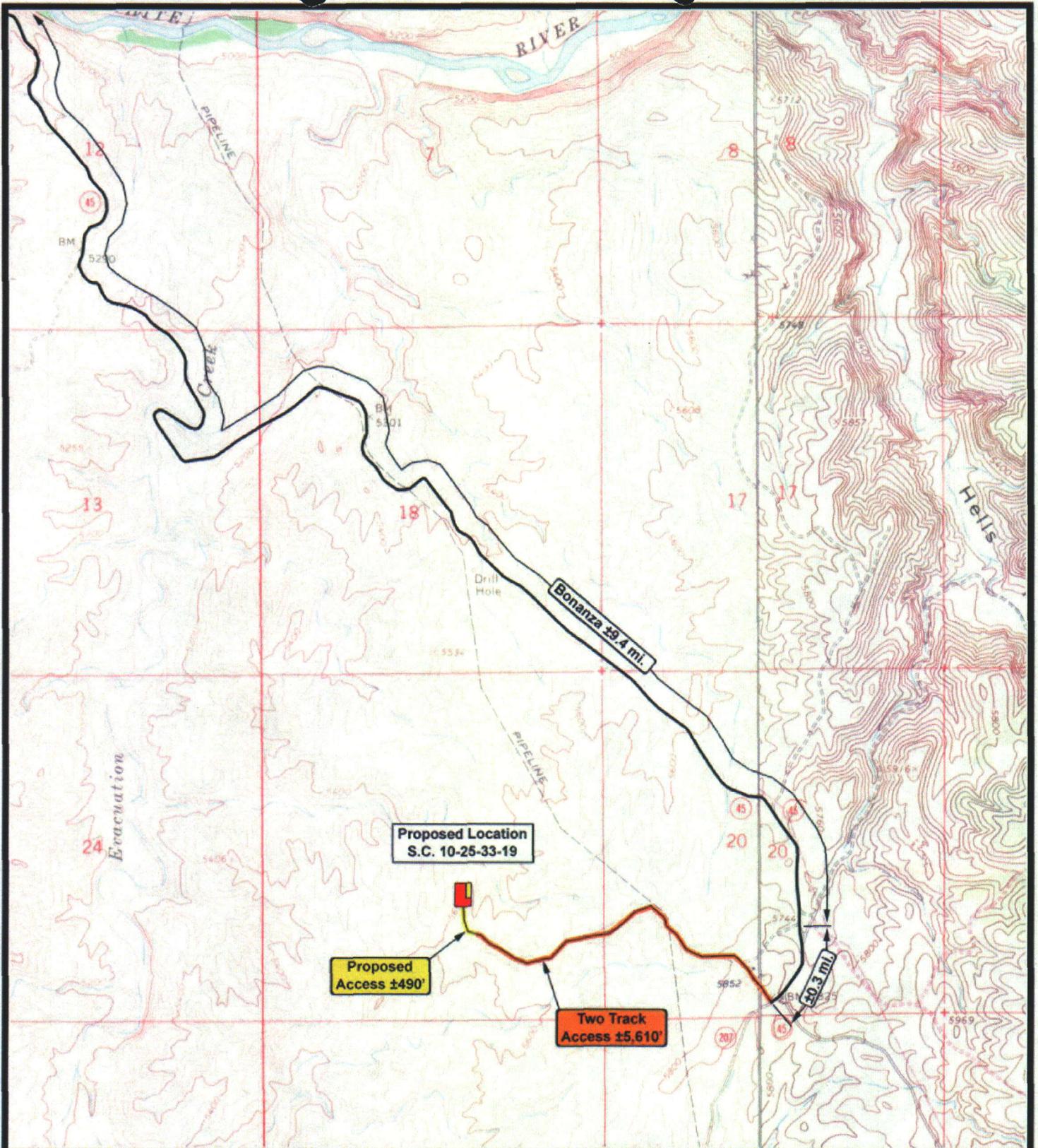
**Tri-State**  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 : 100,000  
 DRAWN BY: mw  
 DATE: 06-01-2006

**Legend**

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP SHEET  
**"A"** **7**  
 OF 10



**ENDURING RESOURCES**

**Southam Canyon 10-25-33-19**  
**Sec. 19, T10S, R25E, S.L.B.&M.**



**Tri-State**  
*Land Surveying Inc.*  
 (435) 761-2501  
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'

DRAWN BY: mw

DATE: 06-01-2006

**Legend**

-  Existing Road
-  Proposed Access
-  Existing Two-Track

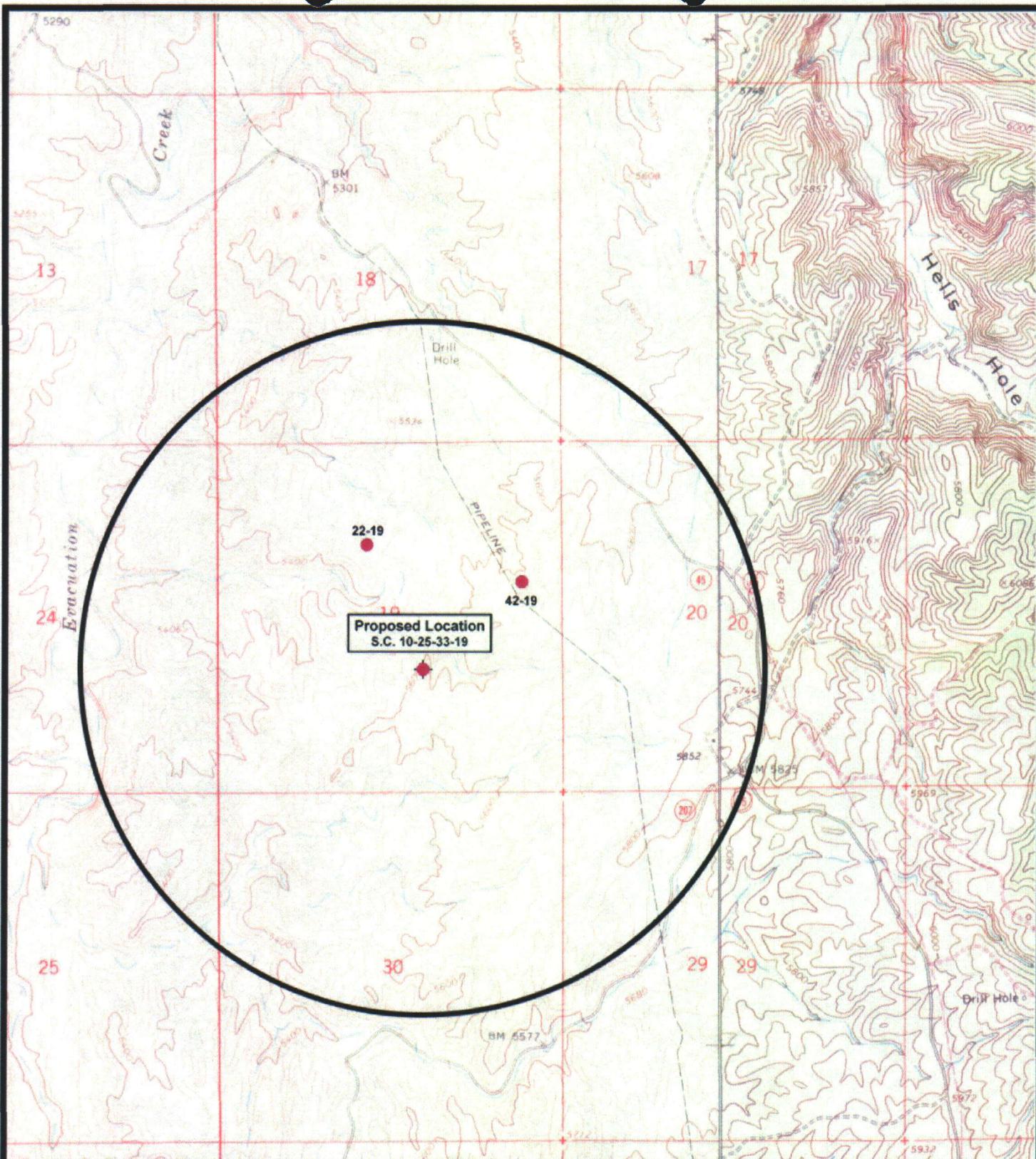
TOPOGRAPHIC MAP

**"B"**

SHEET

**8**

OF 10



**ENDURING RESOURCES**

**Southam Canyon 10-25-33-19  
Sec. 19, T10S, R25E, S.L.B.&M.**



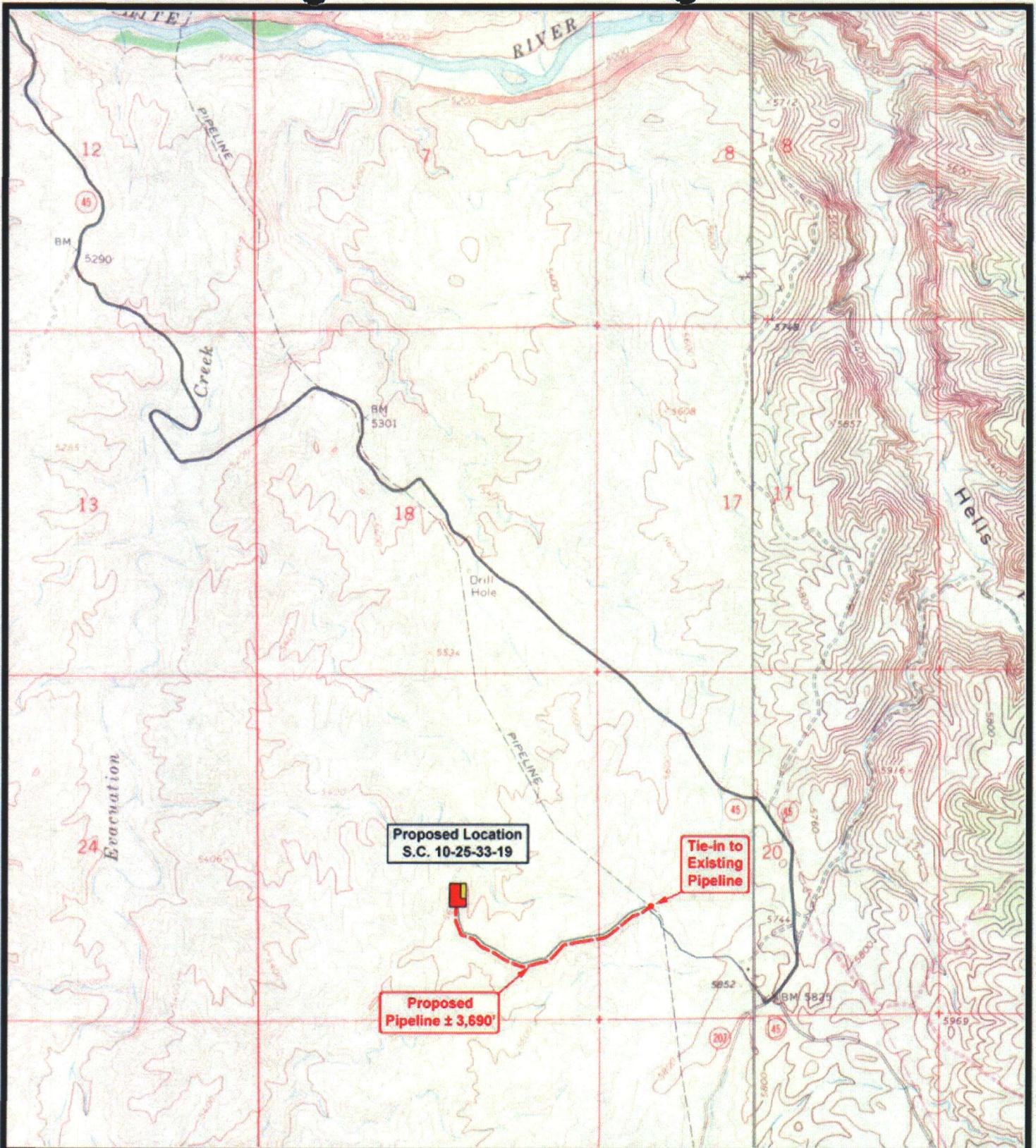
**Tri-State  
Land Surveying Inc.**  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'  
DRAWN BY: mw  
DATE: 06-01-2006

**Legend**

- Location
- One-Mile Radius

TOPOGRAPHIC MAP  
**"C"**  
SHEET **9**  
OF 10



**ENDURING RESOURCES**

**Southam Canyon 10-25-33-19**  
**Sec. 19, T10S, R25E, S.L.B.&M.**



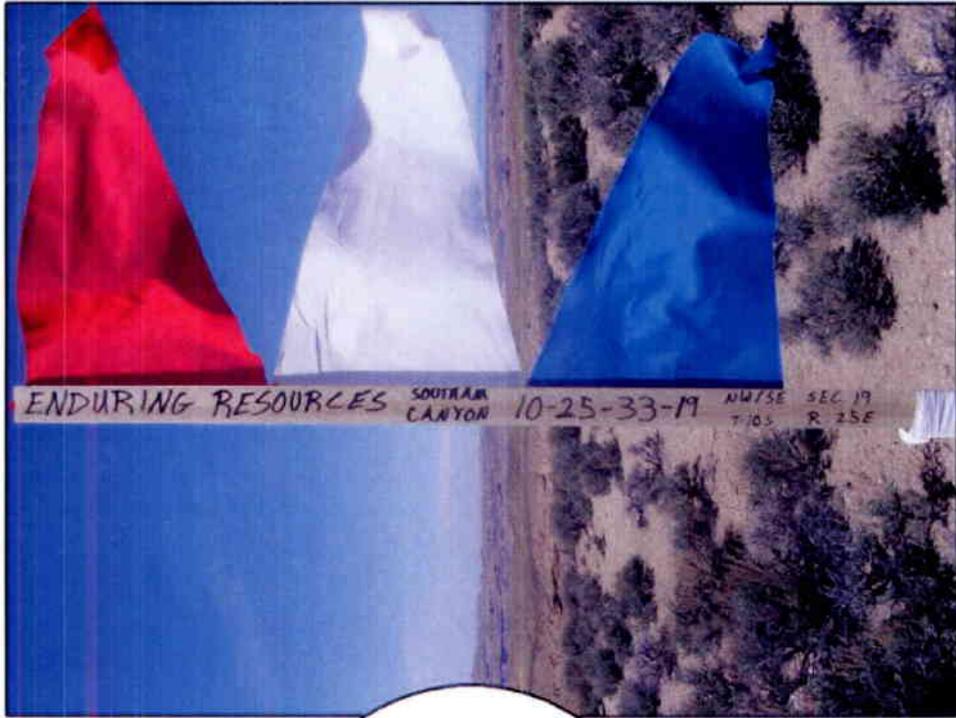
**Tri-State**  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'  
 DRAWN BY: mw  
 DATE: 06-01-2006

**Legend**

- Roads
- Proposed Gas Line

TOPOGRAPHIC MAP  
**"D"**  
 SHEET **10**  
 OF 10



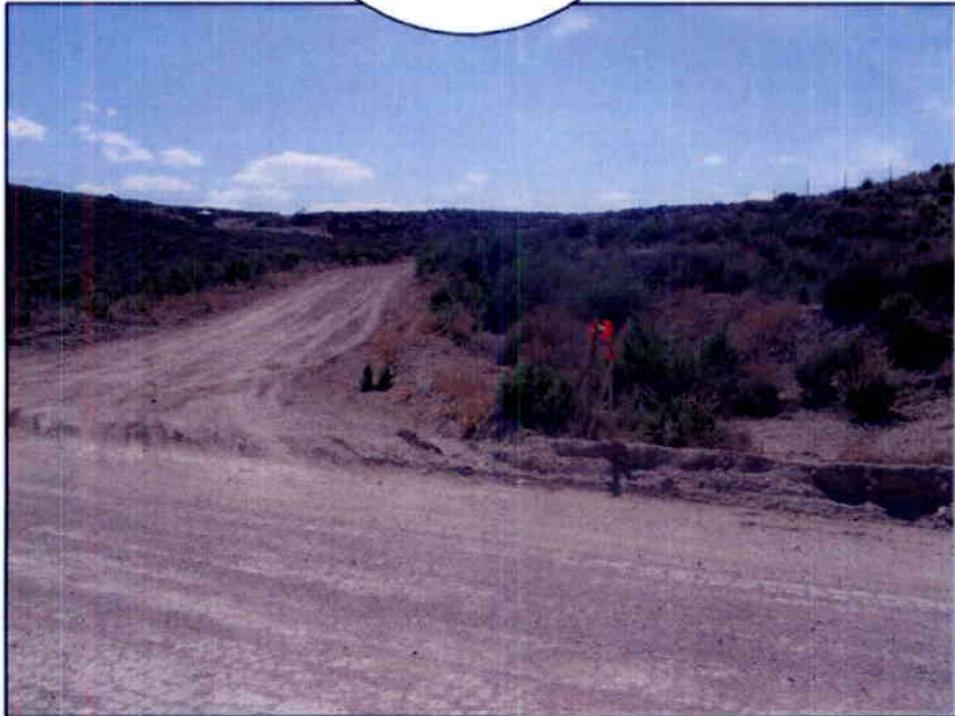
**CENTER STAKE**

  
**ENDURING RESOURCES**  
**S.C. 10-25-33-19**

Date Photographed: 06/12/2006  
Date Drawn: 06/01/2006  
Drawn By: mw

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

**LOOKING NW**  
**ACCESS**





NORTH

  
ENDURING RESOURCES

S.C. 10-25-33-19

Date Photographed: 05/12/2006

Date Drawn: 06/01/2006

Drawn By: mw

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

EAST





SOUTH

  
ENDURING RESOURCES

S.C. 10-25-33-19

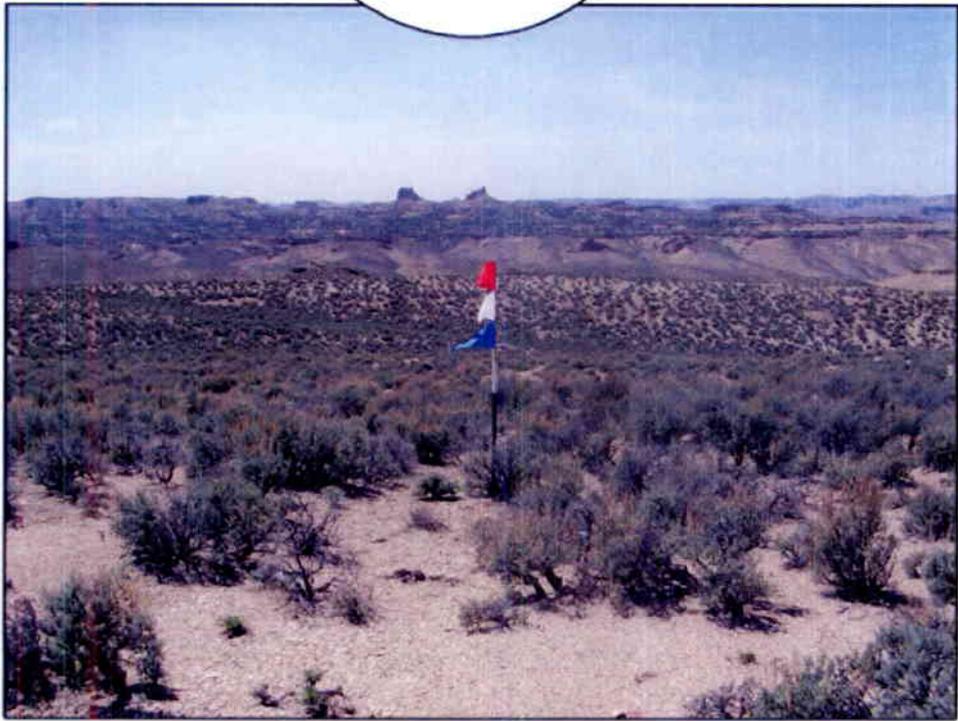
Date Photographed: 05/12/2006

Date Drawn: 06/01/2006

Drawn By: mw

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

WEST



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/02/2007

API NO. ASSIGNED: 43-047-38955

WELL NAME: SOUTHAM CYN 10-25-33-19

OPERATOR: ENDURING RESOURCES, LLC ( N2750 )

CONTACT: EVETTE BISSETT

PHONE NUMBER: 303-350-5719

PROPOSED LOCATION:

NWSE 19 100S 250E

SURFACE: 1833 FSL 2175 FEL

BOTTOM: 1833 FSL 2175 FEL

COUNTY: UINTAH

LATITUDE: 39.93220 LONGITUDE: -109.1414

UTM SURF EASTINGS: 658818 NORTHINGS: 4421676

FIELD NAME: UNDESIGNATED ( 2 )

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-78734

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. 49-222 )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

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

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

*1- Federal Approval*  
*2- Spacing Slip*

T10S R24E T10S R25E

SOUTHAM CYN  
10-25-22-19

19

SOUTHAM CYN  
10-25-13-19

**NATURAL BUTTES FIELD**

OPERATOR: ENDURING RES LLC (N2750)

SEC: 19 T.10S R. 25E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

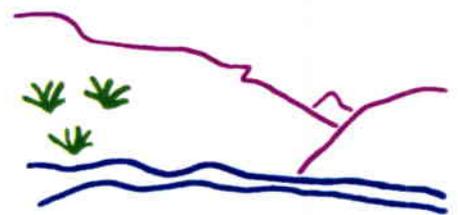
SPACING: R649-3-2 / GENERAL SITING

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

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

**Wells Status**

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



*Utah Oil Gas and Mining*



PREPARED BY: DIANA MASON  
DATE: 3-JANUARY-2007



State of Utah

Department of  
Natural Resources

MICHAEL R. STYLER  
*Executive Director*

Division of  
Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 3, 2007

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

Re: Southam Canyon 10-25-33-19 Well, 1833' FSL, 2175' FEL, NW SE, Sec. 19,  
T. 10 South, R. 25 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 43-047-38955.

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** Southam Canyon 10-25-33-19  
**API Number:** 43-047-38955  
**Lease:** UTU-78734

**Location:** NW SE                      **Sec.** 19                      **T.** 10 South                      **R.** 25 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.

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78734
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1833' FSL - 2175' FEL		8. WELL NAME and NUMBER: Southam Canyon 10-25-33-19
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 19 10S 25E S		9. API NUMBER: 4304738955
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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

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

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

FROM: 1/3/2008  
TO: 1/3/2009

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 01-03-08  
By: [Signature]

NAME (PLEASE PRINT) <u>Alvin R. (AI) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>12/14/2007</u>

(This space for State use only)

RECEIVED  
JAN 02 2008

COPY SENT TO OPERATOR  
Date: 1-7-2008  
Initials: KS

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING



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

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

**API:** 4304738955  
**Well Name:** Southam Canyon 10-25-33-19  
**Location:** 1833' FSL - 2175' FEL, NWSE Sec 19-10S-25E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 1/3/2007

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

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

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

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

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

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

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

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

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



Signature

12/14/2007

Date

Title: Alvin R. (Al) Arlian

Representing: Enduring Resources, LLC

RECEIVED

JAN 02 2008

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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78734
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1833' FSL - 2175' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <sup>N1/4SE</sup> <del>SENW</del> 19 10S 25E S		8. WELL NAME and NUMBER: Southam Canyon 10-25-33-19
		9. API NUMBER: 4304738955
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah
		STATE: UTAH

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

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

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

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

FROM: 1/3/2009  
TO: ~~1/3/2010~~ DM

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 11-27-09  
By: [Signature]

NAME (PLEASE PRINT) Kate Bennett	TITLE Administrative Assistant
SIGNATURE <u>[Signature]</u>	DATE 12/28/2008

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 1.8.2009  
Initials: KS

(See Instructions on Reverse Side)

**RECEIVED**  
JAN 05 2009  
DIV. OF OIL, GAS & MINING



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

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

**API:** 4304738955  
**Well Name:** Southam Canyon 10-25-33-19  
**Location:** 1833' FSL - 2175' FEL, NWSE Sec 19-10S-25E  
**Company Permit Issued to:** Enduring Resources, LLC  
**Date Original Permit Issued:** 1/3/2007

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

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

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

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

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

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

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

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

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

*L. Barnett*  
Signature

12/28/2008  
Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

**RECEIVED**  
**JAN 05 2009**  
DIV. OF OIL, GAS & MINING

<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-78734
---	--

<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>
--	--

<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> SOUTHAM CYN 10-25-33-19
------------------------------------	--

<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC	<b>9. API NUMBER:</b> 43047389550000
--	---

<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 350-5114 Ext	<b>9. FIELD and POOL or WILDCAT:</b> UNDESIGNATED
---	--	--

<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1833 FSL 2175 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWSE Section: 19 Township: 10.0S Range: 25.0E Meridian: S	<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: 1/7/2010  <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:

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:** January 11, 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> 1/6/2010	



**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 43047389550000**

**API:** 43047389550000

**Well Name:** SOUTHAM CYN 10-25-33-19

**Location:** 1833 FSL 2175 FEL QTR NWSE SEC 19 TWP 100S RNG 250E MER S

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

**Date Original Permit Issued:** 1/3/2007

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

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
- Have there been any changes to the access route including ownership, or 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:** 1/6/2010

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

**Date:** January 11, 2010

**By:**



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 25, 2011

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

Re: APD Rescinded – Southham Canyon 10-25-33-19, Sec.19 T.10S, R.25E  
Uintah County, Utah API No. 43-047-38955

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 3, 2007. On January 3, 2008, January 7, 2009 and January 11, 2010 the Division granted a one-year APD extension. On January 20, 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 January 20, 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

March 24, 2010

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

43-047-38955

Re: Notice of Lease Expiration  
Well No. Southam Canyon 10-25-33-19  
NWSE, Sec. 19, T10S, R25E  
Uintah County, Utah  
Lease No. UTU-78734

Dear Mr. Arlian:

The Application for Permit to Drill for the above referenced well, Southam Canyon 10-25-33-19, received in this office on January 3, 2007 is being returned unapproved. According to our records, Federal Lease UTU-78734 has expired by its own terms and conditions, effective December 31, 2009, and the case was closed at the BLM Utah State Office on February 16, 2010.

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

Sincerely,

*Cindy Severson*

Cindy Severson  
Land Law Examiner

cc: UDOGM

RECEIVED

APR 01 2010

DIV. OF OIL, GAS & MINING