

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 [x] REENTER [ ] DEEPEN [ ]
B. TYPE OF WELL: OIL [ ] GAS [ ] OTHER CBM [ ] SINGLE ZONE [x] MULTIPLE ZONE [ ]
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.
3. ADDRESS OF OPERATOR: 1401 17th Street - Ste 1200 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 675-2663
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 660' FSL, 660' FWL 515931X 39.792705 AT PROPOSED PRODUCING ZONE: Same 44045574 -110.813934
9. WELL NAME and NUMBER: Jensen 14C-9-12-10
10. FIELD AND POOL, OR WILDCAT: Castlegate
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 9 12S 10E S
12. COUNTY: Carbon 13. STATE: UTAH
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 10.3 miles north of Helper, UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 660 16. NUMBER OF ACRES IN LEASE: 2700 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 901 19. PROPOSED DEPTH: 5,000 20. BOND DESCRIPTION: UT Bond 104319463
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7481 22. APPROXIMATE DATE WORK WILL START: Upon Approval 23. ESTIMATED DURATION: 7 Days

PROPOSED CASING AND CEMENTING PROGRAM

Table with 4 columns: SIZE OF HOLE, CASING SIZE, GRADE, AND WEIGHT PER FOOT, SETTING DEPTH, CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT. Rows include 12-1/4, 7-7/8, and 5-1/2 casing sizes with various cement types like Class 'G' and Lead: 35:65 Poz CI G.

ATTACHMENTS

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

- [x] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
[x] COMPLETE DRILLING PLAN
[x] 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 [Signature] DATE 3/16/2009

(This space for State use only)

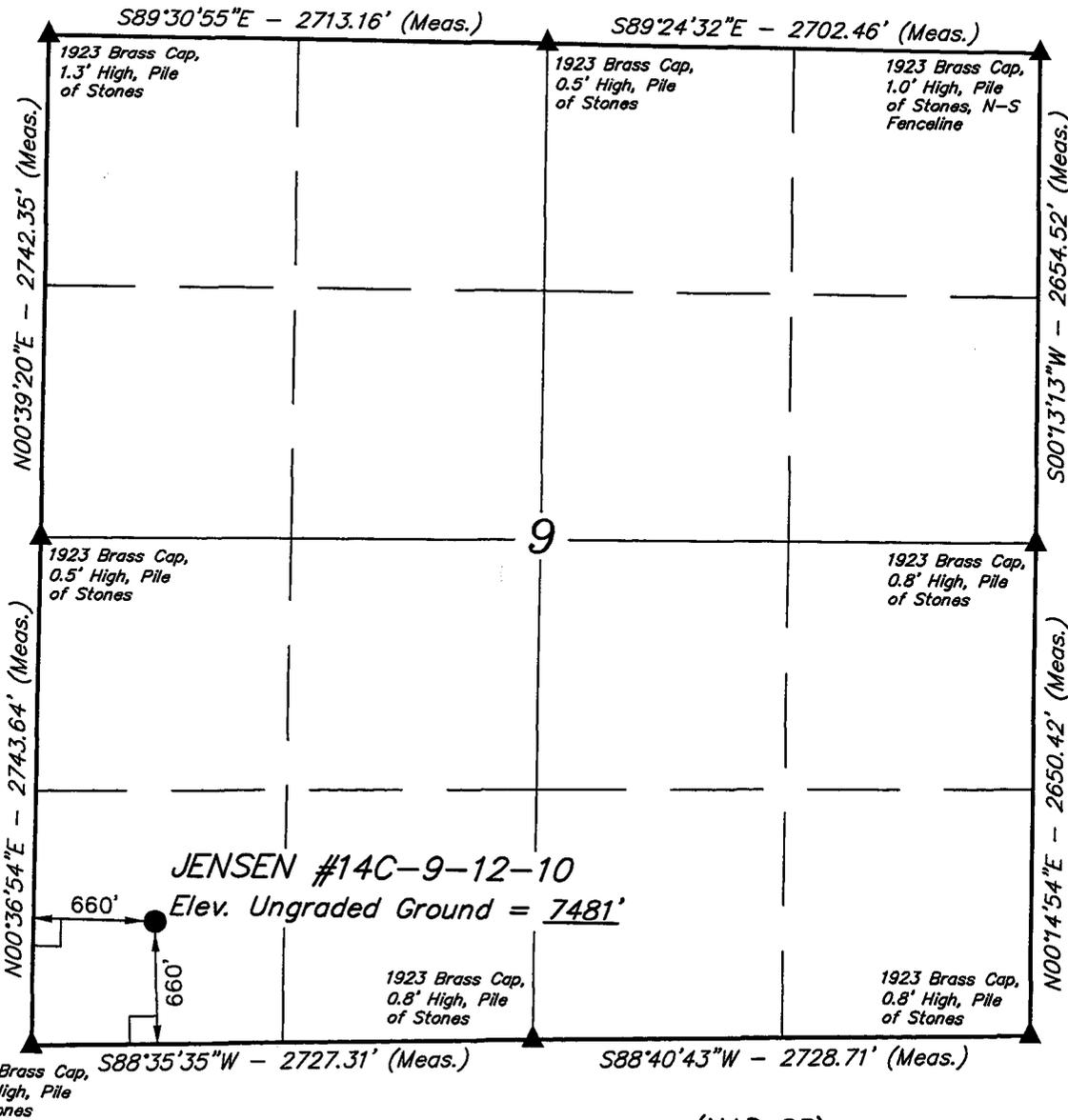
Approved by the Utah Division of Oil, Gas and Mining

RECEIVED APR 13 2009 DIV. OF OIL, GAS & MINING

API NUMBER ASSIGNED: 43-00731505

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

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



## LEGEND:

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

(NAD 83)  
 LATITUDE =  $39^{\circ}47'33.46''$  (39.792628)  
 LONGITUDE =  $110^{\circ}48'52.66''$  (110.814628)  
 (NAD 27)  
 LATITUDE =  $39^{\circ}47'33.60''$  (39.792667)  
 LONGITUDE =  $110^{\circ}48'50.09''$  (110.813914)

## PIONEER NATURAL RESOURCES USA, INC.

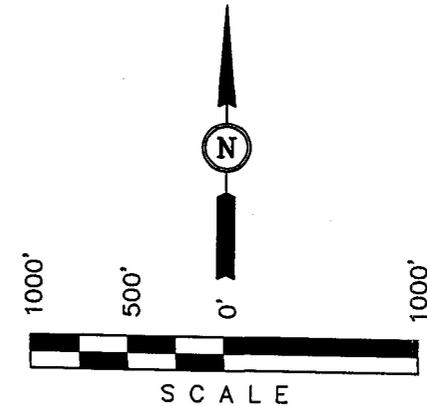
Well location, JENSEN #14C-9-12-10, located as shown in the SW 1/4 SW 1/4 of Section 9, T12S, R10E, S.L.B.&M., Carbon County, Utah.

### BASIS OF ELEVATION

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

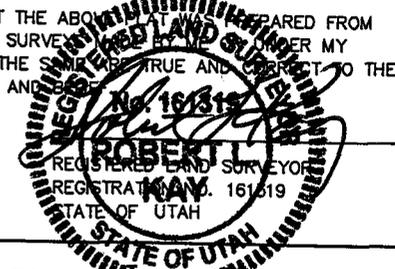
### BASIS OF BEARINGS

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



### CERTIFICATE

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



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

SCALE 1" = 1000'	DATE SURVEYED: 01-13-09	DATE DRAWN: 02-04-09
PARTY N.H.    T.P.    C.C.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE PIONEER NATURAL RESOURCES USA, INC.	

# PIONEER

## NATURAL RESOURCES

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

April 9, 2009

Ms. Diana Mason  
Division of Oil, Gas & Mining  
Box 145801  
Salt Lake City, Utah 84114-5801

Dear Diana,

Enclosed please find two copies of the Application For Permit To Drill, along with the required drilling program, BOP diagram, Verification of Surface Use Agreements, wellsite maps and diagrams for the following wells in Carbon County, Utah:

Jensen 11C-9-12-10	-	NWNW	Sec. 9-T12S-R10E
Jensen 14C-4-12-10	-	SWSW	Sec. 4-T12S-R10E
Jensen 14C-9-12-10	-	SWSW	Sec. 9-T12S-R10E
Jensen 24C-9-12-10	-	SESW	Sec. 9-T12S-R10E
Jensen 31C-9-12-10	-	NWNE	Sec. 9-T12S-R10E
Jensen 34C-9-12-10	-	SWSE	Sec. 9-T12S-R10E
Jensen 44C-4-12-10	-	SESE	Sec. 4-T12S-R10E
Jensen 44C-5-12-10	-	SESE	Sec. 5-T12S-R10E

Please note that the Jensen 14C-9-12-10 location was staked at non-standard spacing in accordance with the rules and regulations of the Utah Division of Oil, Gas, & Mining. Pioneer Natural Resources USA, Inc. is the only working interest owner within a 460 foot radius and therefore we request your administrative approval of this exception in spacing.

Pioneer also requests Confidential status for the eight wells.

If you should need additional information, please do not hesitate to contact me at 303-675-2663 or at my email address [joy.ziegler@pxd.com](mailto:joy.ziegler@pxd.com). Would you please return approved copies of the APD's to my attention at the letterhead address.

Thank you,

  
Joy A. Ziegler  
Senior Engineering Tech

RECEIVED  
APR 13 2009  
DIV. OF OIL, GAS & MINING

Application for Permit to Drill  
 Pioneer Natural Resources USA, Inc.  
 Jensen 14C-9-12-10  
 660' FSL, 660' FEL  
 SWSW Sec. 9, T12S-R10E, S.L.B.&M  
 Carbon County, Utah

**1. Estimated Tops/Geologic Markers**

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Colton	0'	7496'
Price River	2370'	5126'
Castlegate	3010'	4486'
Blackhawk	3780'	3716'
Kenilworth	4480'	3016'
Aberdeen	4640'	2856'
TD	5000'	2496'

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

Substance	Formation	Depth
Coals / Tight Gas SS	Blackhawk	3780'
Sandstone / Gas	Price River	2570'
Sandstone / Gas	Castlegate	3010'

Application for Permit to Drill  
 Pioneer Natural Resources USA, Inc.  
 Jensen 14C-9-12-10  
 660' FSL, 660' FZL  
 SWSW Sec. 9, T12S-R10E, S.L.B.&M  
 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	0-5000'	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'	416 Sx Class G, 1.19cuft/sx, 12.5 ppg
Production	Type and Amount
500'-5000'	Lead: 817 sx 35:65 Poz Class G, 1.19 cf/sx, 12.5 ppg Tail: 173 sx 50:50 Poz Class G, 1.19 cf/sx, 12.5 ppg

Note: Actual cement volume to be based upon caliper log

Application for Permit to Drill  
 Pioneer Natural Resources USA, Inc.  
 Jensen 14C-9-12-40  
 660' FSL, 660' FZL  
 SWSW 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'-870'	Mist			N/C
870'-4500'	Aerated Fluid			
4500'-5000'	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 H<sub>2</sub>S**

- 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 (H<sub>2</sub>S) 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 14C-9-12-10  
660' FSL, 660' FFL  
SWSW Sec. 9, T12S-R10E, S.L.B.&M  
Carbon County, Utah

DRILLING PROGRAM  
Page 4

10. **Other Information**

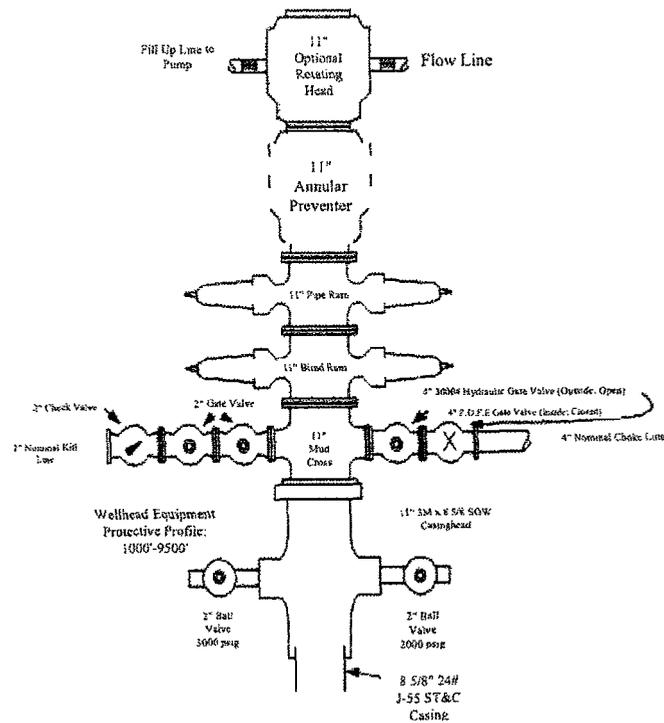
- a. Drilling is planned to commence upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 7 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas, and Minerals.
- d. At the end of drilling operations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

Surface Owner

Dix Jensen  
c/o James Jensen  
2961 Caitland Court  
Salt Lake City, UT 84121

James Jensen Cell: 801-560-3800  
Home: 801-943-8800

**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 14C-9-12-10  
T12S-R10E-Sec. 9: SW/4SW/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 14C-9-12-10 well. Verbal approval was received from James Jensen.

I certify that there is a global Access, Surface Damage and Use Agreement in place with the Jensens covering their surface estate in Carbon County, Utah and verbal approval has been received for the Jensen 14C-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

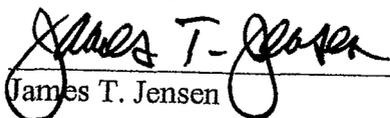
Section 17: N/2, N/2S/2, SW/4SW/4, SE/4SE/4

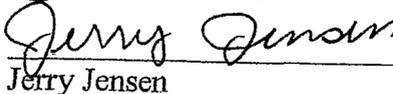
Section 18: Lot 1, NE/4NW/4, NE/4, N/2SE/4, SE/4SE/4

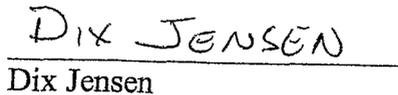
Section 19: N/2

Section 20: N/2

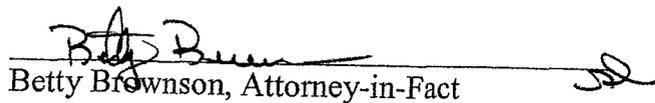
Acknowledged for Identification:

  
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 #14C-9-12-10**  
LOCATED IN CARBON COUNTY, UTAH  
SECTION 9, T12S, R10E, S.L.B.&M.

**CONFIDENTIAL**

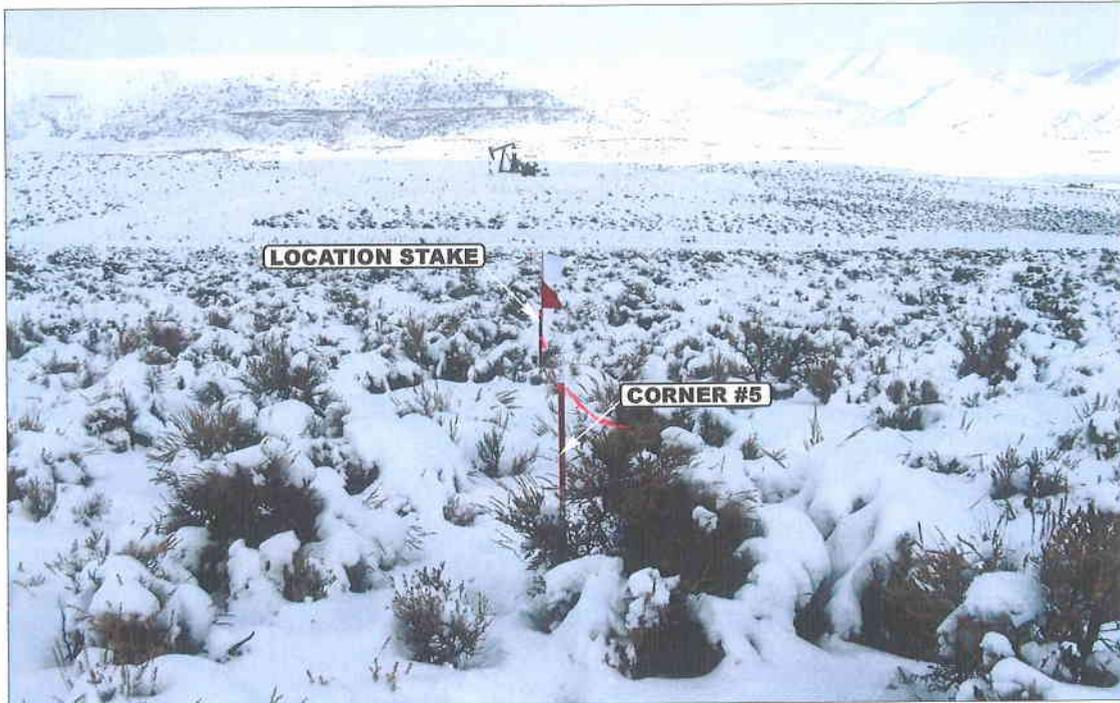


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

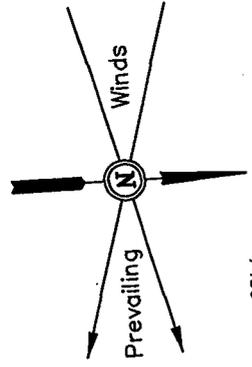
**U E L S** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

<b>LOCATION PHOTOS</b>	<b>01</b>	<b>30</b>	<b>09</b>	<b>PHOTO</b>
	MONTH	DAY	YEAR	
TAKEN BY: N.H.	DRAWN BY: J.H.		REVISED: 00-00-00	

PIONEER NATURAL RESOURCES USA, INC.

FIGURE #1

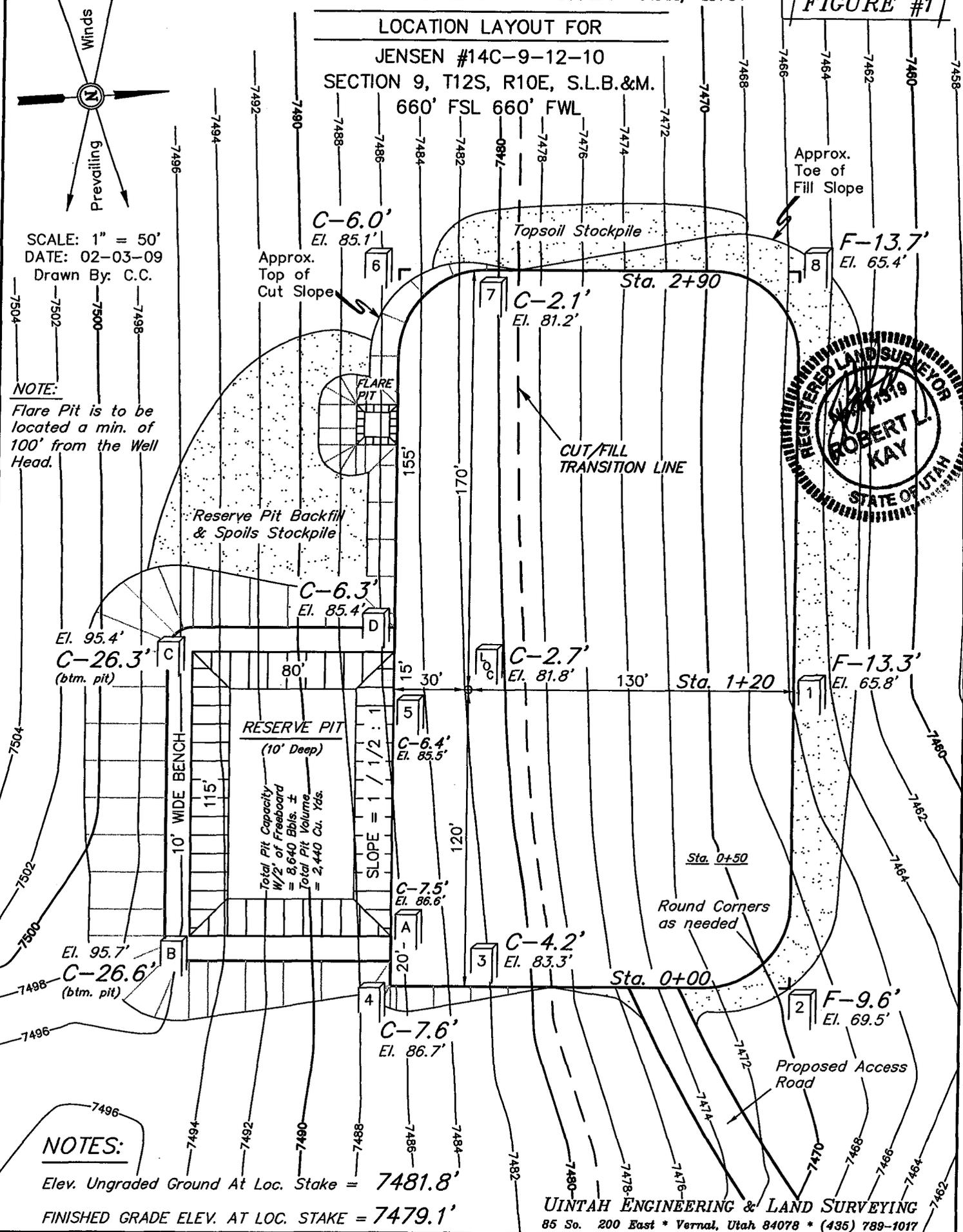
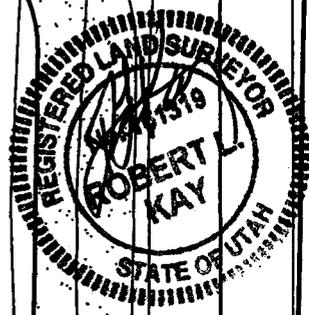
LOCATION LAYOUT FOR  
 JENSEN #14C-9-12-10  
 SECTION 9, T12S, R10E, S.L.B.&M.  
 660' FSL 660' FWL



SCALE: 1" = 50'  
 DATE: 02-03-09  
 Drawn By: C.C.

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

Approx. Toe of Fill Slope



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7481.8'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 7479.1'

PIONEER NATURAL RESOURCES USA, INC.

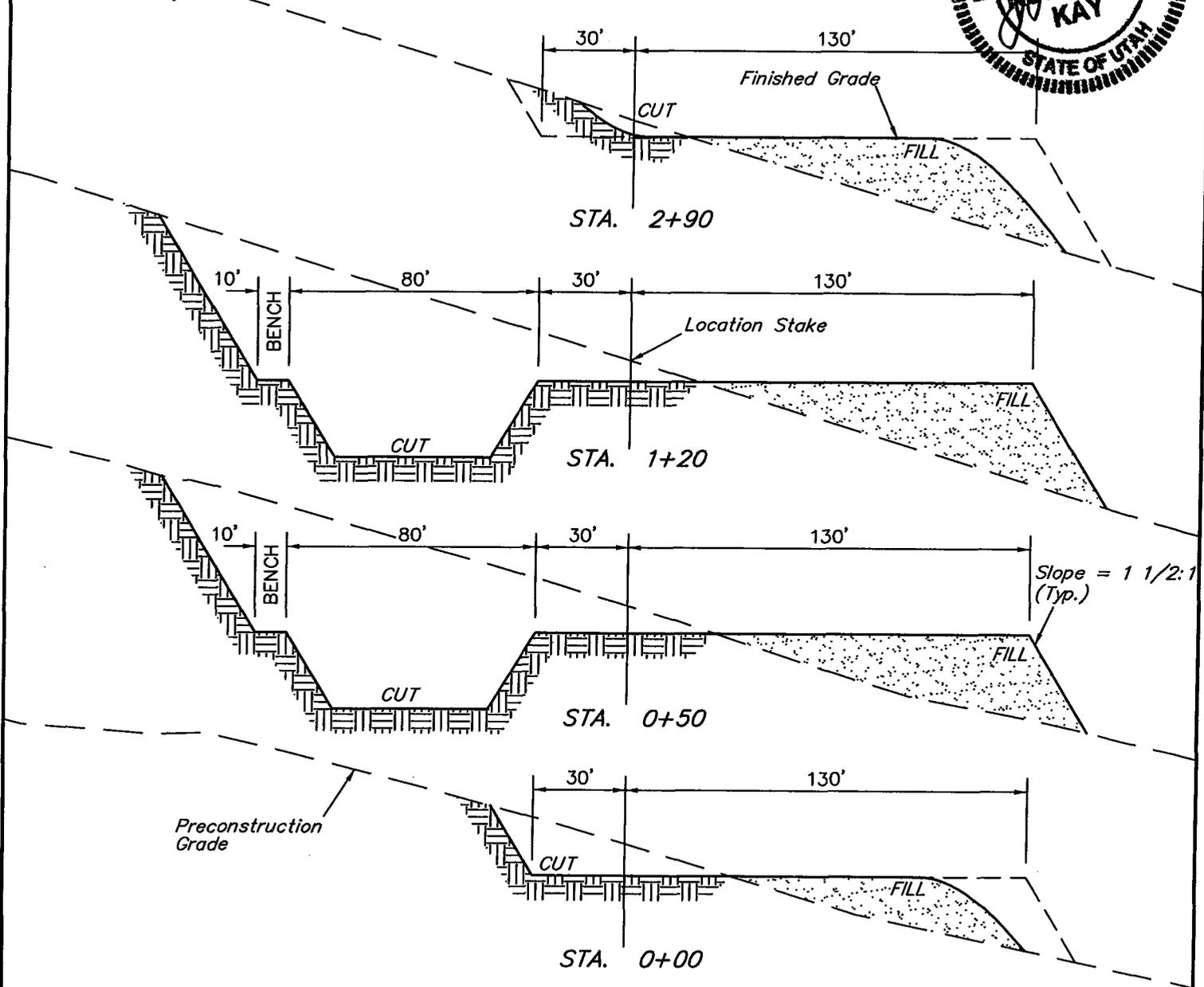
FIGURE #2

TYPICAL CROSS SECTIONS FOR

JENSEN #14C-9-12-10  
SECTION 9, T12S, R10E, S.L.B.&M.  
660' FSL 660' FWL



1" = 20'  
X-Section Scale  
1" = 50'  
DATE: 02-03-09  
Drawn By: C.C.



NOTE:

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

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ±1.972 ACRES  
ACCESS ROAD DISTURBANCE = ±0.486 ACRES  
PIPELINE DISTURBANCE = ±0.740 ACRES  
TOTAL = ±3.198 ACRES

\* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,510 Cu. Yds.  
Remaining Location = 11,670 Cu. Yds.  
  
TOTAL CUT = 13,180 CU.YDS.  
FILL = 10,450 CU.YDS.

EXCESS MATERIAL = 2,730 Cu. Yds.  
Topsoil & Pit Backfill = 2,730 Cu. Yds.  
(1/2 Pit Vol.)  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Interim Rehabilitation)

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

PIONEER NATURAL RESOURCES USA, INC.

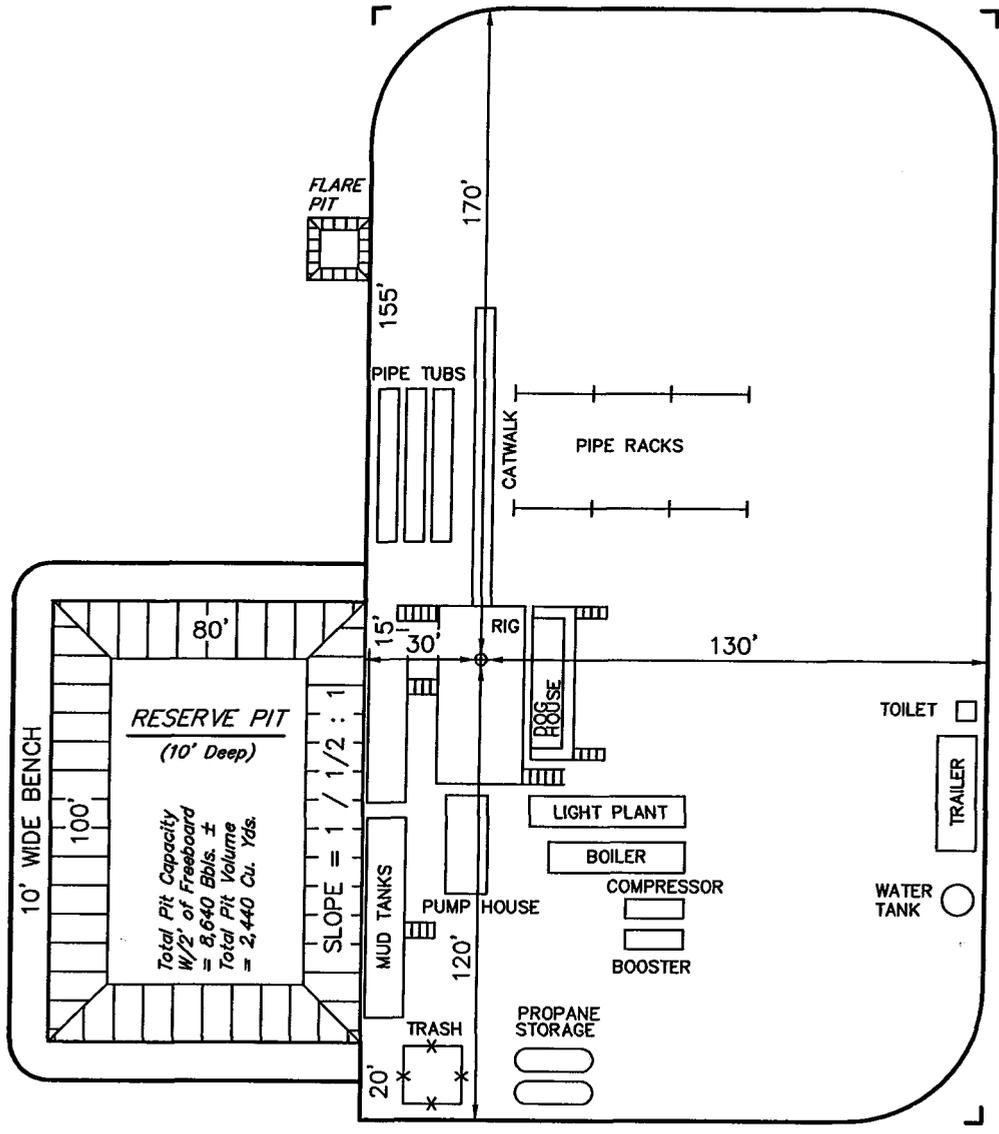
FIGURE #3

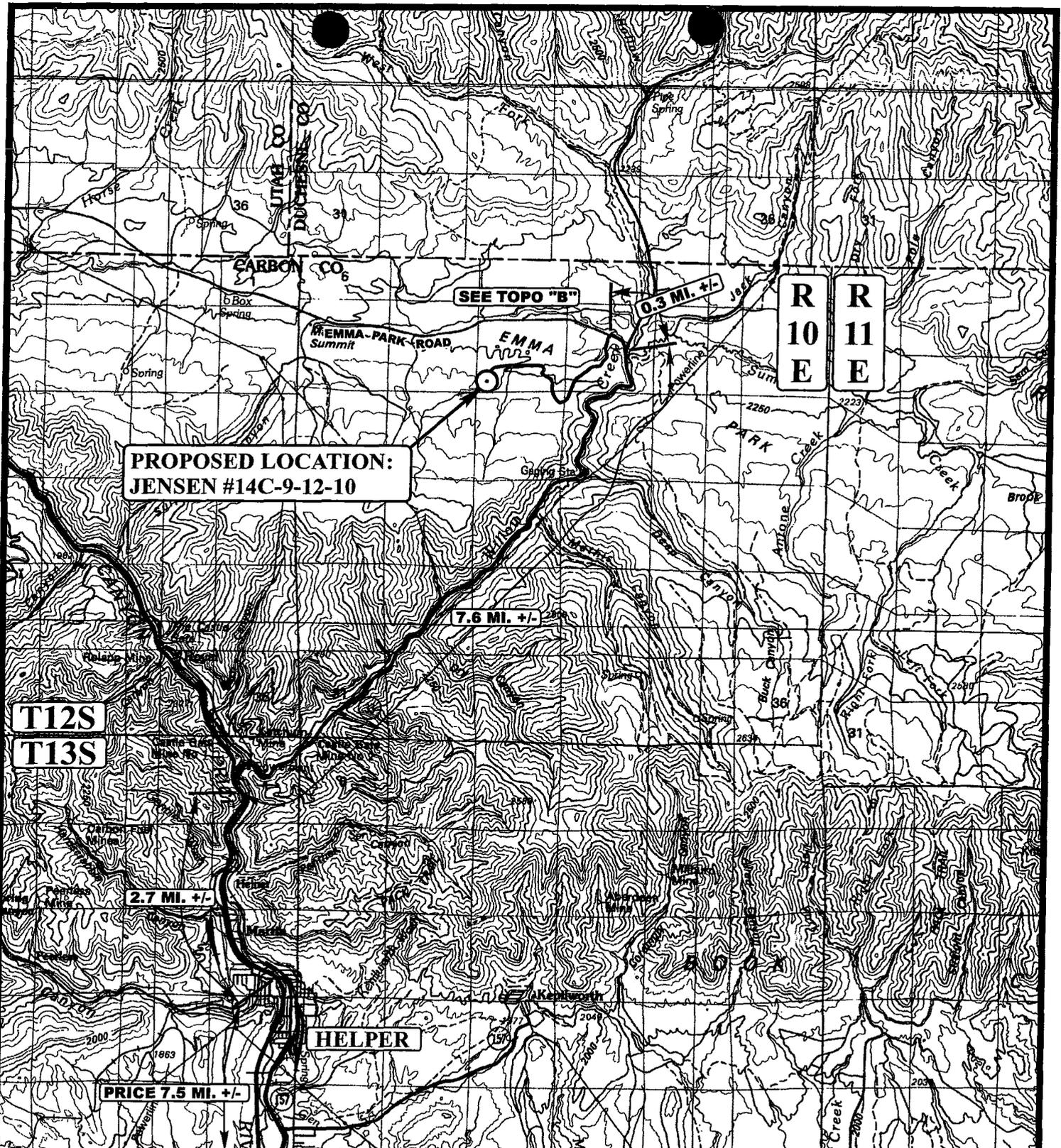
TYPICAL RIG LAYOUT FOR  
JENSEN #14C-9-12-10  
SECTION 9, T12S, R10E, S.L.B.&M.  
660' FSL 660' FWL



SCALE: 1" = 50'  
DATE: 02-03-09  
Drawn By: C.C.

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





**PROPOSED LOCATION:  
JENSEN #14C-9-12-10**

**T12S  
T13S**

**R  
10  
E  
R  
11  
E**

**LEGEND:**

⊙ PROPOSED LOCATION



**PIONEER NATURAL RESOURCES USA, INC.**

**JENSEN #14C-9-12-10  
SECTION 9, T12S, R10E, S.L.B.&M.  
660' FSL 660' FWL**



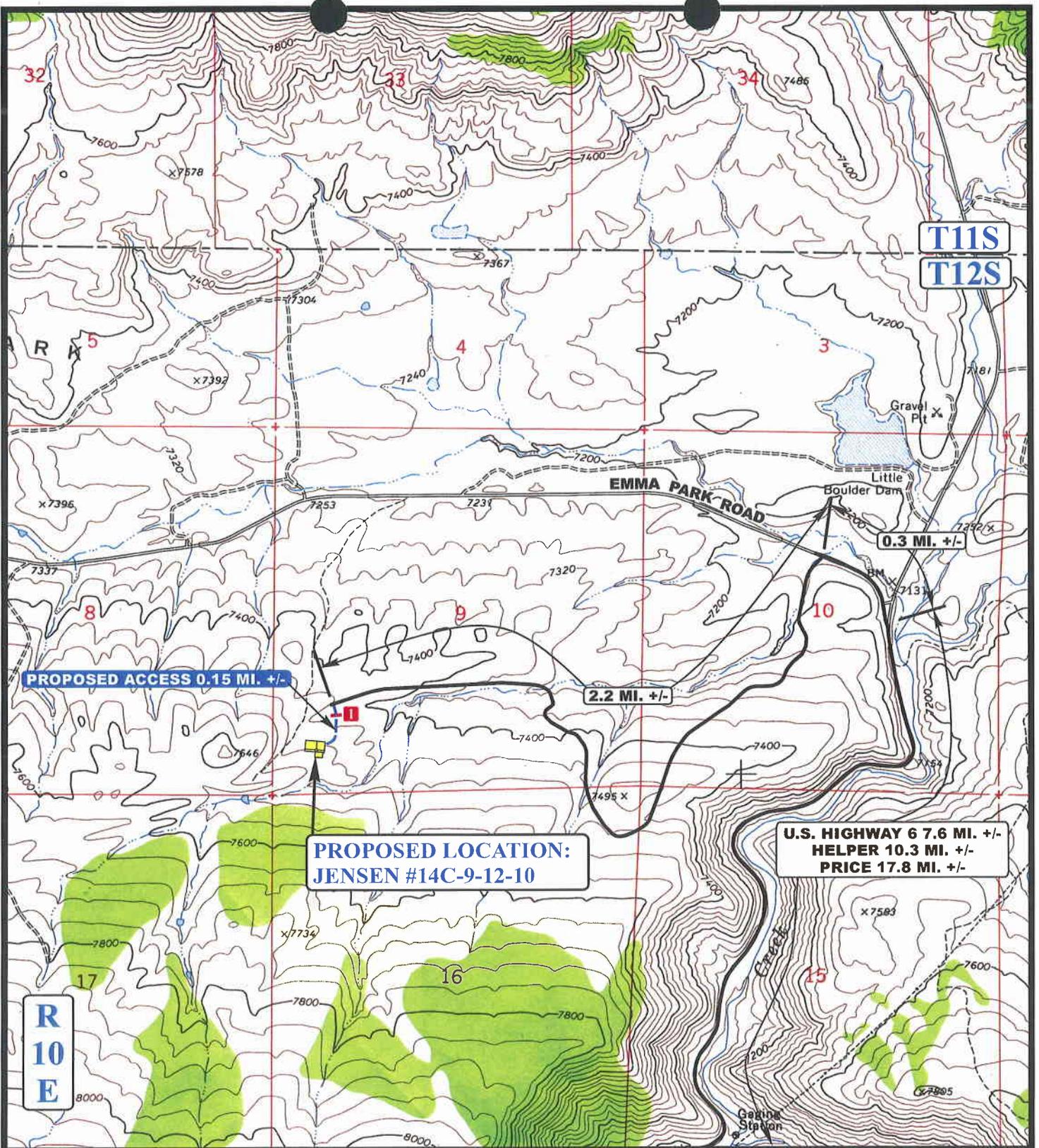
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

<b>01</b>	<b>30</b>	<b>09</b>
MONTH	DAY	YEAR



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



**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- 24" CMP REQUIRED

**PIONEER NATURAL RESOURCES USA, INC.**

**JENSEN #14C-9-12-10**  
**SECTION 9, T12S, R10E, S.L.B.&M.**  
**660' FSL 660' FWL**



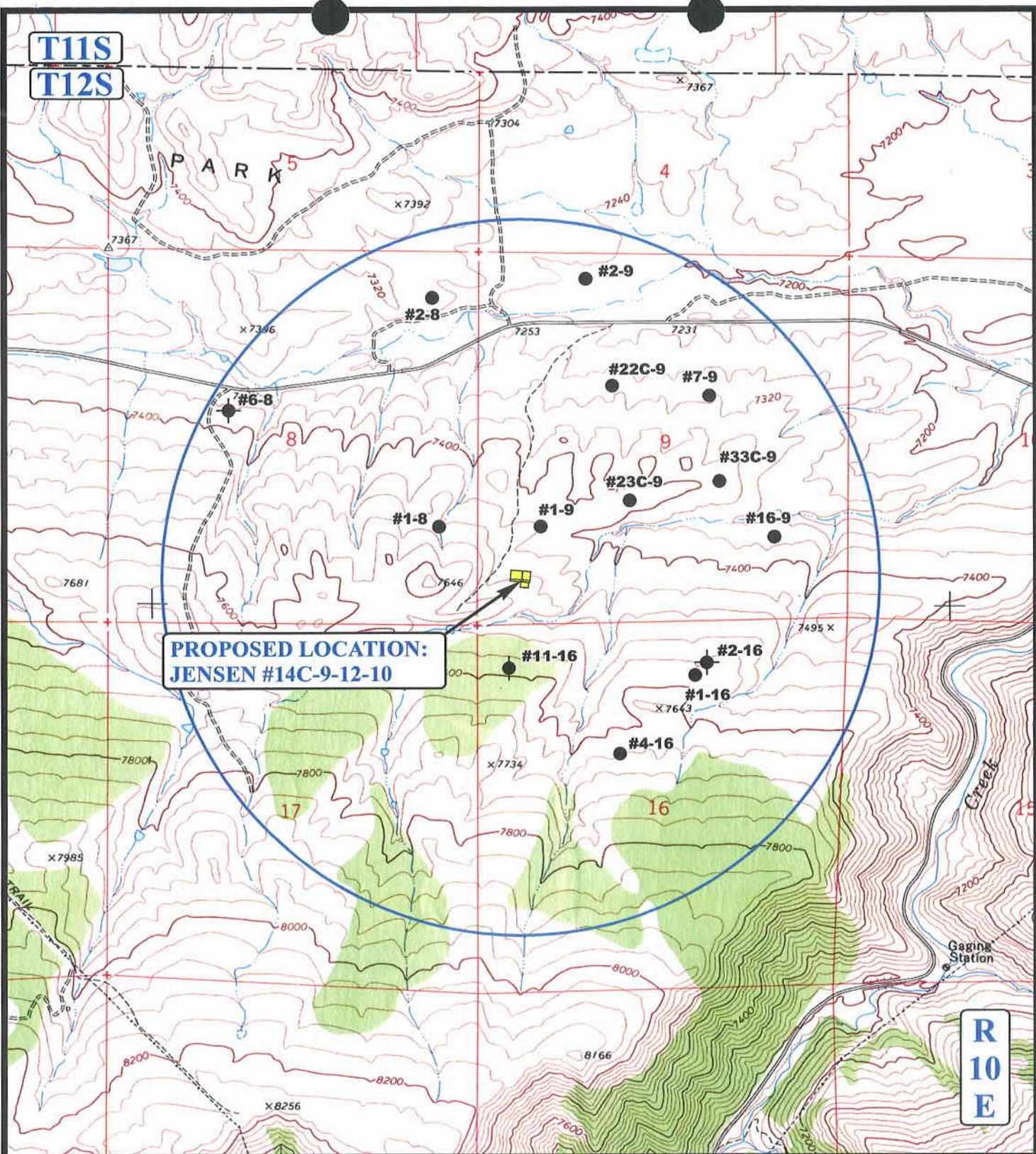
**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC**  
**MAP**  
 SCALE: 1" = 2000'

**01 30 09**  
 MONTH DAY YEAR  
 DRAWN BY: J.H. REVISED: 00-00-00





**PROPOSED LOCATION:  
JENSEN #14C-9-12-10**

**LEGEND:**

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



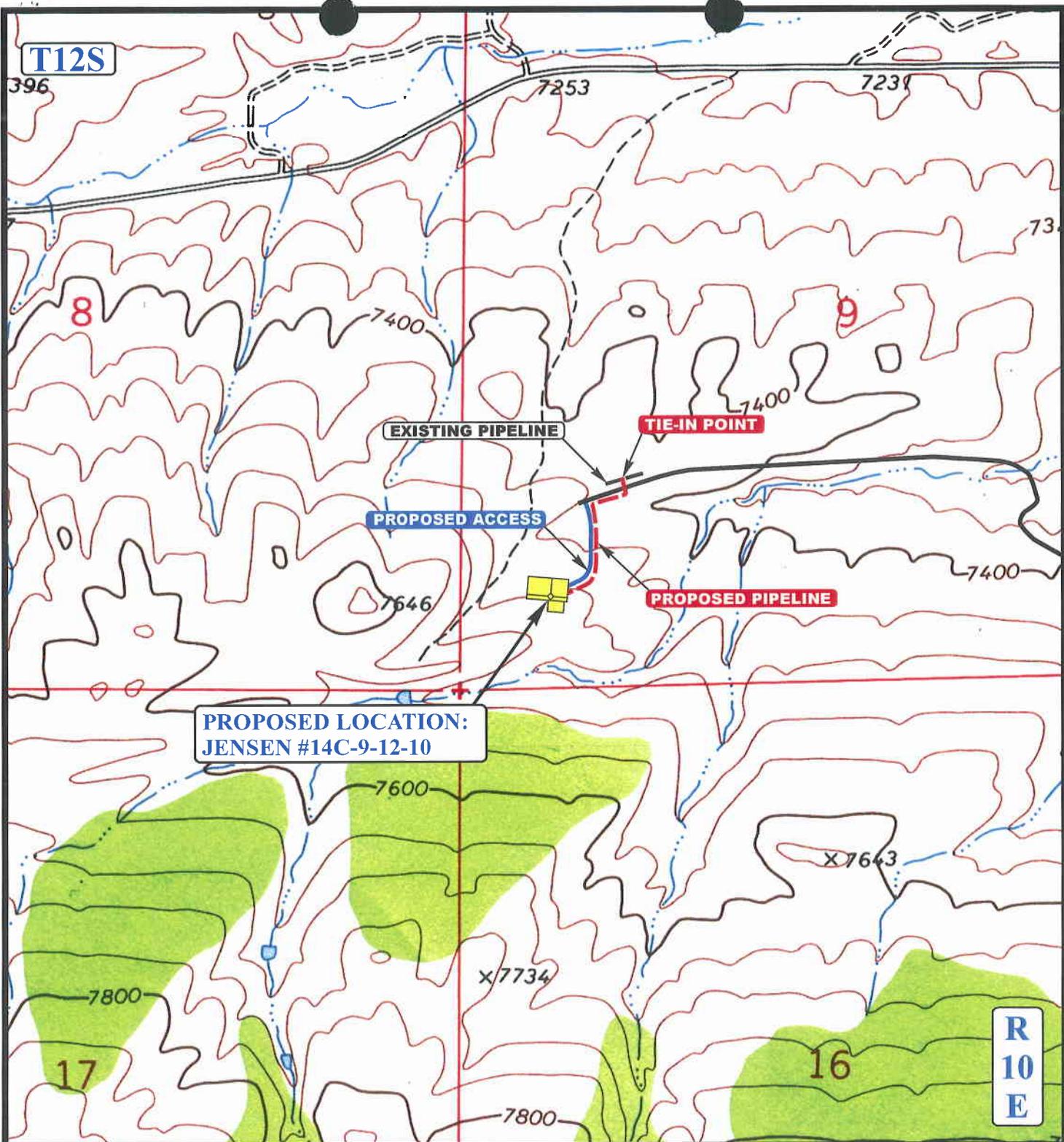
**PIONEER NATURAL RESOURCES USA, INC.**

**JENSEN #14C-9-12-10  
SECTION 9, T12S, R10E, S.L.B.&M.  
660' FSL 660' FWL**

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

**TOPOGRAPHIC MAP** 01 30 09  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 00-00-00

**C**  
**TOPO**



**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,075' +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

**PIONEER NATURAL RESOURCES USA, INC.**

**JENSEN #14C-9-12-10**  
**SECTION 9, T12S, R10E, S.L.B.&M.**  
**660' FSL 660' FWL**



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

**TOPOGRAPHIC** **01 30 09**  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: J.H. REVISED: 00-00-00



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/13/2009

API NO. ASSIGNED: 43-007-31505

WELL NAME: JENSEN 14C-9-12-10  
 OPERATOR: PIONEER NATURAL ( N5155 )  
 CONTACT: JOY ZIEGLER

PHONE NUMBER: 303-675-2663

PROPOSED LOCATION:  
 SWSW 09 120S 100E  
 SURFACE: 0660 FSL 0660 FWL  
 BOTTOM: 0660 FSL 0660 FWL  
 COUNTY: CARBON  
 LATITUDE: 39.79271 LONGITUDE: -110.81393  
 UTM SURF EASTINGS: 515931 NORTHINGS: 4404557  
 FIELD NAME: CASTLEGATE ( 13 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	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' fr. ext. dir. w/ dr. = 990' fr. other wells  
 \_\_\_ R649-3-11. Directional Drill

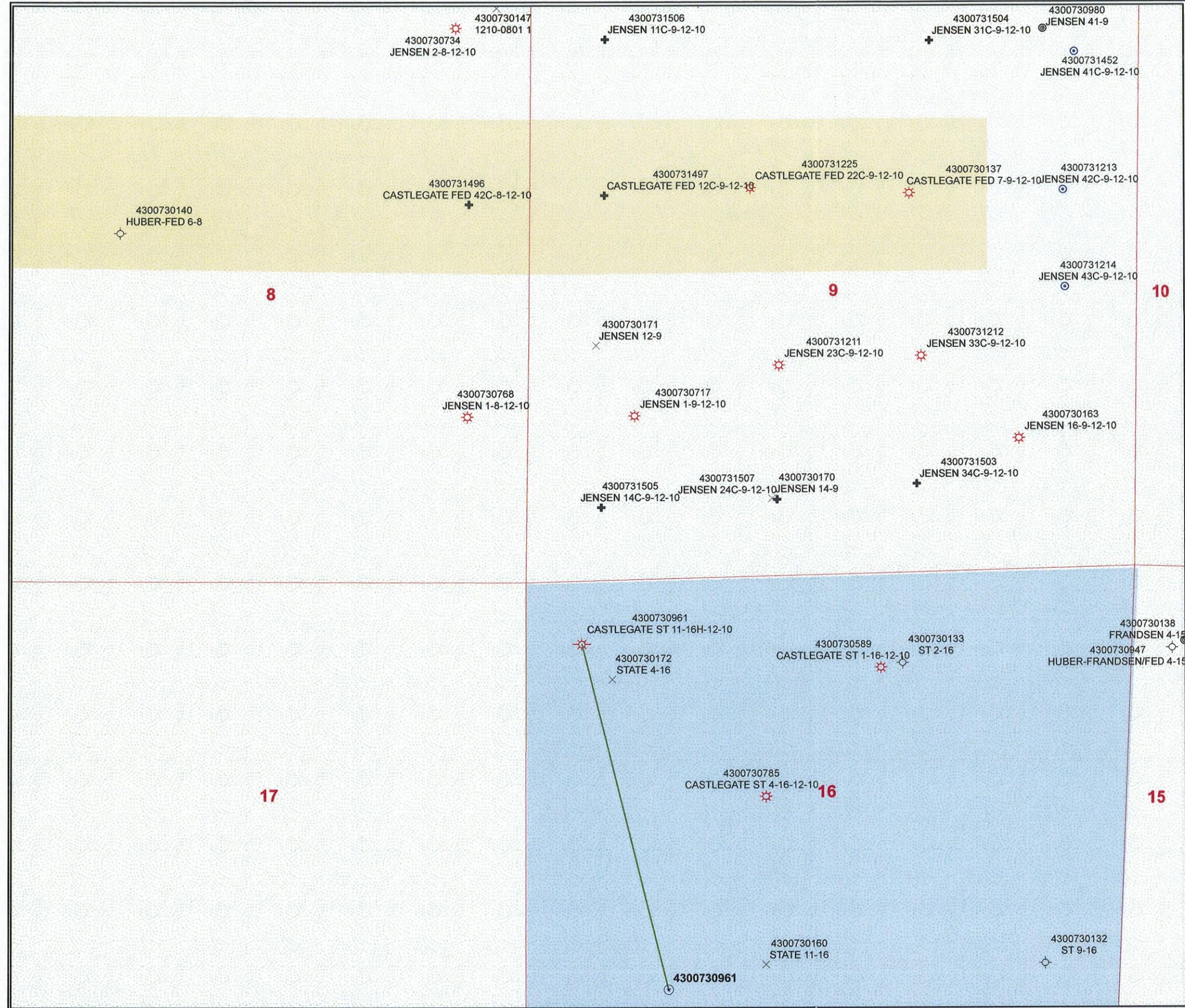
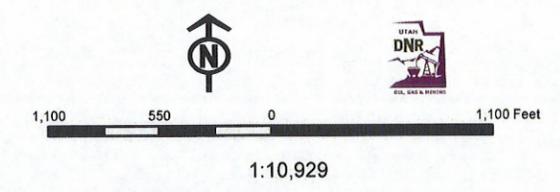
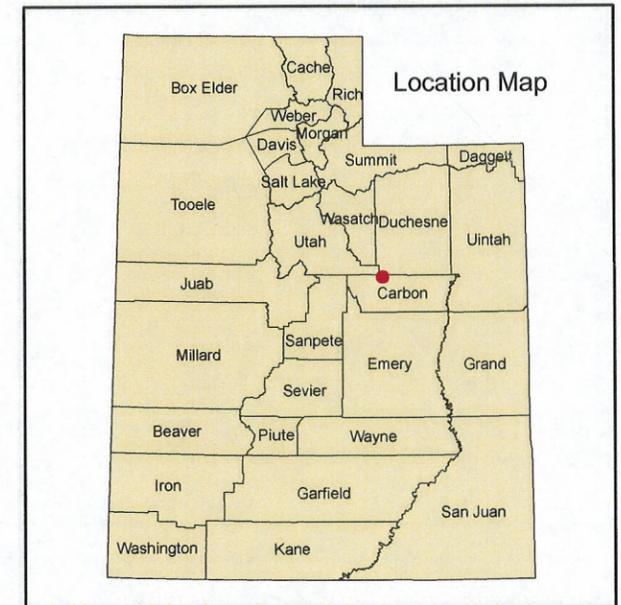
COMMENTS: Needs Permit (04-3079)

STIPULATIONS: 1- STATEMENT OF BASIS

**API Number: 4300731505**  
**Well Name: JENSEN 14C-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

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



# Application for Permit to Drill

## Statement of Basis

6/4/2009

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1415	43-007-31505-00-00		GW	P	No
<b>Operator</b>	PIONEER NATURAL RESOURCES USA, IN		<b>Surface Owner-APD</b>		
<b>Well Name</b>	JENSEN 14C-9-12-10	<b>Unit</b>			
<b>Field</b>	UNDESIGNATED	<b>Type of Work</b>			
<b>Location</b>	SWSW 9 12S 10E S 660 FSL 660 FWL	GPS Coord (UTM) 515931E 4404557N			

### Geologic Statement of Basis

A well drilled at this location will likely spud into a permeable soil developed on the Tertiary/Cretaceous-age Undivided Flagstaff Limestone/North Horn 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 generally to the north (although immediately 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-DOGGM, Jerry Jensen-Surface Owner, Frankie Hathaway-Carbon County, Dallas Christensen-Pioneer Natural Resources, Stephen Schreck-Pioneer Natural Resources and Kelly Rasmussen-Uintah Engineering & Land Surveying. Invited and choosing not to attend: Jim Jensen-Surface Owner.

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

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

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**  
**Utah Division of Oil, Gas and Mining**

6/4/2009

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 14C-9-12-10  
**API Number** 43-007-31505-0 **APD No** 1415 **Field/Unit** UNDESIGNATED  
**Location:** 1/4,1/4 SWSW **Sec** 9 **Tw** 12S **Rng** 10E 660 FSL 660 FWL  
**GPS Coord (UTM)** **Surface Owner**

### Participants

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

### Regional/Local Setting & Topography

Proposed project is ~9.5 miles northwest of Helper, located in Carbon County Utah. Project site is located in Emma Park, a rather large valley consisting of sage-step rangelands in a 14-16" precipitation zone. Dimensions of Emma Park are roughly 3 miles wide and nearly 10 miles long. To the north topography rises steeply into Reservation Ridge, where prevalent Douglas fir and mountain browse communities are found. Topography to the south breaks off quickly into a series of steep canyons/ledges towards the Price River and Willow Creek. Vegetation consists of Pinion/Juniper woodlands and Ponderosa pine and Gambel 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
0.2	Width 220 Length 290		FLAG

**Ancillary Facilities** N

### Waste Management Plan Adequate? Y

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

##### Flora:

Forbs: Spiny Phlox, Death camas, rocket gila, Indian paint brush, sulphur cinquefoil, western yarrow.

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

Shrubs: Mountain big sage, common snowberry, Utah service berry, 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**

Brown clay loam, many limestone fragments up to boulders

**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?** Y    **Cultural Survey Run?** Y    **Cultural Resources?** N

**Reserve Pit**

<b>Site-Specific Factors</b>		<b>Site Ranking</b>
<b>Distance to Groundwater (feet)</b>	>200	0
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5
<b>Affected Populations</b>	<10	0
<b>Presence Nearby Utility Conduits</b>	Not Present	0
<b>Final Score</b>		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 »

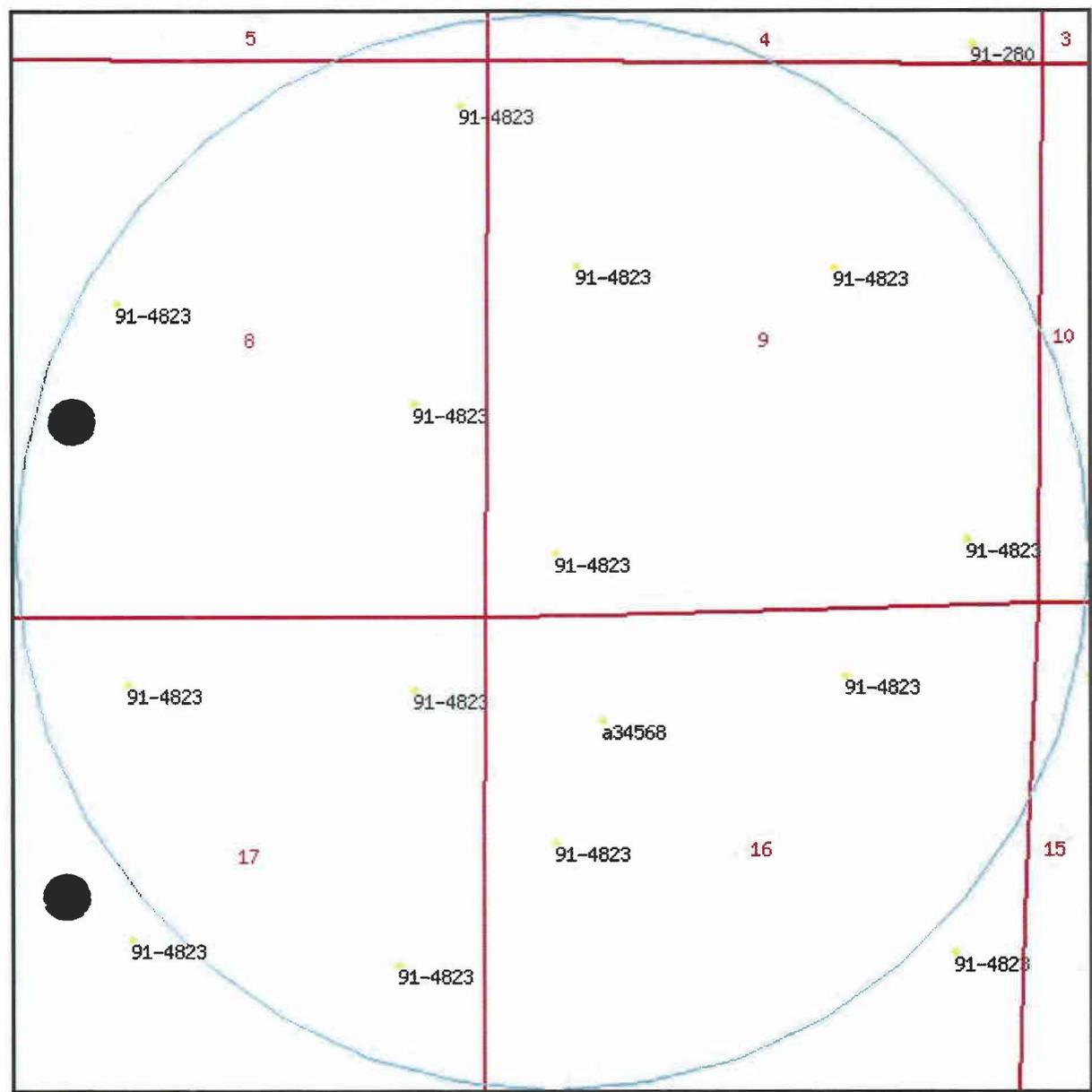


# Utah Division of Water Rights

## Output Listing

Version: 2009.05.06.00      Rundate: 05/27/2009 02:49 PM

Radius search of 5280 feet from a point N660 E660 from the SW corner, section 09, Township 12S, Range 10E, SL b&m Criteria:wrtypes=W,C,E  
podtypes=S,U,Sp status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

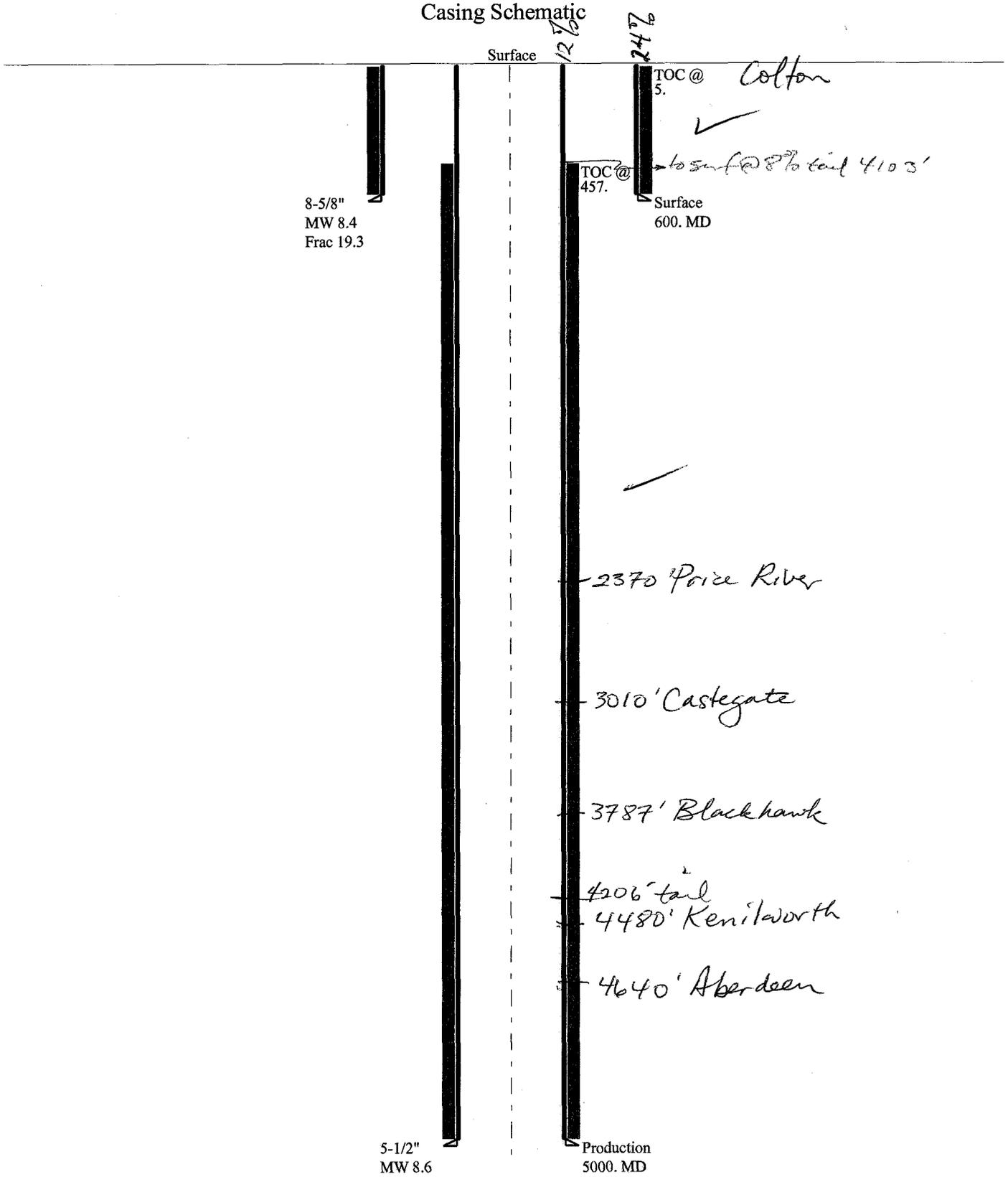
**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>91-280</u>	Surface N200 W700 SE 04 12S 10E SL		U	19601026	MO	0.000	2.200	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 S650 E1900 NW 17 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT  P.O. BOX 903
<u>91-4823</u>	Underground N2050 E1950 SW 17 12S 10E SL		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT  P.O. BOX 903
<u>91-4823</u>	Underground N2050 W850 SE 17 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 17 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 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		U	19920423	M	10.000	0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT

	S2200 E700 NW 16 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N650 E700 SW 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 E850 NW 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S2000 W2050 NE 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S700 W1900 NE 16 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N2000 W600 SE 16 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	N650 W700 SE 09 12S 10E SL				P.O. BOX 903
<u>91-4823</u>	Underground	U	19920423 M	10.000 0.000	PRICE RIVER WATER IMPROVEMENT DISTRICT
	S700 E500 NW 15 12S 10E SL				P.O. BOX 903
<u>a34568</u>	Underground	U	20080609 M	0.000 5000.000	PRICE CITY MUNICIPAL CORPORATION
	S990 E1145 NE 17 12S 10E SL				C/O GARY SONNTAG

43007315050000 Jensen 14C-9-12-10

Casing Schematic



8-5/8"  
MW 8.4  
Frac 19.3

Surface

1276

2476

TOC @  
5.

Colton



TOC @  
457.

to surf @ 876 tail 4103'

Surface  
600. MD

2370 Poize River

3010 Castegate

3787 Blackhawk

4206 tail

4480 Kenilworth

4640 Aberdeen

5-1/2"  
MW 8.6

Production  
5000. MD

Well name:	<b>4300731505000 Jensen 14C-9-12-10</b>	
Operator:	<b>Pioneer Natural Resources USA, Inc.</b>	
String type:	Surface	Project ID: 43-007-31505-0000
Location:	Carbon County	

**Design parameters:**

**Collapse**  
Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**  
Design factor 1.125

**Burst:**  
Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 73 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft  
Cement top: 5 ft

**Burst**

Max anticipated surface pressure: 528 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 600 psi

No backup mud specified.

**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)

Tension is based on buoyed weight.  
Neutral point: 526 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 5,000 ft  
Next mud weight: 8.600 ppg  
Next setting BHP: 2,234 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.

Well name:	<b>4300731505000 Jensen 14C-9-12-10</b>	
Operator:	<b>Pioneer Natural Resources USA, Inc.</b>	
String type:	Production	Project ID: 43-007-31505-0000
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

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 135 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft  
Cement top: 457 ft

**Burst**

Max anticipated surface pressure: 1,134 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 2,234 psi

No backup mud specified.

**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.**

Tension is based on buoyed weight.  
Neutral point: 4,348 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 (ft <sup>3</sup> )
1	5000	5.5	17.00	K-55	LT&C	5000	5000	4.767	652.6
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	2234	4910	2.198	2234	5320	2.38	74	272	3.68 J

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

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

Date: June 16, 2009  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 5000 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 14C-9-12-10**

**API 43-007-31505-0000**

**INPUT**

Well Name

	Pioneer Jensen 14C-9-12-10	API 43-007-31505-0000
String 1	String 2	
Casing Size (")	8 5/8	5 1/2
Setting Depth (TVD)	600	5000
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	8.3 ppg ✓

Calculations	String 1	8 5/8 "
Max BHP [psi]	.052*Setting Depth*MW =	262
BOPE Adequate For Drilling And Setting Casing at Depth?		
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	190 NO
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	130 NO
*Can Full Expected Pressure Be Held At Previous Shoe?		
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - 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*Setting Depth*MW =	2236
BOPE Adequate For Drilling And Setting Casing at Depth?		
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	1636 YES
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	1136 YES ✓
*Can Full Expected Pressure Be Held At Previous Shoe?		
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	1268 ← 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 14C-9-12-10 Well, 660' FSL, 660' FWL, SW SW, 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 43-007-31505.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor



Operator: Pioneer Natural Resources USA, Inc.  
Well Name & Number Jensen 14C-9-12-10  
API Number: 43-007-31505  
Lease: Fee

Location: SW SW                      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)

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**

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

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

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/3/2010
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/3/2010
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/10/2010
- 4a. Is the new operator registered in the State of Utah:                      Business Number: 7624076-0142
- 5a. (R649-9-2)Waste Management Plan has been received on:                      Requested 9/13/2010
- 5b. Inspections of LA PA state/fee well sites complete on:                      n/a
- 5c. Reports current for Production/Disposition & Sundries on:                      ok
6. **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
7. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on:                      n/a
8. **Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on:                      n/a
9. **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:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

4. (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

**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)

<b>Well name:</b>	Jensen 14C-9-12-10
<b>API number:</b>	4300731505
<b>Location:</b>	Qtr-Qtr: SWSW Section: 9 Township: 12S Range: 10E
<b>Company that filed original application:</b>	Pioneer Natural Resources USA, Inc.
<b>Date original permit was issued:</b>	07/07/2009
<b>Company that permit was issued to:</b>	Pioneer Natural Resources USA, Inc.

Check one	Desired Action:
<input type="checkbox"/>	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
<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"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
<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 Castle Gate, Inc.

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

**RECEIVED**  
**JUN 01 2010**  
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 -17<sup>th</sup> St., Ste. 1200  
Denver, CO 80202

Re: APD Rescinded – Jensen 14C-9-12-10, Sec. 9, T. 12S, R. 10E  
Carbon County, Utah API No. 43-007-31505

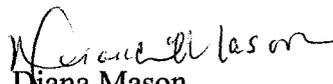
Ladies and Gentlemen:

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



**UIC INJECTION PERMIT ANALYSIS FORM**  
**WELL NAME: Greentown State 36-110S SWD      API # 4300731505**

++R649-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.	1. OK
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:	2. OK
2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.	2.1 No satisfactory plat is included.
2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.	2.2 Logs are on file.
2.3. A copy of a cement bond or comparable log runs for the proposed injection well after casing was set and cemented.	2.3 OK
2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.	2.4 Logs are on file.
2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.	2.5 OK
2.6. A statement as to the type of fluid to be used for injection, its source and estimated amounts to be injected daily.	2.6 OK, but no estimated daily amount is provided, only a maximum from the UIC Form 1.
2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.	2.7 Water analysis is inadequate. No Paradox produced water and no compatibility analysis with the injection zone connate water from subject well (report states that there was no residue with an unrelated well). What is the 1 <sup>st</sup> analysis in Attachment #5?
2.8. The proposed average and maximum injection pressures.	2.8 No average injection pressure provided.
2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.	2.9 Step Rate Test not provided for this well. Is there one?
2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.	2.10 The tendered geological information is insufficient. The operator needs to provide 2 X-sections crossing at the subject well (approximately N-S and E-W and for 5 miles on each side); Sinbad Ls. structure map will suffice but should show the trace of X-sections on the map. X-sections should include both confining layers if possible with labelling of lithologic units, well names and API #s and appropriate symbology for well status and injection zone.
2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.	2.11 No Professional Engineer's stamped, signed analysis of mechanical condition of 4301931462 or any other well bore within 1/2 mile of subject well is provided.
2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.	2.12 Fatal flaw. No affidavit included in SWD information submission. The affidavit statement should essentially echo the language used in Rule item 2.12. Call if you have a question.
2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.	2.13 OK

*logs (CBL) are available - the cement analysis is questionable*

*Send stamped to Kate Shirley*

**OTHER COMMENTS AND OBSERVATIONS:** Permit will be noticed despite fatal flaw (2.12). It remains to be cured. Some submissions are inadequate.