

PIONEER
NATURAL RESOURCES USA, INC.

February 6, 2009

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

RE: Jensen Fed 22C-10-12-10
SENW, Sec. 10, 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.



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.
Jensen Fed #22C-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

Dear Diana,

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

Please note that this location was staked at non-standard spacing in accordance with the rules and regulations of the Utah Division of Oil Gas and Mining. This was done for geologic considerations. Please also note that Pioneer Natural Resources is the only working interest owners within a 460 foot radius. Therefore, we request your administrative approval of this exception to spacing.

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

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO.: UTU-65948	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
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: N/A	
2. NAME OF OPERATOR: Pioneer Natural Resources USA Inc.		9. WELL NAME and NUMBER: Jensen Fed #22C-10-12-10	
3. ADDRESS OF OPERATOR: 1401 - 17th Street, Suite 1200, Denver, CO 80202		10. FIELD AND POOL, OR WILDCAT: Castlegate / Blackhawk	
PHONE NUMBER: 303/675-2782		11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Section 10, T12S - R10E	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 517936X 4405424Y 39.800478 1886' FNL and 1754' FWL - 110.790494 AT PROPOSED PRODUCING ZONE: SE NW			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 10.85 miles northeast of Helper, Utah.		12. COUNTY: Carbon	13. STATE: UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 412'	16. NUMBER OF ACRES IN LEASE: 2,553.31	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 2,750'	19. PROPOSED DEPTH: 5,500'	20. BOND DESCRIPTION: MTB-000041	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7162.4' GL	22. APPROXIMATE DATE WORK WILL START: Upon Approval	23. ESTIMATED DURATION: 10 Days	

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'	745 sx 35:65 Poz: Class G, 11.5 ppg, 1.17 cft/sk + 293 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 Langmayer** TITLE **Regulatory Supervisor / Agent for Pioneer Natural Resources USA Inc.**
 SIGNATURE *Venessa Langmayer* DATE **April 6, 2009**

(This space for State use only)

API NUMBER ASSIGNED: **43-007-31498**

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

**RECEIVED
APR 09 2009**

**Federal Approval of this
Action is Necessary**

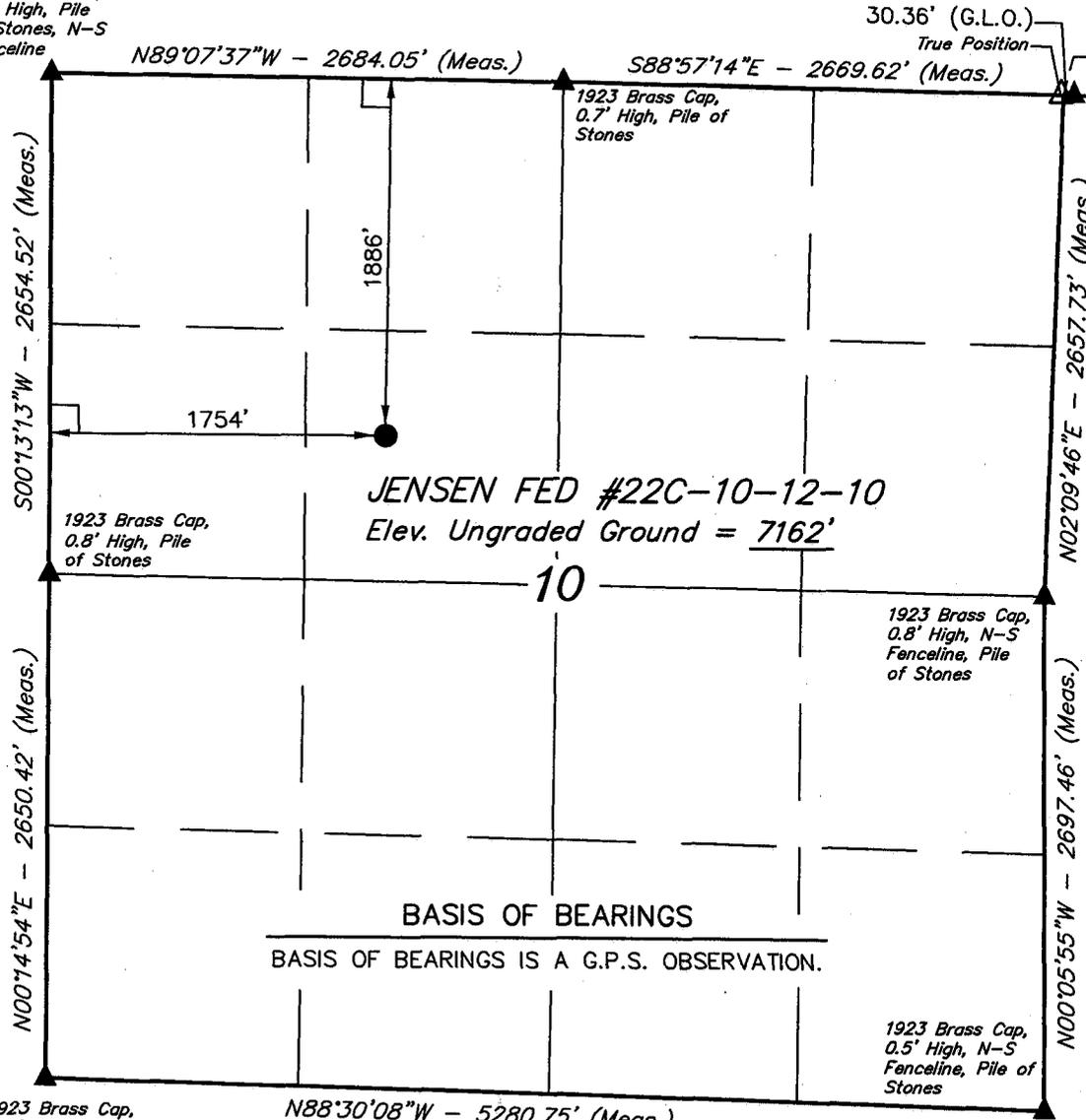
Date: **05-19-09**
By: *[Signature]*

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

PIONEER NATURAL RESOURCES USA, INC.

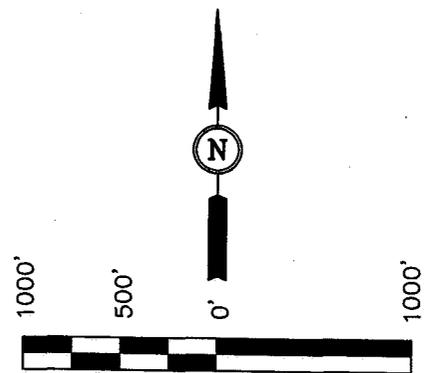
Well location, JENSEN FED #22C-10-12-10, located as shown in the SE 1/4 NW 1/4 of Section 10, T12S, R10E, S.L.B.&M. Carbon County, Utah.

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



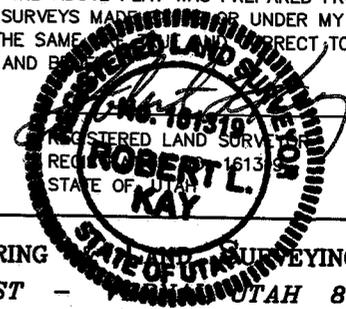
BASIS OF ELEVATION

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.



SCALE CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REVISED: 10-08-08

UINTAH ENGINEERING AND SURVEYING
85 SOUTH 200 EAST - CARBON COUNTY UTAH 84078
(435) 789-1017

- LEGEND:**
- └─┘ = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - ▲ = SECTION CORNERS LOCATED.

AUTONOMOUS (NAD 83)
LATITUDE = 39°48'01.58" (39.800439)
LONGITUDE = 110°47'28.71" (110.791308)

AUTONOMOUS (NAD 27)
LATITUDE = 39°48'01.71" (39.800475)
LONGITUDE = 110°47'26.14" (110.790594)

SCALE 1" = 1000'	DATE SURVEYED: 09-15-08	DATE DRAWN: 09-29-08
PARTY N.H. C.H. E.M.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PIONEER NATURAL RESOURCES USA, INC.	

APPLICATION FOR PERMIT TO DRILL OR REENTER

24. Attachments

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

1. Well plat certified by a registered surveyor.
Attached.
2. A Drilling Plan
Attached.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the Appropriate Forest Service Office.
See Surface Use Plan Attached.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20).
Bond coverage for this well is provided by Pioneer Natural Resources USA Inc. under their BLM Bond No. MTB-000041.
5. Operator certification.
Please be advised that Pioneer Natural Resources USA Inc. is considered to be the operator of the above mentioned well. Pioneer Natural Resources USA Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.
6. Such other site specific information and/or plans as may be required by the authorized officer.

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 17th St - Ste 1200 - Denver, CO 80202
Address

303-675-2782
Telephone

stephen.schreck@pxd.com
E-mail

ONSHORE ORDER NO. 1
Pioneer Natural Resources USA Inc.
Jensen Fed #22C-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
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	7,177'
Price River	2,725'	4,452'
Castlegate	3,150'	4,027'
Blackhawk	3,850'	3,327'
Kenilworth	4,575'	2,602'
Aberdeen	4,740'	2,437'
TD	5,500'	1,677'

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	3,850'	725'



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DRILLING PROGRAM

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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 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.



- 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 5M 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.



ONSHORE ORDER NO. 1
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CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

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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>Collapse</i>	<i>Burst</i>	<i>Tensile</i>
Surface	1640	2470	317,868
Production	4910	5320	272,924

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, .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'	Lead: 745 sx 35:65 POZ Class G, 12.5 ppg P42, 5.9% P154, 2.5% S1, 5% P20, 0.25 pps P29, 0.2% P46, 11.5 ppg, 1.17 cft/sk Tail: 293 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 to 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).

- e. The 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 H₂S 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, 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."

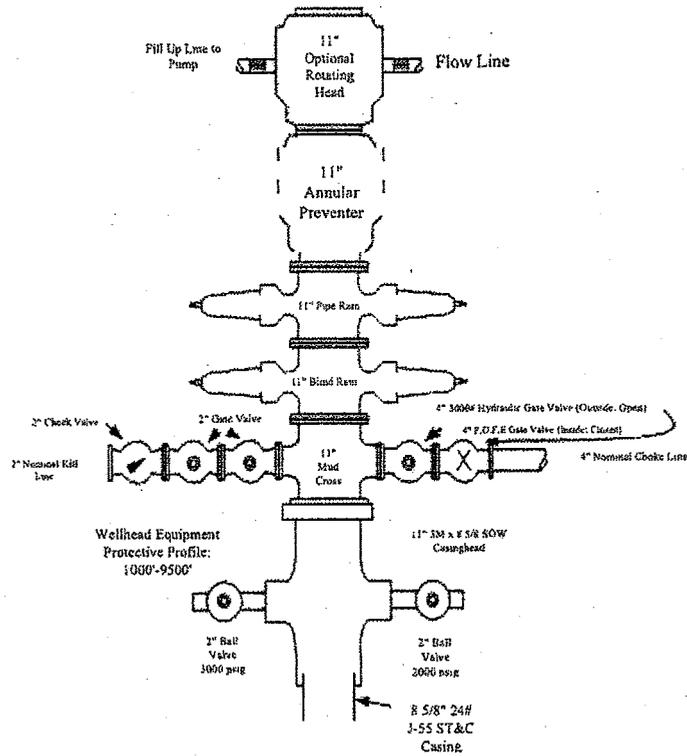
If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 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 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 10:00 a.m. Weather conditions were cold 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 10.85 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 northwest 0.3 miles. Turn left and proceed south 0.1 miles. Turn right and proceed west 0.15 miles. Turn right onto the proposed access and proceed north 42' 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 42 feet of new access to be constructed.
- b. The maximum grade of the proposed construction will be approximately 4%.
- c. No low water crossings will be installed.
- 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 - ten
- d. Drilling wells - none
- e. Abandoned wells - one
- f. Shut in wells - none



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 253 feet and will tie into an existing 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 in 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 southwest side of the location.
- m. The stockpiled topsoil (first 6 inches or maximum available) will be stored along the north 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. No cultural resources were found. A copy of this report is attached.
- b. A paleontological evaluation was conducted by Alden Hamblin on October 21, 2008. 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.
- 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 - 17th Street, Suite 1200
Denver, CO 80202
303/675-2782 (O)
303/294-1275 (F)
Stephen Schreck - Regulatory Compliance Supervisor



PIPELINE INFORMATION
Jensen Fed #22C-10-12-10

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 253 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 0.17 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.



PIONEER NATURAL RESOURCES USA, INC.

JENSEN FED #22C-10-12-10

LOCATED IN CARBON COUNTY, UTAH
SECTION 10, T12S, R10E, S.L.B.&M.

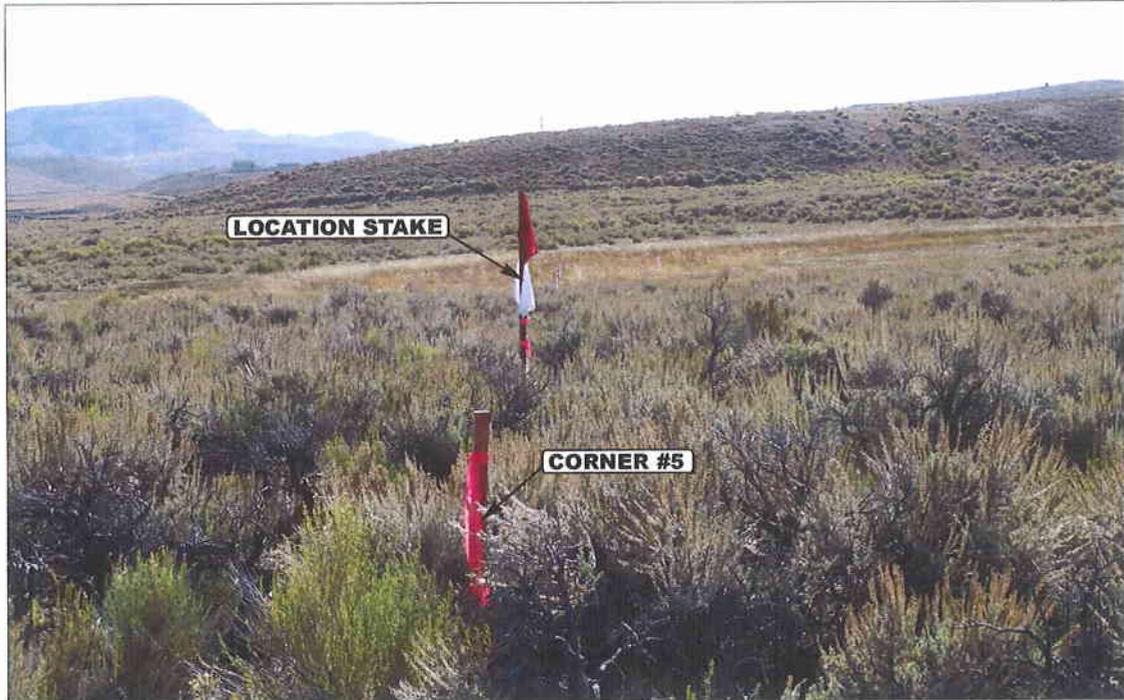


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- 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

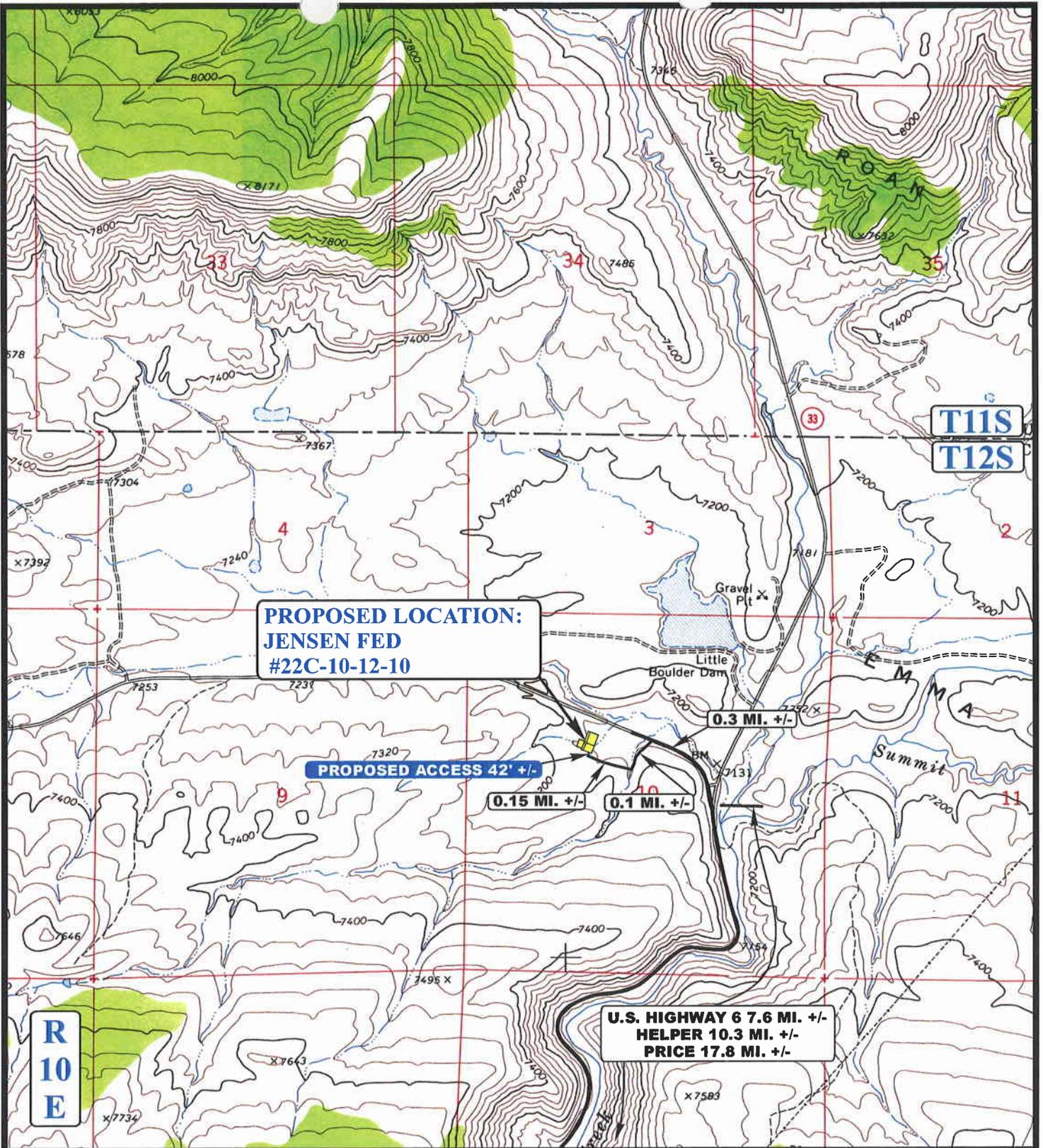
10 02 08
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: J.H.

REVISED: 10-08-08



LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



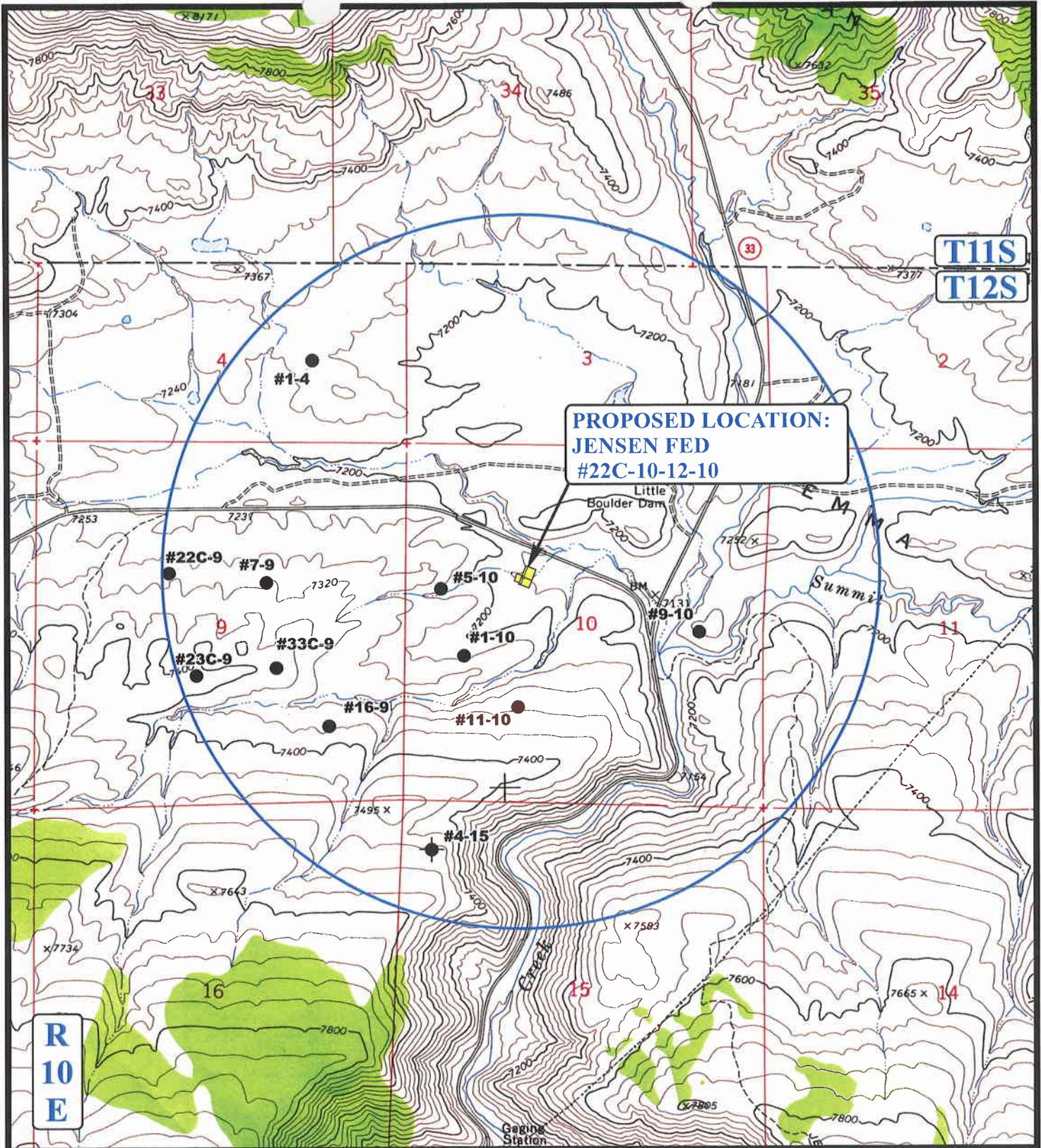
PIONEER NATURAL RESOURCES USA, INC.

JENSEN FED #22C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
1886' FNL 1754' 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**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 10-08-08

B
TOPO



**PROPOSED LOCATION:
JENSEN FED
#22C-10-12-10**

**R
10
E**

LEGEND:

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



PIONEER NATURAL RESOURCES USA, INC.

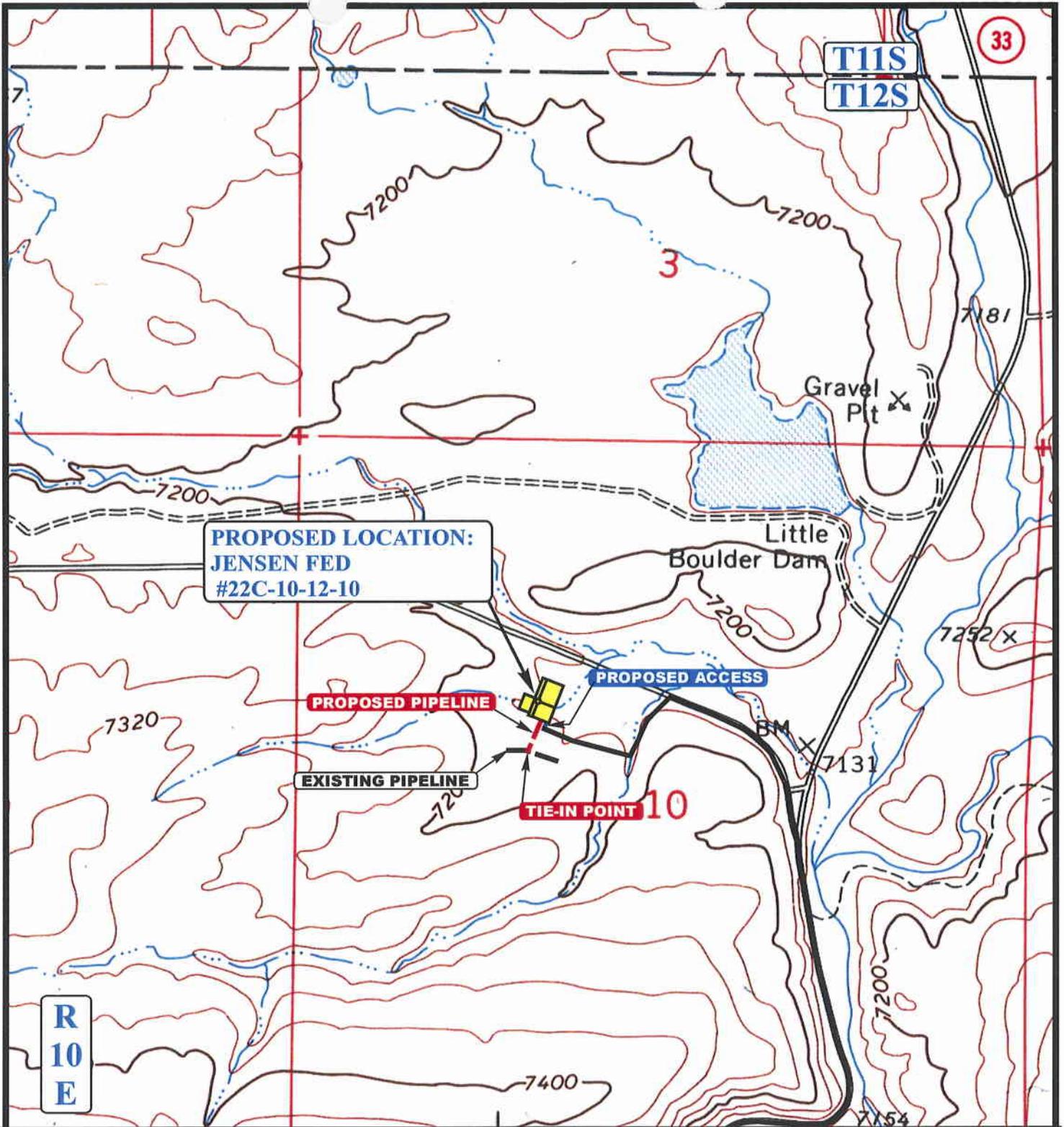
**JENSEN FED #22C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
1886' FNL 1754' FWL**



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" = 2000' DRAWN BY: J.H. REVISED: 10-08-08





APPROXIMATE TOTAL PIPELINE DISTANCE = 253' +/-

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



PIONEER NATURAL RESOURCES USA, INC.

**JENSEN FED #22C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
1886' FNL 1754' FWL**



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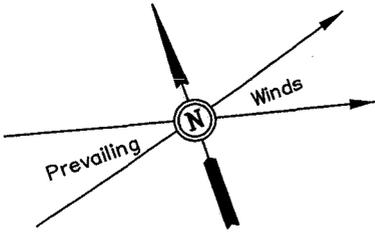
TOPOGRAPHIC MAP 10 02 08
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: J.H. REVISED: 10-08-08



PIONEER NATURAL RESOURCES USA, INC.

FIGURE #1

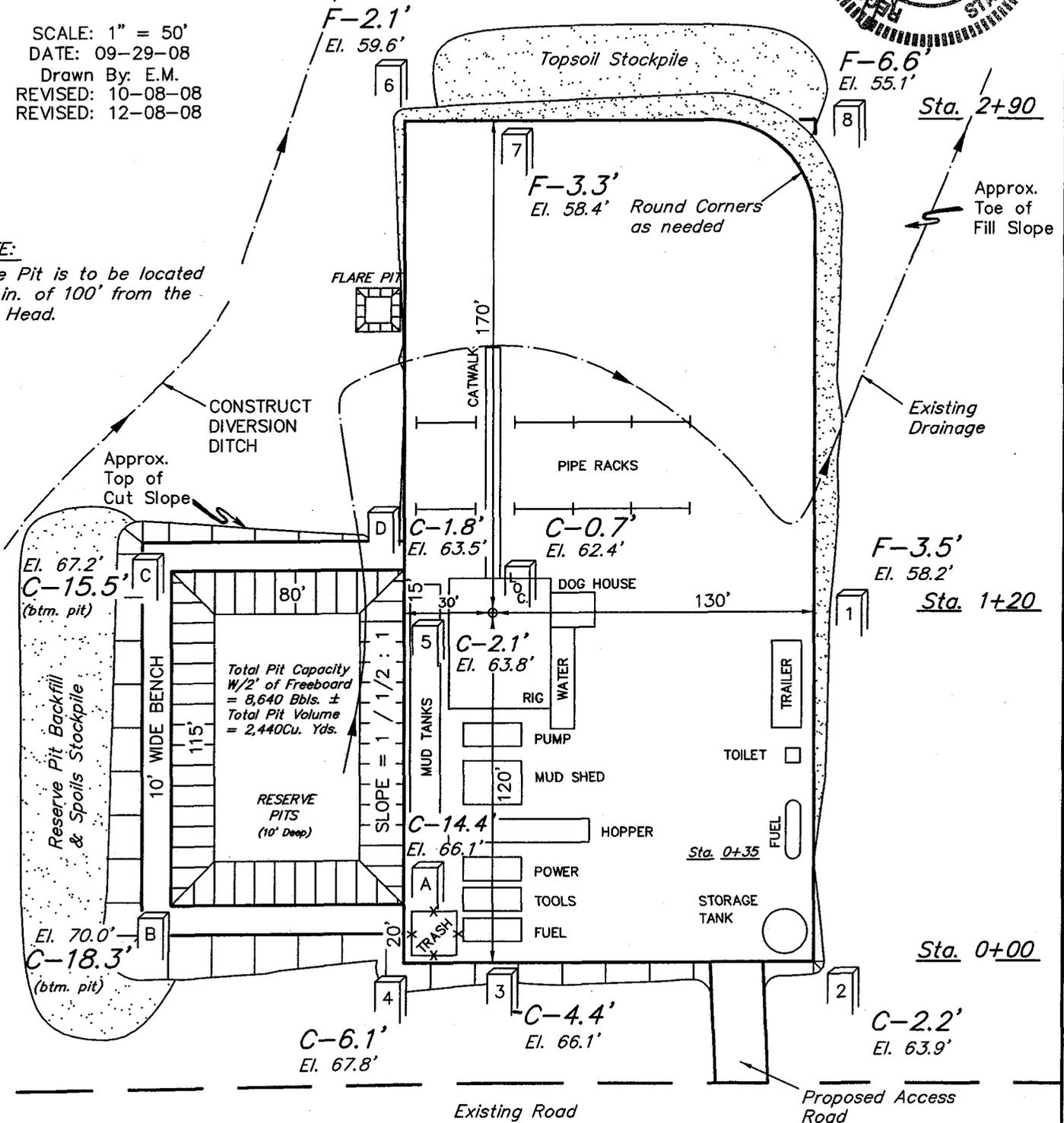
LOCATION LAYOUT FOR
 JENSEN FED #22C-10-12-10
 SECTION 10, T12S, R10E, S.L.B.&M
 1886' FNL 1754' FWL



SCALE: 1" = 50'
 DATE: 09-29-08
 Drawn By: E.M.
 REVISED: 10-08-08
 REVISED: 12-08-08

NOTE:

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



NOTES:

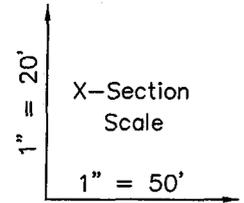
Elev. Ungraded Ground At Loc. Stake = 7162.4'
 FINISHED GRADE ELEV. AT LOC. STAKE = 7161.7'

PIONEER NATURAL RESOURCES USA, INC.

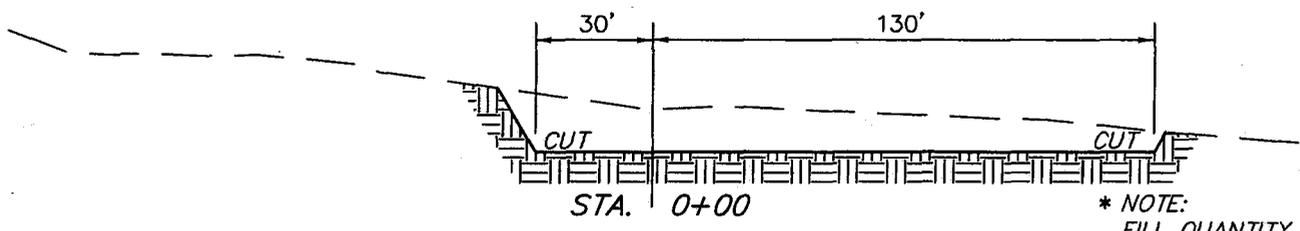
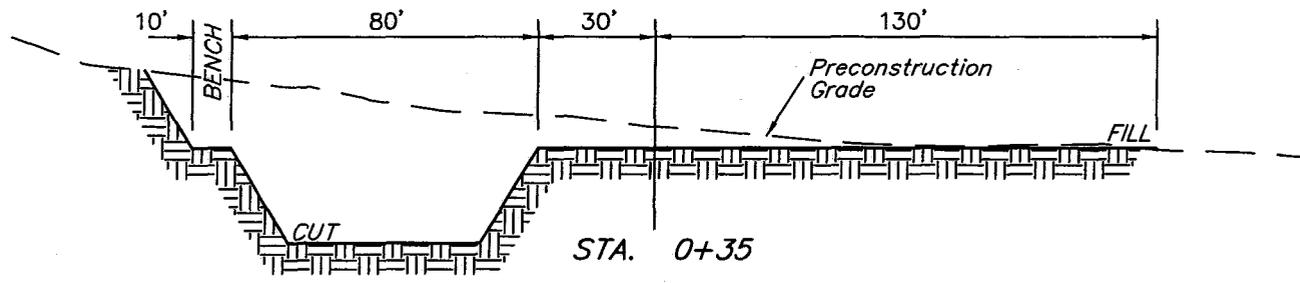
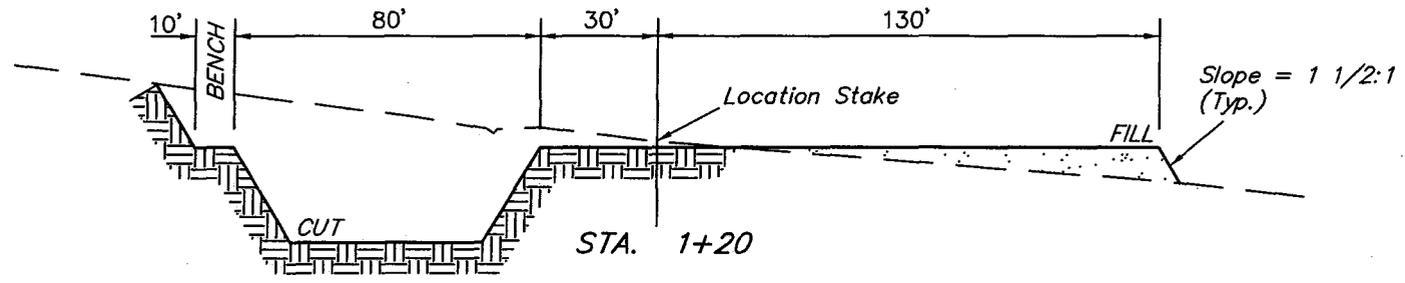
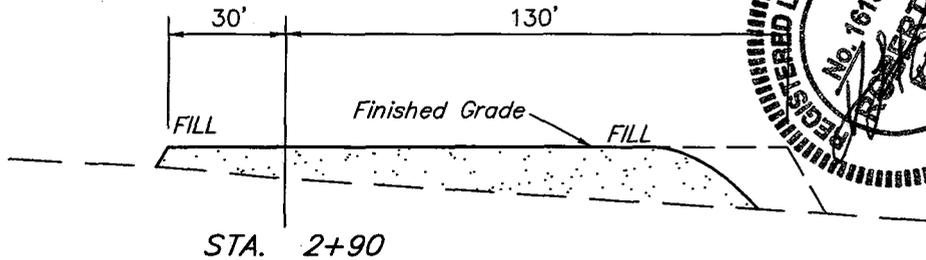
FIGURE #2

TYPICAL CROSS SECTIONS FOR
 JENSEN FED #22C-10-12-10
 SECTION 10, T12S, R10E, S.L.B.&M
 1886' FNL 1754' FWL

DATE: 09-29-08
 Drawn By: E.M.



REVISED: 10-08-08
 REVISED: 12-08-08



* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

NOTE:
 Topsoil should not be
 Stripped Below Finished
 Grade on Substructure Area.

APPROXIMATE ACREAGES
 WELL SITE DISTURBANCE = ±1.574 ACRES
 ACCESS ROAD DISTURBANCE = ±0.029 ACRES
 PIPELINE DISTURBANCE = ±0.174 ACRES
 TOTAL = ±1.777 ACRES

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,150 Cu. Yds.
Remaining Location	=	5,300 Cu. Yds.
TOTAL CUT	=	6,450 CU.YDS.
FILL	=	3,160 CU.YDS.

EXCESS MATERIAL	=	3,290 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,370 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	920 Cu. Yds.

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 – Jensen Fed #22C-10-12-10

LOCATION: Emma Park area, 10 miles north of Helper, Utah. 1886' FNL 1754' FWL, Section 10, T12S, R10E, S.L.B.&M, Carbon County, Utah.

OWNERSHIP: PRIV STATE BLM 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 well pad is in a swale and appears to all be covered with alluvium. The south has gravel with larger rocks.

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

SURVEY RESULTS: Invertebrate Plant Vertebrate Trace No Fossils Found
The gravel on the south side has larger rocks with fragments of mollusks but they were not in original position.

PALEONTOLOGY SENSITIVITY: HIGH MEDIUM LOW (PROJECT SPECIFIC)

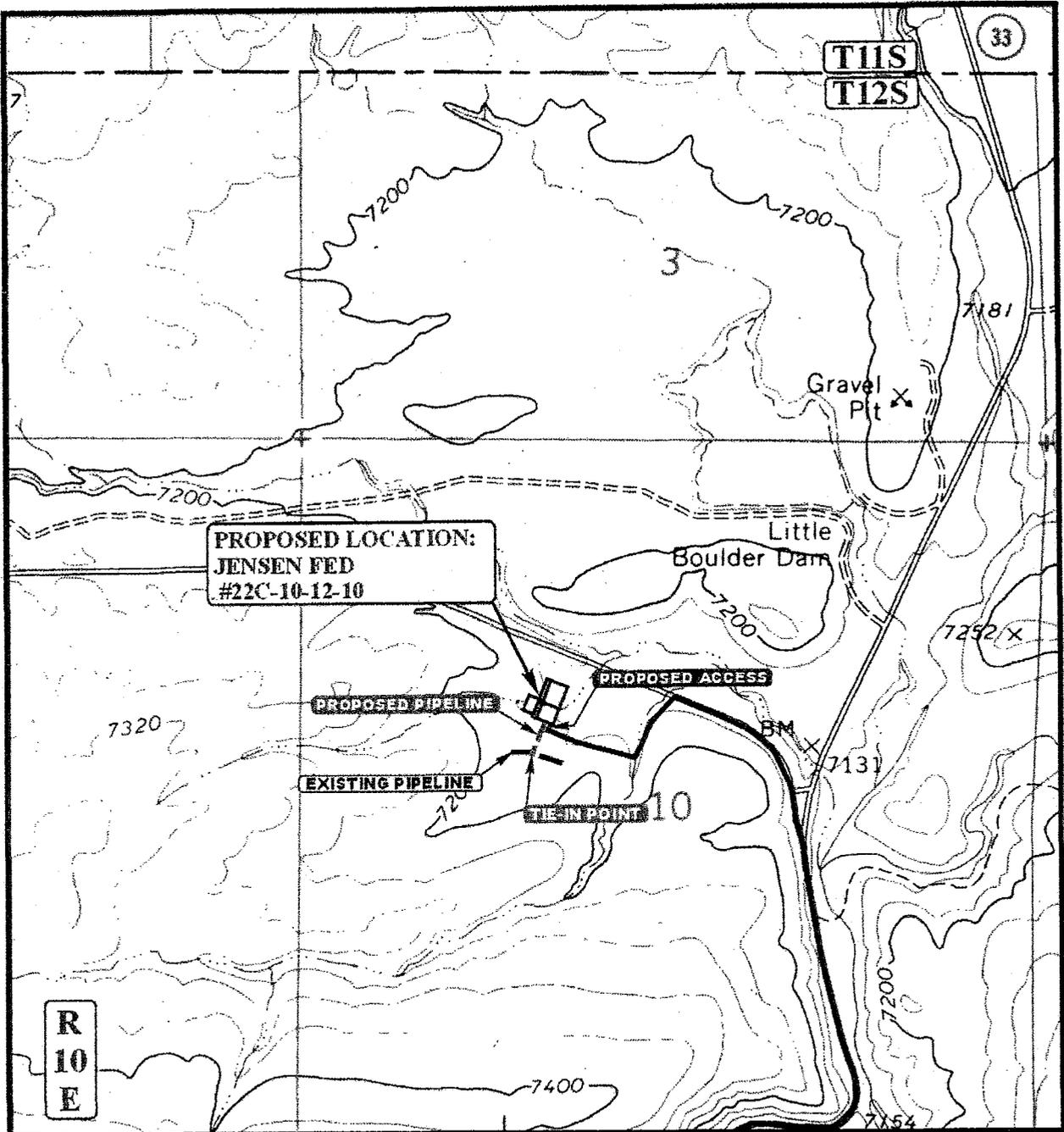
MITIGATION RECOMMENDATIONS: NONE OTHER (SEE BELOW)

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.



APPROXIMATE TOTAL PIPELINE DISTANCE - 253' --

LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

PIONEER NATURAL RESOURCES USA, INC.

JENSEN FED #22C-10-12-10
SECTION 10, T12S, R10E, S.L.B.&M.
1886' FNL 1754' 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
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: J.H. REVISED: 10-08-08

D
TOPO

PIONEER

NATURAL RESOURCES

Pioneer Natural Resources USA, Inc.
1401 17th Street, Suite 1200
Denver, Colorado 80202
Tel: (303) 298-8100 Fax: (303) 298-7800

March 27, 2009

BLM- Price Field Office
125 South 600 West
Price, Utah 84501

RE: Verification of Surface Use Agreement
Jensen Federal 22C-10-12-10
T12S-R10E-Sec. 10: SE/4NW/4
Carbon County, Utah

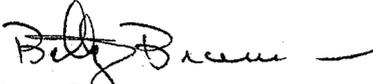
Gentlemen:

Pioneer Natural Resources USA, Inc.'s (Pioneer) predecessor in interest Evergreen Resources, Inc., and James T. Jensen, Jerry Jensen and Dix Jensen (hereinafter collectively referred to as the "Jensens") entered into a global Access, Surface Damage and Use Agreement on July 12, 2004, covering all lands in Carbon County, Utah, in which the Jensen's owned the surface estate, as further described on Exhibit "A" attached hereto. Prior to the commencement of any field activity related to a well, Pioneer is to submit a plat designating the location of the Well and related facilities to the Jensens. Pioneer has mailed the Jensens surveys showing the proposed location, facilities and the road and pipeline access for the Jensen Federal 22C-10-12-10 well. Verbal approval was received from James Jensen.

I certify that there is a global Access, Surface Damage and Use Agreement in place with the Jensens covering their surface estate in Carbon County, Utah and verbal approval has been received for the Jensen Federal 22C-10-12-10 well.

Please consider this letter as sufficient notification that there is a surface use agreement in place and proceed with the approval of the APD. If you have any questions concerning the above, please contact Sharon Logan at 303-675-2691 at your earliest convenience.

Very truly yours,
Pioneer Natural Resources USA, Inc.


Betty Brownson
Attorney-in-Fact 

Attachment

EXHIBIT "A"

Attached to and made a part of that certain Access, Surface Damage and Easement Agreement dated July 12, 2004 by and between James T. Jensen, Jerry Jensen, and Dix Jensen, Owners, and Evergreen Resources, Inc., Operator.

This exhibit is intended to cover all lands in Carbon County, Utah, in which Owner owns the surface estate, including but not limited to the following lands:

Township 12 South, Range 9 East

Section 1: W/2SE/4, S/2SW/4

Section 2: Lots 1, 2, 3, 4, N/2SW/4, SE/4

Township 12 South, Range 10 East

Section 3: SW/4, W/2SE/4

Section 4: Lots 1, 2, 3, 4, S/2

Section 5: Lots 2, 3, 4, SW/4, NW/4SE/4, S/2SE/4

Section 6: Lots 1, 2, W/2SW/4, SE/4

Section 7: Lot 3, E/2SW/4, SE/4, N/2NE/4

Section 8: N/2N/2, S/2

Section 9: N/2N/2, SE/4NE/4, S/2

Section 10: S/2NW/4, S/2, NE/4, NW/4NW/4

Section 15: W/2NE/4, NE/4SW/4, SW/4SW/4

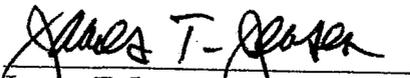
Section 17: N/2, N/2S/2, SW/4SW/4, SE/4SE/4

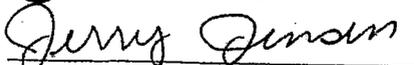
Section 18: Lot 1, NE/4NW/4, NE/4, N/2SE/4, SE/4SE/4

Section 19: N/2

Section 20: N/2

Acknowledged for Identification:


James T. Jensen


Jerry Jensen

DIX JENSEN
Dix Jensen

Pioneer Natural Resources USA, Inc.
successor in interest to Evergreen Resources, Inc.


Betty Brownson, Attorney-in-Fact

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/09/2009

API NO. ASSIGNED: 43-007-31498

WELL NAME: JENSEN FED 22C-10-12-10
 OPERATOR: PIONEER NATURAL (N5155)
 CONTACT: VENESSA LANGMACHER

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

SENW 10 120S 100E
 SURFACE: 1886 FNL 1754 FWL
 BOTTOM: 1886 FNL 1754 FWL
 COUNTY: CARBON
 LATITUDE: 39.80048 LONGITUDE: -110.79049
 UTM SURF EASTINGS: 517936 NORTHINGS: 4405424
 FIELD NAME: CASTLEGATE (13)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-65948
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: BLKHK
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. MTB-000041)
- 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: 220-07
Eff Date: 6-11-2006
Siting: 460' fr. ext. u. bed of 920' fr. other wells.
- R649-3-11. Directional Drill

COMMENTS:

Need Presite (04-30-09)

STIPULATIONS:

1- Federal Approval
2- STATEMENT OF BASIS

Application for Permit to Drill

Statement of Basis

5/19/2009

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1418	43-007-31498-00-00		GW	P	No
Operator	PIONEER NATURAL RESOURCES USA, IN		Surface Owner-APD		
Well Name	JENSEN FED 22C-10-12-10		Unit		
Field	CASTLEGATE		Type of Work		
Location	SENW 10 12S 10E S 1886 FNL 1754 FWL GPS Coord (UTM) 517936E 4405424N				

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Federal Government. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Brad Hill
APD Evaluator

5/19/2009
Date / Time

Surface Statement of Basis

On-site evaluation conducted April 30, 2009. In attendance: Bart Kettle-DOGM, Jerry Jensen-Surface Owner, Frankie Hathaway-Carbon County, Dallas Christensen-Pioneer Natural Resources, Stephen Schreck-Pioneer Natural Resources and Kelly Rasmussen-Uintah Engineering & Land Surveying. Invited and choosing not to attend: Jim Jensen-Surface Owner.

Proposed site appears adequate for the drilling program. Well site falls within core greater sage grouse brooding area. An active lek is located less than one mile northwest.

Reserve pit should have a 16-mil liner properly installed prior to commencement of drilling activities. Three sides require fence while drilling, with the fourth side fenced immediately following removal of drilling equipment.

Carbon County requires that operator obtain a conditional use permit from the county for wells being proposed on fee lands.

Bart Kettle
Onsite Evaluator

4/30/2009
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator PIONEER NATURAL RESOURCES USA, INC
Well Name JENSEN FED 22C-10-12-10
API Number 43-007-31498-0 APD No 1418 Field/Unit CASTLEGATE
Location: 1/4,1/4 SENW Sec 10 Tw 12S Rng 10E 1886 FNL 1754 FWL
GPS Coord (UTM) Surface Owner

Participants

Bart Kettle-DOGMA, Jerry Jensen-Surface Owner, Frankie Hathaway-Carbon County, Dallas Christensen-Pioneer Natural Resources, Stephen Schreck-Pioneer Natural Resources and Kelly Rasmussen-Uintah Engineering & Land Surveying.

Regional/Local Setting & Topography

Proposed project is ~9.5 miles northwest of Helper, located in Carbon County Utah. Project site is located in Emma Park, a rather large valley consisting of sage-step rangelands in a 14-16" precipitation zone. Dimensions of Emma Park are roughly 3 miles wide and nearly 10 miles long. To the north topography rises steeply into Reservation Ridge, where prevalent Douglas fir and mountain browse communities are found. Topography to the south breaks off quickly into a series of steep canyons/ledges towards the Price River and Willow Creek. Vegetation consists of Pinion/Juniper woodlands and Ponderosa pine and Gamble oak communities. Drainages in the project area enter Willow Creek ~2 miles, a perennial stream in which drainages from Emma Park enter. From 2001-2005 a study was conducted in the project area attempting to measure the impacts of Coalbed Methane Development on Greater Sage Grouse population inhabiting Emma Park. Regional topography is semi-arid rangelands dominated by Pinion/Juniper woodlands and salt scrub communities. Soils in the region are generally poorly developed, and moderate to highly erosive clay or clay loams.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.1	Width 220 Length 290		FLAG

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Flora:

Forbs: Spiny Phlox, sulphur cinquefoil, western yarrow.

Grass: Elk sedge, Kentucky blue grass, Indian rice grass, thick spike wheat grass, Columbia needle and thread, Sandburg's blue grass.

Shrubs: Mountain big sage, gray stem rubber rabbit brush

Fauna: Seasonal use by host of song birds and sage obligate species such as sage thrasher and sage sparrow. Year long mule deer habitat, elk winter range. Year long greater sage grouse habitat. Many species of rodents.

Soil Type and Characteristics

Brown Clay loam, many limestone fragments

Erosion Issues Y

Soils prone to wind erosion when disturbed. Interim reclamation should be completed as soon as practical to stabilize site.

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Drainage diversion required on the western portions of the well pad.

Berm Required? N

Erosion Sedimentation Control Required? Y

Interim reclamation to stabilize site.

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

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	75 to 100	10
Distance to Surface Water (feet)	300 to 1000	2
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 32 1 Sensitivity Level

Characteristics / Requirements

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

Other Observations / Comments

Proposed project site is located within the 2001-2005 study area for The Sage-Grouse of Emma Park-Survival, Production, and Habitat use in Relation to Coalbed Methane Development conducted by the Utah Division of Wildlife Resources. As such the following Management Recommendations are given for development within the study area:

- 1.) Noise levels at any leks should be less than 40db. Wells should not be located within 1500 meters of active leks. Where wells already exist inside this buffer, appropriate mufflers or fencing to reduce noise levels should be added.
- 2.) Avoid CBM development in vegetation treatment in the core use areas shown in Figure 10. Furthermore an 8 km buffer around each lek was necessary to include over 90% of the nest in the area. This buffer would include all of the core use areas mentioned.
- 3.) Restrict traffic near leks from 5 am to 10 am during March 15 through May 10 to reduce disturbance at leks.
- 4.) When wells are to be placed in the sage grouse habitat, select dry ridges or previously treated sagebrush over wet meadows, ephemeral stream channels, and shallow basins with good sagebrush cover.
- 5.) A 50 meter buffer along all heavy traffic roads should be used to calculate habitat lost due to development particularly in winter sage grouse habitats.
- 6.) Where possible, new roads and wells should be constructed in adjacent pinyon-juniper habitat that typically has less

wildlife value.

7.) Directional drilling minimizes the number of wells and associated road network which in turn minimizes fragmentation of sage grouse habitat.

8.) Use the seasonal habitat maps found in Appendix C to assess potential impacts to sage grouse, where necessary these maps should be developed for surrounding areas.

9.) Nesting/Summer habitat was found to be the most critical time for sage grouse survival and production during this study. Protection of summer/nesting habitats should be prioritized.

Bart Kettle

4/30/2009

Evaluator

Date / Time



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

May 19, 2009

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

Re: Jensen Fed 22C-10-12-10 Well, 1886' FNL, 1754' FWL, SE NW, Sec. 10, 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 43-007-31498.

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 Jensen Fed 22C-10-12-10

API Number: 43-007-31498

Lease: UTU-65948

Location: SE NW **Sec.** 10 **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 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 Dustin Doucet at (801) 538-5281 (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.

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Blue Tip Castlegate, Inc. <i>N 3680</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 15810 Park Ten Place - Ste 160 CITY Houston STATE TX ZIP 77084		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 979-6023		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE:		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
COUNTY: Carbon		
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: <u>4/1/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" 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 type="checkbox"/> OTHER: _____
	<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.

Blue Tip Castlegate, Inc. has acquired all of Pioneer Natural Resources USA, Inc's interest in the Castlegate Field - see attached well list. The effective date of change of operator is April 1, 2010.

Betty Brown 5/13/10
Betty Brown Date
Attorney-In-Fact
Pioneer Natural Resources USA, Inc. *N 5155*
1401 17th Street - Suite 1200
Denver, CO 80202
Phone: 303-675-2610

Bruce L Taylor 5/13/10
Bruce L. Taylor Date
Manager Vice President *BLT*
Blue Tip Castlegate, Inc.
15810 Park Ten Place - Suite 160
Houston, TX 77084
Telephone: 303-979-6023
State Bond No.: B005639
BLM Bond No.: B005638

NAME (PLEASE PRINT) <u>Bruce L. Taylor</u>	TITLE <u>Manager Vice President <i>BLT</i></u>
SIGNATURE <i>Bruce L Taylor</i>	DATE <u>5/13/10</u>

(This space for State use only)

APPROVED 6/30/2010
Earlene Russell
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
JUN 03 2010

DIV. OF OIL, GAS & MINING

PIONEER NATURAL RESOURCES (N5155) to BLUE TIP CASTLEGATE (N3680)

well_name	sec	twp	rng	api	entity	lease	type	stat	C
SHIMMIN TRUST 5-14-12-10	14	120S	100E	4300730122	14175	Fee	GW	P	
CASTLEGATE FED 7-9-12-10	09	120S	100E	4300730137	12991	Federal	GW	P	
JENSEN 9-10-12-10	10	120S	100E	4300730159	12906	Fee	GW	P	
JENSEN 5-10-12-10	10	120S	100E	4300730162	12905	Fee	GW	S	
JENSEN 16-9-12-10	09	120S	100E	4300730163	12904	Fee	GW	P	
JENSEN 11-10-12-10	10	120S	100E	4300730164	11405	Fee	GW	P	
SHIMMIN TRUST 11-11-12-10	11	120S	100E	4300730166	11410	Fee	GW	P	
CASTLEGATE ST 1-16-12-10	16	120S	100E	4300730589	12610	State	GW	P	
JENSEN 1-10-12-10	10	120S	100E	4300730596	12611	Fee	GW	P	
SHIMMIN TRUST 2-11-12-10	11	120S	100E	4300730659	13070	Fee	GW	P	
SHIMMIN TRUST 4-14-12-10	14	120S	100E	4300730662	13071	Fee	GW	P	
SHIMMIN TRUST 1-11-12-10	11	120S	100E	4300730673	12901	Fee	GW	P	
JENSEN 2-10-12-10	10	120S	100E	4300730675	14225	Fee	GW	OPS	
JENSEN 1-9-12-10	09	120S	100E	4300730717	12903	Fee	GW	P	
JENSEN 1-18-12-10	18	120S	100E	4300730718	14226	Fee	GW	P	
JENSEN 1-4-12-10	04	120S	100E	4300730733	13068	Fee	GW	P	
JENSEN 2-8-12-10	08	120S	100E	4300730734	13275	Fee	GW	P	
JENSEN 2-9-12-10	09	120S	100E	4300730735	13317	Fee	GW	P	
JENSEN 1-15-12-10	15	120S	100E	4300730736	13072	Fee	GW	P	
JENSEN 1-8-12-10	08	120S	100E	4300730768	13359	Fee	GW	P	
CASTLEGATE ST 4-16-12-10	16	120S	100E	4300730785	13318	State	GW	P	
JENSEN DEEP 7-15-12-10	15	120S	100E	4300730786	13247	Fee	GW	S	
CASTLEGATE ST 11-16H-12-10	16	120S	100E	4300730961	14224	State	GW	S	
SHIMMIN 11-14-12-10	14	120S	100E	4300730962	14223	Fee	GW	OPS	
JENSEN 23C-9-12-10	09	120S	100E	4300731211	15770	Fee	GW	P	
JENSEN 33C-9-12-10	09	120S	100E	4300731212	15769	Fee	GW	P	
JENSEN 42C-9-12-10	09	120S	100E	4300731213	15766	Fee	GW	P	
JENSEN 43C-9-12-10	09	120S	100E	4300731214	15768	Fee	GW	P	C
CASTLEGATE FED 22C-9-12-10	09	120S	100E	4300731225	15767	Federal	GW	P	
JENSEN 41C-9-12-10	09	120S	100E	4300731452	17246	Fee	GW	OPS	C
JENSEN 14C-10-12-10	10	120S	100E	4300731453	17235	Fee	GW	P	
JENSEN FED 14C-3-12-10	03	120S	100E	4300731495		Federal	GW	APD	C
JENSEN FED 22C-10-12-10	10	120S	100E	4300731498		Federal	GW	APD	C
JENSEN FED 11C-10-12-10	10	120S	100E	4300731499		Federal	GW	APD	C
JENSEN 14C-4-12-10	04	120S	100E	4300731500		Fee	GW	APD	C
JENSEN 44C-4-12-10	04	120S	100E	4300731501		Fee	GW	APD	C
JENSEN 44C-5-12-10	05	120S	100E	4300731502		Fee	GW	APD	C
JENSEN 34C-9-12-10	09	120S	100E	4300731503		Fee	GW	APD	C
JENSEN 31C-9-12-10	09	120S	100E	4300731504		Fee	GW	APD	C
JENSEN 14C-9-12-10	09	120S	100E	4300731505		Fee	GW	APD	C
JENSEN 11C-9-12-10	09	120S	100E	4300731506		Fee	GW	APD	C
JENSEN 24C-9-12-10	09	120S	100E	4300731507		Fee	GW	APD	C
JENSEN ST 11C-34-11-9	34	110S	090E	4304930024	17071	State	GW	S	C

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Jensen Fed 22C-10-12-10
API number:	4300731498
Location:	Qtr-Qtr: SENW Section: 10 Township: 12S Range: 10E
Company that filed original application:	Pioneer Natural Resources USA, Inc.
Date original permit was issued:	05/03/2010
Company that permit was issued to:	Pioneer Natural Resources USA, Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, 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.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>State B005639; BLM B005638</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Bruce L. Taylor Title ~~Manager~~ Vice President
 Signature *Bruce L. Taylor* Date _____
 Representing (company name) Blue Tip Castlegate, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

RECEIVED

JUN 01 2010



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

May 26, 2011

Mike Cerelli
Blue Tip Castlegate, Inc.
15810 Park Ten Place-Ste. 160
Houston, TX 77084

Re: APD Rescinded – Jensen Fed 22C-10-12-10, Sec. 10, T. 12S, R. 10E,
Carbon County, Utah, API No. 43-007-31498

Dear Mr. Cerelli:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 19, 2009. On May 3, 2010 the Division granted a one-year APD extension. On May 25, 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 May 25, 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, Price