

**PIONEER**  
NATURAL RESOURCES USA, INC.

February 6, 2009

Bureau of Land Management  
Price Field Office  
125 South 600 West  
Price, Utah 84501

RE: Castlegate Fed 12C-9-12-10  
SWNW, Sec. 9, T12S-R10E  
Carbon County, Utah

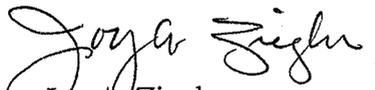
Ladies and Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Pioneer Natural Resources USA, Inc. when necessary for filing county, state, and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Pioneer Natural Resources USA, Inc. agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,

  
Joy A. Ziegler  
Senior Engineering Tech.

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-65948</b>	6. SURFACE: <b>BLM</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>N/A</b>	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: <b>N/A</b>	
2. NAME OF OPERATOR: <b>Pioneer Natural Resources USA Inc.</b>		9. WELL NAME and NUMBER: <b>Castlegate Fed #12C-9-12-10</b>	
3. ADDRESS OF OPERATOR: <b>1401 - 17th Street, Suite 1200, Denver, CO 80202</b>		10. FIELD AND POOL, OR WILDCAT: <b>Castlegate / Blackhawk</b>	
PHONE NUMBER: <b>303/675-2782</b>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: <b>Section 9, T12S - R10E</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>515940X 4405395Y 39800254 -110.813810</b> AT PROPOSED PRODUCING ZONE: <b>2036' FNL and 666' FWL SW NW</b>			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>Approximately 12.1 miles northeast of Helper, Utah.</b>		12. COUNTY: <b>Carbon</b>	13. STATE: <b>UT</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>665'</b>	16. NUMBER OF ACRES IN LEASE: <b>2,553.31</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>1,300'</b>	19. PROPOSED DEPTH: <b>5,500'</b>	20. BOND DESCRIPTION: <b>MTB-000041</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>7326.4' GL</b>	22. APPROXIMATE DATE WORK WILL START: <b>Upon Approval</b>	23. ESTIMATED DURATION: <b>10 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
12-1/4"	8-5/8", H40, 28#	600'	428 sx Class G, 12.5 ppg, 1.19 cft/sk
7-7/8"	5-1/2", K55, 17#	5,500'	789 sx 35:65 Poz : Class G, 11.5 ppg, 1.17 cft/sk + 297 sx 50:50 Poz : Class G, 12.5 ppg, 1.19 cft/sk

**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 |

**CONFIDENTIAL-TIGHT HOLE**

AGENT: **PermitCo Inc., P.O. Box 99, Eastlake, CO 80614**

AGENT'S PHONE NO.: **303/857-9999**

NAME (PLEASE PRINT) **Venessa Langmacher**

TITLE **Regulatory Supervisor / Agent for Pioneer Natural Resources USA Inc.**

SIGNATURE *Venessa Langmacher*

DATE **April 6, 2009**

(This space for State use only)

API NUMBER ASSIGNED: **43007-31497**

Approved by the  
Utah Division of  
Oil, Gas and Mining

(11/2001)

*Federal Approval of this  
Action is Necessary*

Date: *04-09-09*  
By: *[Signature]*

**RECEIVED**  
**APR 09 2009**  
DIV. OF OIL, GAS & MINING

# T12S, R10E, S.L.B.&M.

1923 Brass Cap,  
1.0' High, Pile of  
Stones

S89°30'55"E - 2713.24' (Meas.)

S89°24'32"E - 2702.46' (Meas.)

1923 Brass Cap,  
0.5' High, Pile of  
Stones

1923 Brass Cap,  
1.0' High, Pile of  
Stones, N-S  
Fenceline

S00°39'11"W - 2742.31' (Meas.)

2036'

CASTLEGATE FED #12C-9-12-10  
Elev. Ungraded Ground = 7326'

666'

S00°13'13"W - 2654.52' (Meas.)

S00°14'54"W - 2650.42' (Meas.)

1923 Brass Cap,  
0.5' High, Pile of  
Stones

1923 Brass Cap,  
0.8' High, Pile of  
Stones

N00°37'E - 2741.64' (G.L.O.)

S88°42'W - 5456.88' (G.L.O.)

1923 Brass Cap,  
0.8' High, Pile of  
Stones

## PIONEER NATURAL RESOURCES USA, INC.

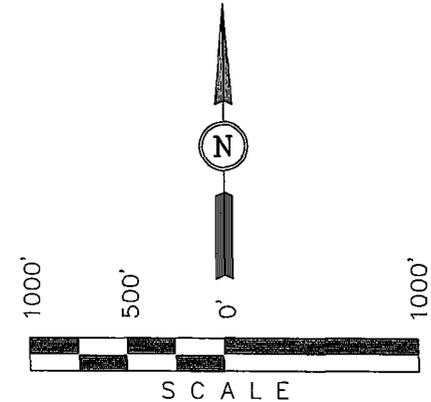
Well location, CASTLEGATE FED #12C-9-12-10,  
located as shown in the SW 1/4 NW 1/4 of  
Section 9, T12S, R10E, S.L.B.&M. Carbon County,  
Utah.

### BASIS OF ELEVATION

BENCH MARK LOCATED IN THE SW 1/4 NE 1/4 OF SECTION 10,  
T12S, R10E, S.L.B.&M. TAKEN FROM THE MATTS SUMMIT,  
QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP)  
PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE  
INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS  
BEING 7131 FEET.

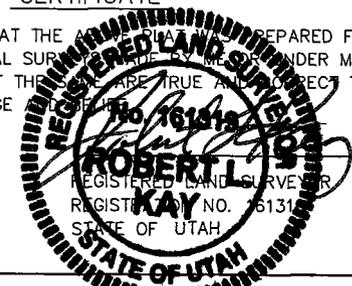
### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM  
FIELD NOTES OF ACTUAL SURVEYING UNDER MY  
SUPERVISION AND THAT THE MEASUREMENTS ARE TRUE AND CORRECT TO THE  
BEST OF MY KNOWLEDGE



REVISED: 10-08-08 S.P.

**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

### LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)  
LATITUDE = 39°48'00.80" (39.800222)  
LONGITUDE = 110°48'52.21" (110.814503)  
(AUTONOMOUS NAD 27)  
LATITUDE = 39°48'00.94" (39.800261)  
LONGITUDE = 110°48'49.64" (110.813789)

SCALE 1" = 1000'	DATE SURVEYED: 09-15-08	DATE DRAWN: 10-01-08
PARTY N.H. C.H. S.P.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PIONEER NATURAL RESOURCES USA, INC.	



PO Box 99 • Eastlake, CO 80614 • (303) 857-9999 • FAX (303) 450-9200 • E-MAIL: Permitco1@aol.com

April 6, 2009

Division of Oil, Gas & Mining  
1594 West North Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

Attn: Diana Mason

Re: **Pioneer Natural Resources USA Inc.**  
**Castlegate Fed #12C-9-12-10**  
**2036' FNL and 666' FWL**  
**SW NW Section 9, T12S - R10E**  
**Carbon County, Utah**

Dear Diana,

Enclosed please find one copy of the A.P.D. along with one copy of the Onshore Order No. 1 which has been forwarded to the BLM.

Please forward approved copies of the A.P.D. to the address shown above. If you should need additional information, please feel free to contact me at the number shown above.

Sincerely,

PERMITCO INC.

*Venessa Langmacher*  
Venessa Langmacher  
Regulatory Supervisor/Agent for:  
Pioneer Natural Resources USA Inc.

Enc.

cc: Pioneer Natural Resources USA Inc. - Denver, CO

RECEIVED

APR 09 2009

DIV. OF OIL, GAS & MINING

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 Pioneer Natural Resources USA Inc.  
**Castlegate Fed #12C-9-12-10**  
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 Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

**DRILLING PROGRAM**

Page 1

**ONSHORE OIL & GAS ORDER NO. 1  
 Approval of Operations on Onshore  
 Federal and Indian Oil and Gas Leases**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

**1. ESTIMATED TOPS OF ALL GEOLOGIC GROUPS, FORMATIONS, MEMBERS, OR ZONES**

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
Colton	Surface	7,341'
Price River	2,620'	4,721'
Castlegate	3,280'	4,061'
Blackhawk	4,030'	3,311'
Kenilworth	4,775'	2,566'
Aberdeen	4,940'	2,401'
TD	5,500'	485'

**2. ESTIMATED DEPTH AND THICKNESS OF OIL, GAS, WATER & OTHER MINERAL ZONES**

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>	<i>Thickness</i>
Coal	Blackhawk	4,030'	745'



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CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 2

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to the BLM. All oil and gas shows will be tested to determine commercial potential.

### 3. SPECIFICATIONS FOR BLOWOUT PREVENTION EQUIPMENT AND DIVERTER SYSTEMS

Pioneer Natural Resources USA Inc.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 3,000 psi w.p.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers will be inspected and operated each trip (no more than once a day is necessary), and annular preventers will be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

A BOPE pit level drill shall be conducted weekly for each drilling crew.



The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

Pressure tests shall apply to all related well control equipment.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 3,000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

#### 4. **PROPOSED CASING PROGRAM**

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.



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CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 4

- b. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- c. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- d. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- e. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- f. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- g. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- h. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- i. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- j. On all exploratory wells, and on that portion of any well approved for a 3M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.



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CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

**DRILLING PROGRAM**

Page 5

k. The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Surface	0' - 600'	12-1/4"	8-5/8"	28#	H40	ST&C	New
Production	0' - 5,500'	7-7/8"	5-1/2"	17#	K55	LT&C	New

<i>Purpose</i>	<i>Burst</i>	<i>Collapse</i>	<i>Tension</i>
Surface	268	390	17,419
Production	2,314	2,983	88,130

5. **PROPOSED CEMENTING PROGRAM**

a. The cement program will be as follows:

<i>Surface</i>	<i>Type and Amount</i>
TOC @ Surface	428 sx Class G Cement, 2% BWOC Calcium Chloride, 0.25% bbls/sack Cello Flake, 44.3% Fresh Water, 12.5 ppg, 1.19 cft/sk
<i>Production</i>	<i>Type and Amount</i>
TOC @ 500'	<b>Lead:</b> 789 sx 35:65 POZ Class G, 12.5 pps P42, 5.9% P154, 2.5% S1, 5% P20, 0.25 % pps P29, 0.2% P46, 11.5 ppg, 1.17 cft/sk <b>Tail:</b> 297 sx 50:50 POZ Class G, 3% P20, 5.9% P154, 0.7% P167, 0.25% P65, 0.2% P46, 12.5 ppg, 1.19 cft/sk

- b. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- c. The following reports shall be filed with the District Manager within 30 days after the work is completed.



1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
  - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
  - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- d. Auxiliary equipment to be used is as follows:
  1. Kelly cock
  2. No bit float is deemed necessary.
  3. A sub with a full opening valve.

**6. PROPOSED CIRCULATING MEDIUM OR MEDIUMS**

- a. The proposed circulating mediums to be employed in drilling are as follows:

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>
0' - 600'	Air	---	---	---
600' - 5,500'	Aerated Water	---	---	---

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

- b. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.



**7. PROPOSED TESTING, LOGGING, AND CORING**

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated. However, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of the following: A Triple Combo with high-res will be run from surface to TD.
- c. No cores are anticipated.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).



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Lease No. UTU-65948

DRILLING PROGRAM

Page 8

- e. The anticipated completion program will be determined based on gas shows.

**8. EXPECTED BOTTOM HOLE PRESSURE**

- a. The expected maximum bottom hole pressure is 2500 psi.
- b. No hydrogen sulfide gas is anticipated.
- c. As per Onshore Order No. 6, III,A,2.b., if hydrogen sulfide is present the "operator shall initially test the H<sub>2</sub>S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

**9. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS**

- a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- c. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas,



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Lease No. UTU-65948

DRILLING PROGRAM

Page 9

whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

- e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.
- f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).
- h. Drilling operations are planned to commence upon approval of this application.
- i. It is anticipated that the drilling of this well will take approximately 10 days.
- j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior



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Lease No. UTU-65948

**DRILLING PROGRAM**

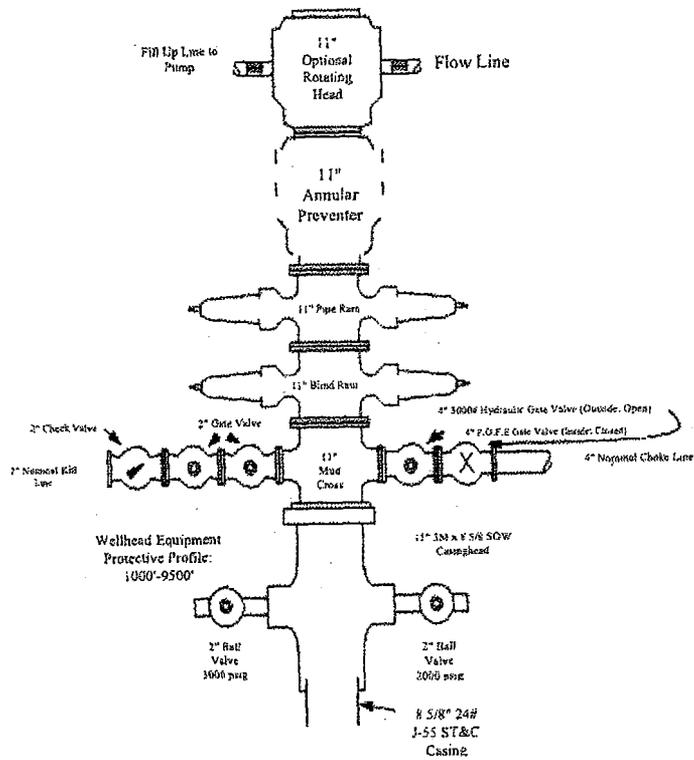
Page 10

approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

- k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative. or the appropriate Surface Managing Agency.



**Pioneer Minimum Class 3 Annular  
Blow-Out Preventer Requirements  
All 3000 PSI WP Equipment  
(Except Casinghead & Spools as Noted  
Below**



**ONSHORE OIL & GAS ORDER NO. 1**

The onsite inspection for the subject well was conducted on Thursday, December 4, 2008 at approximately 9:15 a.m. Weather conditions were cool and cloudy. In attendance at the onsite inspection were the following individuals:

Randy Smith	Field Technician	Permitco Inc.
Don Stephens	NRS	Bureau of Land Management
Brandon Bowthorpe	Surveyor	Uintah Engineering & Land Surveying
Kagen Davis	Surveyor Hand	Uintah Engineering & Land Surveying
Scott Segmiller	Dirt Contractor	
Dallas Christiansen	Operations Foreman	Pioneer Natural Resources USA, Inc.

**1. EXISTING ROADS**

- a. The proposed well site is located approximately 12.1 miles northeast of Helper, UT
- b. Directions to the location from Helper, Utah are as follows:  
  
Proceed north on Highway 157 for 2.7 miles. Turn right on Highway 33 and proceed northeast for 7.6 miles to the Emma Park turn off. Turn left and proceed west 1.3 miles. Turn left and proceed south for 0.1 miles. Turn right and proceed southwest 0.2 miles until reaching the #22C-9-12-10. Continue west for 0.2 miles until reaching the proposed location.
- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to existing main roads will not be required.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

**2. NEW OR RECONSTRUCTED ACCESS ROADS**

- a. There will be approximately 0.2 miles of new access to be constructed.
- b. The maximum grade of the proposed construction will be approximately 7%.
- c. Two low water crossings will be constructed as shown on Map B.
- d. No culverts will be necessary.



- e. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- f. No cattle guards will be necessary.
- g. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- h. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- i. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. 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 roadbed. 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.
- j. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling 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 of this well.
- k. No road right of way is required since all roads are located within the lease boundaries.

3. LOCATION OF EXISTING WELLS IN THE AREA

- a. Water wells - none
- b. Injection wells - none
- c. Producing wells - seven
- d. Drilling wells - none
- e. Abandoned wells - one
- f. Shut in wells - one



**4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES**

- a. If the well is productive, a schematic facility design will be submitted to the BLM for approval of any production facilities.
- b. Any approved permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted a neutral color to blend with the surrounding environment. The proposed color for this site is Beetle unless otherwise stipulated by the BLM. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- c. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the separator. Meter runs will be housed and/or fenced.
- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO 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 will be submitted to the Moab Field Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.
- g. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry.
- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.



- I. The road will be maintained in a safe useable condition.
  
  
- m. A gas flow line is proposed adjacent to the access road. It will be a total length of 1014 feet and will tie into the existing 22C-9-12-10 flow line. For additional pipeline data - see pipeline data sheet attached.

**5. LOCATION AND TYPE OF WATER SUPPLY**

- a. All water needed for drilling purposes will be obtained from the municipal water supply from Helper, UT.
- b. Water needed for operations will be properly and legally obtained according to State water laws.
- c. No water wells will be drilled.

**6. CONSTRUCTION MATERIALS**

- a. Surface and subsoil materials in the immediate area of the well pad and access road will be utilized.
- b. Any gravel used will be obtained from a private or commercial source.
- c. Any use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

**7. METHODS OF HANDLING WASTE DISPOSAL**

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined with a minimum 10 mil plastic liner.
- b. The reserve pit will be constructed of sufficient size and capacity for the necessary fluids for drilling and to contain any runoff from the drill site. Pits will not be constructed within intermittent or perennial stream channels.
- c. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit.
- d. The reserve pit will be constructed in undisturbed material and below the natural ground level.



- e. All drilling fluids will be contained in the reserve pit. All appropriate measures will be taken to assure that leakage through the reserve pit does not occur and that fluids are not allowed to overflow. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling operation and the pit will be fenced during drilling and completion operations.
- f. Burning of garbage and debris is prohibited. All trash will be contained in a trash cage and its contents periodically disposed of at an approved refuse facility.
- g. Drill cuttings are to be contained and buried in the reserve pit.
- h. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- i. Sanitary facilities are required on site at all times during operations. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations. The installation of facilities, other than self contained chemical toilets, is subject to State and BLM approval.
- j. The produced fluids (other than water) will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. **ANCILLARY FACILITIES**

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. **WELL SITE LAYOUT**

- a. Section corners, survey markers and claim corners in the project area will be located and flagged. The removal or disturbance of identified markers will be approved by the proper authority.
- b. No construction operations may begin prior to approval. Any modifications to approved plans are also subject to review and approval.
- c. A pre-construction meeting including the responsible company representative(s) and contractors must be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road work must be construction-staked prior to this meeting.
- d. The project engineer and surveyors are certified by the State in which they reside or maintain their business.
- e. All surface disturbing activities, including reclamation, will be supervised by a qualified, responsible official or representative of Pioneer who is aware of the terms and conditions of the APD and specifications in the approved plans.



- f. All cut and fill slopes will be such that stability can be maintained for the life of the activity. Cut and fill slopes will be constructed as follows:

<u>Height of Slope</u>	<u>Slope</u>
0-5 feet	3:1
6-10 feet	2:1
over 10 feet	1-1/2:1

- g. All fills will be free from vegetative materials.
- h. If the well is productive, the working surface of the drill site will be surfaced with crushed gravel to a depth sufficient to support anticipated loads throughout the life of the well. Usually a depth of 6 inches of gravel is anticipated.
- i. The ditch will be located at the base of the cut slope and around the toe of the fill slopes. A straw dike will be constructed in the ditch outflow to trap any sediment produced from the raw slopes.
- j. A berm will be constructed around the perimeter of the site to contain all precipitation, spills, and other fluids from leaving the site. The berm will be a minimum of 18 inches high, 12 inches wide at the top, and having 1-1/2:1 side slopes. The site surface will be graded to drain to the reserve pit. The drainage pattern to be constructed will be modified for each site, depending on the site specific conditions.
- l. The reserve pit will be located on the south side of the location.
- m. The stockpiled topsoil (first 6 inches or maximum available) will be stored along the south side of the location as shown on the location layout. All topsoil must be stripped from areas to be disturbed and stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- n. See Figure 1 for orientation of rig. Cross sections of drill pad are shown on Figure 2. Cuts and fills are shown on Figure 1.
- o. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on Figure 1.
- p. All pits will be fenced and flagged to prevent wildlife entry.
- q. The reserve pit fencing (5 strand barbed wire) will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.



10. PLANS FOR RECLAMATION OF THE SURFACE

Dry Hole

- a. Rehabilitation of the entire site will be required and will commence as soon as possible after the drilling is complete. The site will be restored as nearly practical to its original condition. Cut and fill slopes will be reduced and graded to conform to the adjacent terrain.
- b. Drainages will be reestablished and temporary measures will be required to prevent erosion to the site until vegetation is established.
- c. After final grading and before the replacement of topsoil, the entire surface of the site shall be scarified to eliminate slippage surfaces and to promote root penetration. Topsoil will then be spread over the site to achieve an approximate uniform, stable thickness consistent with the established contours.
- d. A temporary fence (let down fence) will be constructed around the site to prevent continued use until the required reclamation standards are successfully achieved. The fence will then be removed.
- e. In general, the disturbed areas will be considered adequately revegetated when at least 90 percent of the original ground cover is re-established over 90 percent of the seeded area, within three years of planting, consisting of seeded and desirable species. Maximum allowable non-noxious weeds is 10 percent of the total ground cover at any time. No noxious weeds will be allowed on the site; they must be treated as they occur. The operator is responsible for maintenance of reclamation facilities such as fences, barricades and temporary drainage structures until the desired reclaimed conditions are achieved. If the desired ground cover is not established at the end of each 3 year period, an analysis of why the areas has not recovered will be performed by the operator and additional treatment and seeding will be required based on the results of the analysis.
- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

Interim Reclamation

- g. Interim reclamation will include the following, at a minimum:
  1. Backfilling and re-contouring of reserve pit;
  2. Recontouring of wellpad to reduce size to that needed for production and workover operations;
  3. Reduction of cut and fill slopes where possible;
  4. Replacement of topsoil on re-contoured areas
  5. Re-seeding of reclaimed areas and any topsoil piles left for final reclamation of the wellpad.



Additional Reclamation Measures for Interim and Production Locations

- h. Site reclamation for producing wells will be accomplished for portions of the site which are not required for the continued operation of the well. All disturbed surface will be treated to prevent erosion and to complement the esthetics of the area.
- i. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- j. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- k. The plastic/nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.
- l. At the end of drilling operations, drilling fluids will be hauled to an approved disposal site. All polluting substances or contaminated materials, such as oil, oil-saturated soils, and gravel, will be buried with a minimum of 2 feet of clean soil as cover or be removed.
- m. The reserve pit must be dry before it is backfilled and reclaimed. Once the reserve pit is dry, the reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. Methods for drying the pit, other than natural evaporation, are subject to BLM approval.
- n. The cut and fill slopes and all other disturbed areas not needed for the production operation will be topsoiled and revegetated. The berm will be removed and the site graded to drain.
- o. Stockpiled topsoil will be redistributed evenly over the disturbed area upon reclamation.
- p. The site will be seeded and/or planted as prescribed by the BLM. Nutrients and soil amendments will be applied to the redistributed surface soil later as necessary to meet the revegetation requirements. A seed mix will be attached to the Conditions of Approval by the BLM.

11. **SURFACE OWNERSHIP**

Access Roads - The majority of the access roads are maintained by the County Road Department or the Bureau of Land Management.

Well pad - The well pad is located on lands managed by the BLM.



**12. OTHER INFORMATION**

- a. A Class III archeological survey was conducted by Senco-Phenix. Four isolated findings were located, however none are recommended for nomination to the National Historic Register of Historic Places. A copy of this report is attached.
- b. A paleontological evaluation was conducted by Alden Hamblin on 10-21-08. No significant resources were found. A copy of this report is attached.
- c. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
  - whether the materials appear eligible for the National Register of Historic Places;
  - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
  - a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- d. 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 subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- e. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- f. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.h.



ONSHORE ORDER NO. 1  
Pioneer Natural Resources USA, Inc.  
**Castlegate Fed #12C-9-12-10**  
2036' FNL and 666' FWL  
SW NW Section 9, T12S - R10E  
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

SURFACE USE PLAN  
Page 10

- g. "Sundry Notice and Report on Wells" (From 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- h. This permit will be valid for a period of two years from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.
- i. The operator or his contractor shall contact the BLM at least 48 hours prior to construction activities.
- j. Fire suppression equipment must be available to all personnel on the project site. Equipment will include a minimum of one hand tool per crew member consisting of shovels, pulaskis, and chainsaws and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
- k. Pioneer will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the BLM as soon as possible.
- l. All accidents or mishaps resulting in resource damage and/or serious personal injury must be reported to the BLM as soon as possible.
- m. Harassment of wildlife and livestock is prohibited.

**CONTACT INFORMATION**

Permit Matters  
**PERMITCO INC.**  
P.O. Box 99  
Eastlake, CO 80614  
303/857-9999 (O)  
303/450-9200 (F)  
Lisa Smith

Drilling & Completion Matters  
**Pioneer Natural Resources USA, Inc.**  
1401 - 17<sup>th</sup> Street, Suite 1200  
Denver, CO 80202  
303/675-2782 (O)  
303/294-1275 (F)  
Stephen Schreck - Regulatory Compliance Supervisor



PIPELINE INFORMATION  
*Castlegate Fed #12C-9-12-10*

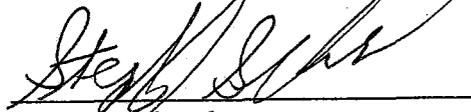
1. The type of pipeline is a gathering line.
2. The maximum outside diameters (O.D.) of all pipe size 6".
3. The anticipated production through the line is 150 MCF/day.
4. The anticipated maximum test pressure is 150 psi.
5. The anticipated operating pressure is 30-40 psi.
6. The type of pipe is SDR-11 (or 7) Poly.
7. The method of coupling is welded (fusion).
8. Water and gas lines will be located in the same trench.
9. A wireline will be installed in the trench for future line detection.
10. The total length of pipeline is approximately 1014 feet.
11. The pipeline will be buried to a minimum depth of 4 feet and a maximum depth of 6 feet.
12. The width of the trench will be 4-5 feet.
13. The method of entrenchment will be with a track hoe.
14. The construction width needed for total surface disturbing activities is 30 feet.
15. The estimate of total acreage involving all surface disturbing activities is 0.7 acres.
16. There will be shut in/isolation valves on each end of the line.
17. The pipeline will be reclaimed utilizing the reclamation procedures and seed mixture specified by the Bureau of Land Management.



CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge, of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 4 day of February 2009.

  
\_\_\_\_\_  
Stephen Schreck

Engineering Compliance Supervisor  
Title

1401 17<sup>th</sup> St - Ste 1200 - Denver, CO 80202  
Address

303-675-2782  
Telephone

stephen.schreck@pxd.com  
E-mail

# PIONEER NATURAL RESOURCES USA, INC.

## CASTLEGATE FED #12C-9-12-10

LOCATED IN CARBON COUNTY, UTAH  
SECTION 9, T12S, R10E, S.L.B.&M.

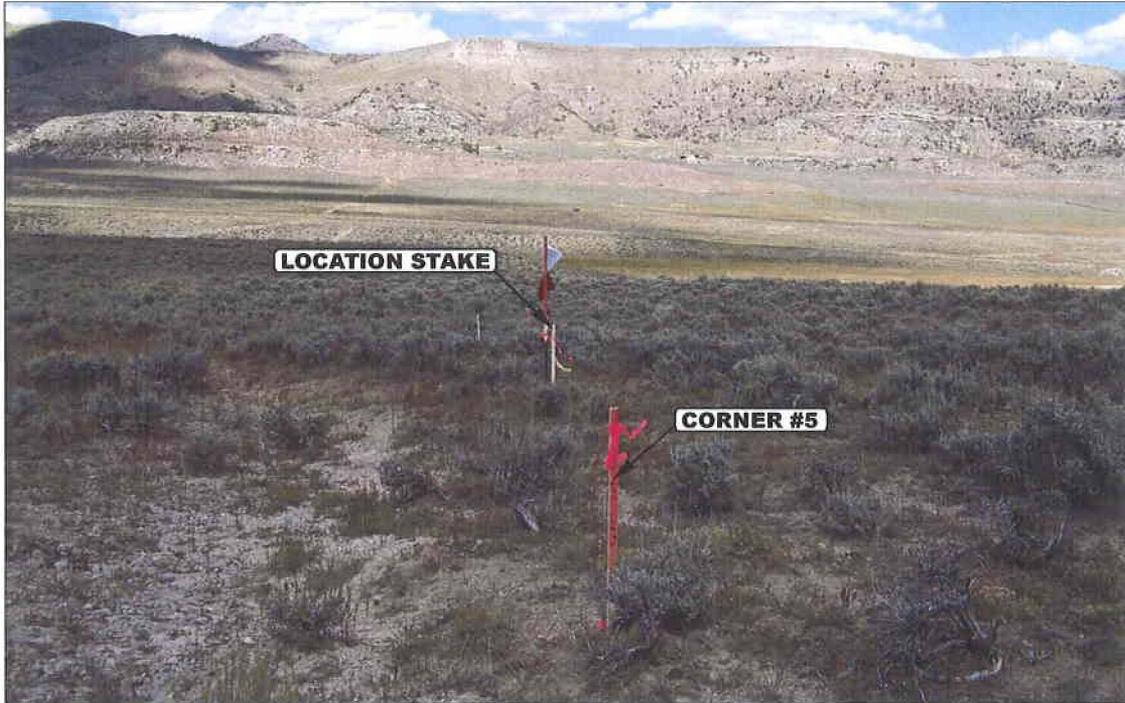


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

**U E L S** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**LOCATION PHOTOS**

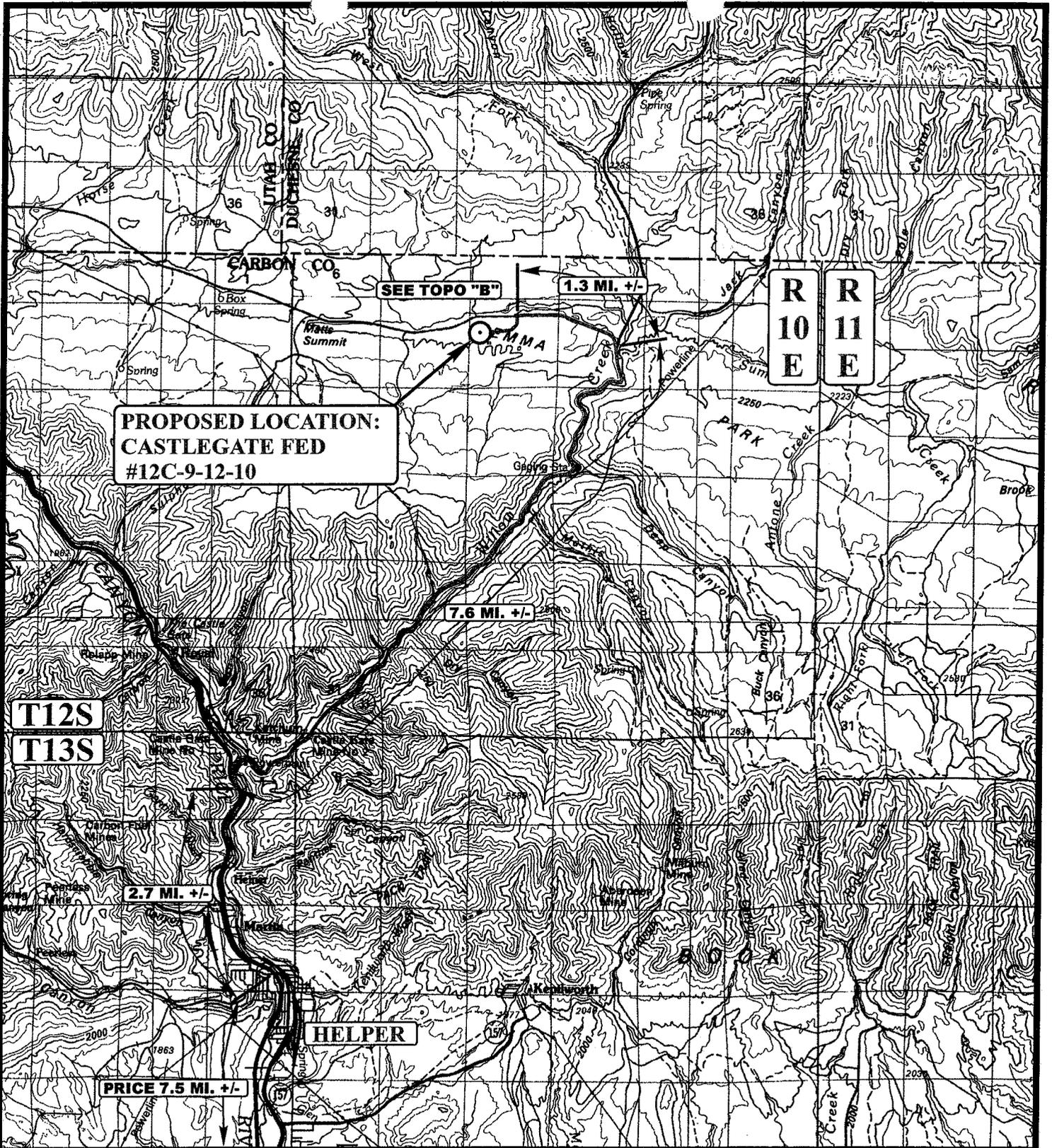
**10 02 08**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: N.H.

DRAWN BY: J.H.

REVISED: 10-08-08



**LEGEND:**

○ PROPOSED LOCATION



**PIONEER NATURAL RESOURCES USA, INC.**

**CASTLEGATE FED #12C-9-12-10  
SECTION 9, T12S, R10E, S.L.B.&M.  
2036' FNL 666' FWL**



**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

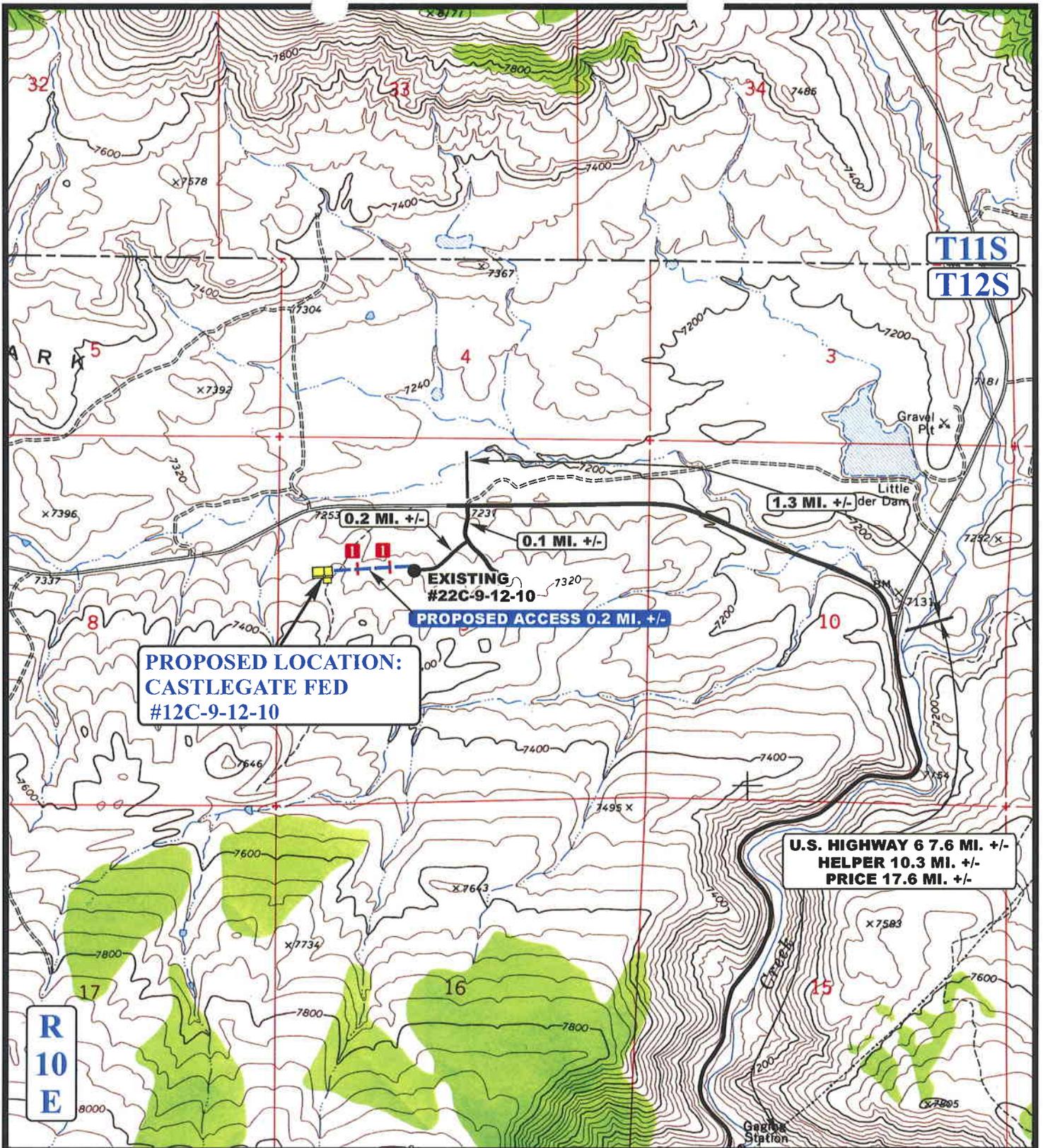
**10 | 02 | 08**  
MONTH | DAY | YEAR

SCALE: 1:100,000

DRAWN BY: J.H.

REVISED: 10-08-08





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  LOW WATER CROSSING

**PIONEER NATURAL RESOURCES USA, INC.**

**CASTLEGATE FED #12C-9-12-10**  
**SECTION 9, T12S, R10E, S.L.B.&M.**  
**2036' FNL 666' FWL**

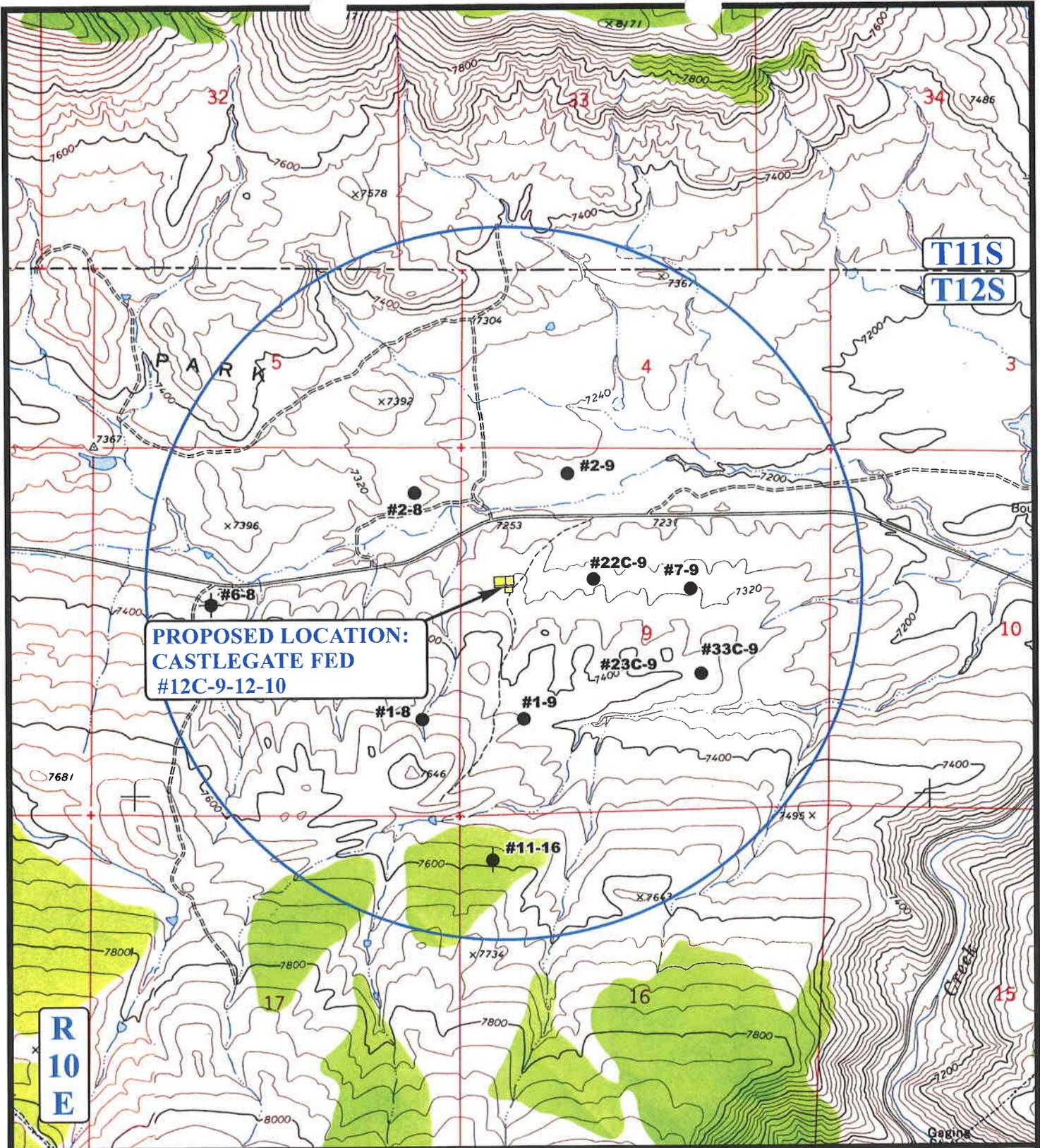


**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC** 10 02 08  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 12-08-08





**PROPOSED LOCATION:  
CASTLEGATE FED  
#12C-9-12-10**

**LEGEND:**

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

**PIONEER NATURAL RESOURCES USA, INC.**

**CASTLEGATE FED #12C-9-12-10  
SECTION 9, T12S, R10E, S.L.B.&M.  
2036' FNL 666' FWL**



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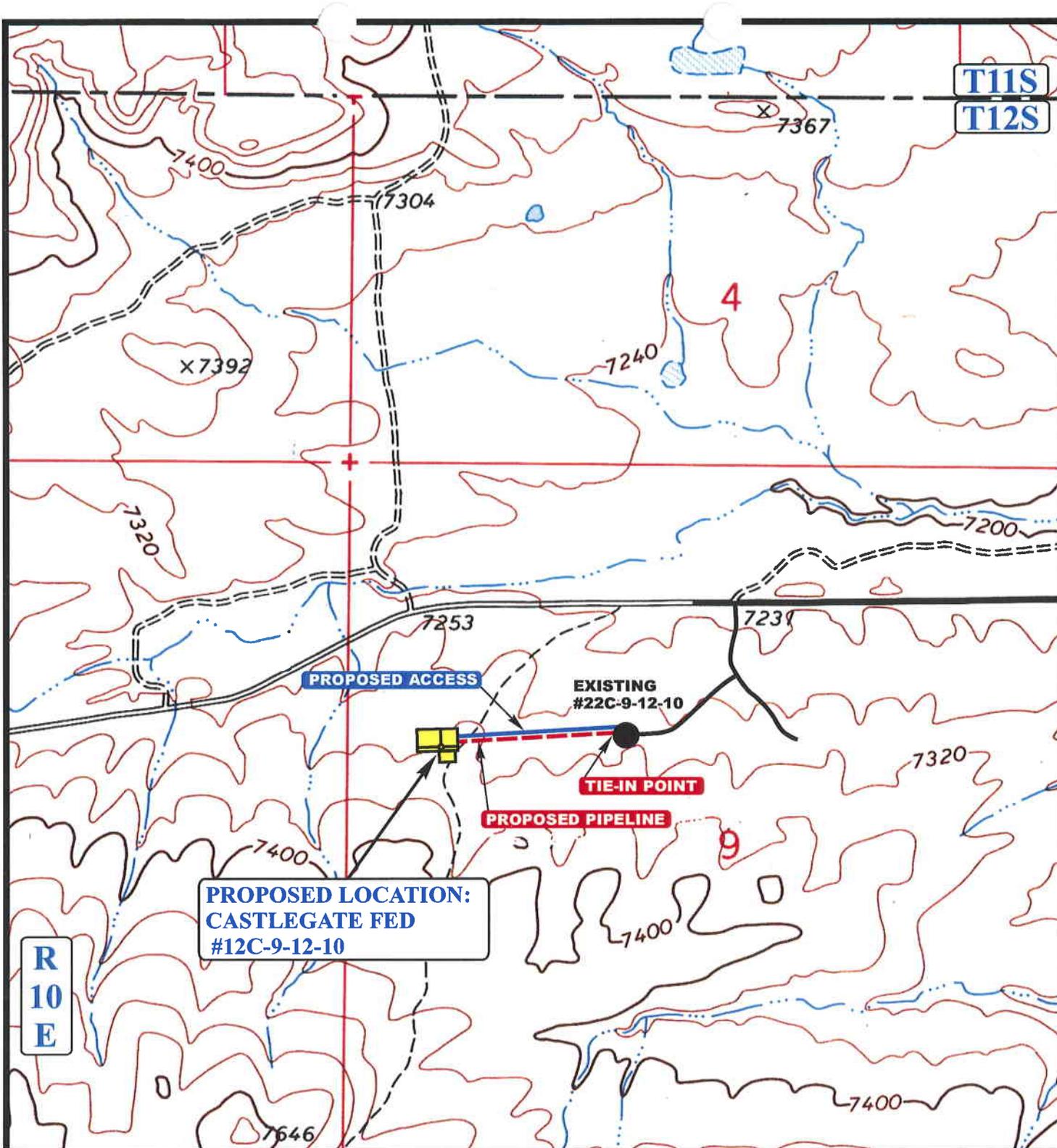
**TOPOGRAPHIC  
MAP**

**10 02 08**  
MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: J.H. REVISED: 10-08-08





**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,014' +/-**

**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)



**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**PIONEER NATURAL RESOURCES USA, INC.**

**CASTLEGATE FED #12C-9-12-10**  
**SECTION 9, T12S, R10E, S.L.B.&M.**  
**2036' FNL 666' FWL**

**TOPOGRAPHIC** 10 02 08  
**MAP** MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.H. REVISED: 10-08-08

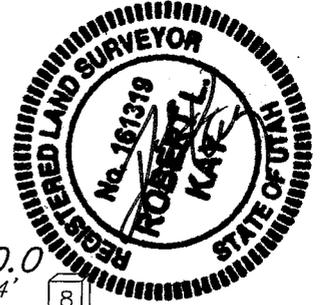
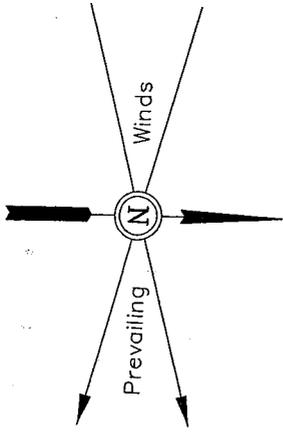


PIONEER NATURAL RESOURCES USA, INC.

FIGURE #1

LOCATION LAYOUT FOR

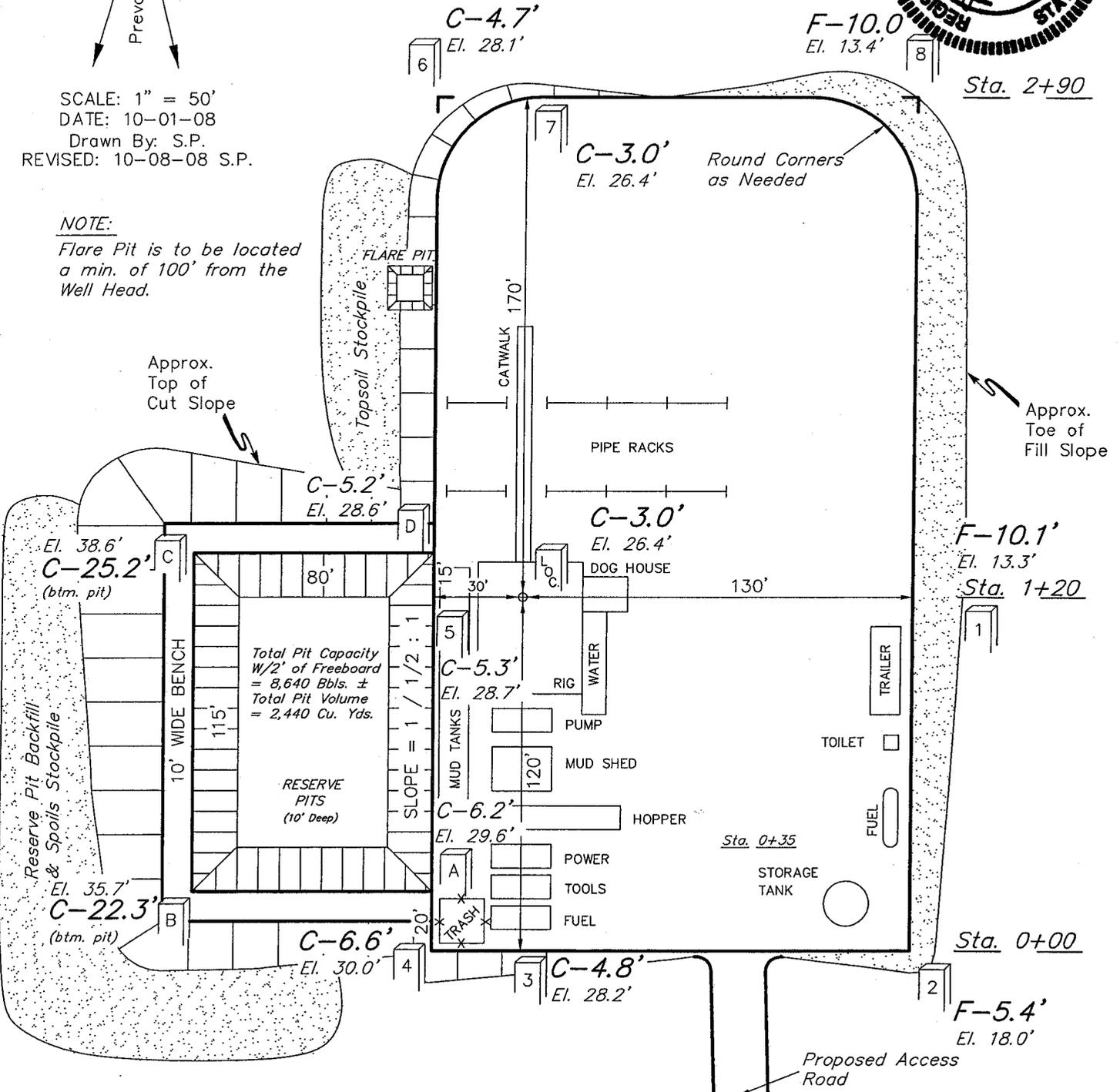
CASTLEGATE FED #12C-9-12-10  
SECTION 9, T12S, R10E, S.L.B.&M.  
2036' FNL 666' FWL



SCALE: 1" = 50'  
DATE: 10-01-08  
Drawn By: S.P.  
REVISED: 10-08-08 S.P.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7326.4'  
FINISHED GRADE ELEV. AT LOC. STAKE = 7323.4'

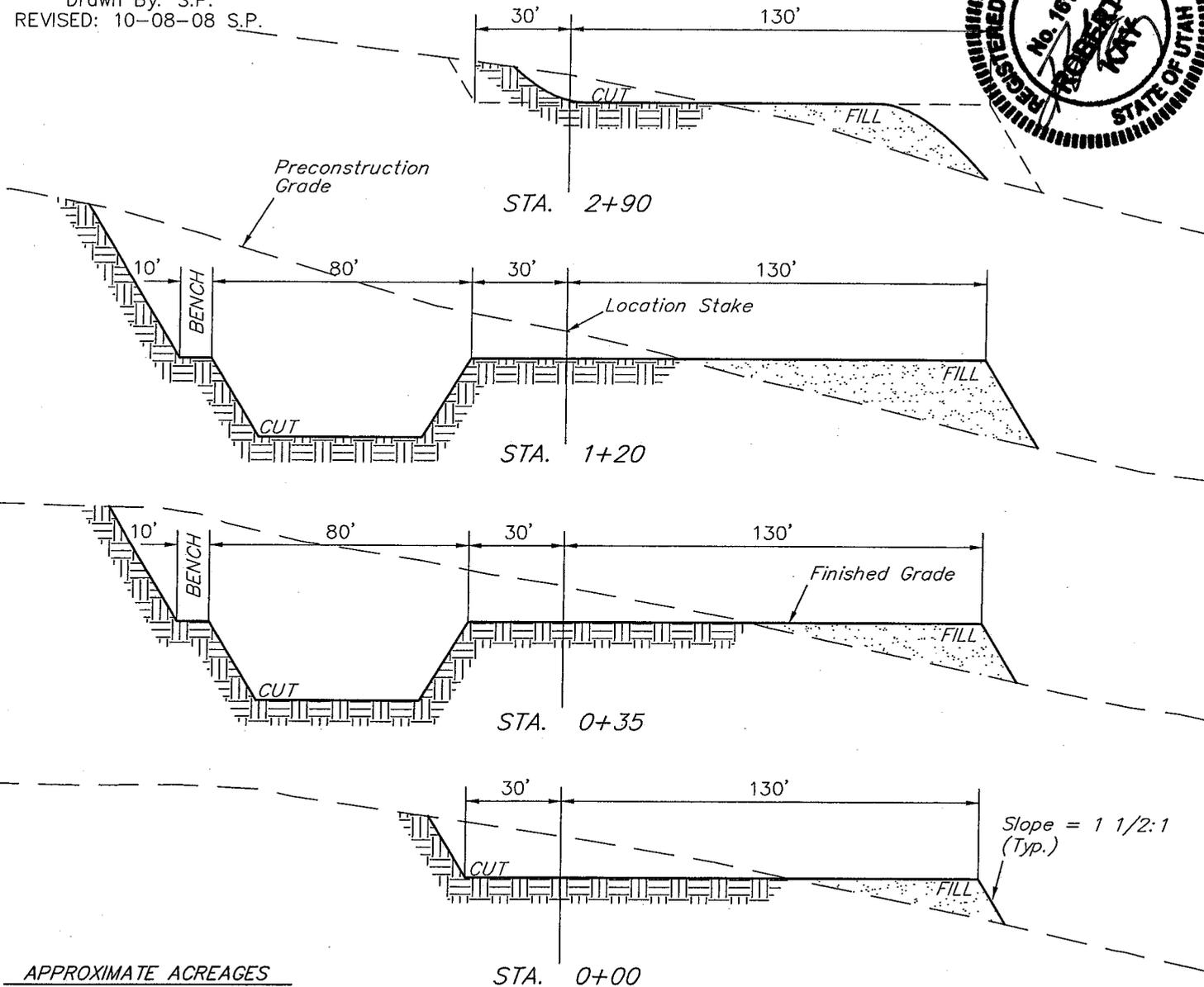
PIONEER NATURAL RESOURCES USA, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 CASTLEGATE FED #12C-9-12-10  
 SECTION 9, T12S, R10E, S.L.B.&M.  
 2036' FNL 666' FWL

X-Section  
 Scale  
 1" = 20'  
 1" = 50'

DATE: 08-21-08  
 Drawn By: S.P.  
 REVISED: 10-08-08 S.P.



APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ±1.919 ACRES  
 ACCESS ROAD DISTURBANCE = ±0.689 ACRES  
 PIPELINE DISTURBANCE = ±0.699 ACRES  
 TOTAL = ±3.307 ACRES

\* NOTE:  
 FILL QUANTITY INCLUDES  
 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT  
 (6") Topsoil Stripping = 1,410 Cu. Yds.  
 Remaining Location = 10,500 Cu. Yds.  
 TOTAL CUT = 11,910 CU.YDS.  
 FILL = 6,270 CU.YDS.

EXCESS MATERIAL = 5,640 Cu. Yds.  
 Topsoil & Pit Backfill = 2,630 Cu. Yds.  
 (1/2 Pit Vol.)  
 EXCESS UNBALANCE = 3,010 Cu. Yds.  
 (After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

**FEDERAL STIPULATIONS**

Any timing limitation stipulations which apply to this lease will be attached by the BLM as a Condition of Approval.



# PALEONTOLOGY EVALUATION SHEET

---

**PROJECT:** Pioneer Natural Resources USA, Inc - Well – Castlegate Fed #12C-9-12-10

**LOCATION:** Emma Park area, 10 miles north of Helper, Utah. 2036' FNL 666' FWL, Section 9, T12S, R10E, S.L.B.&M, Carbon County, Utah.

**OWNERSHIP:** PRIV[ ] STATE[ ] BLM[X] USFS[ ] NPS[ ] IND[ ] MIL[ ] OTHER[ ]

**DATE:** October 21, 2008

**GEOLOGY/TOPOGRAPHY:** Map (I-1981) by Weiss and others (1990) shows Flagstaff Limestone (Paleocene) and North Horn Formation (Paleocene and Upper Cretaceous). The area is a north facing dip slope with high areas having limestone exposures and low areas having alluvium. Sagebrush vegetation.

**PALEONTOLOGY SURVEY:** YES [X] NO Survey [ ] PARTIAL Survey [ ]  
Rock exposures were examined for fossils on the well pad, road and pipeline.

**SURVEY RESULTS:** Invertebrate [X] Plant [ ] Vertebrate [ ] Trace [ ] No Fossils Found [ ]  
Fresh water mollusk fragments – pelecypods and gastropods. One locality was recorded as 42Cb183i, but not considered significant.

**PALEONTOLOGY SENSITIVITY:** HIGH [ ] MEDIUM [x] LOW [x] (PROJECT SPECIFIC)

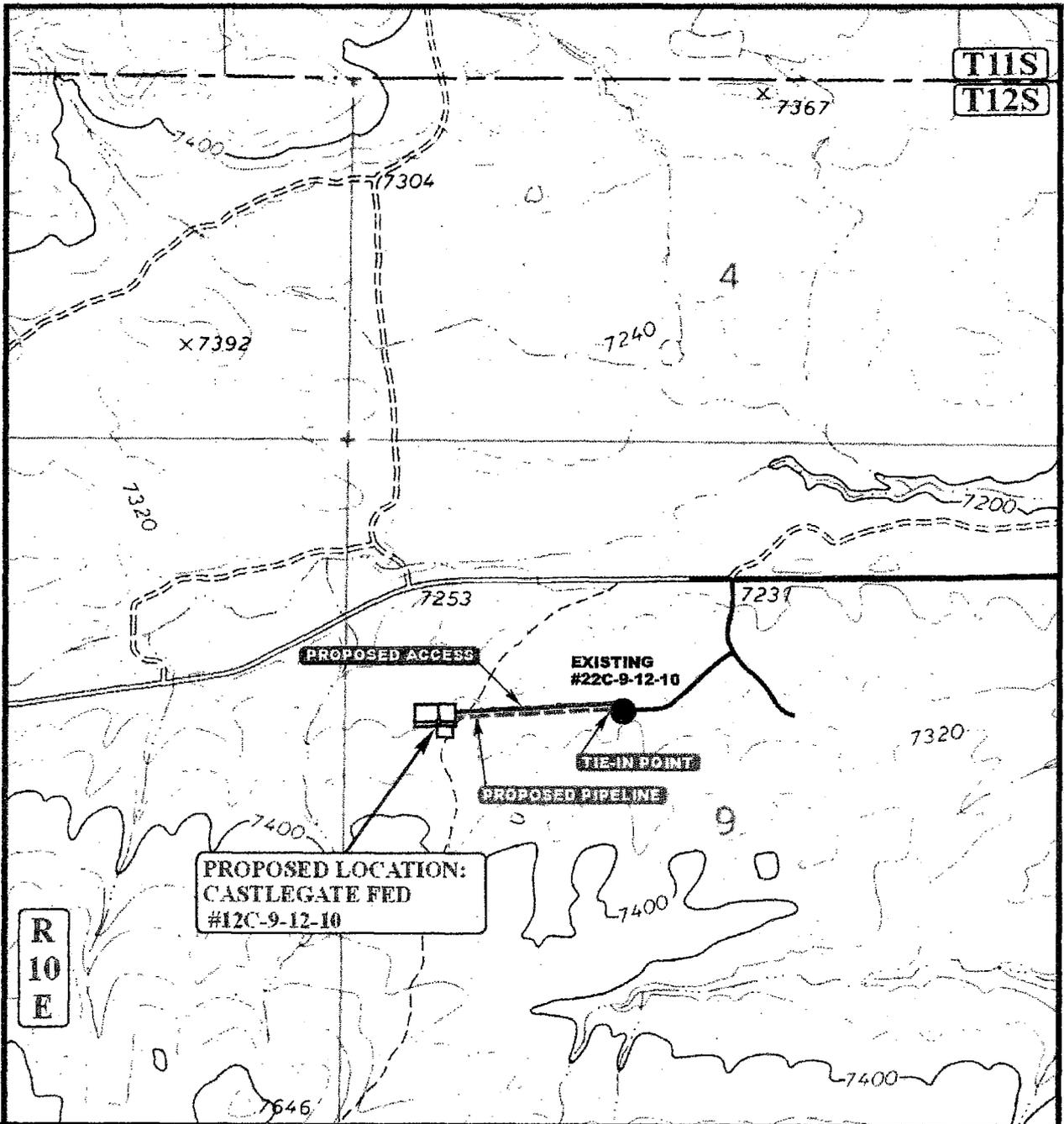
**MITGATION RECOMMENDATIONS:** NONE [X] OTHER [ ] (SEE BELOW)

No recommendations are being made.

There is some potential for discovery of significant paleontological resources in the Flagstaff Limestone and North Horn Formation. If significant vertebrate fossils (mammals, crocodiles, complete turtle shells, fish, etc.) are encountered during construction, work should stop in that area and a paleontologist contacted to evaluate the material discovered.

**PALEONTOLOGIST:** Alden H. Hamblin

*A.H. Hamblin Paleontological Consulting, 3793 N. Minersville Highway, Cedar City, Utah 84720 (435) 867-8355  
Utah State Paleontological Permit # 07-355, BLM paleontological Resources Permit # UT08-003C,  
Utah Professional Geologist License – 5223011-2250.*



**PROPOSED LOCATION:  
CASTLEGATE FED  
#12C-9-12-10**

APPROXIMATE TOTAL PIPELINE DISTANCE - 1.014' +-

**LEGEND:**

	EXISTING ROAD
	PROPOSED ACCESS ROAD
	PROPOSED PIPELINE (SERVING OTHER WELLS)



**PIONEER NATURAL RESOURCES USA, INC.**  
**CASTLEGATE FED #12C-9-12-10**  
**SECTION 9, T12S, R10E, S.L.B.&M.**  
**2036' FNL 666' FWL**

**U&L S** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC MAP	10	02	08	<b>D</b> TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 1000'	DRAWN BY: J.H.		REVISED: 10-08-08	

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/09/2009

API NO. ASSIGNED: 43-007-31497
--------------------------------

WELL NAME: CASTLEGATE FED 12C-9-12-10  
 OPERATOR: PIONEER NATURAL ( N5155 )  
 CONTACT: VENESSA LANGMACHER

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

SWNW 09 120S 100E  
 SURFACE: 2036 FNL 0666 FWL  
 BOTTOM: 2036 FNL 0666 FWL  
 COUNTY: CARBON  
 LATITUDE: 39.80025 LONGITUDE: -110.81381  
 UTM SURF EASTINGS: 515940 NORTHINGS: 4405395  
 FIELD NAME: CASTLEGATE ( 13 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-65948  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: BLKHK  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. MTB-00041 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- 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: 220-05  
Eff Date: 5-24-2004  
Siting: 660' for dir. u. & 920' for other wells.
- \_\_\_\_ R649-3-11. Directional Drill

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

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

*1-Federal Approval*

API Number: 4300731497

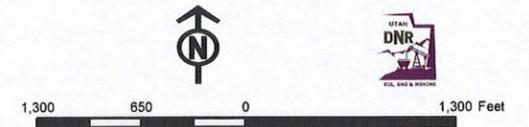
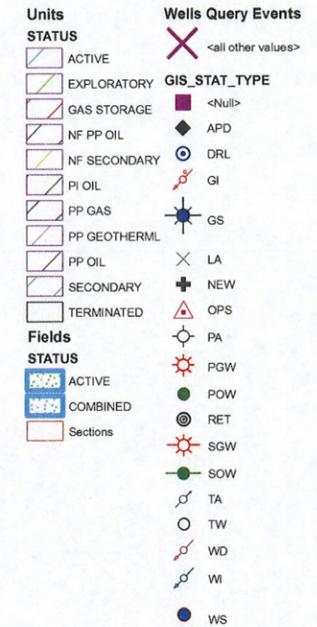
Well Name: CASTLEGATE FED 12C-9-12-10

Township 12.0 S Range 10.0 E Section 09

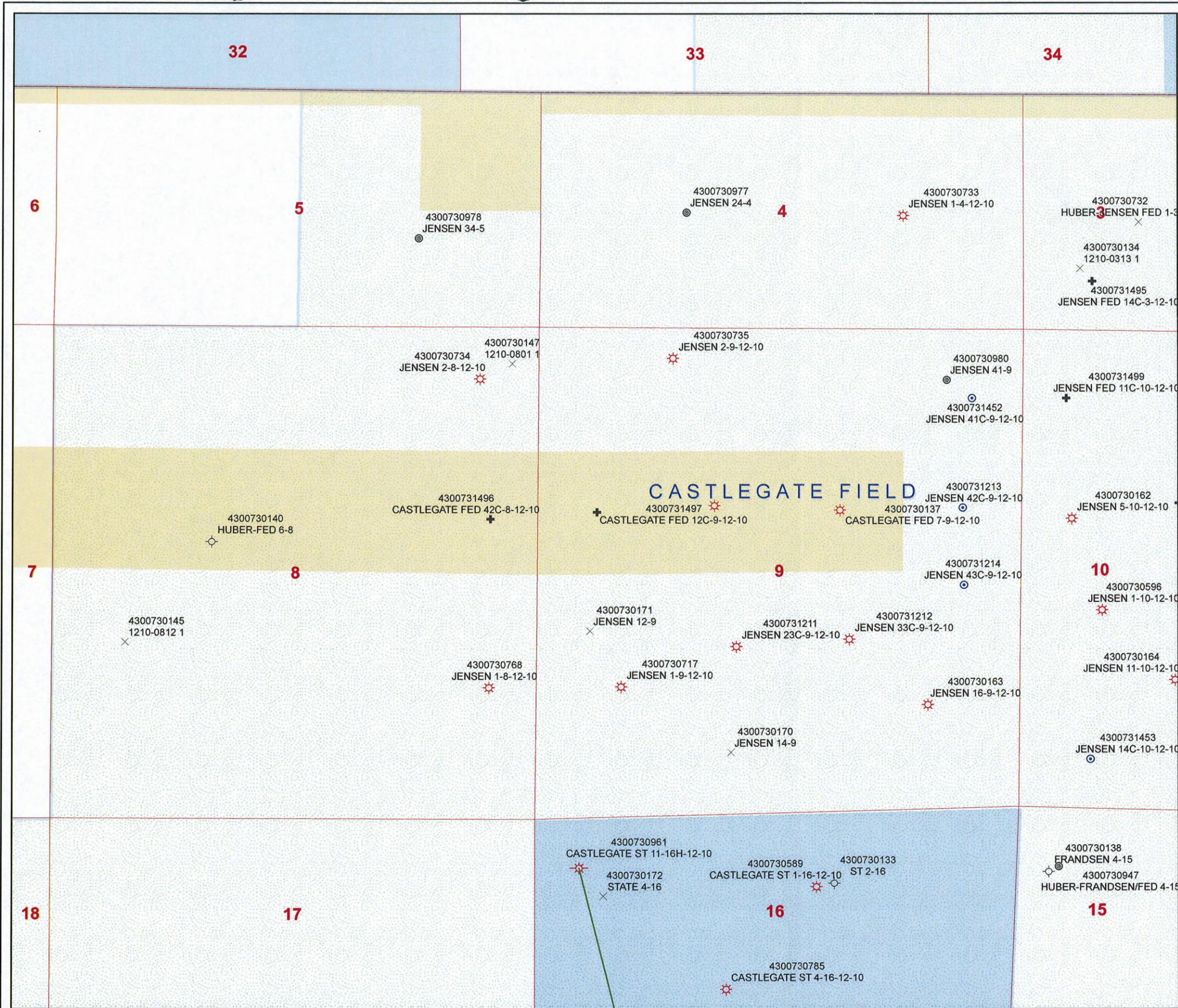
Meridian: SLBM

Operator: PIONEER NATURAL RESOURCES USA, INC

Map Prepared:  
Map Produced by Diana Mason



1:13,661





JON M HUNTSMAN, JR  
Governor

GARY R HERBERT  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R BAZA  
Division Director

April 9, 2009

Pioneer Natural Resources USA Inc  
1401 - 17th St , Ste 1200  
Denver, CO 80202

Re Castlegate Federal 12C-9-12-10 Well, 2036' FNL, 666' FWL, SW NW, Sec 9,  
T 12 South, R 10 East, Carbon 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 43-007-31497.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor  
Bureau of Land Management, Price Office



**Operator:** Pioneer Natural Resources USA Inc.

**Well Name & Number** Castlegate Federal 12C-9-12-10

**API Number:** 43-007-31497

**Lease:** UTU-65948

**Location:** SW NW                      **Sec.** 9                      **T.** 12 South                      **R.** 10 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 with 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 Dustin Doucet at (801) 538-5281 office      (801) 733-0983 home

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.



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 9, 2009

AMENDED

Pioneer Natural Resources USA Inc.  
1401 - 17th St., Ste. 1200  
Denver, CO 80202

Re: Castlegate Fed 12C-9-12-10 Well, 2036' FNL, 666' FWL, SW NW, Sec. 9, T. 12 South,  
R. 10 East, Carbon 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 43-007-31497.

Sincerely,



Gil Hunt  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor  
Bureau of Land Management, Price Office



Operator: Pioneer Natural Resources USA Inc.  
Well Name & Number Castlegate Fed 12C-9-12-10  
API Number: 43-007-31497  
Lease: UTU-65948

Location: SW NW                      Sec. 9                      T. 12 South                      R. 10 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 with 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.

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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.



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*

June 15, 2010

Pioneer Natural Resources USA Inc.  
1401 -17<sup>th</sup> St., Ste. 1200  
Denver, CO 80202

Re: APD Rescinded – Castlegate Fed 12C-9-12-10, Sec. 9, T. 12S, R. 10E  
Carbon County, Utah API No. 43-007-31497

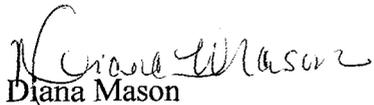
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 9, 2009. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 15, 2010.

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

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

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Price

