

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

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: Fee	8. 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: UTU-78951	
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		9. WELL NAME and NUMBER: Jensen 31C-9-12-10	
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: 655' FNL & 1885' FEL AT PROPOSED PRODUCING ZONE: Same		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 9 12S 10E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 10.6 miles north of Helper, UT		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 672' Lease Line	16. NUMBER OF ACRES IN LEASE: 2712.91	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Approximately 1000'	19. PROPOSED DEPTH: 5,600	20. BOND DESCRIPTION: Utah Bond 104319463	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): GL 7210	22. APPROXIMATE DATE WORK WILL START: Upon Approval	23. ESTIMATED DURATION: 7 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
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	287 sx	1.19 cf/sx 12.5 ppg

25. 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 3/12/2009

(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining

API NUMBER ASSIGNED: 43-607-31504

APPROVAL

Date: 07-07-09

By: [Signature]

RECEIVED

APR 13 2009

DIV. OF OIL, GAS & MINING

PIONEER NATURAL RESOURCES USA, INC.

Well location, JENSEN #31C-9-12-10, located as shown in the NW 1/4 NE 1/4 of Section 9, T12S, R10E, S.L.B.&M. Carbon County, Utah.

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

1923 Brass Cap,
1.3' High, Pile
of Stones

S89°30'55"E - 2713.16' (Meas.)

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

S89°24'32"E - 2702.46' (Meas.)

1923 Brass Cap,
0.5' High, Pile
of Stones

65.5'

JENSEN #31C-9-12-10
Elev. Ungraded Ground = 7210'

1885'

N00°39'20"E - 2742.35' (Meas.)

S00°13'13"W - 2654.52' (Meas.)

1923 Brass Cap,
0.8' High, Pile
of Stones

1923 Brass Cap,
0.5' High, Pile
of Stones

1923 Brass Cap,
0.8' High, Pile
of Stones

1923 Brass Cap,
0.8' High, Pile
of Stones

N00°37'E - 2741.64' (G.L.O.)

N00°14'54"E - 2650.42' (Meas.)

N88°42'E - 2728.44' (G.L.O.)

S88°40'43"W - 2728.71' (Meas.)

(AUTONOMOUS NAD 83)

LATITUDE = 39°48'14.20" (39.803944)

LONGITUDE = 110°48'15.27" (110.804242)

(AUTONOMOUS NAD 27)

LATITUDE = 39°48'14.34" (39.8039983)

LONGITUDE = 110°48'12.70" (110.803528)

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

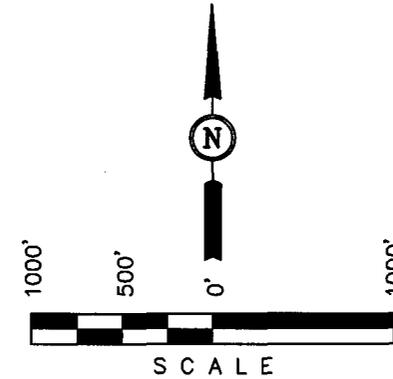
▲ = SECTION CORNERS LOCATED.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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



CERTIFICATE

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

Robert Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 01-20-09	DATE DRAWN: 01-22-09
PARTY N.H. T.P. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PIONEER NATURAL RESOURCES USA, INC.	

Application for Permit to Drill
 Pioneer Natural Resources USA, Inc.
 Jensen 31C-9-12-10
 655' FNL, 1885' FEL
 NWNE Sec. 9, 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'	7225'
Price River	2750'	4475'
Castlegate	3390'	3835'
Blackhawk	4165'	3060'
Kenilworth	4910'	2315'
Aberdeen	5050'	2175'
TD	5600'	785'

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

Substance	Formation	Depth
Sandstone	Price River	3000'
Sandstone	Castlegate	3100'
Coal / Sandstone	Blackhawk	4725'

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DRILLING PROGRAM
 Page 2

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 35:65 Poz Class G, 1.17 cf/sx, 11.5 ppg Tail: 287 sx 50:50 Poz Class G, 1.19 cf/sx, 12.5 ppg

Note: Actual cement volume to be based upon caliper log

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 NWNE Sec. 9, T12S-R10E, S.L.B.&M
 Carbon County, Utah

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.

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655' FNL, 1885' FEL
NWNE Sec. 9, T12S-R10E, S.L.B.&M
Carbon County, Utah

DRILLING PROGRAM
Page 4

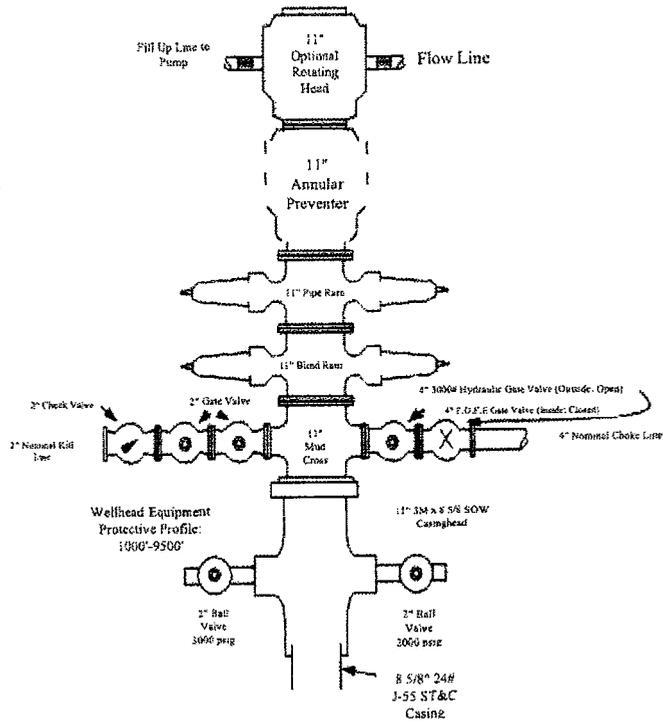
10. **Other Information**

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



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 31C-9-12-10
T12S-R10E-Sec. 9: NW/4NE/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 Jensens 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 31C-9-12-10 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 31C-9-12-10 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

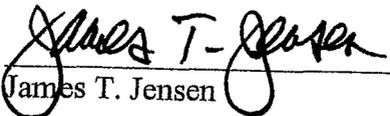
Section 17: N/2, N/2S/2, SW/4SW/4, SE/4SE/4

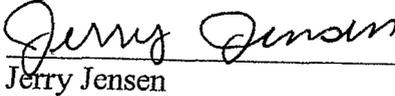
Section 18: Lot 1, NE/4NW/4, NE/4, N/2SE/4, SE/4SE/4

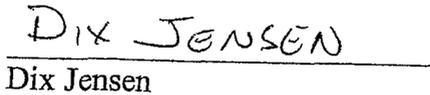
Section 19: N/2

Section 20: N/2

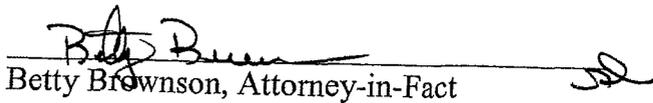
Acknowledged for Identification:


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 #31C-9-12-10
LOCATED IN CARBON COUNTY, UTAH
SECTION 9, T12S, R10E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS

01 **23** **09**
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

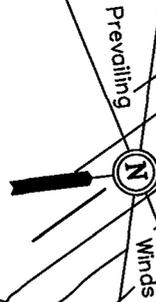
DRAWN BY: J.H.

REVISED: 00-00-00

PIONEER NATURAL RESOURCES USA, INC.

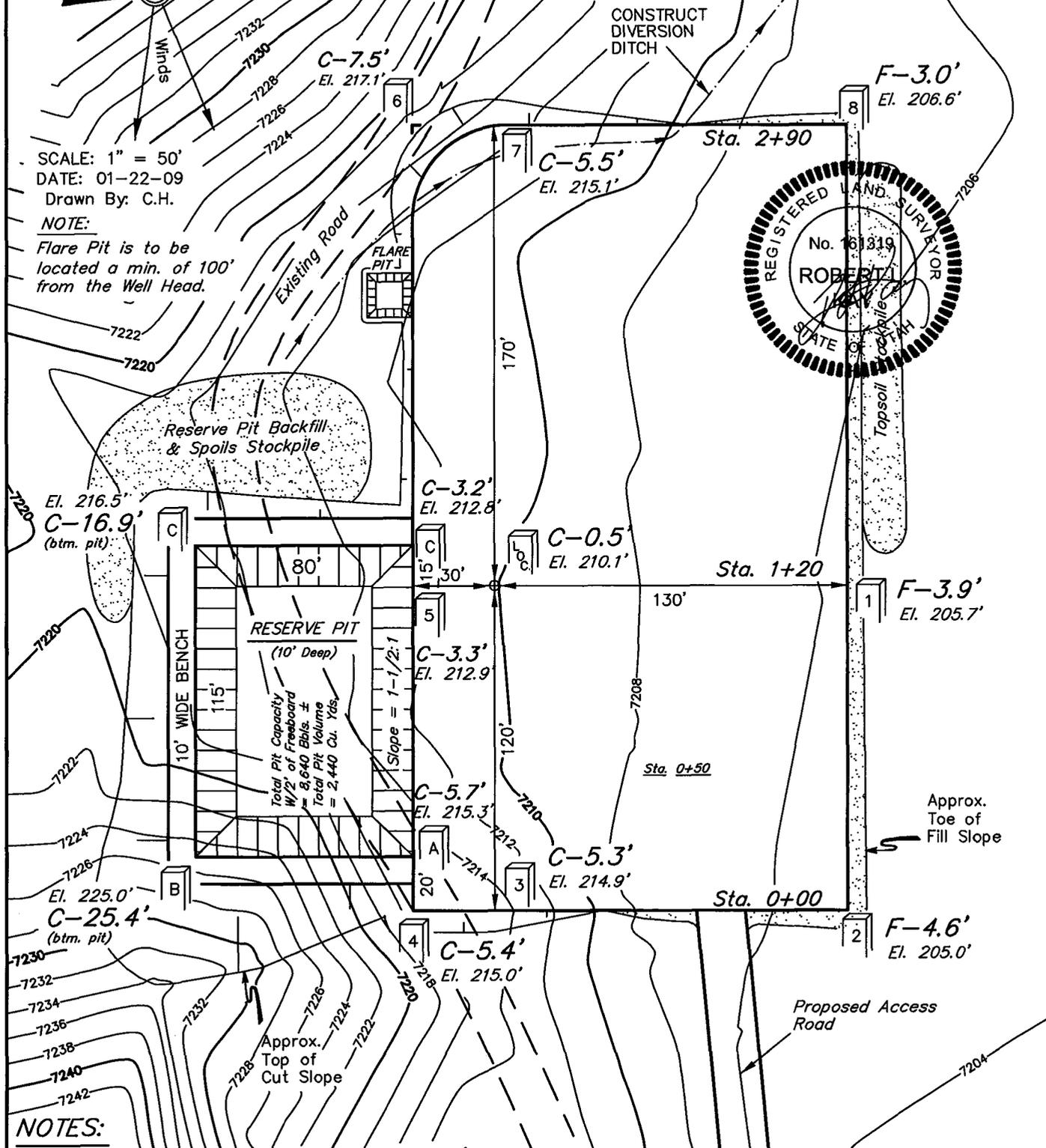
FIGURE #1

LOCATION LAYOUT FOR
 JENSEN #31C-9-12-10
 SECTION 9, T12S, R10E, S.L.B.&M.
 655' FNL 1885' FEL



SCALE: 1" = 50'
 DATE: 01-22-09
 Drawn By: C.H.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7210.1'
 FINISHED GRADE ELEV. AT LOC. STAKE = 7209.6'

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

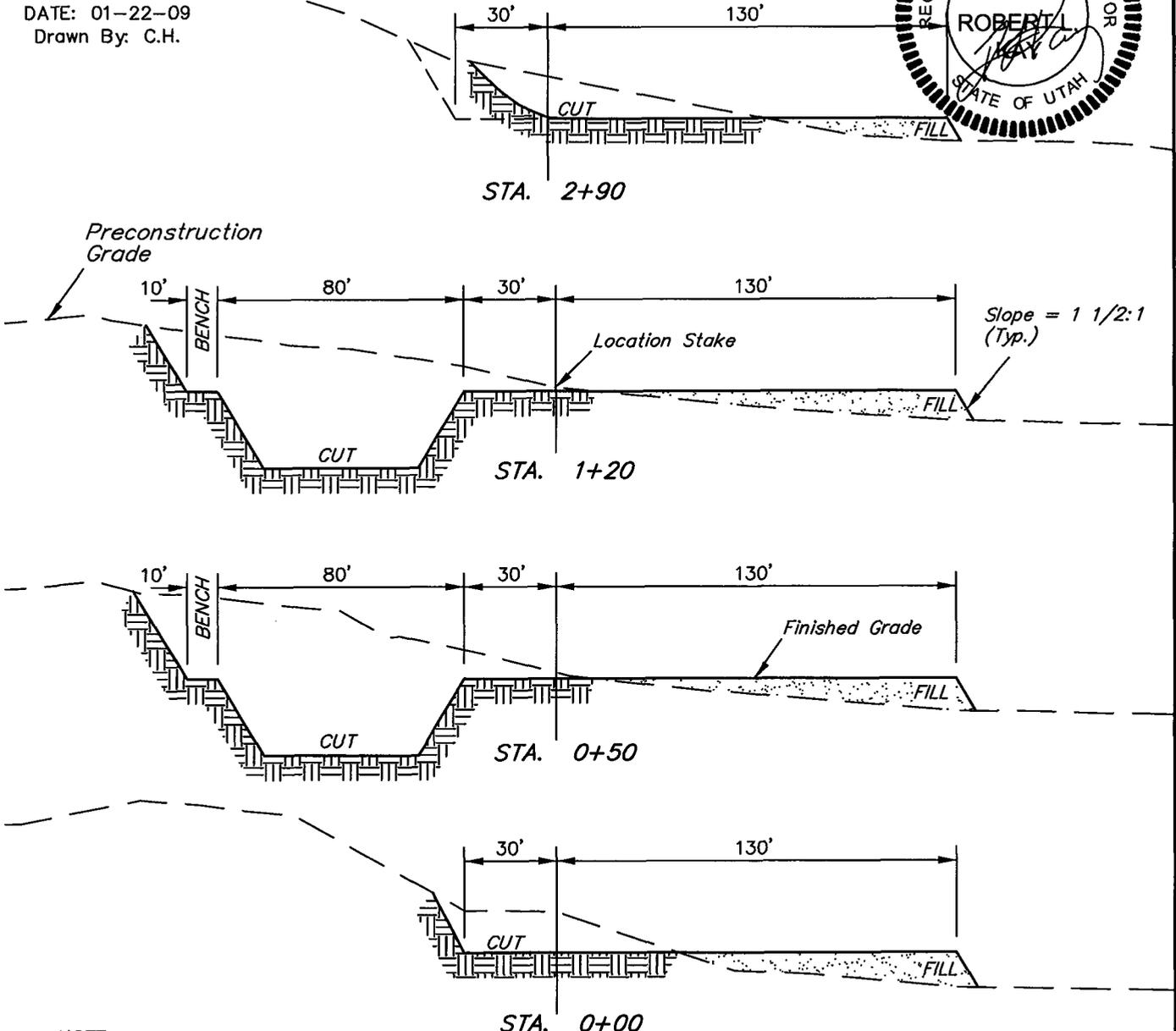
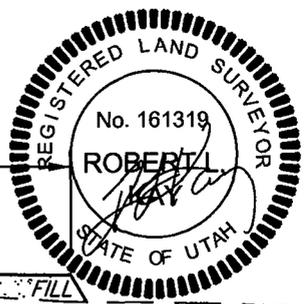
PIONEER NATURAL RESOURCES USA, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

JENSEN #31C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
655' FNL 1885' FEL

1" = 20'
X-Section Scale
1" = 50'
DATE: 01-22-09
Drawn By: C.H.



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

APPROXIMATE ACREAGES
WELL SITE DISTURBANCE = ±1.572 ACRES
ACCESS ROAD DISTURBANCE = ±1.030 ACRES
PIPELINE DISTURBANCE = ±1.024 ACRES
TOTAL = ±3.626 ACRES

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,320 Cu. Yds.
Remaining Location	= 7,650 Cu. Yds.
TOTAL CUT	= 8,970 CU.YDS.
FILL	= 3,450 CU.YDS.

EXCESS MATERIAL	= 5,520 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,540 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 2,980 Cu. Yds.

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PIONEER NATURAL RESOURCES USA, INC.

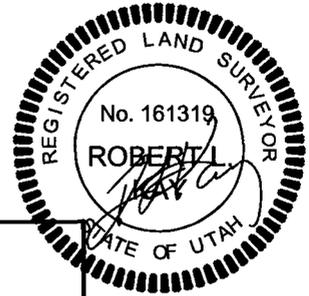
FIGURE #3

TYPICAL RIG LAYOUT FOR

JENSEN #31C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
655' FNL 1885' FEL

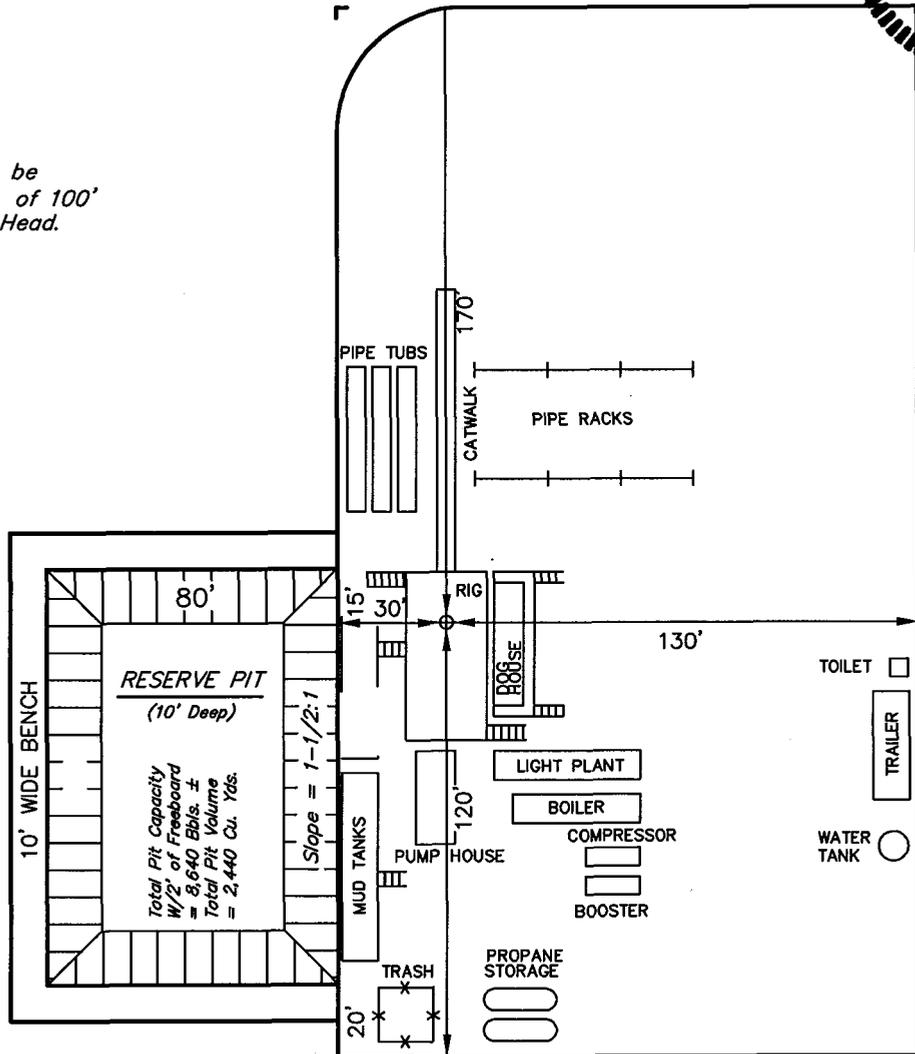


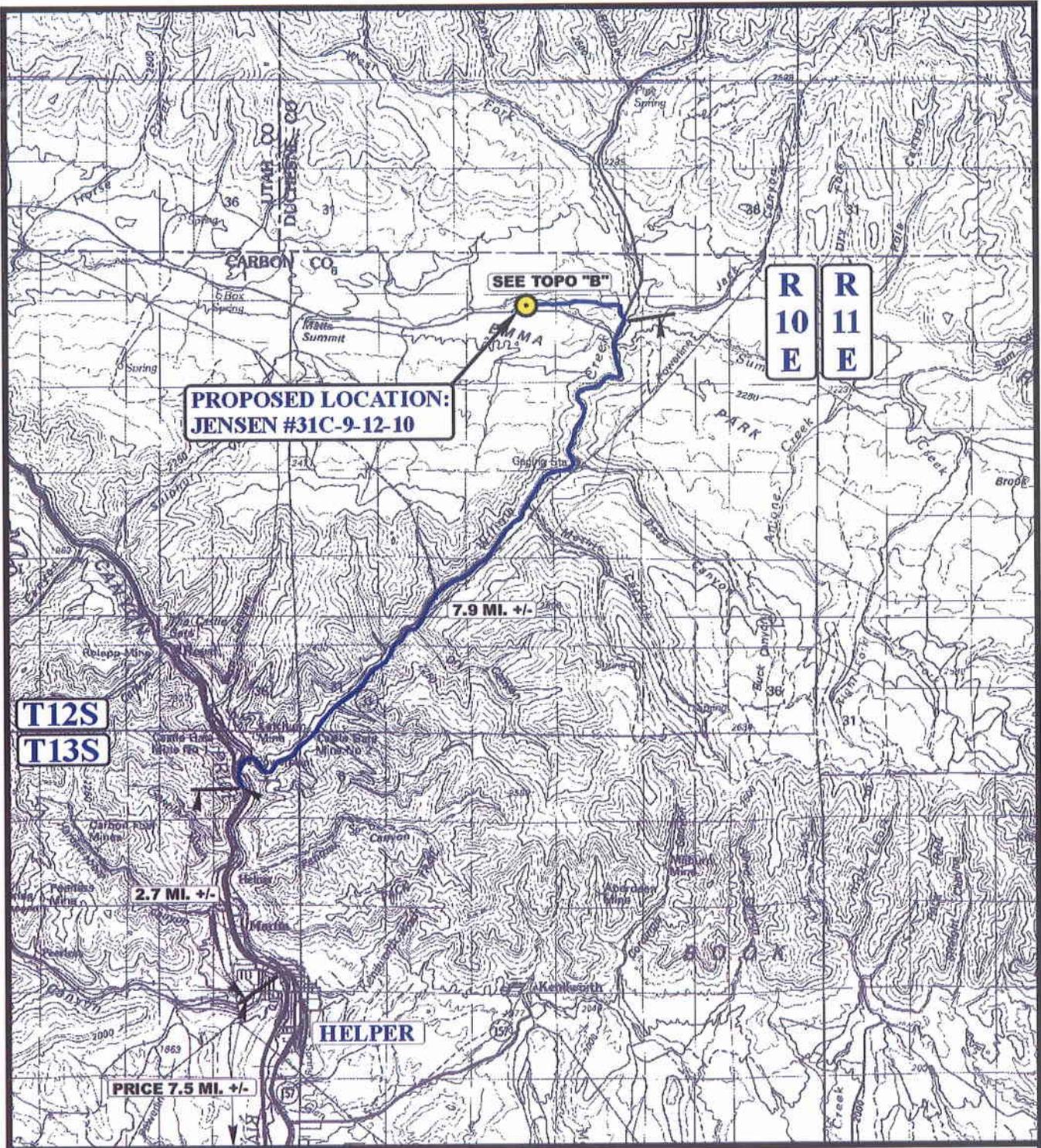
SCALE: 1" = 50'
DATE: 01-22-09
Drawn By: C.H.



NOTE:

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





LEGEND:

PROPOSED LOCATION



PIONEER NATURAL RESOURCES USA, INC.

**JENSEN #31C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
655' FNL 1885' FEL**



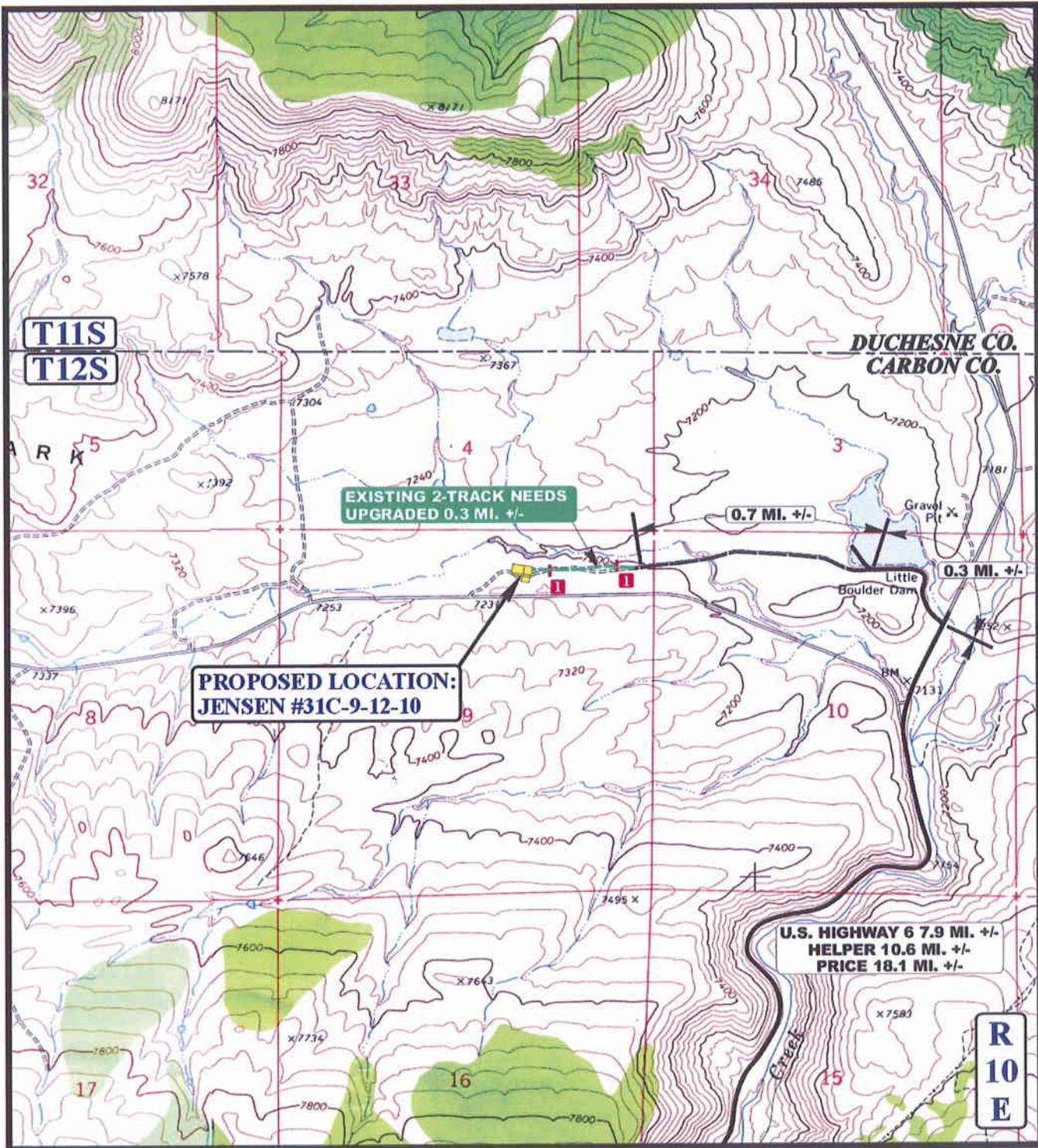
**Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813**

**TOPOGRAPHIC
MAP**

**01 23 09
MONTH DAY YEAR**

SCALE: 1:100,000 DRAWN BY: J.H. REVISED: 00-00-00





LEGEND:

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

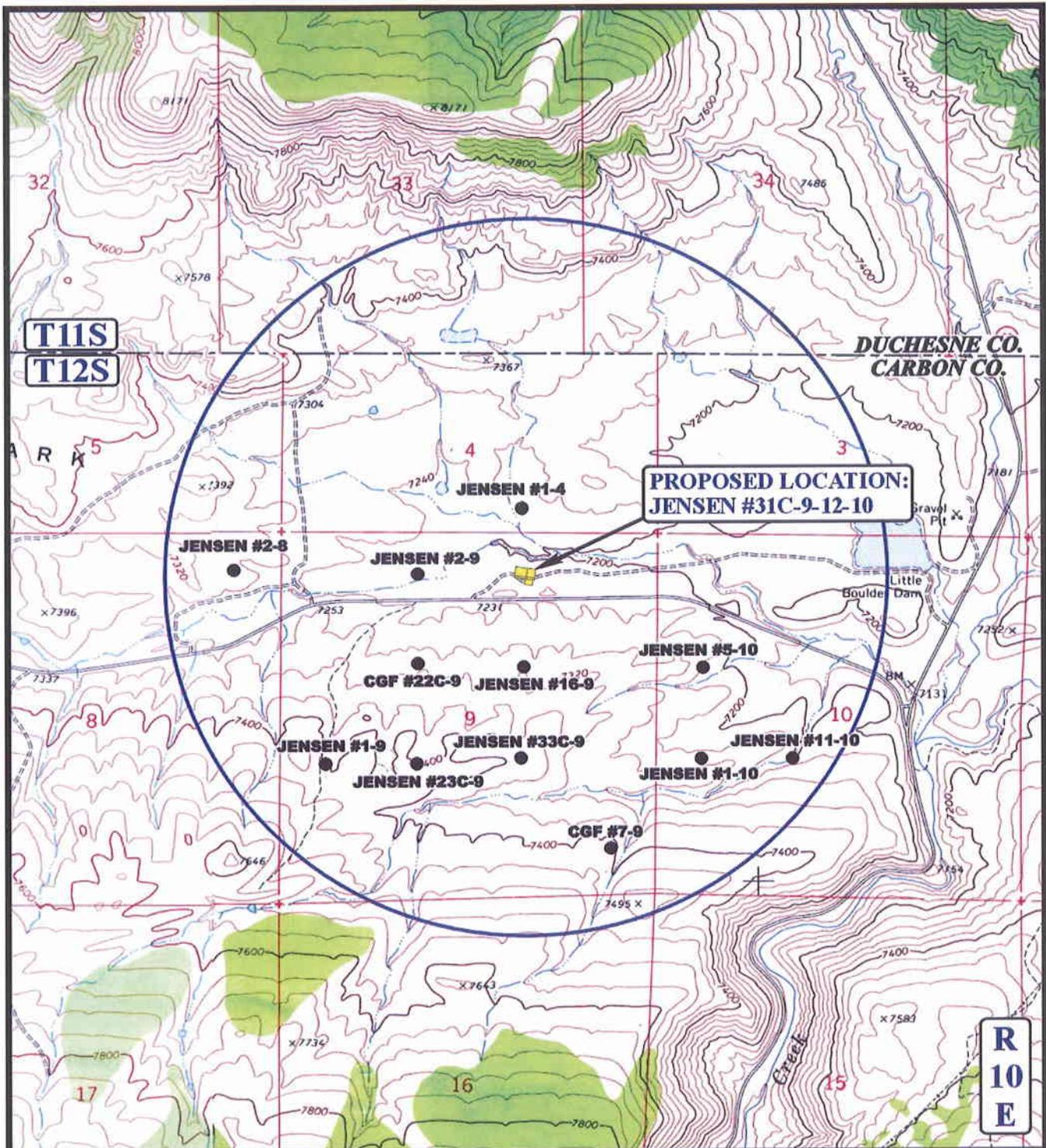


PIONEER NATURAL RESOURCES USA, INC.

JENSEN #31C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
655' FNL 1885' FEL

U E L S
Uintah 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" = 2000' DRAWN BY: J.H. REVISED: 00-00-00 **B**
 TOPO



LEGEND:

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

PIONEER NATURAL RESOURCES USA, INC.

JENSEN #31C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
655' FNL 1885' FEL



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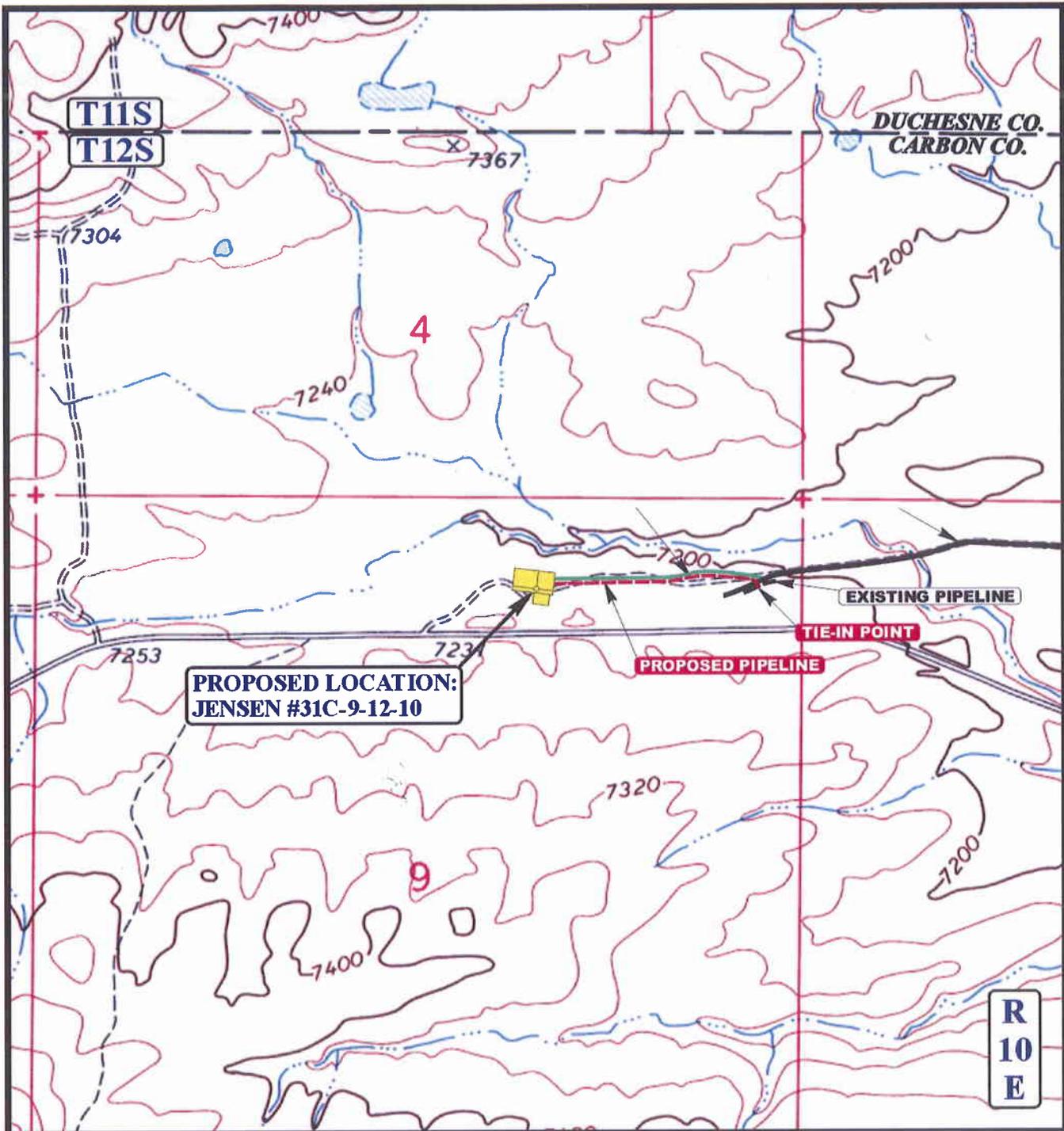


TOPOGRAPHIC
MAP

01 23 09
 MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,487' +/-

LEGEND:

- EXISTING 2-TRACK TO BE UPGRADED
- EXISTING PIPELINE
- - - PROPOSED PIPELINE



PIONEER NATURAL RESOURCES USA, INC.

**JENSEN #31C-9-12-10
SECTION 9, T12S, R10E, S.L.B.&M.
655' FNL 1885' FEL**



Uintah Engineering & Land Surveying
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TOPOGRAPHIC MAP

01 23 09
MONTH DAY YEAR

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

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TOPO

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/13/2009

API NO. ASSIGNED: 43-007-31504

WELL NAME: JENSEN 31C-9-12-10
 OPERATOR: PIONEER NATURAL (N5155)
 CONTACT: JOY ZIEGLER

PHONE NUMBER: 303-675-2663

PROPOSED LOCATION:

NWNE 09 120S 100E
 SURFACE: 0655 FNL 1885 FEL
 BOTTOM: 0655 FNL 1885 FEL
 COUNTY: CARBON
 LATITUDE: 39.80398 LONGITUDE: -110.80341
 UTM SURF EASTINGS: 516829 NORTHINGS: 4405810
 FIELD NAME: CASTLEGATE (13)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRO	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: 10-15-2008
Siting: 460' from ext dir. under 920' from other well
- _____ R649-3-11. Directional Drill

COMMENTS: Needs Presto (04-30-09)

STIPULATIONS: 1- STATEMENT OF BASIS

Application for Permit to Drill

Statement of Basis

6/9/2009

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1414	43-007-31504-00-00		GW	P	No
Operator	PIONEER NATURAL RESOURCES USA, IN		Surface Owner-APD		
Well Name	JENSEN 31C-9-12-10	Unit			
Field	UNDESIGNATED	Type of Work			
Location	NWNE 9 12S 10E S 655 FNL 1885 FEL GPS Coord (UTM) 516829E 4405810N				

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. Additional visit to the site occurred on May 12, 2009 to view changes made per discussion at original on-site evaluation.

Well site falls within core greater sage grouse brooding area. An active lek is located less than 1500 meters north.

Proposed project site is located adjacent to a wet meadow eco-system. Precautions should be taken to prevent materials from drilling activities from reaching surface and ground water. Reserve pit should be lined with a 20 mil liner, all sharp rocks exposed while constructing the reserve pit should be properly bedded. All fluids and other drilling related chemicals and materials are to be contained at all times. Reserve pit shall have three sides 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 20 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 31C-9-12-10
API Number 43-007-31504-0 **APD No** 1414 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NWNE **Sec** 9 **Tw** 12S **Rng** 10E 655 FNL 1885 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
0.25	Width 240	Length 290	COLT

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland Y

Wetland is located immediately north of the proposed well pad. Facultative obligate wetland sedge and rush species found adjacent to the well pad.

Flora / Fauna

Flora:

Forbs: Spiny Phlox, vetch spp., silver lupine, spring parsley, Indian paint brush, sulphur cinquefoil, western yarrow, Whipple penstemon.

Grass: Columbia needle and thread, thick spike wheat grass, Silina wild rye, Sandburg's blue grass, needle and thread grass.

Shrubs: Mountain big sage, common snowberry, Oregon Grape, gray horse brush, Utah service berry.

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, soils may show characteristics of those formed under wetland conditions.

Erosion Issues Y

Soils may be prone to accelerated wind erosion once disturbed.

Sedimentation Issues N

Site Stability Issues Y

Reserve pit may pierce the water table. Inspection following construction and prior to lining should be conducted by the Division.

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)	<25 or recharge area	20
Distance to Surface Water (feet)	200 to 300	10
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
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		60
		1 Sensitivity Level

Characteristics / Requirements

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 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:

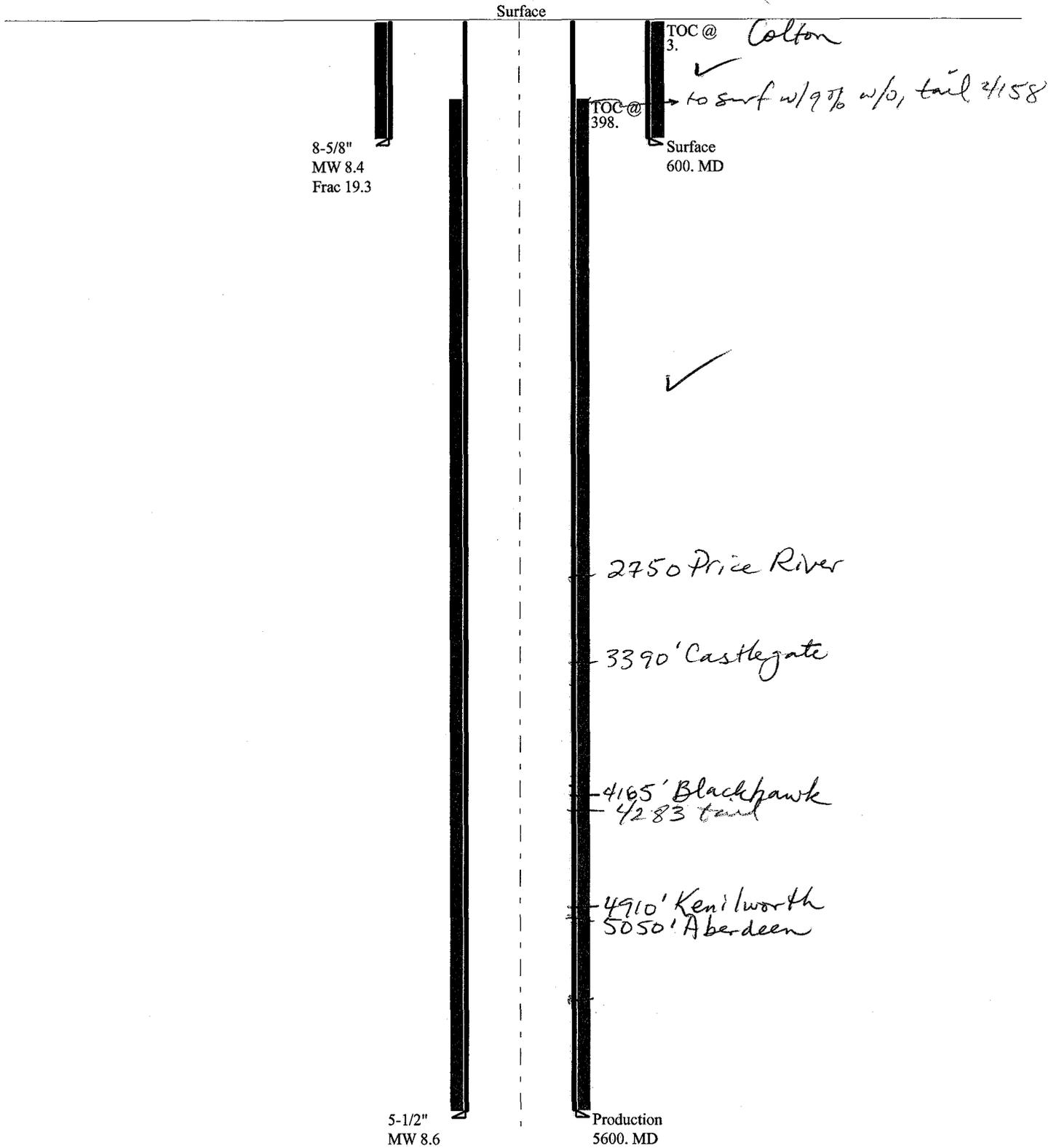
- 1.) Noise levels at any leks should be less than 40db. Wells should not be located within 1500 meters of active leks. Where wells already exist inside this buffer, appropriate mufflers or fencing to reduce noise levels should be added.
- 2.) Avoid CBM development in vegetation treatment in the core 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

Casing Schematic



Well name:	4300731504000 Jensen 31C-9-12-10	
Operator:	Pioneer Natural Resources USA, Inc.	
String type:	Surface	Project ID: 43-007-31504-0000
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>	
	Design factor 1.00	Cement top: 3 ft
<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)	Re subsequent strings:
	Body yield: 1.50 (B)	Next setting depth: 5,600 ft
		Next mud weight: 8.600 ppg
	Tension is based on buoyed weight.	Next setting BHP: 2,502 psi
	Neutral point: 526 ft	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
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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.

Well name:	43007315040000 Jensen 31C-9-12-10	
Operator:	Pioneer Natural Resources USA, Inc.	Project ID:
String type:	Production	43-007-31504-0000
Location:	Carbon County	

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 8.600 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 143 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 1,500 ft
	<u>Burst:</u>	Cement top: 398 ft
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 1,270 psi		
Internal gradient: 0.220 psi/ft	<u>Tension:</u>	Non-directional string.
Calculated BHP 2,502 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)	
	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.

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

BOPE REVIEW

Pioneer Jensen 31C-9-12-10

API 43-007-31504-0000

INPUT

Well Name

Pioneer Jensen 31C-9-12-10		API 43-007-31504-0000	
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 - expected press = 1200 psi</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 31C-9-12-10 Well, 655' FNL, 1885' FEL, NW NE, Sec. 9, T. 12 South,
R. 10 East, Carbon County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31504.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor



Operator: Pioneer Natural Resources USA, Inc.
Well Name & Number Jensen 31C-9-12-10
API Number: 43-007-31504
Lease: Fee

Location: NW NE Sec. 9 T. 12 South R. 10 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

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)

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.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: JENSEN 31C-9-12-10
2. NAME OF OPERATOR: PIONEER NATURAL RESOURCES USA, INC	9. API NUMBER: 43007315040000
3. ADDRESS OF OPERATOR: 1401 17th Street, Suite 1200 , Denver, CO, 80202	PHONE NUMBER: 303 298-8100 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0655 FNL 1885 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 09 Township: 12.0S Range: 10.0E Meridian: S	9. FIELD and POOL or WILDCAT: CASTLEGATE
	COUNTY: CARBON
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Moved Location
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 5/8/2009			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

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

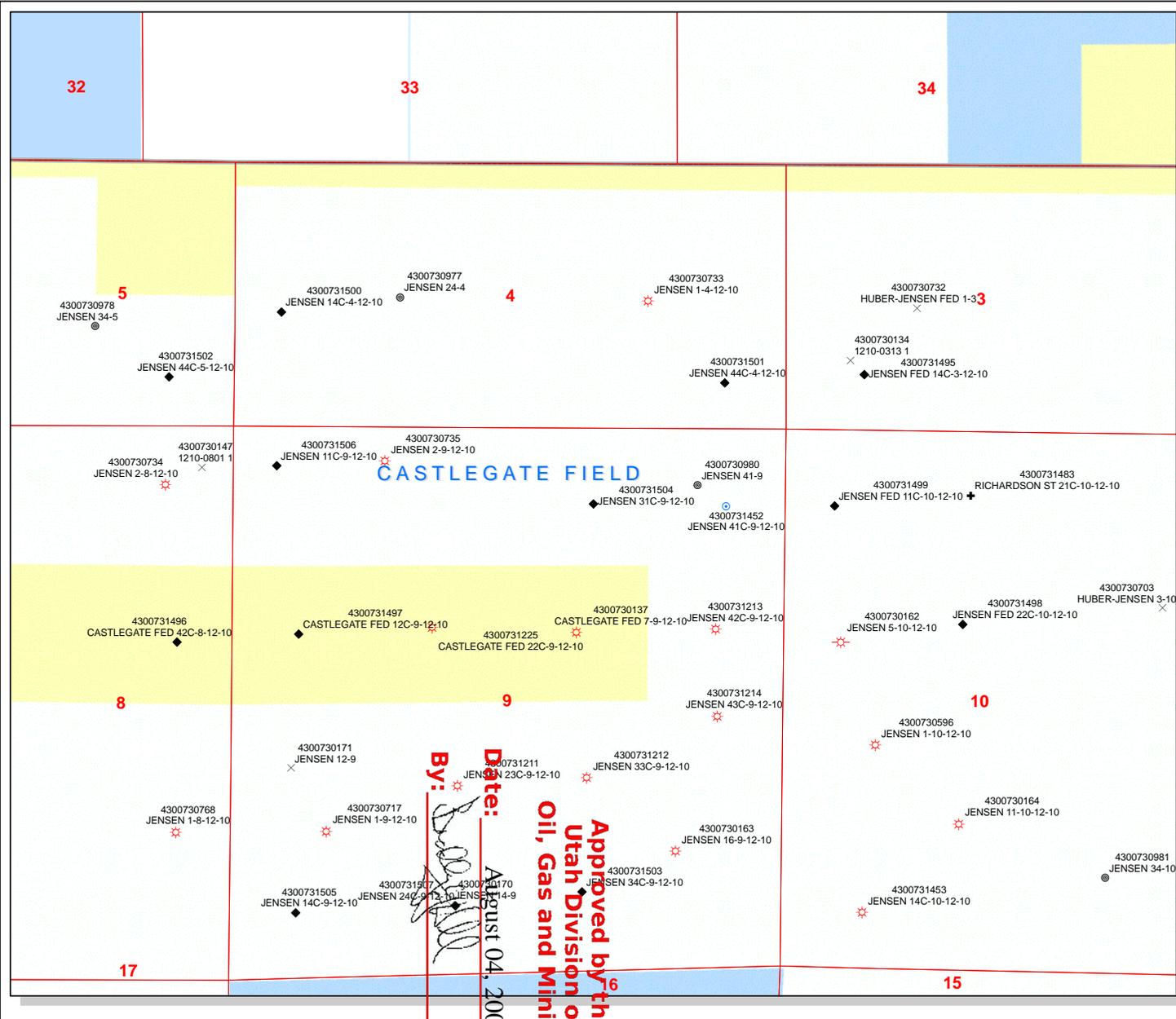
At the request of the State and the Landowner, the location was moved to get out of potential riparian area. Original footage was: 655' FNL & 1885' FEL and was changed to: 734' FNL & 1893' FEL. New Survey Plat is attached.
 NOTE: New GL is 7215'

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

Date: August 04, 2009

By: 

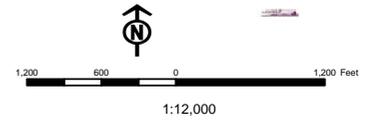
NAME (PLEASE PRINT) Joy A. Ziegler	PHONE NUMBER 303 675-2663	TITLE Senior Engineering Tech
SIGNATURE N/A	DATE 7/27/2009	



API Number: 4300731504
Well Name: JENSEN 31C-9-12-10
Township 12.0 S Range 10.0 E Section 09
Meridian: SLBM
 Operator: PIONEER NATURAL RESOURCES USA, INC

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query Events
STATUS	GIS_STAT_TYPE
ACTIVE	<Null>
EXPLORATORY	APD
GAS STORAGE	DRL
NF PP OIL	GI
NF SECONDARY	GS
PI OIL	LA
PP GAS	NEW
PP GEOTHERMIL	OPS
PP OIL	PA
SECONDARY	PGW
TERMINATED	POW
Fields	RET
STATUS	SGW
ACTIVE	SOW
COMBINED	TA
Sections	TW
	WD
	WI
	WS



Approved by the
 Utah Division of
 Oil, Gas and Mining
 Date: August 04, 2009
 BY: *[Signature]*

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
- a. Is the new operator registered in the State of Utah: Business Number: 7624076-0142
- a. (R649-9-2)Waste Management Plan has been received on: Requested 9/13/2010
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. 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
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number B005639 and B005650
- b. 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
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

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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 31C-9-12-10
API number:	4300731504
Location:	Qtr-Qtr: NWNE Section: 9 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 31C-9-12-10, Sec. 9, T. 12S, R. 10E
Carbon County, Utah API No. 43-007-31504

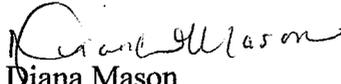
Ladies and Gentlemen:

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