

CONFIDENTIAL

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: Fee	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:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER <u>CBM</u> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		9. WELL NAME and NUMBER: Jensen 44C-5-12-10	
3. ADDRESS OF OPERATOR: 1401 17th Street - Ste 1200 CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (303) 675-2663	10. FIELD AND POOL, OR WILDCAT: Castlegate
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 495' FSL, 639' FEL (SESE) 515550X 39.807229 AT PROPOSED PRODUCING ZONE: Same 44061684 -110.818350		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 5 12S 10E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 12.7 miles north of Helper, UT		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 800'	16. NUMBER OF ACRES IN LEASE: 2712.91	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160.84	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1100'	19. PROPOSED DEPTH: 5,600	20. BOND DESCRIPTION: UT Bond 104319463	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): GL 7290	22. APPROXIMATE DATE WORK WILL START: Upon Approval	23. ESTIMATED DURATION: 7 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	Class "G"	428 sx	1.19 cf/sx	12.5 ppg
7-7/8	5-1/2	K55	17#	5,600	Lead: 35:65 Poz Cl G	861 sx	1.17 cf/sx	11.5 ppg
					Tail: 50:50 Poz Cl G	289 sx	1.19 cf/sx	12.5 ppg

ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- COMPLETE DRILLING PLAN
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Joy A. Ziegler TITLE Senior Engineering Tech

SIGNATURE Joy A. Ziegler DATE 3/11/2009

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31502

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:
Date: 07-07-09
By: [Signature]

RECEIVED

APR 13 2009

DIV. OF OIL, GAS & MINING

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

PIONEER NATURAL RESOURCES USA, INC.

Well location, JENSEN #44C-5-12-10, located as shown in the SE 1/4 SE 1/4 of Section 5, T12S, R10E, S.L.B.&M., Carbon County, Utah.

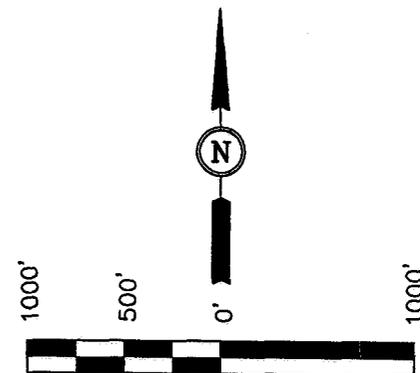
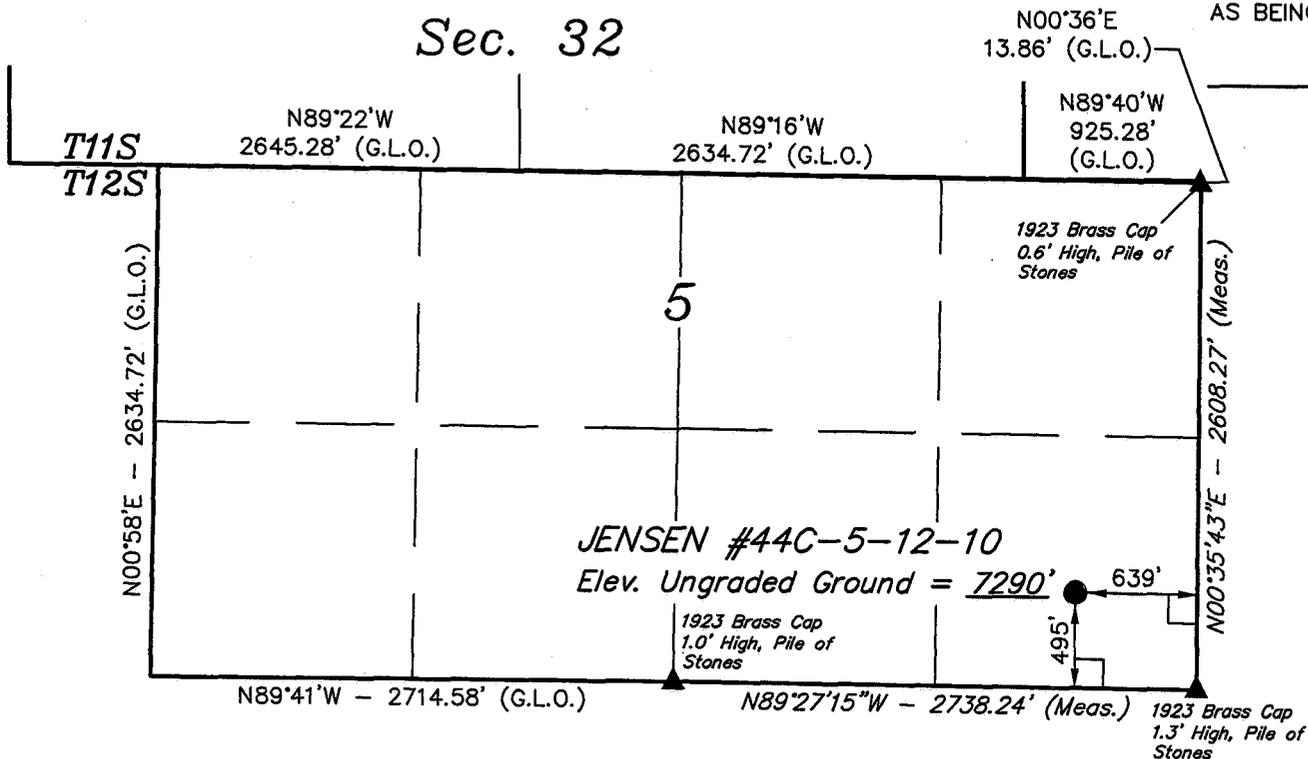
BASIS OF ELEVATION

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

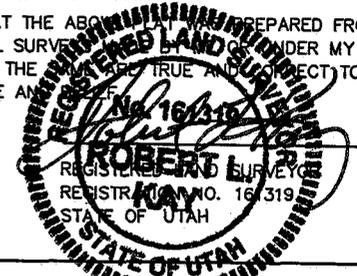
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

Sec. 32



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

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

(AUTONOMOUS NAD 83)
 LATITUDE = 39°48'25.92" (39.807200)
 LONGITUDE = 110°49'08.58" (110.819050)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°48'26.05" (39.807236)
 LONGITUDE = 110°49'06.00" (110.818333)

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

SCALE 1" = 1000'	DATE SURVEYED: 01-13-09	DATE DRAWN: 01-26-09
PARTY N.H. T.P. C.C.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE PIONEER NATURAL RESOURCES USA, INC.	

Application for Permit to Drill
 Pioneer Natural Resources USA, Inc.
 Jensen 44C-5-12-10
 495' FSL, 639' FEL
 SESE Sec. 5, T12S-R10E, S.L.B.&M
 Carbon County, Utah

DRILLING PROGRAM
 Page 1

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Colton	0'	7305'
Price River	2850'	4455'
Castlegate	3525'	3780'
Blackhawk	4325'	2980'
Kenilworth	5050'	2255'
Aberdeen	5230'	2075'
TD	5600'	485'

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or other Minerals Bearing Formations

Substance	Formation	Depth
Sandstone	Price River	3000'
Sandstone	Castlegate	3525'
Coal / Sandstone	Blackhawk	4735'

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 Carbon County, Utah

3. Well Control Equipment & Testing Procedures

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

Ram Type: 11" Hydraulic double, 3000 psi w.p.

Pioneer Natural Resources USA, Inc will comply with all requirements pertaining to well control as listed in Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.

4. Casing Program

The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-600'	12-1/4"	8-5/8"	28#	H-40	STC	New
Production	0-5600'	7-7/8"	5-1/2"	17#	K55	LTC	New

Casing design subject to revision based on geologic conditions encountered

5. Cement Program

Surface	Type and Amount
0-600'	428 Sx Class G, 1.19cuft/sx, 12.5 ppg
Production	Type and Amount
500'-5600'	Lead: 861 sx Class G, 1.17 cf/sx, 11.5 ppg Tail: 287 sx Class G, 1.19 cf/sx, 12.5 ppg

Note: Actual cement volume to be based upon caliper log

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 SESE Sec. 5, T12S-R10E, S.L.B.&M
 Carbon County, Utah

DRILLING PROGRAM
 Page 3

6. Drilling Fluids

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

Interval	Mud Type	Mud Wt.	Visc.	F/L
0'-600'	Air			N/C
600'-1350'	Mist			N/C
1350'-5100'	Aerated Fluid			
5100'-5600'	Aerated Water	8.6	28	8

7. Testing, Logging and Coring

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

- a. No drill stem tests are anticipated
- b. The logging program will consist of a Triple Combo Hi Res log to be run from TD to surface casing.
- c. No cores are anticipated

8. Anticipated Pressures and H₂S

- a. Normal pressures and temperatures are expected in the objective formation. A maximum bottom hole pressure of 2150 psi is expected. A maximum bottom hole temperature of 145° Fahrenheit is anticipated. Sour gas (H₂S) is not anticipated.

9. Water Source

- a. Water will be trucked from Pioneer's Central Production Facility located in Section 11, T12S-R10E under Water Right #94-4983.

Application for Permit to Drill
Pioneer Natural Resources USA, Inc.
Jensen 44C-5-12-10
495' FSL, 639' FEL
SESE Sec. 5, T12S-R10E, S.L.B.&M
Carbon County, Utah

DRILLING PROGRAM
Page 4

10. **Other Information**

- a. Drilling is planned to commence upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 7 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas, and Minerals.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the surface owner.

Surface Owner

Jerry Jensen
1155 North Carbonville Road
Price, UT 84501
435-637-4498 – Home
435-637-4498 - Fax

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

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

Attn: Brad Hill
Permitting Manager

RE: Verification of Surface Use Agreement
Jensen 44C-5-12-10
T12S-R10E-Sec. 5: SE/4SE/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 44C-5-12-10 well. Verbal approval was received from Jerry 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 44C-5-12-10 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

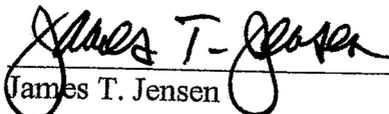
Section 17: N/2, N/2S/2, SW/4SW/4, SE/4SE/4

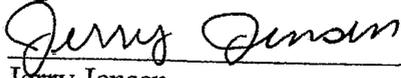
Section 18: Lot 1, NE/4NW/4, NE/4, N/2SE/4, SE/4SE/4

Section 19: N/2

Section 20: N/2

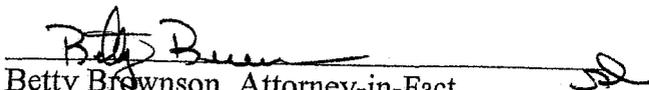
Acknowledged for Identification:


James T. Jensen


Jerry Jensen


Dix Jensen

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


Betty Brownson, Attorney-in-Fact

PIONEER NATURAL RESOURCES USA, INC.

JENSEN #44C-5-12-10

LOCATED IN CARBON COUNTY, UTAH
SECTION 5, T12S, R10E, S.L.B.&M.

CONFIDENTIAL



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



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

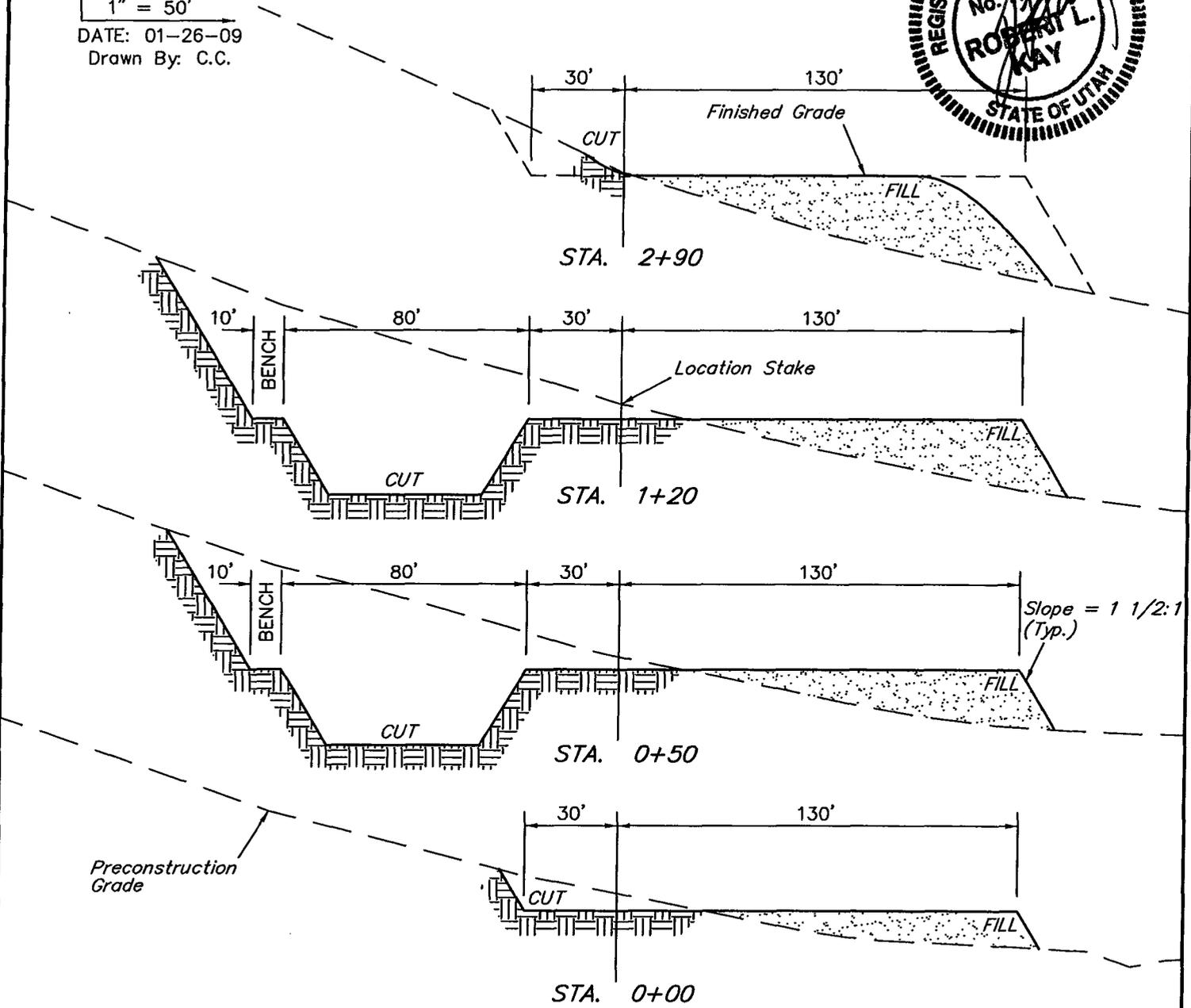
- Since 1964 -

LOCATION PHOTOS	01	23	09	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: N.H.	DRAWN BY: J.H.	REVISED: 00-00-00		

TYPICAL CROSS SECTIONS FOR
 JENSEN #44C-5-12-10
 SECTION 5, T12S, R10E, S.L.B.&M.
 495' FSL 639' FEL



1" = 20'
 X-Section Scale
 1" = 50'
 DATE: 01-26-09
 Drawn By: C.C.



NOTE:

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

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ±1.902 ACRES
 ACCESS ROAD DISTURBANCE = ±0.711 ACRES
 PIPELINE DISTURBANCE = ±0.734 ACRES
 TOTAL = ±3.347 ACRES

* NOTE:
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,460 Cu. Yds.
 Remaining Location = 9,720 Cu. Yds.
 TOTAL CUT = 11,180 CU.YDS.
 FILL = 8,500 CU.YDS.

EXCESS MATERIAL = 2,680 Cu. Yds.
 Topsoil & Pit Backfill (1/2 Pit Vol.) = 2,680 Cu. Yds.
 EXCESS UNBALANCE (After Interim Rehabilitation) = 0 Cu. Yds.

PIONEER NATURAL RESOURCES USA, INC.

FIGURE #3

TYPICAL RIG LAYOUT FOR

JENSEN #44C-5-12-10
SECTION 5, T12S, R10E, S.L.B.&M.
495' FSL 639' FEL

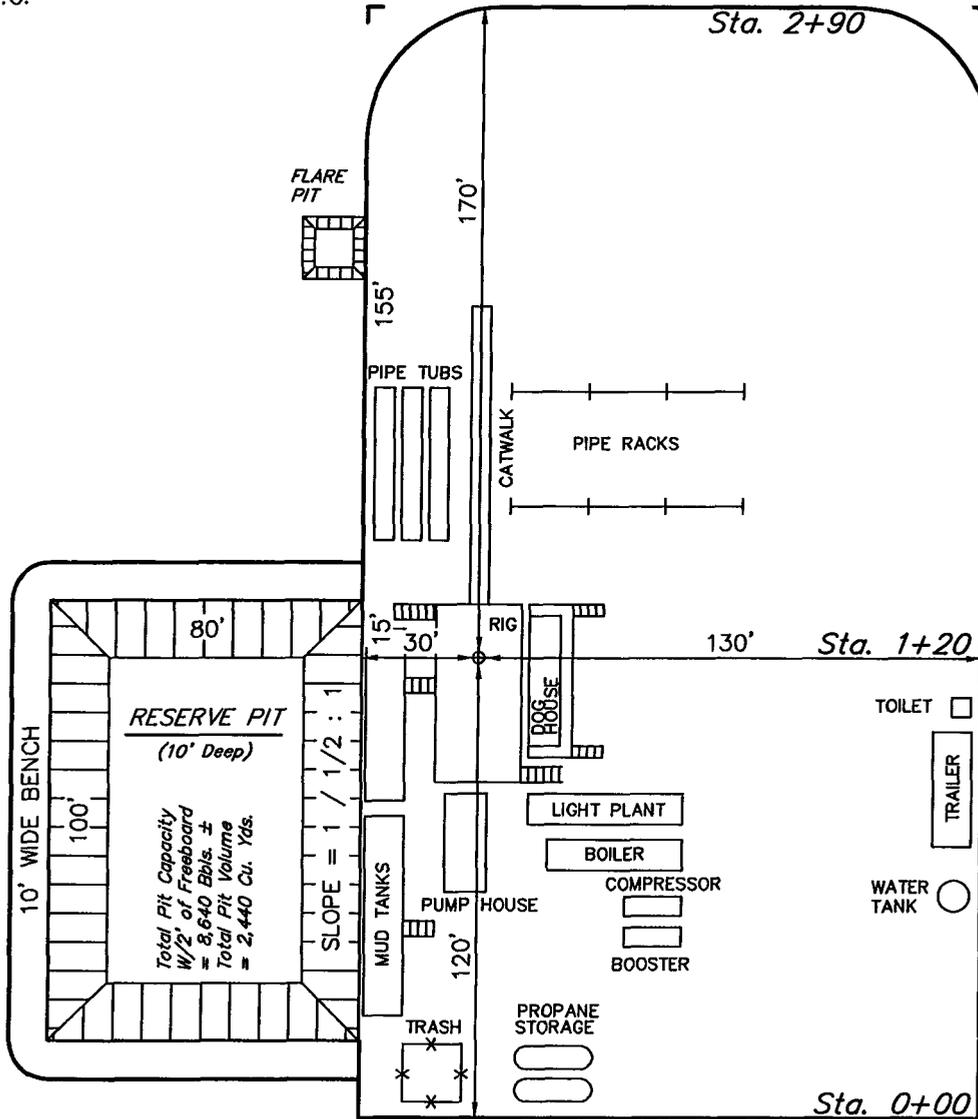


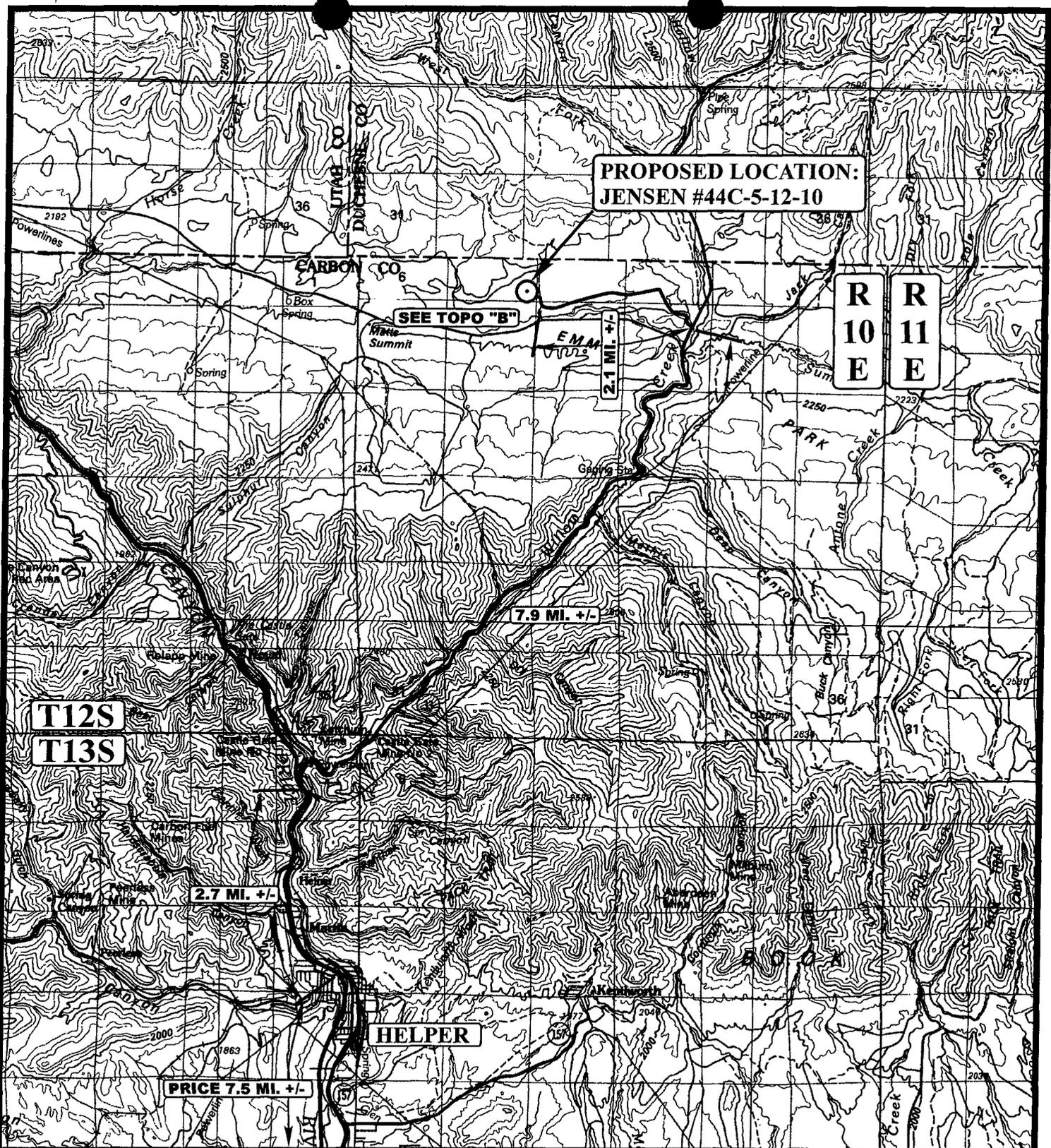
SCALE: 1" = 50'
DATE: 01-26-09
Drawn By: C.C.



NOTE:

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





**PROPOSED LOCATION:
JENSEN #44C-5-12-10**

SEE TOPO "B"

**R
10
E**

**R
11
E**

T12S

T13S

HELPER

PRICE 7.5 MI. +/-

2.7 MI. +/-

7.9 MI. +/-

2.1 MI. +/-

LEGEND:

○ PROPOSED LOCATION

PIONEER NATURAL RESOURCES USA, INC.

N

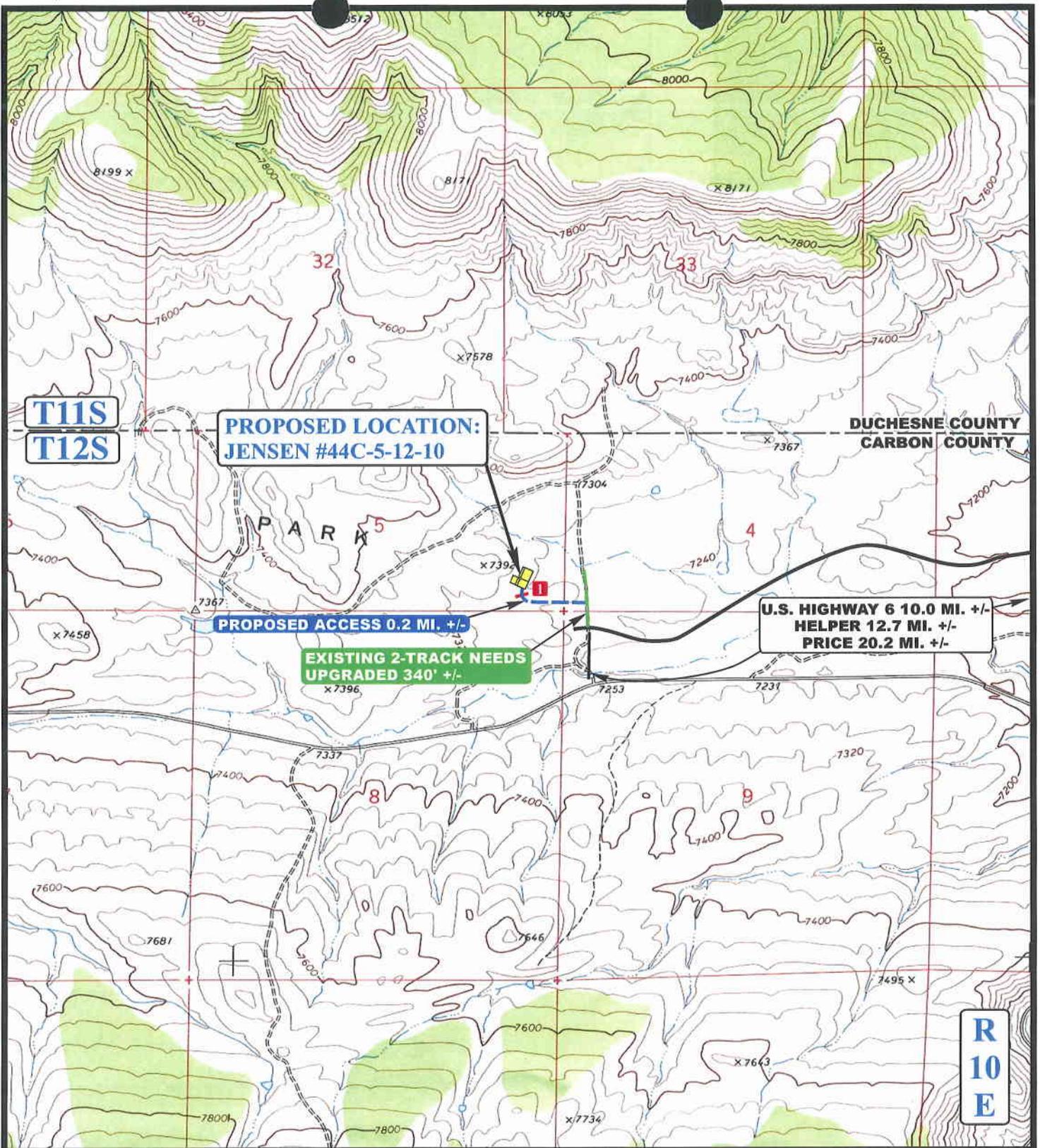
JENSEN #44C-5-12-10
SECTION 5, T12S, R10E, S.L.B.&M.
495' FSL 639' FEL



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

TOPOGRAPHIC 01 23 09
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: J.H. REVISED: 00-00-00





T11S
T12S

**PROPOSED LOCATION:
JENSEN #44C-5-12-10**

**DUCHESNE COUNTY
CARBON COUNTY**

PROPOSED ACCESS 0.2 MI. +/-

**EXISTING 2-TRACK NEEDS
UPGRADED 340' +/-**

**U.S. HIGHWAY 6 10.0 MI. +/-
HELPER 12.7 MI. +/-
PRICE 20.2 MI. +/-**

**R
10
E**

LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED
- 18" CMP REQUIRED

PIONEER NATURAL RESOURCES USA, INC.



**JENSEN #44C-5-12-10
SECTION 5, T12S, R10E, S.L.B.&M.
495' FSL 639' FEL**



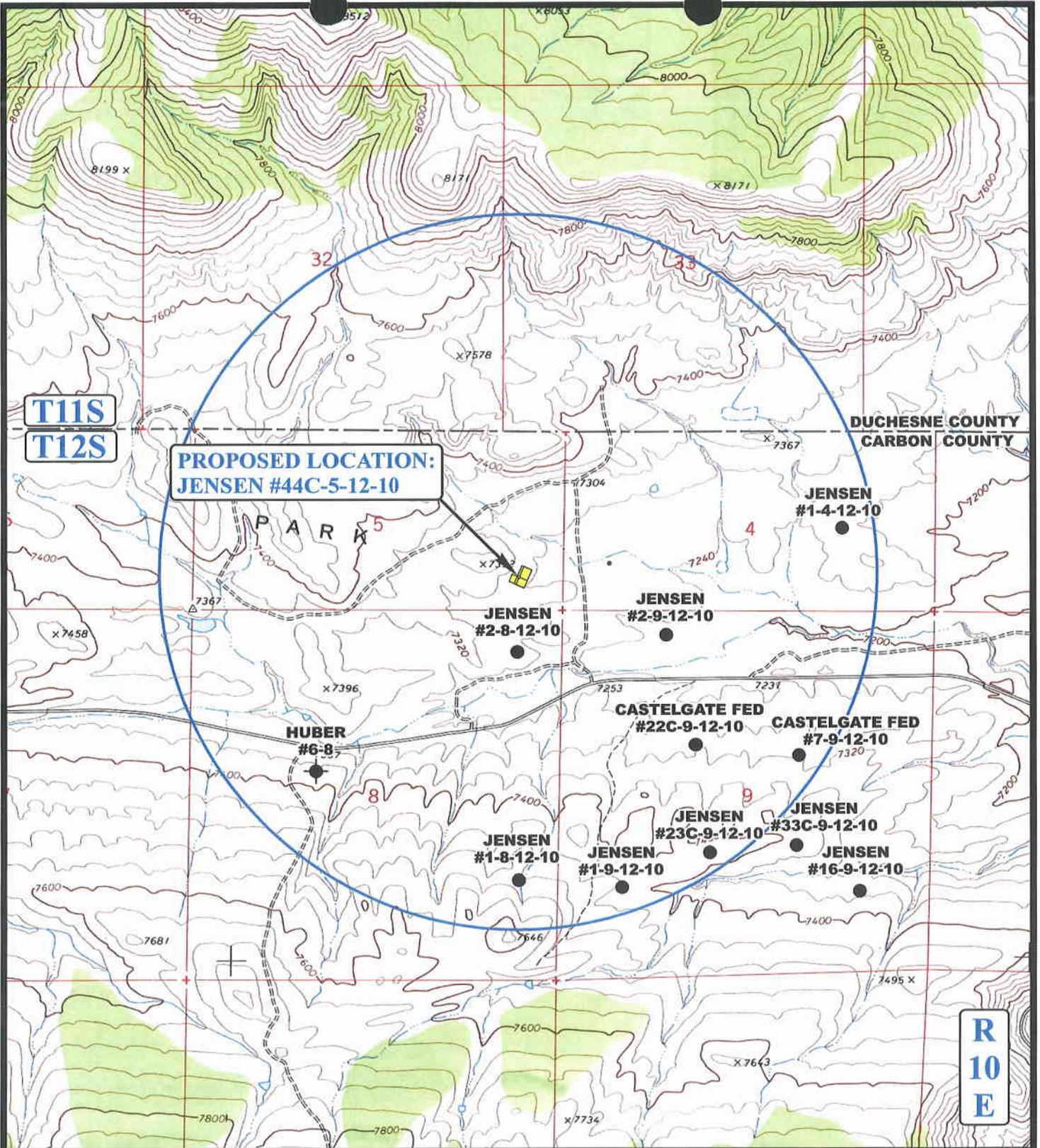
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

01 23 09
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 00-00-00





LEGEND:

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

PIONEER NATURAL RESOURCES USA, INC.

JENSEN #44C-5-12-10
SECTION 5, T12S, R10E, S.L.B.&M.
495' FSL 639' FEL



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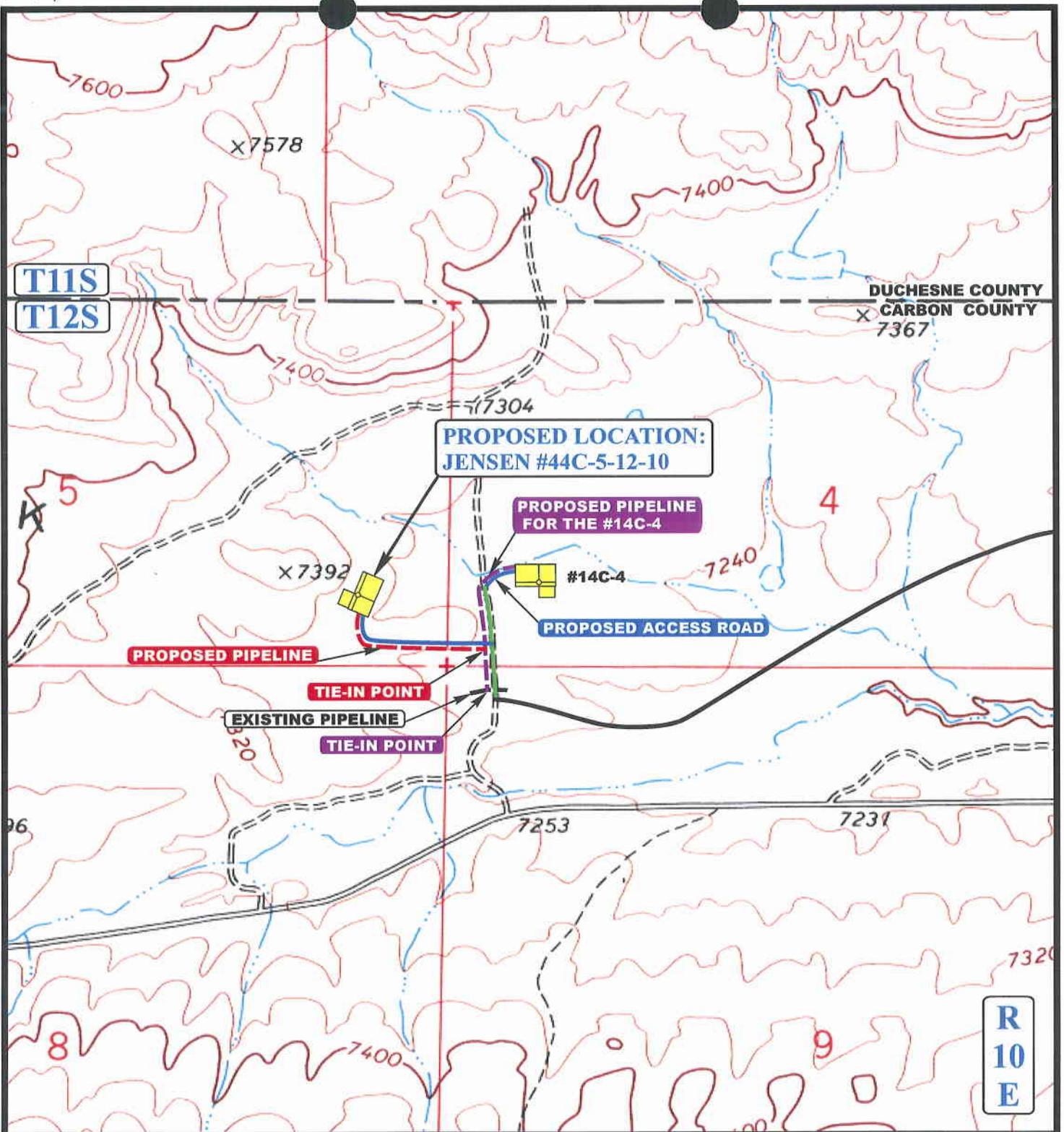


TOPOGRAPHIC
MAP

01 23 09
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,065' +/-

LEGEND:

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

PIONEER NATURAL RESOURCES USA, INC.



JENSEN #44C-5-12-10
SECTION 5, T12S, R10E, S.L.B.&M.
495' FSL 639' FEL



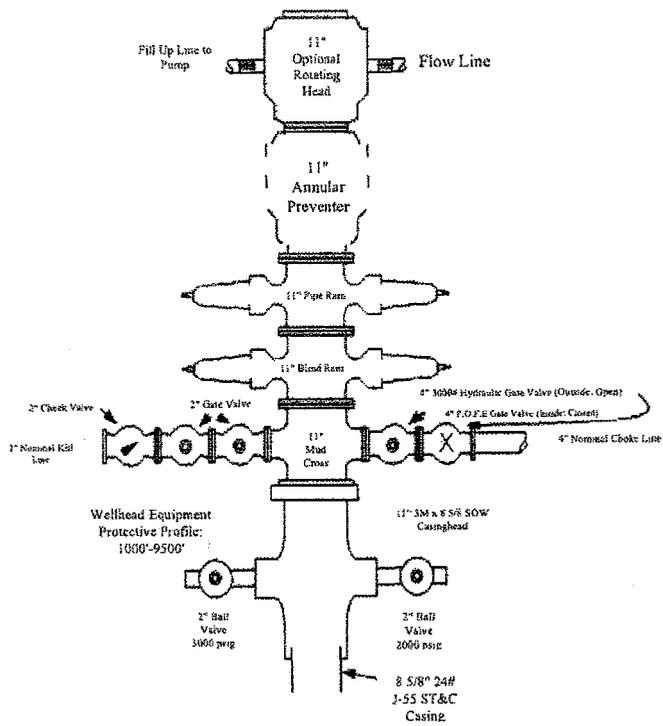
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TOPOGRAPHIC 01 23 09
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.H. REVISED: 00-00-00



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



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/13/2009

API NO. ASSIGNED: 43-007-31502

WELL NAME: JENSEN 44C-5-12-10
 OPERATOR: PIONEER NATURAL (N5155)
 CONTACT: JOY ZIEGLER

PHONE NUMBER: 303-675-2663

PROPOSED LOCATION:
 SESE 05 120S 100E
 SURFACE: 0495 FSL 0639 FEL
 BOTTOM: 0495 FSL 0639 FEL
 COUNTY: CARBON
 LATITUDE: 39.80723 LONGITUDE: -110.81835
 UTM SURF EASTINGS: 515550 NORTHINGS: 4406168
 FIELD NAME: CASTLEGATE (13)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dved	7/2/09
Geology		
Surface		

LEASE TYPE: 4 - Fee
 LEASE NUMBER: FEE
 SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: BLKHK
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[] Ind[] Sta[] Fee[]
 (No. 104319462)
 Potash (Y/N)
 Oil Shale 190-5 (B) or 190-3 or 190-13
 Water Permit
 (No. 94-4983)
 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: 220-08
 Eff Date: 11-15-2008
 Siting: 460' fr ext. dr. u. well & 920' fr other wells.
 ___ R649-3-11. Directional Drill

COMMENTS: Needs pres it (04-30-09)

STIPULATIONS: 1. STATEMENT OF BASIS

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

6/4/2009

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1412	43-007-31502-00-00		GW	P	No
Operator	PIONEER NATURAL RESOURCES USA, IN		Surface Owner-APD		
Well Name	JENSEN 44C-5-12-10	Unit			
Field	UNDESIGNATED	Type of Work			
Location	SESE 5 12S 10E S	495 FSL 639 FEL	GPS Coord (UTM) 515550E 4406168N		

Geologic Statement of Basis

A well drilled at this location will likely spud into a permeable soil developed on the Tertiary-age Colton Formation. It is likely that considerable volumes of fresh water may be encountered in permeable Tertiary Flagstaff Limestone and Cretaceous-age North Horn and Mesa Verde Group strata. The nearest mapping of the base of moderately saline ground water in the area (~13 miles east) implies that it may be as much as 5,000' below the surface. Numerous water rights have been filed, including many underground water rights within a mile of the location. Drainage is to the south into a small, unnamed drainage in Emma Park that feeds into nearby Willow Creek, which eventually flows into the Price River. The prodigious column of permeable sands in the Cretaceous is exposed during drilling below the surface casing. The proposed casing and cementing program and the benign drilling fluid system will adequately protect the ground water resource.

Chris Kierst
APD Evaluator

5/26/2009
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.

Well site falls within core greater sage grouse brooding area. An active lek is located less than 1500 meters north, drilling should be avoided from March 15 to May 10. Traffic should be restricted from 5 am to 10 am during periods of lek activity.

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.

Drainage crossing should be rip rapped at the outlet of culvert to prevent accelerated erosion downstream.

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.

Application for Permit to Drill
Statement of Basis

6/4/2009

Utah Division of Oil, Gas and Mining

Page 2

Surface

Drainage crossing should be rip rapped at the outlet of culvert to prevent accelerated erosion downstream.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator PIONEER NATURAL RESOURCES USA, INC
Well Name JENSEN 44C-5-12-10
API Number 43-007-31502-0 **APD No** 1412 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SESE **Sec** 5 **Tw** 12S **Rng** 10E 495 FSL 639 FEL
GPS Coord (UTM) **Surface Owner**

Participants

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.

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
0.3	Width 220	Length 290	COLT

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Flora:

Forbs: Spiny Phlox, vetch spp., dandy lion, western yarrow, Whipples penstemon, death camas.

Grass: Elk sedge, Columbia needle and thread, Sandburg's blue grass, mutton grass, Salina wild rye, thick spick wheat grass.

Shrubs: Mountain sage, Oregon grape, 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

Reddish brown clay and clay loam

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 N

Berm Required? N

Erosion Sedimentation Control Required? Y

Interim reclamation to stabilize site.

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

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
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		20
		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
Evaluator

4/30/2009
Date / Time



Search all of Utah.gov »

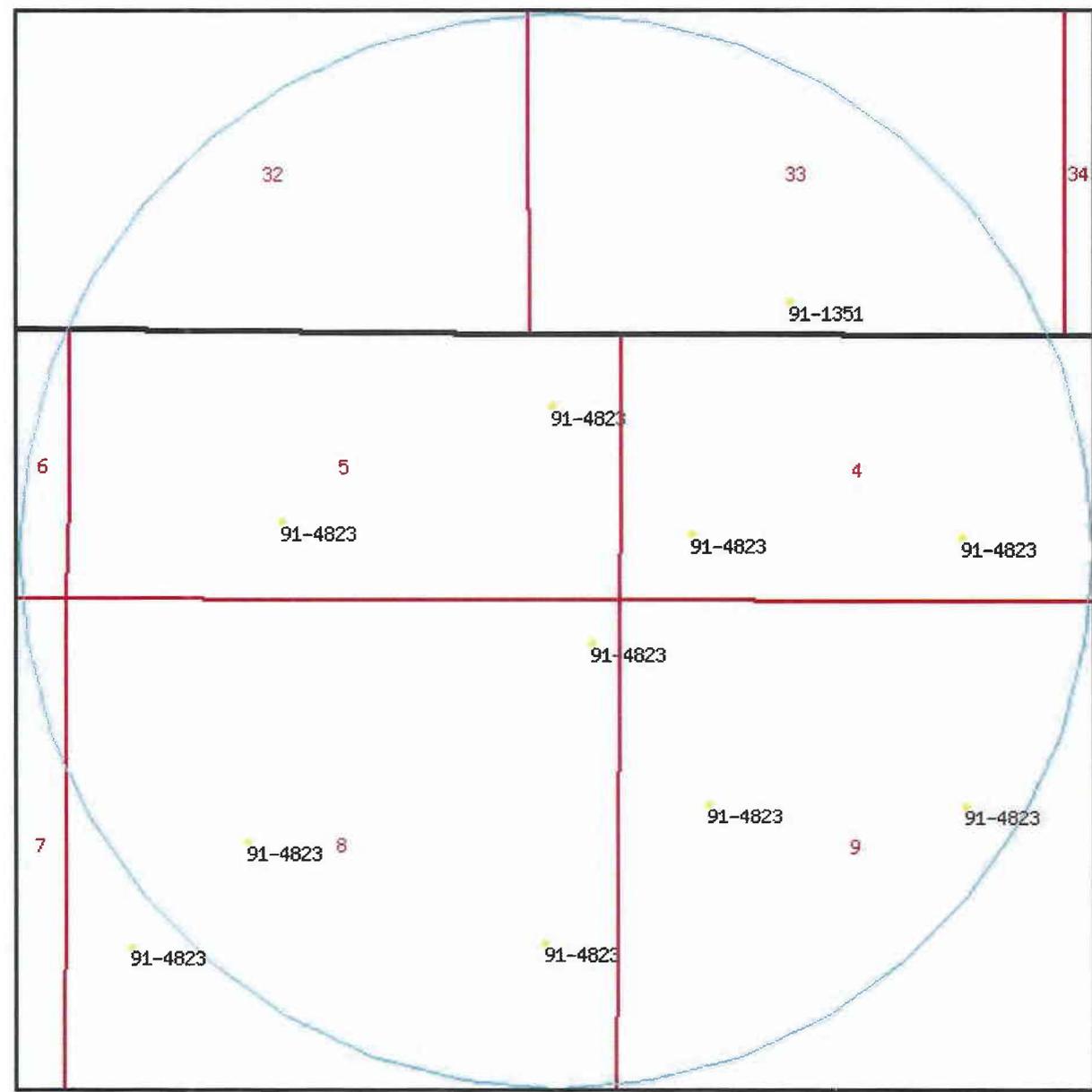
Utah Division of Water Rights



Output Listing

Version: 2009.05.06.00 Rupdate: 05/27/2009 11:25 AM

Radius search of 5280 feet from a point N495 W639 from the SE corner, section 05, Township 12S, Range 10E, SL b&m Criteria:wrtypes=W,C,E
podtypes=S,U,Sp status=U,A,P usetypes=all

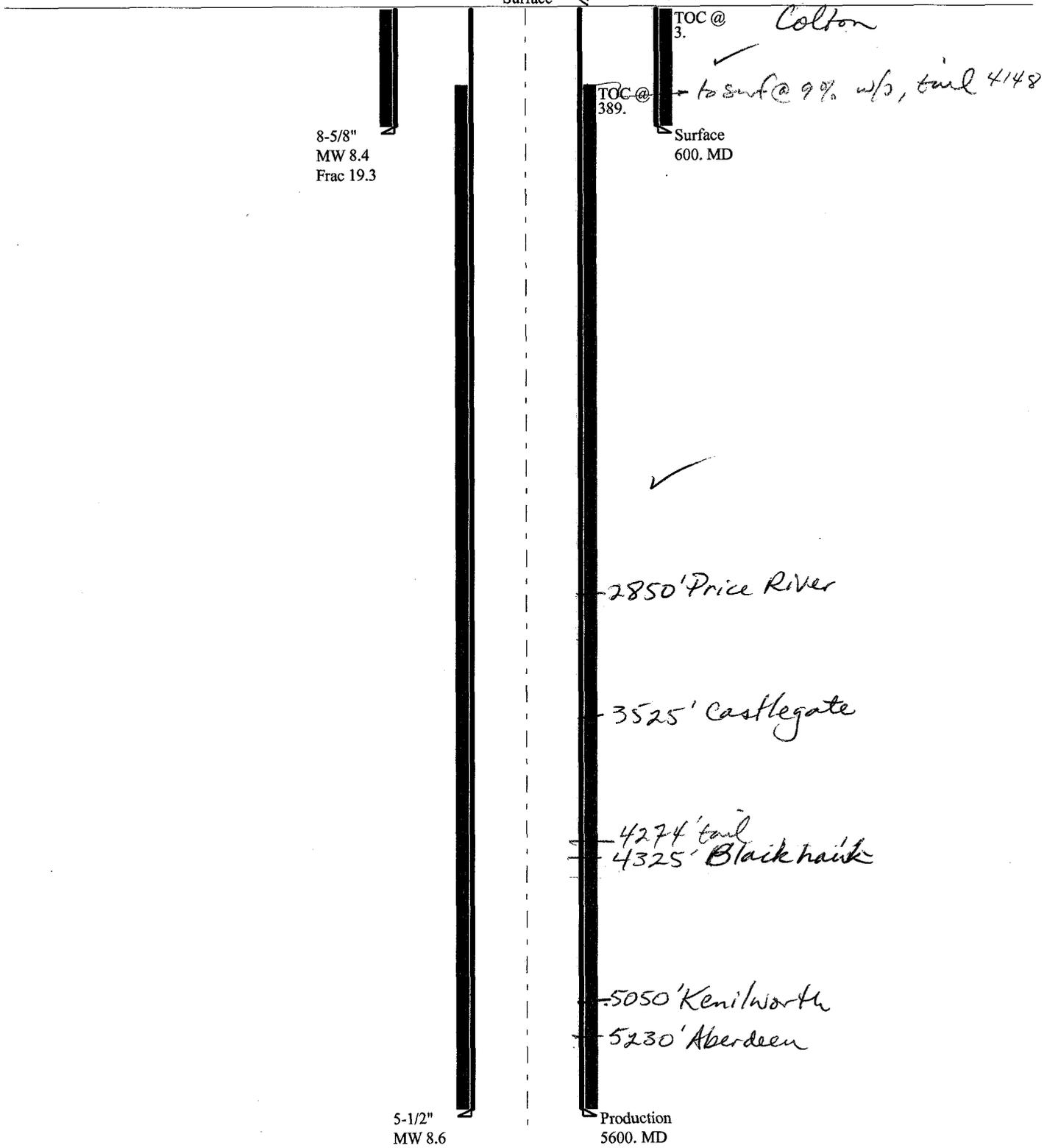


Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-1351</u>	Surface N320 W70 S4 33 11S 10E SL		P	19020000	S	0.000	0.000	LEA MOYNIER 284 NORTH CARBON AVE.
<u>91-4823</u>	Underground N2050 E650 SW 08 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S2400 E1769 NW 08 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N750 E2100 SW 05 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N2100 W700 SE 08 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S700 W700 NE 05 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S415 W288 NE 08 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground N650 E700 SW 04 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903
<u>91-4823</u>	Underground S2000 E850 NW 09 12S		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT P.O. BOX 903

43007315020000 Jensen 44C-5-12-10

Casing Schematic



Well name:	4300731502000 Jensen 44C-5-12-10	
Operator:	Pioneer Natural Resources USA, Inc.	
String type:	Surface	Project ID: 43-007-31502-0000
Location:	Carbon County	

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 8.400 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 73 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 250 ft
	<u>Burst:</u>	Cement top: 3 ft
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 528 psi		
Internal gradient: 0.120 psi/ft	<u>Tension:</u>	Non-directional string.
Calculated BHP 600 psi	8 Round STC: 1.80 (J)	
No backup mud specified.	8 Round LTC: 1.80 (J)	
	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	Re subsequent strings:
	Tension is based on buoyed weight.	Next setting depth: 5,600 ft
	Neutral point: 526 ft	Next mud weight: 8.600 ppg
		Next setting BHP: 2,502 psi
		Fracture mud wt: 19.250 ppg
		Fracture depth: 600 ft
		Injection pressure: 600 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	600	8.625	28.00	H-40	ST&C	600	600	7.892	210.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	262	1610	6.150	600	2470	4.12	15	233	15.83 J

Prepared by: Helen Sadik-Macdonald Div of Oil, Gas & Mining	Phone: 801-538-5357 FAX: 810-359-3940	Date: June 16, 2009 Salt Lake City, Utah
--	--	---

Remarks:
Collapse is based on a vertical depth of 600 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	4300731502000 Jensen 44C-5-12-10	
Operator:	Pioneer Natural Resources USA, Inc.	
String type:	Production	Project ID: 43-007-31502-0000
Location:	Carbon County	

Design parameters:

Collapse
Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 143 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst:
Design factor 1.00

Cement top: 389 ft

Burst

Max anticipated surface pressure: 1,270 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,502 psi

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

No backup mud specified.

Tension is based on buoyed weight.
Neutral point: 4,870 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5600	5.5	17.00	K-55	LT&C	5600	5600	4.767	731
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2502	4910	1.963	2502	5320	2.13	83	272	3.29 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 801-538-5357
FAX: 810-359-3940

Date: June 16, 2009
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 5600 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

BOPE REVIEW

Pioneer Jensen 44C-5-12-10

API 43-007-31502-0000

INPUT

Well Name

	Pioneer Jensen 44C-5-12-10	API 43-007-31502-0000
String 1	String 2	
Casing Size (")	8 5/8	5 1/2
Setting Depth (TVD)	600	5600
Previous Shoe Setting Depth (TVD)	0	600
Max Mud Weight (ppg)	8.4	8.6 ✓
BOPE Proposed (psi)	0	3000
Casing Internal Yield (psi)	2470	5320
Operators Max Anticipated Pressure (psi)	2150	7.4 ppg ✓

Calculations	String 1	8 5/8 "
Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	262
		BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	190 NO
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	130 NO
		*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	130 NO <i>reasonable depth</i>
Required Casing/BOPE Test Pressure		600 psi
*Max Pressure Allowed @ Previous Casing Shoe =		0 psi *Assumes 1psi/ft frac gradient

Calculations	String 2	5 1/2 "
Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	2504
		BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	1832 YES
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	1272 YES ✓
		*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	1404 NO <i>reasonable</i>
Required Casing/BOPE Test Pressure		3000 psi
*Max Pressure Allowed @ Previous Casing Shoe =		600 psi ✓ *Assumes 1psi/ft frac gradient



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

July 7, 2009

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

Re: Jensen 44C-5-12-10 Well, 495' FSL, 639' FEL, SE SE, Sec. 5, 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 43-007-31502.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor



Operator: Pioneer Natural Resources USA, Inc.
Well Name & Number Jensen 44C-5-12-10
API Number: 43-007-31502
Lease: Fee

Location: SE SE **Sec.** 5 **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

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- 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. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

- | |
|--------|
| 1. DJJ |
| 2. CDW |

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

4/1/2010

FROM: (Old Operator): N5155-Pioneer Natural Resources USA, Inc. 1401 17th St, Suite 1200 Denver, CO 80202 Phone: 1 (303) 675-2610	TO: (New Operator): N3680-Blue Tip Castlegate, Inc. 15810 Park Ten Place, Suite 160 Houston, TX 77084 Phone: 1 (303) 979-6023
--	---

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/3/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/3/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/10/2010
- Is the new operator registered in the State of Utah: Business Number: 7624076-0142
- (R649-9-2)Waste Management Plan has been received on: Requested 9/13/2010
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: * Being held

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 6/30/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/30/2010
- Bond information entered in RBDMS on: 6/30/2010
- Fee/State wells attached to bond in RBDMS on: 6/30/2010
- Injection Projects to new operator in RBDMS on: *
- Receipt of Acceptance of Drilling Procedures for APD/New on: 6/30/2010

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: B005638
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number B005639 and B005650
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 6/30/2010

COMMENTS:

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
Division of Oil, Gas and Mining
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 44C-5-12-10
API number:	4300731502
Location:	Qtr-Qtr: SESE Section: 5 Township: 12S Range: 10E
Company that filed original application:	Pioneer Natural Resources USA, Inc.
Date original permit was issued:	07/07/2009
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>B005639</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.

(3/2004)

RECEIVED

JUN 01 2010

DIV. OF OIL, GAS & MINING



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

September 7, 2010

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

Re: APD Rescinded – Jensen 44C-5-12-10, Sec. 4, T. 12S, R. 10E
Carbon County, Utah API No. 43-007-31502

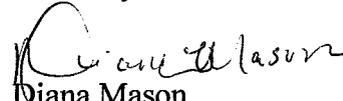
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 7, 2009. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 7, 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
Brad Hill, Technical Service Manager