

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

FORM 3
AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Wellington Fee 23-23				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT UNDESIGNATED				
4. TYPE OF WELL Gas Well Coalbed Methane Well: YES						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.						7. OPERATOR PHONE 720 929-6515				
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217						9. OPERATOR E-MAIL julie.jacobson@anadarko.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Lynda Varner						14. SURFACE OWNER PHONE (if box 12 = 'fee') 432-630-1182				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') PO Box 866, ,						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL		FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE		1837 FSL 1899 FWL		NESW	23	14.0 S	10.0 E	S		
Top of Uppermost Producing Zone		1837 FSL 1899 FWL		NESW	23	14.0 S	10.0 E	S		
At Total Depth		1837 FSL 1899 FWL		NESW	23	14.0 S	10.0 E	S		
21. COUNTY CARBON			22. DISTANCE TO NEAREST LEASE LINE (Feet) 509			23. NUMBER OF ACRES IN DRILLING UNIT 160				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1800			26. PROPOSED DEPTH MD: 1774 TVD: 1774				
27. ELEVATION - GROUND LEVEL 5604			28. BOND NUMBER 22013542			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE City of Price				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Cond	24	14	0 - 35	36.0	Unknown	8.6	Unknown	0	0.0	0.0
Surf	11	8 5/8	0 - 177	24.0	J-55 ST&C	8.6	Type III	78	1.15	15.8
Prod	7.875	5	0 - 1774	15.5	J-55 ST&C	8.6	Type III	228	2.04	12.5
							Type III	66	1.15	15.8
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Kathy Schneebeck-Dulnoan			TITLE Staff Regulatory Analyst			PHONE 720 929-6007				
SIGNATURE			DATE 01/16/2011			EMAIL GNBRegulatory@anadarko.com				
API NUMBER ASSIGNED 43007501130000						APPROVAL				

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Cardinal Draw 2011 Plan of Development
WELL LIST AND LEASE REFERENCE

OPERATOR: Kerr-McGee Oil & Gas Onshore LP
1099 18th. St., #1200
Denver, Colorado 80202
Phone: 720.929.6000

<u>No.</u>	<u>Well Name</u>	<u>Well No.</u>	<u>Qtr/Qtr</u>	<u>Sec.</u>	<u>Twn</u>	<u>Rng</u>	<u>Federal Lease No.</u>	<u>Surface Ownership</u>
1	Wellington Fee	12-23	SW/NW	23	14S	10E	NA	Lynda Varner
2	Wellington Fee	13-25	NW/SW	25	14S	10E	NA	Verdis Barker
3	Wellington Fee	21-26	NE/NW	26	14S	10E	NA	Circle K Ranch
4	Wellington Fee	23-23	NE/SW	23	14S	10E	NA	Lynda Varner
5	Wellington Fee	34-25	SW/SE	25	14S	10E	NA	BLM / Shimmons
6	Wellington Fee	41-26	NE/NE	26	14S	10E	NA	Verdis Barker

Included are the Master MSU, Master Drilling Prognosis, Master Geological Prognosis, and Project Map.

The Archeological Survey has been/will be submitted by the Archeology contractor under a separate cover.

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**Cardinal Draw 2011 Plan of Development
Carbon County, Wyoming**

OPERATOR: Kerr-McGee Oil & Gas Onshore LP

MASTER DRILLING PROGNOSIS PRODUCTION WELLS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

PROPOSED WELL	GROUND				COAL
	ELEV	TOP KB	BASE KB	ID KB	
Wellington Fee 12-23	5608	1033	1533	1833	Ferron
Wellington Fee 13-25	5523	713	1213	1513	Ferron
Wellington Fee 21-26	5537	797	1297	1597	Ferron
Wellington Fee 23-23	5604	974	1474	1774	Ferron
Wellington Fee 34-25	5647	822	1322	1622	Ferron
Wellington Fee 41-26	5603	853	1353	1653	Ferron

2. ESTIMATED DEPTH OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS

Primary Objective: Ferron Methane Gas

Several coal seams may be tested for gas producing formations to total depth. All shallow water zones will be protected with casing and cement. Cement will be brought to surface to isolate formations.

The casing and cementing programs shall be conducted as approved to protect and/or isolate all usable water zones and any prospectively valuable deposits of minerals. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

3. MINIMUM BOP REQUIREMENTS: (Refer to attached schematics)

- a) The BOPE shall be closed whenever the well is unattended.
- b) The BOPE shall be pressure tested when initially installed, whenever any seal subject to pressure testing is broken, after repairs, or every 30 days.
- c) Kerr-McGee shall notify the U.S. Geological Survey office 24 hours prior to the BOPE test.
- d) All BOPE shall meet or exceed the requirements of a 2M system as set forth in Onshore Order No. 2.
- e) An accumulator unit will be used that has sufficient capacity to open the hydraulically-controlled choke line valve (if so equipped), close all rams plus the annular preventer and retain 200 psi above precharge on the closing manifold without the use of the closing pumps. The accumulator unit will be located at the master accumulator and on the rig floor.
- f) Annular type preventers shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.
- g) Accessories to BOP's include upper and lower Kelly cock valves with handles and floor safety valve, drill string BOP.

4. SUPPLEMENTARY INFORMATION:

The primary objective of this project is to drill, stimulate and produce coalbed methane gas from the coal seams of the Mesa Verde Group Formations.

Kerr-McGee proposes to test the coal formations.

Stimulation of the perforated coal seams will be done by hydraulic fracturing. Fresh water, gelled water, and/or foam fracturing techniques will be used.

5. CASING PROGRAM:

Hole Size	Casing Size	Weight	Grade	Joint	Depth Set	New/Used	Collapse	Burst
17 1/2"	13 3/8"	48	H-40	ST&C	0-35'	New	740	1730
11"	8 5/8"	24	J-55	ST&C	0-151 to 183'	New	1370	2950
7 7/8"	5 1/2"	15.5	J-55	ST&C	0-TD	New	4040	4810

Surface Casing:

- a) Burst = $0.052 * MW * TVD(\text{shoe})$
 $= 0.052 * 10.0 \text{ ppg} * 375'$
 $= 195 \text{ psi}$
 Safety Factor = Rating/Burst
 $= 2950/195$
 $= 15.1$

- b) Collapse = $[0.052 * MW * TVD(\text{shoe})] - [\text{Gas Gradient} * TVD]$
 $= [.052 * 10.0 \text{ ppg} * 375'] - [0.1 * 375']$
 $= 158 \text{ psi}$
 Safety Factor = Rating/Collapse
 $= 1370/158$
 $= 8.7$

- c) Tension = Weight * TVD * $[1 - (MW/65.5\text{ppg})]$
 $= 24 * 375' * [1 - 10.0/65.5]$
 $= 7,626 \text{ lbs.}$
 Safety Factor = Rating/Tension
 $= 244,000/7,626$
 $= 32$

Surface casing shall have centralizers on the bottom 3 joints of the casing, starting with the shoe joint (minimum of 4 centralizers.)

Production Casing:

- a) Burst = $0.052 * 13 \text{ ppg} * 3345'$
 $= 2261 \text{ psi}$
 Safety Factor = Rating/Burst
 $= 4810/2261$
 $= 2.1$

- b) Collapse = $[0.052 * 13 \text{ ppg} * 3345' - [0.1 \text{ psi/ft} * 3345']]$
 $= 1927 \text{ psi}$
 Safety Factor = Rating/Collapse
 $= 2950/1927$
 $= 1.5$

- c) Tension Weight = $45.5 \text{ lbs/ft} * 3345' * [1 - (13 \text{ ppg}/65.5 \text{ ppg})]$
 $= 41,557 \text{ lbs}$
 Safety Factor = Rating/Tension
 $= 202,000/41,557$
 $= 4.9$

6. MUD PROGRAM:

Kerr-McGee intends to drill the surface casing setting depth using air. Therefore, Kerr-McGee requests a variance from Onshore Order 2 in regards to the 100 foot blooie line. When drilling the surface hole no gas will be encountered and a BOP system will not be used. The length of the blooie line will be sufficient to reach the middle of the reserve pit. Since no gas will be encountered we will not have an ignition device. In the event that gas is encountered, then a continuous ignition system will be installed and utilized on remaining and subsequent wells drilled.

Air flow line is 6" Schedule 80 pipe that runs 90 degrees from the well bore to the reserve pit. The last 7' of flow line is 14" pipe with three, 45 degree, 8" Schedule 80 pipe to disperse cuttings to reserve pit. Dust supression system is used by water injection to flow line. There is no gas ignition in place.

Location and capacity of equipment is located on site map provided and made an attachment to this plan. Kerr-McGee will use whip checks on all compressor equipment and hoses. There are several fire extinguishers placed on all equipment as well as up to date safety training and paper work.

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While drilling with air, Kerr-McGee will maintain sufficient mud and weight materials to kill the water flow or contain gas production if necessary. These materials will not be pre-mixed, but the ability to mix and pump will be on location.

Should water be used to drill through the surface casing setting depth, only fresh water will be used from the source listed in the MSUP.

Drilling of through production casing setting depth will be done with drilling mud as the circulation medium. A fresh water, polymer, gel drilling mud will be used and visual monitoring will be done upon mudding up to total depth. The anticipated mud weight will be between 8.5 - 13 ppg. Sufficient quantities of lost circulation material and barite will be available at the well site at all times for the purpose of assuring well control.

A mud test shall be performed at least once every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

7. CEMENTING PROGRAM:

The following is the proposed procedure for cementing the 8 5/8" surface pipe and 5 1/2" long string:

8 5/8" Surface Casing:

Lead: Type III Cement with 0.25#/sk celloflake and 2% CaCl₂, mixed at 15.8 ppg, 1.15 cuft/sk yield with 100% excess.

The surface casing shall be cemented back to surface. In the event cement does not circulate to surface or fall back of the cement column occurs, remedial cementing shall be done to cement the casing back to surface.

5 1/2" Production Casing:

Lead: Type III Cement with 2% CaCl₂, 0.2% CFR, 0.3% CFL-3 and .5#/sk celloflake, mixed at 12.5 ppg, 2.04 cuft/sk yield.

Tail: Type III with 2% CaCl₂, 0.2% CFR, 0.3% CFL-3 and .5#/sk cello-flake, mixed at 15.8 ppg, 1.15 cuft/sk yield.

Volumes calculated to circulate cement from TD to surface.

8. LOGGING PROGRAM

Well completion and stimulation procedures will be determined following the evaluation of the drilling results and open hole logs. A Sundry Notice will be submitted for approval outlining the planned completion procedure at that time.

Cores: None

DSTs: None

Logs:	From	To
GR	TD	Surface
Resistivity	TD	Surface Casing
Neutron-Density-Cal	TD	Surface Casing
High Res Pass	TBD	TBD

9. PRESSURE DATA, POTENTIAL HAZARDS

Bottom hole pressures anticipated at 800-1000 psi
There is no history of hydrogen sulfide gas in the area and none is anticipated.

10. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS:

- a) Anticipated Days:
 - Drilling Days: Approximately 4 Days/Well
 - Completion Days: Approximately 2 Days/Well
 - Testing Days: Approximately 7-14 Days/Well

b) Notification of Operations:

Main Address:

Bureau of Land Management
Price Field Office
125 South 600 West
Price, UT 84501
Main: 435-636-3600
Fax: 435-636-3657

Main Address:

Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116
Main: 801-538-5340
Fax: 801-359-3940

Mailing Address:

Utah Division of Oil, Gas, and Mining
PO Box 145801
Salt Lake City, UT 84114-5801

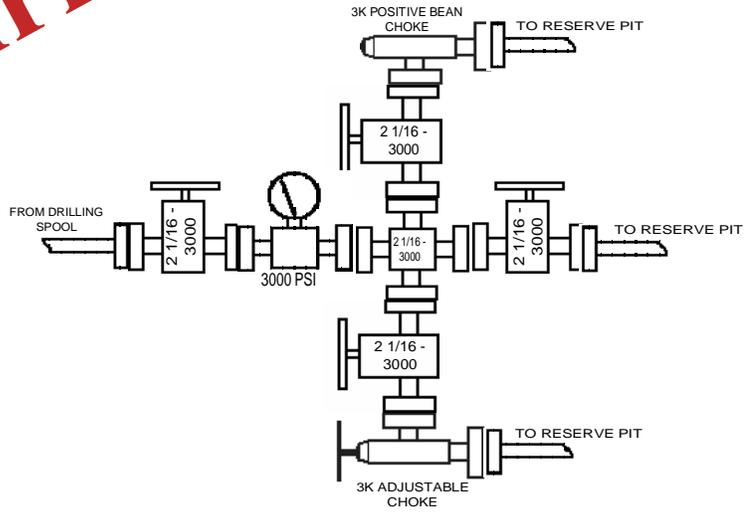
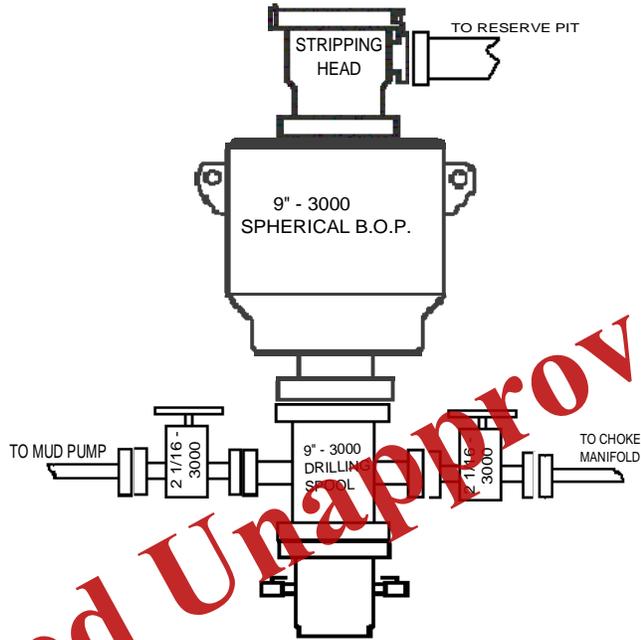
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**Helper Plan of Development
Carbon County, Utah
OPERATOR: Kerr-McGee Oil & Gas Onshore LP**

PROPOSED WELL	8-5/8", 24# CASING		5-1/2", 15.5# CASING		Top of Cement	Top of Tail	Cement (sacks)	
	SETTING DEPTH-KB	Cement (Sacks)	SETTING DEPTH-KB	Ferron Depth			Production Lead	Production Tail
1 Wellington Fee 12-23	183'	81	1,833'	1,533'	1,133'	1,433'	238	66
2 Wellington Fee 13-25	151'	67	1,513'	1,213'	813'	1,113'	184	66
3 Wellington Fee 21-26	160'	71	1,597'	1,297'	897'	1,197'	198	66
4 Wellington Fee 23-23	177'	78	1,774'	1,474'	1,074'	1,374'	228	66
5 Wellington Fee 34-25	162'	72	1,622'	1,322'	922'	1,222'	203	66
6 Wellington Fee 41-26	165'	73	1,653'	1,353'	953'	1,253'	208	66

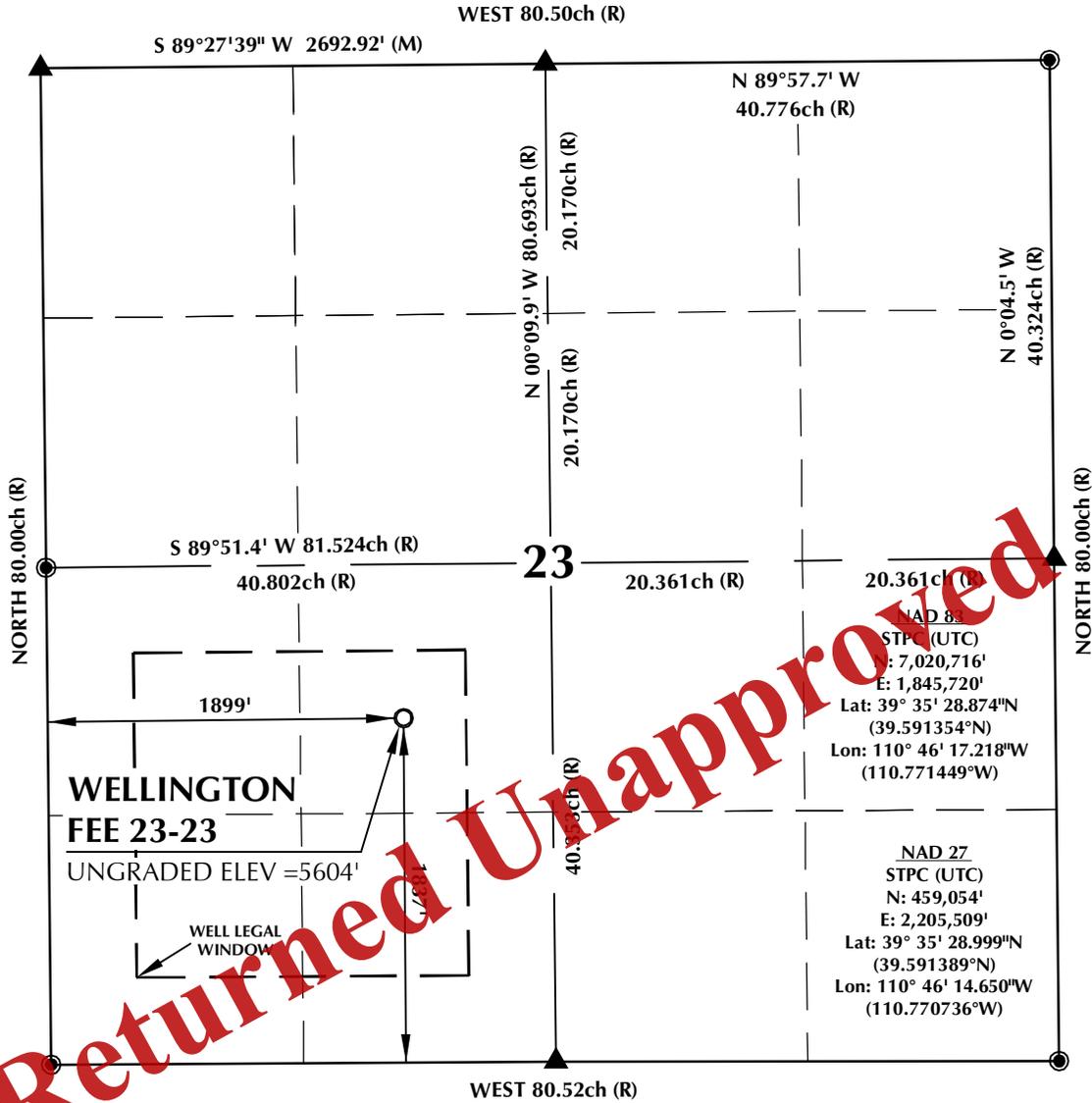
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CARDINAL DRAW 9" - 3000 BOP



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T14S, R10E

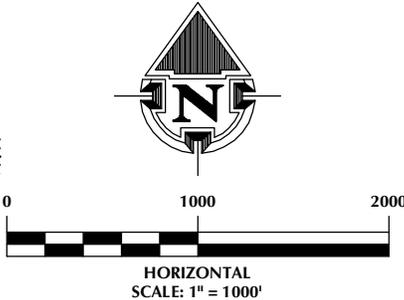


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CERTIFICATE OF SURVEYOR:

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.

Benjamin Jay Reenders
 REGISTERED LAND SURVEYOR
 REGISTRATION No. 7263818
 STATE OF UTAH



NOTES:

- ▲ INDICATES FOUND BLM BRASS CAP
- INDICATES CALCULATED CORNER POSITION FROM RECORD
- ELEVATION BASED ON NAVD88 (GEOID09)
- BASIS OF BEARING DERIVED FROM NAD83
- ALL MEASURED DISTANCES ARE GRID. COMBINED SCALE FACTOR: .99963522
- 1 CHAIN = 66 FEET

WELL PAD - WELLINGTON FEE 23-23

WELLINGTON FEE 23-23
 WELL PLAT
 1837' FSL & 1899' FWL
 NE1/4 SW1/4, SECTION 23, T14S, R10E,
 S.L.M., CARBON COUNTY, UTAH

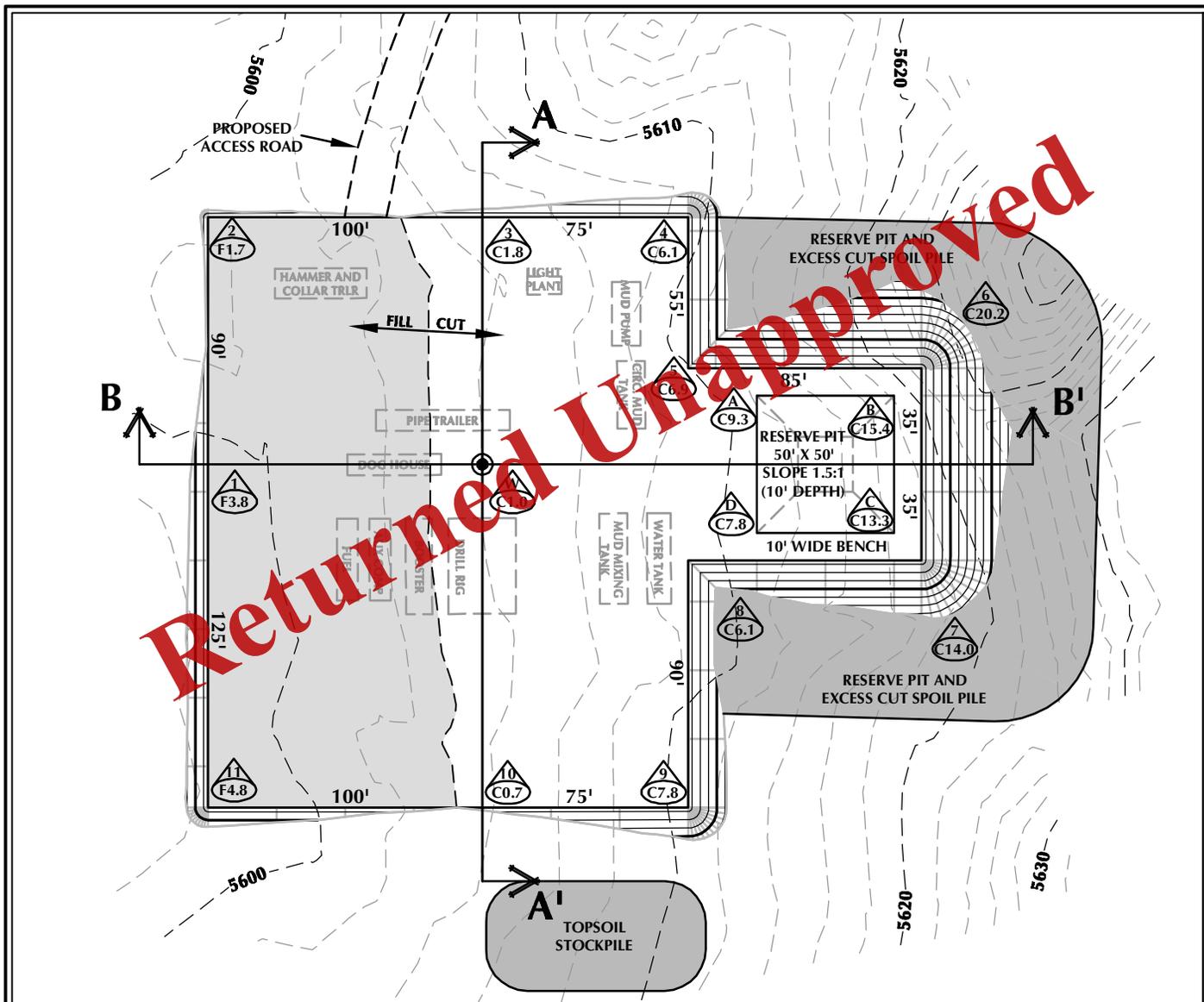
KERR-MCGEE OIL & GAS
 ONSHORE L.P.



CONSULTING, LLC
 2155 North Main Street
 Sheridan Wyoming 82801
 Phone 307-674-0609
 Fax 307-674-0182

DRAFTED BY: SEA	CHECKED BY: BJR	SHEET NO: 1 1 OF 13
DATE DRAFTED: 8/22/10	DATE SURVEYED: 7/2010	
REVISED: 12/14/10	FILE NAME: 10-33	

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WELL PAD LEGEND

	WELL LOCATION
	EXISTING CONTOURS (2' INTERVAL)
	PROPOSED CONTOURS (2' INTERVAL)

WELLINGTON FEE 23-23 DESIGN SUMMARY

EXISTING GRADE @ LOC. STAKE = 5604.0'
 FINISHED GRADE ELEVATION = 5603.0'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1
 TOTAL DISTURBANCE = 1.24 ACRES
 SHRINKAGE FACTOR = 1.15
 SWELL FACTOR = 1.00

WELL PAD QUANTITIES

TOTAL CUT FOR WELL PAD = 5,522 C.Y.
 TOTAL FILL FOR WELL PAD = 1,924 C.Y.
 TOPSOIL @ 6" DEPTH = 998 C.Y.
 EXCESS MATERIAL = 3,598 C.Y.

RESERVE PIT QUANTITIES

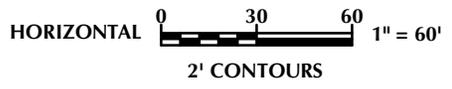
TOTAL PIT CAPACITY WITH 2' OF FREEBOARD
 +/- 1,540 BARRELS
 TOTAL PIT VOLUME
 +/- 480 CY

**KERR-MCGEE OIL & GAS
 ONSHORE L.P.**
 1099 18th Street - Denver, Colorado 80202

**WELLINGTON FEE 23-23
 WELL PAD - LOCATION LAYOUT**
 1837' FSL, 1899' FWL
 NE1/4 SW1/4, SECTION 23, T14S, R10E,
 S.L.M., CARBON COUNTY, UTAH



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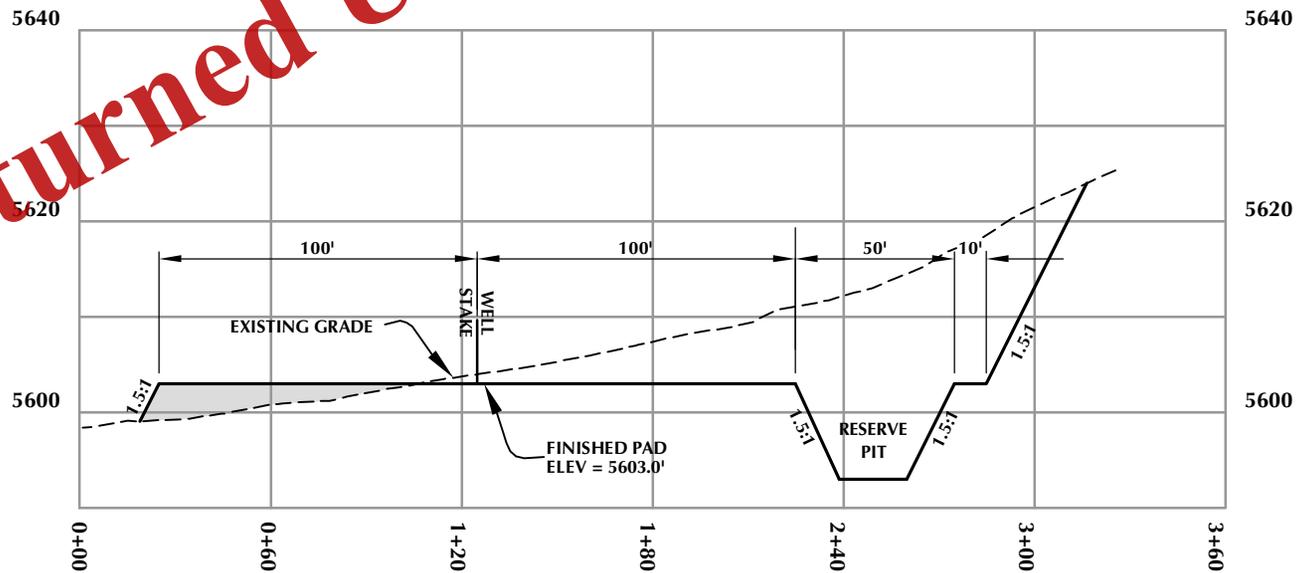
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CROSS SECTION A-A'



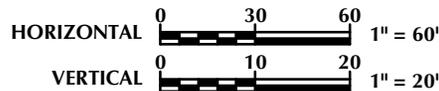
CROSS SECTION B-B'

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**KERR-MCGEE OIL & GAS
ONSHORE L.P.**
1099 18th Street - Denver, Colorado 80202



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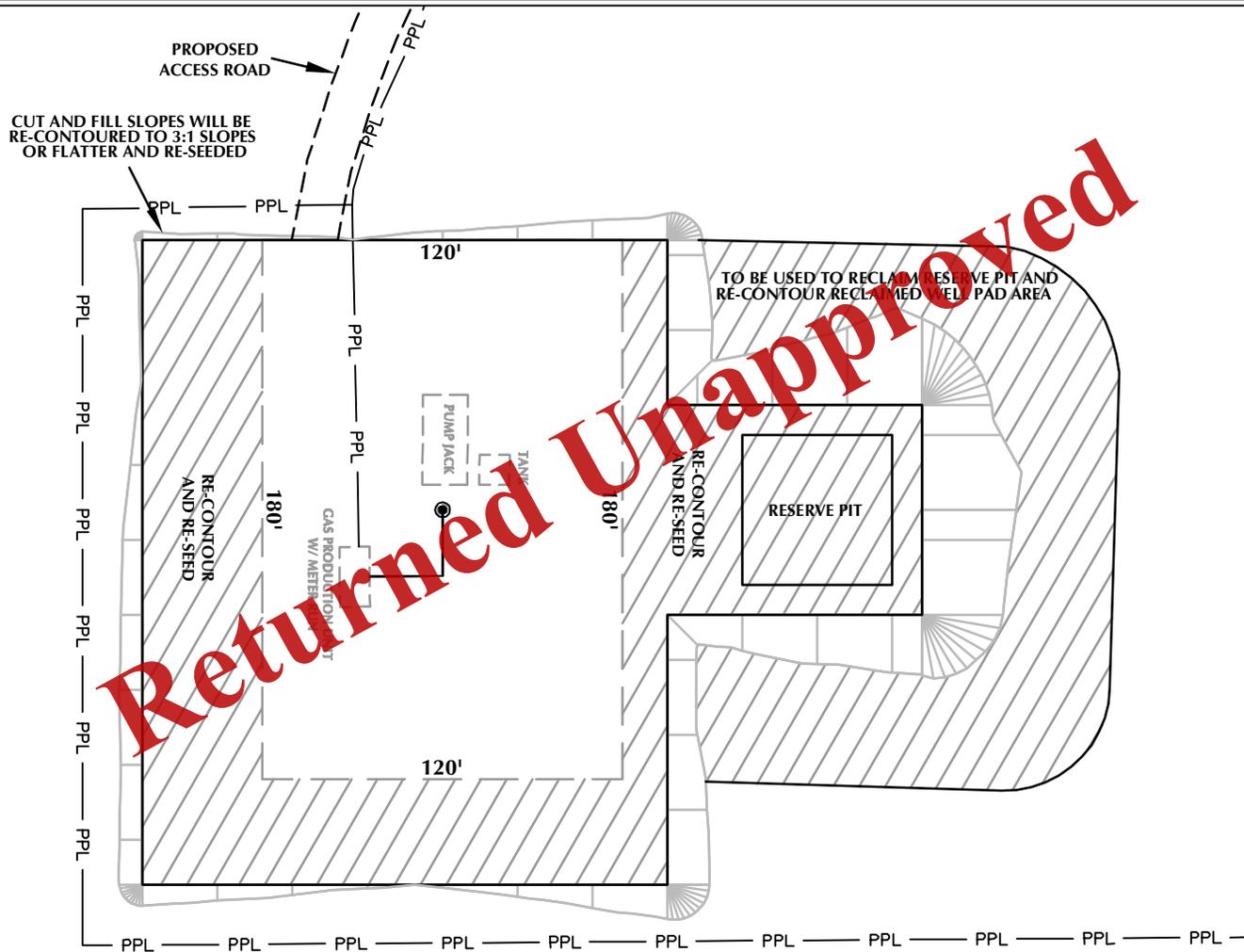


**WELLINGTON FEE 23-23
WELL PAD - CROSS SECTIONS**
1837' FSL, 1899' FWL
NE1/4 SW1/4, SECTION 23, T14S, R10E,
S.L.M., CARBON COUNTY, UTAH

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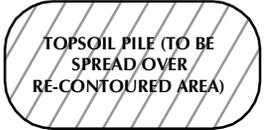
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WELL PAD LEGEND

	WELL LOCATION
	RECLAIMED AREA
	RECLAIMED BOUNDARY
	EPL EXISTING PIPELINE
	PPL PROPOSED PIPELINE

PLEASE NOTE: LOCATIONS OF FACILITIES AND PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUAL PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.



**KERR-MCGEE OIL & GAS
ONSHORE L.P.**

1099 18th Street - Denver, Colorado 80202

**WELLINGTON FEE 23-23
WELL PAD - RECLAMATION LAYOUT
1837' FSL, 1899' FWL
NE1/4 SW1/4, SECTION 23, T14S, R10E,
S.L.M., CARBON COUNTY, UTAH**



CONSULTING, LLC
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Sheridan WY 82801
Phone 307-674-0609
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HORIZONTAL 1" = 60'

Scale: 1"=60'	Date: 8/20/10	SHEET NO: 4 4 OF 13
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PHOTOGRAPH OF WELLINGTON FEE 23-23 WELL LOCATION - CAMERA ANGLE NORTH



PHOTOGRAPH OF WELLINGTON FEE 23-23 WELL LOCATION - CAMERA ANGLE EAST

**KERR-MCGEE OIL & GAS
ONSHORE L.P.**
1099 18th Street - Denver, Colorado 80202

**LOCATION PHOTOGRAPHS
WELLINGTON FEE 23-23
1837' FSL, 1899' FWL
NE1/4 SW1/4, SECTION 23, T14S, R10E,
S.L.M., CARBON COUNTY, UTAH**



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Scale: NTS	Date: 8/20/10	SHEET NO: 5 5 OF 13
REVISED:	SEA 12/14/10	

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PHOTOGRAPH OF WELLINGTON FEE 23-23 WELL LOCATION - CAMERA ANGLE SOUTH



PHOTOGRAPH OF WELLINGTON FEE 23-23 WELL LOCATION - CAMERA ANGLE WEST

**KERR-MCGEE OIL & GAS
ONSHORE L.P.**
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**LOCATION PHOTOGRAPHS
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1837' FSL, 1899' FWL
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Scale: NTS	Date: 8/20/10	SHEET NO: 6 6 OF 13
REVISED:	SEA 12/14/10	

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PHOTOGRAPH OF PROPOSED ACCESS TO THE WELLINGTON FEE 23-23 WELL LOCATION - CAMERA ANGLE SOUTH

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ONSHORE L.P.**
1099 18th Street - Denver, Colorado 80202

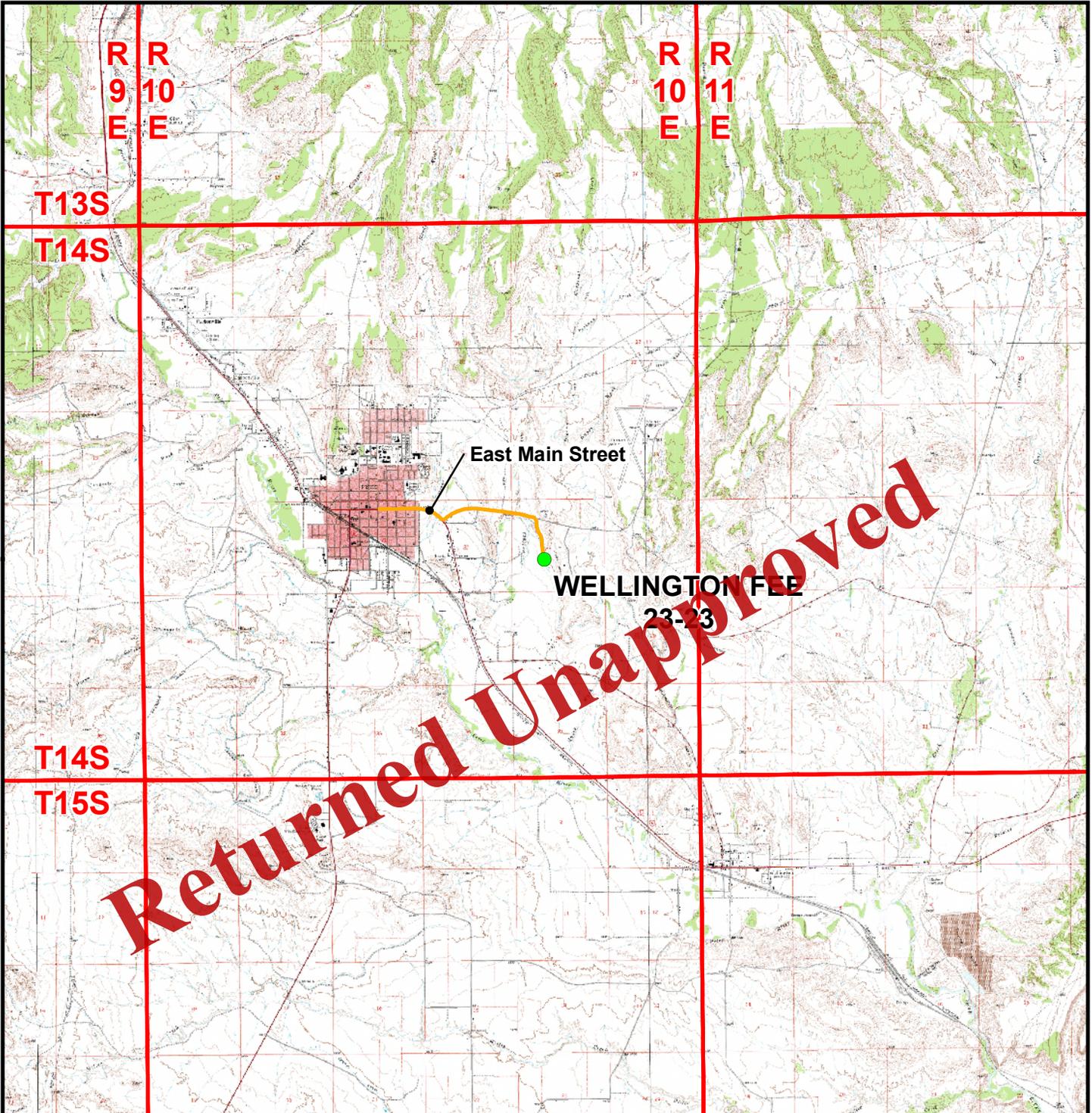
**LOCATION PHOTOGRAPHS
WELLINGTON FEE 23-23
1837' FSL, 1899' FWL
NE1/4 SW1/4, SECTION 23, T14S, R10E,
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Legend

- Proposed Wellington Fee 23-23 Well Location
- Access Route - Proposed

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202

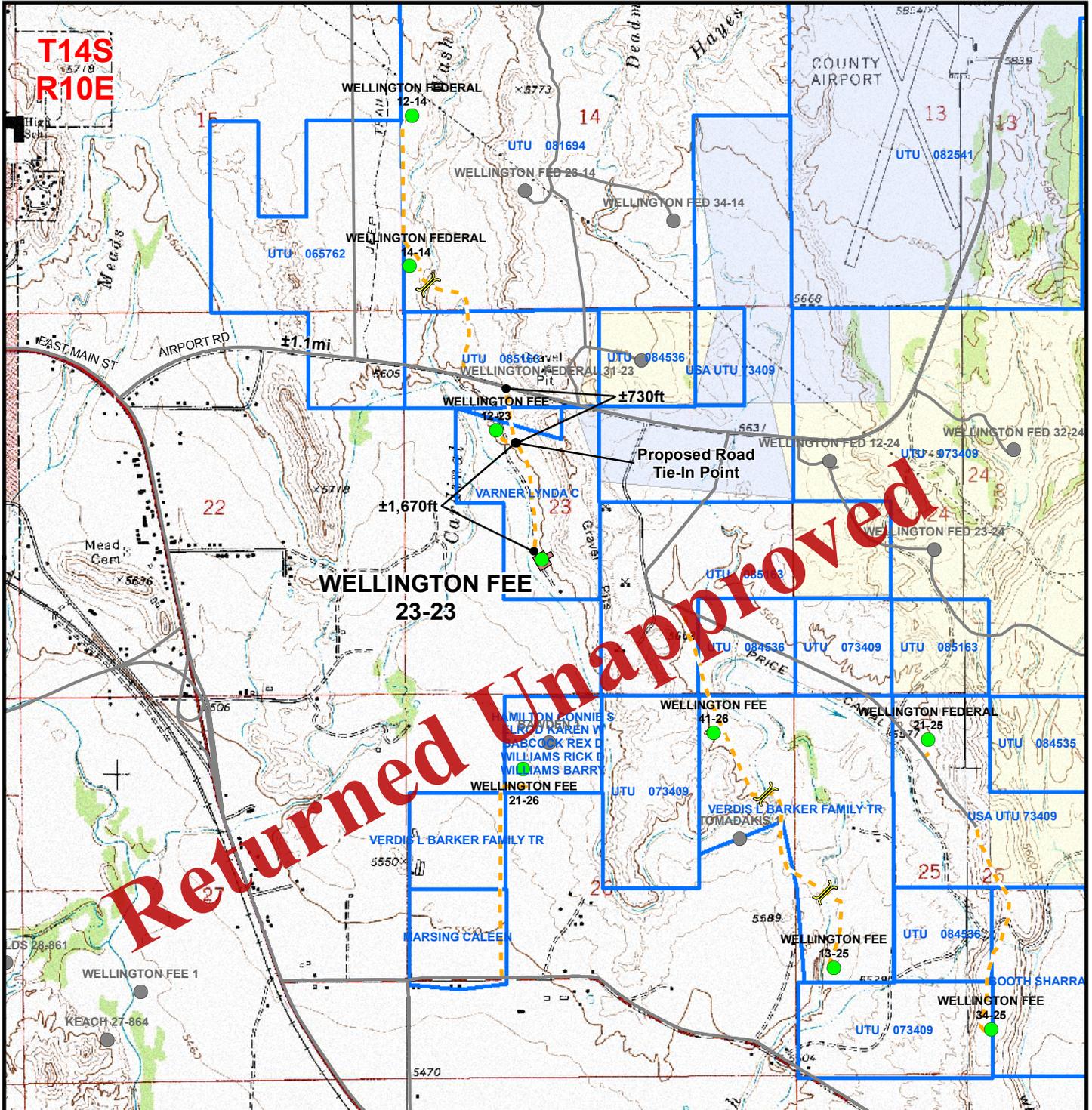
WELLINGTON FEE 23-23
TOPO A
 1837' FSL, 1899' FWL
 NE¼ SW¼, SECTION 23, T14S, R10E
 S.L.M., CARBON COUNTY, UTAH



CONSULTING, LLC
 2155 North Main Street
 Sheridan, WY 82801
 Phone (307) 674-0609
 Fax (307) 674-0182



Scale: 1:100,000	NAD83 USP Central	Sheet No:
Drawn: KGS	Date: 1 Sept 2010	8
Revised: TL	Date: 14 Dec 2010	



Legend

- Well - Proposed
- Well - Existing
- Well Pad
- APC Lease
- Road - Proposed
- Road - Existing
- Private Surface Ownership
- BLM Surface Ownership
- State of Utah Surface Ownership
- Carbon County Surface Ownership
- ⤴ Culvert - Proposed

Total Proposed Road Length: ±1,670ft

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Denver, Colorado 80202



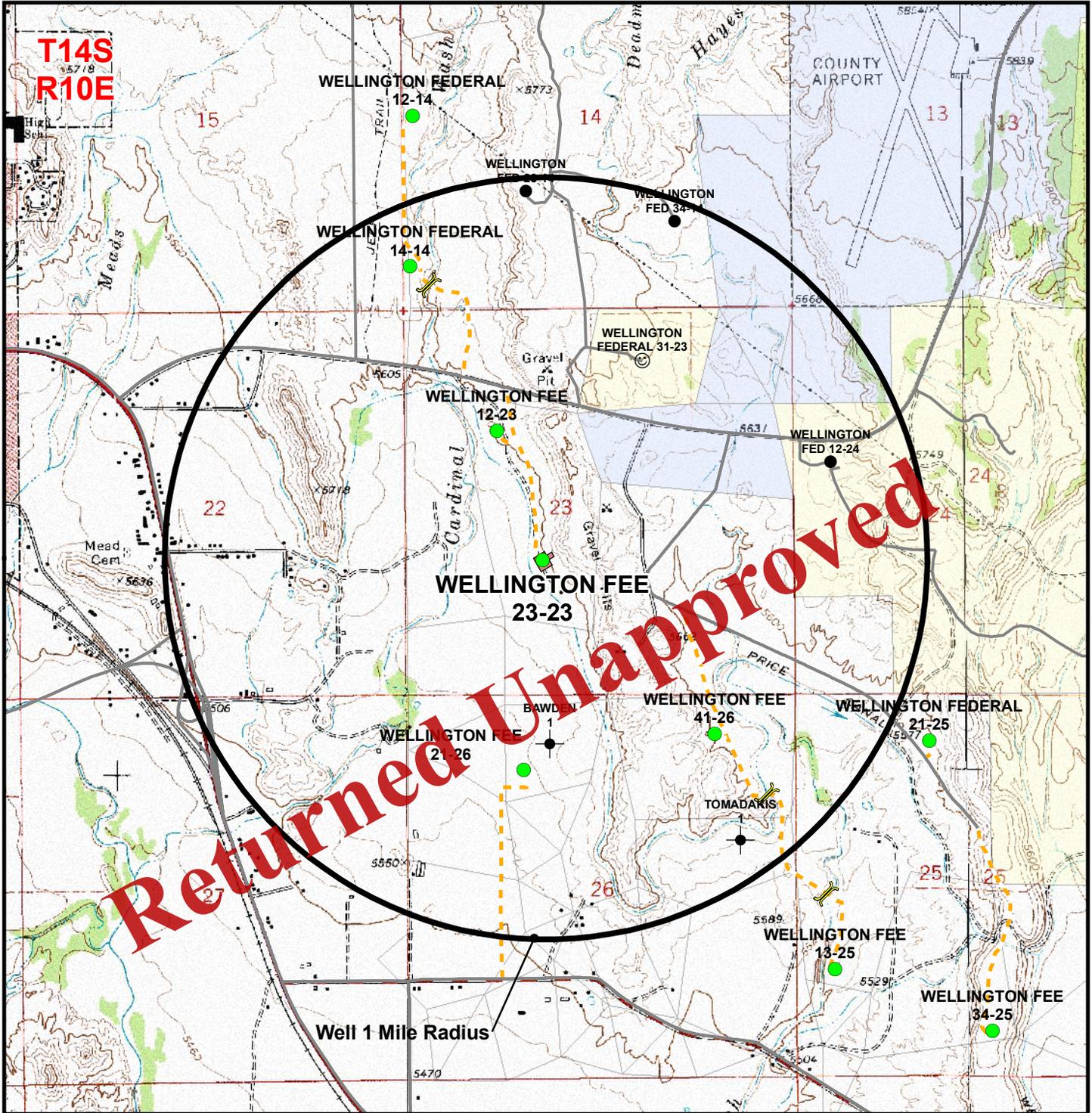
CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182



WELLINGTON FEE 23-23
TOPO B
1837' FSL, 1899' FWL
NE¼ SW¼, SECTION 23, T14S, R10E
S.L.M., CARBON COUNTY, UTAH

Scale: 1" = 2,000ft | NAD83 USP Central
Drawn: KGS | Date: 1 Sept 2010
Revised: TL | Date: 14 Dec 2010

Sheet No:
9 9 of 13



Legend

- Well - Proposed
- Well - 1 Mile Radius
- Well Pad
- - - Road - Proposed
- Private Surface Ownership
- State of Utah Surface Ownership
- Culvert - Proposed
- BLM Surface Ownership
- Road - Existing
- Carbon County Surface Ownership
- Producing
- ☼ Active
- ☺ Spudded
- ▲ Approved permit
- Shut-In
- ⊗ Drilling Operations Suspended
- Temporarily-Abandoned
- Plugged and Abandoned

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202



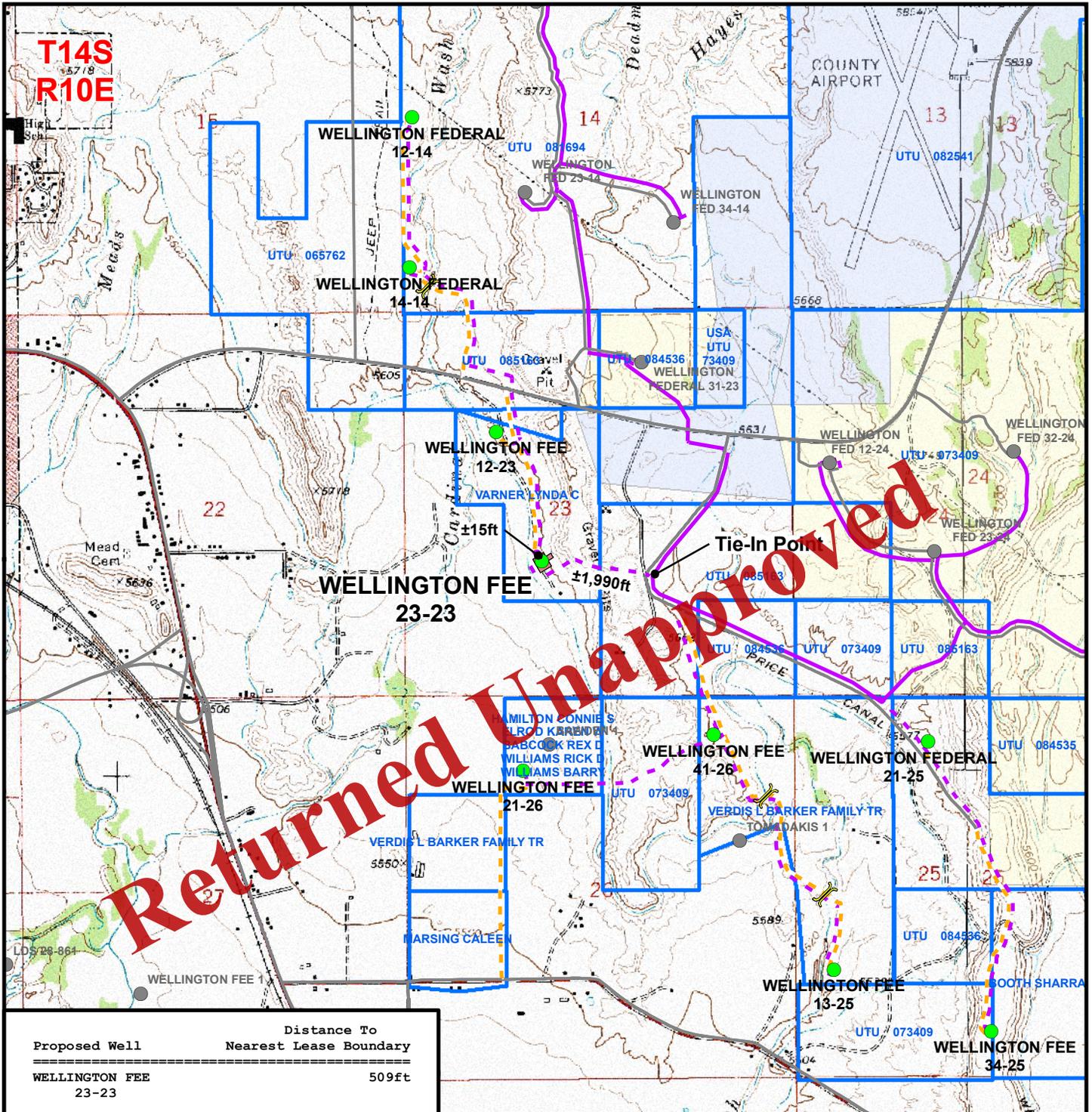
CONSULTING, LLC
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 Sheridan, WY 82801
 Phone (307) 674-0609
 Fax (307) 674-0182



WELLINGTON FEE 23-23
TOPO C
 1837' FSL, 1899' FWL
 NE¼ SW¼, SECTION 23, T14S, R10E
 S.L.M., CARBON COUNTY, UTAH

Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:
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Proposed Well	Distance To Nearest Lease Boundary
WELLINGTON FEE 23-23	509ft

Proposed Pipeline Length From Edge of Pad to Tie-In Point: $\pm 2,005\text{ft}$
 Proposed Pipeline Length From Edge of Pad to Gas Production Unit: $\pm 115\text{ft}$

Legend

- Well - Proposed
- Well Pad
- - - Pipeline - Proposed
- - - Road - Proposed
- Private Surface Ownership
- State of Utah Surface Ownership
- Well - Existing
- APC Lease
- - - Pipeline - Existing
- - - Road - Existing
- BLM Surface Ownership
- Carbon County Surface Ownership
- 🚧 Culvert - Proposed

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202

WELLINGTON FEE 23-23
TOPO D
 1837' FSL, 1899' FWL
 NE¼ SW¼, SECTION 23, T14S, R10E
 S.L.M., CARBON COUNTY, UTAH

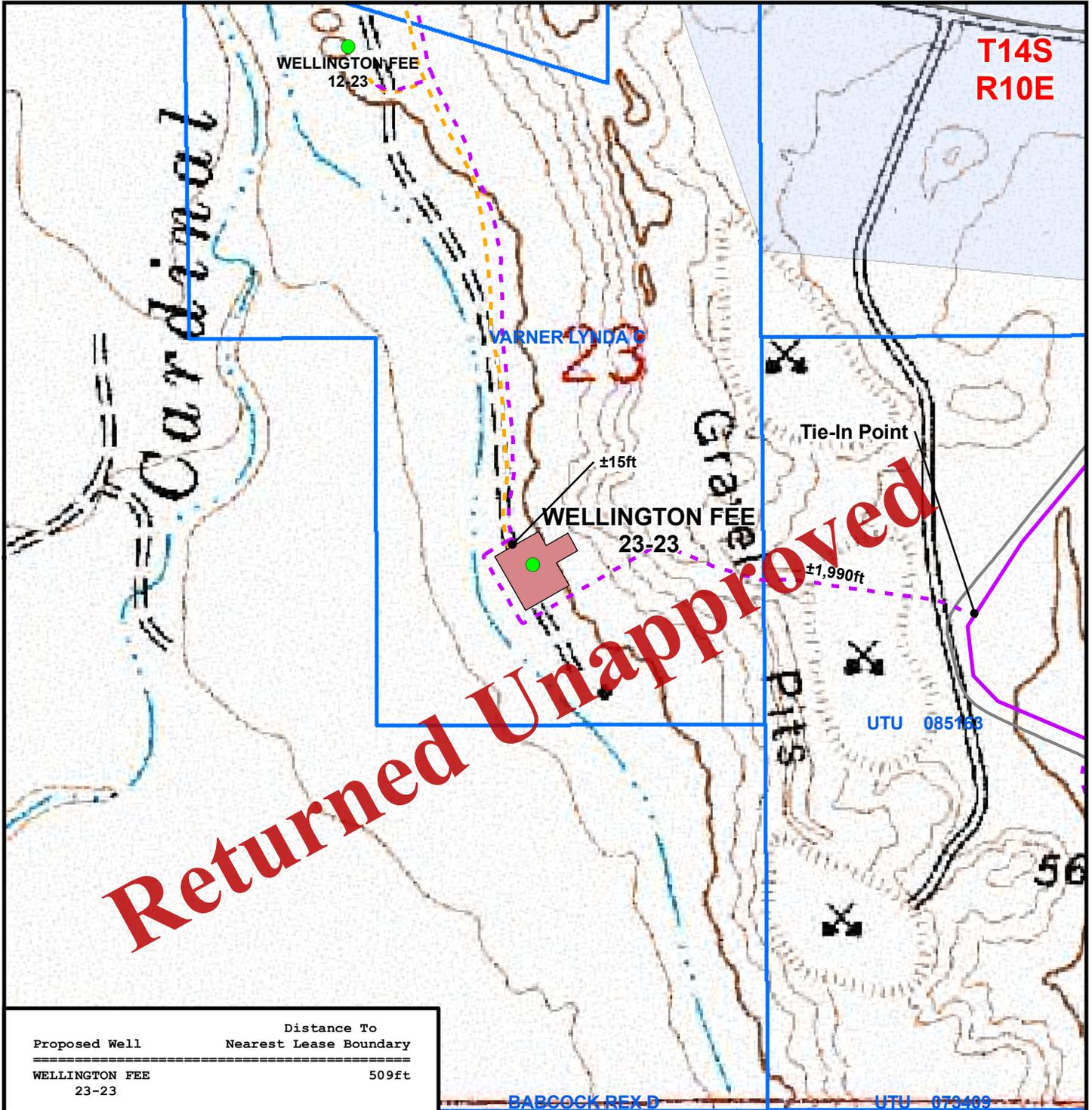
609

CONSULTING, LLC
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 Fax (307) 674-0182



Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:
Drawn: KGS	Date: 1 Sept 2010	11
Revised: TL	Date: 14 Dec 2010	

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Proposed Well	Distance To Nearest Lease Boundary
WELLINGTON FEE 23-23	509ft

BABCOCK REX D UTU 073409

Legend

- Well - Proposed
- Well - Existing
- Well Pad
- APC Lease
- Pipeline - Proposed
- Pipeline - Existing
- Road - Proposed
- Road - Existing
- Private Surface Ownership
- BLM Surface Ownership
- State of Utah Surface Ownership
- Carbon County Surface Ownership
- ⚡ Culvert - Proposed

Proposed Pipeline Length From Edge of Pad to Tie-In Point: ±2,005ft

Proposed Pipeline Length From Edge of Pad to Gas Production Unit: ±115ft

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Denver, Colorado 80202

WELLINGTON FEE 23-23
TOPO D2 (PAD & PIPELINE DETAIL)
1837' FSL, 1899' FWL
NE¼ SW¼, SECTION 23, T14S, R10E
S.L.M., CARBON COUNTY, UTAH

609

CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182

Scale: 1" = 500ft	NAD83 USP Central	Sheet No:
Drawn: TL	Date: 14 Dec 2010	12
Revised:	Date:	

**KERR-MCGEE OIL & GAS ONSHORE L.P.
WELLINGTON FEE 23-23
SECTION 23, T14S, R10E, S.L.M.**

Proceed in an easterly direction from Price, Utah, along East Main Street approximately 0.7 miles to the junction of East Main Street and Airport Road. Exit left and proceed along Airport Road in an easterly direction approximately 1.1 miles to the proposed access road to the south. Exit right and follow the road flags in a southerly direction approximately 2,410 feet to the proposed well location.

Total distance from Price, Utah, to the proposed Wellington Fee 23-23 well location is approximately 2.3 miles.

Returned Unapproved

SURFACE USE PLAN of OPERATIONS (SUPO)
Cardinal Draw Field

Carbon County, Utah
Kerr-McGee Oil & Gas Onshore LP

Wellington Fee 12-23
Section 23 T14S R10E
1680' FNL 1280' FWL (SW/4 NW/4)
Fee Surface (Lynda Varner)
Fee Minerals

Wellington Fee 23-23
Section 23 T14S R10E
1837' FSL 1899' FWL (NE/4 SW/4)
Fee Surface (Lynda Varner)
Fee Minerals

Wellington Fee 13-25
Section 25 T14S R10E
1481' FSL 534' FWL (NW/4 SW/4)
Fee Surface (Verdis Barker)
Fee Minerals

Wellington Fee 34-25
Section 25 T14S R10E
625' FSL 2678' FEL (SW/4 SE/4)
Fee (Shimmon) / Federal Surface
Fee Minerals

Wellington Fee 21-26
Section 26 T14S R10E
1066' FNL 1608' FWL (NE/4 NW/4)
Fee Surface (Circle K Ranch)
Fee Minerals

Wellington Fee 41-26
Section 26 T14S R10E
572' FNL 1117' FEL (NE/4 NE/4)
Fee Surface (Verdis Barker)
Fee Minerals

This Surface Use Plan of Operations (SUPO) contains surface operating procedures for Kerr-McGee Oil & Gas Onshore LP (KMG) pertaining to actions that involve the State of Utah School and Institutional Trust Lands Administration (SITLA) in the development of minerals leased to KMG (including, but not limited to, APD/SITLA/ROEs/ROWs and/or easements).

See associated Utah Division of Oil, Gas, and Mining (UDOGM) Form 3(s), plats, maps, and other attachments for site-specific information on projects represented herein.

A. Existing Roads:

Existing roads consist of county roads and improved/unimproved lease roads. KMG will maintain existing roads in a condition that is the same as or better than before operations began and in a safe and usable condition. Maintenance of existing roads will continue until final abandonment and reclamation of well pads and/or other facilities. The road maintenance may include, but is not limited to, blading, ditching, culvert installation/cleanout, surfacing, and dust control.

Typically, roads, gathering lines and electrical distribution lines will occupy common disturbance corridors and roadways will be used as working space. All disturbances located in the same corridor will overlap each other to the maximum extent possible.

Cardinal Draw Field: Six Wellington Fee wells
Wellington Fee 12-23, 13-25, 21-26, 23-23, 34-25, 41-26

Surface Use Plan of Operations
Page 2

B. Planned Access Roads:

New access roads to these well locations are summarized below in Table 1, and shown in each well's Topo B map. Applicable Carbon County encroachment and/or pipeline crossing permits will be obtained prior to construction/development, if needed.

Table 1
 New Access Road Details

Well Name	New Access Road Length (Amount with Concurrent Use) ¹	Section/Township/Range		Surface Owner ²
		Starting	Ending (at well pad)	
Wellington Fee 12-23	±950' (±730')	23-T14S-R10E	14-T14S-R10E	Lynda Varner
Wellington Fee 13-25	±5880' (±1875')	26-T14S-R10E	23-T14S-R10E	Verdis Barker
Wellington Fee 21-26	±3030'	25-T14S-R10E	23-T14S-R10E	Circle K Ranch
Wellington Fee 23-23	±3155'	26-T14S-R10E	23-T14S-R10E	Lynda Varner
Wellington Fee 34-25	±1670' (±730')	23-T14S-R10E	23-T14S-R10E	Donna Shimmon Perry Trust / BLM
Wellington Fee 41-26	±1980' (±1980')	25-T14S-R10E	23-T13S-R10E	Verdis Barker

¹ Concurrent use indicates the length of new access road that will be used by two or more wells. See each well's Topo B map for additional information.

² See Table 4 for detailed surface owner information, including full name and contact information.

Where roads are new or to be reconstructed, they will be located, designed, and maintained to meet the standards of SITLA and other commonly accepted Best Management Practices (BMPs). If a new road/corridor were to cross a water of the United States, KMG will adhere to the requirements of applicable Nationwide or Individual Permits of the Department of Army Corps of Engineers (COE).

The running surface will be crowned/ditched with a running surface of ±16' and the total disturbance width of 45'. The temporary construction width is 75'. Plans for improvement and/or maintenance of existing roads are to maintain in as good or better conditions than at present. A regular maintenance plan will include, but not be limited to, blading, ditching, and surfacing.

Turnouts; major cut and fills; culverts; bridges; gates; cattle guards; low water crossings; or modifications needed to existing infrastructure/facilities were determined at the on-site and, as applicable, are typically shown on attached Exhibits and Topo maps.

C. Location of Existing and Proposed Facilities:

Gathering Facilities/Utility Trenches:

The following pipeline information will apply if the wells are productive (see Topo D). There will be a gas pipeline and a water transmission pipeline in the same trench. Additionally, electrical power will be buried in a separate, but adjacent, trench with appropriate safety measures in place. The trenches for the pipelines will follow the access road whenever possible. All trenches will be within the corridor as surveyed by the archaeologist.

Each gathering pipeline will have the following specifications:

	Gas Gathering	Water Gathering
Diameter:	4" – 6"	4" – 6"
Type:	SDR 11	SDR 11
Material:	poly HDPE 4710	poly HDPE 4710
Buried depth:	4'	4'
Design pressure:	100 psi	200 psi
Test pressures:	120 psi	120 psi
Test material:	Air	Air

Table 2
New Gas Gathering Pipeline Details

Well Name	New Pipeline Length		Section/Township/Range		Surface Owner ²
	to Existing Pipeline (Amount with Concurrent Use) ¹	to Tie-in point (Amount with Concurrent Use) ¹	Starting (at existing pipeline)	Ending (at well pad)	
Wellington Fee 12-23	±3875' (±3670')	±2055' (±1680')	NW/4 SE/4 23-T14S-R10E	23-T14S-R10E	Lynda Varner, others
Wellington Fee 13-25	±6150 (±1940')	±4210'	C-SE/4 23-T14S-R10E	25-T14S-R10E	Verdis Barker
Wellington Fee 21-26	±5135' (±2045)	±3090'	C-SE/4 23-T14S-R10E	26-T14S-R10E	Circle K Ranch, others
Wellington Fee 23-23	±2005'	±2005	NW/4 SE/4 23-T14S-R10E	23-T14S-R10E	Lynda Varner, others
Wellington Fee 34-25	±5425 (±4520')	±4520'	NE/4 NW/4 25-T14S-R10E	25-T14S-R10E	Donna Shimmon Perry Trust, others
Wellington Fee 41-26	±2140' (±2065')	±2140' (±2065')	C-SE/4 23-T14S-R10E	26-T13S-R10E	Verdis Barker

**Cardinal Draw Field: Six Wellington Fee wells
Wellington Fee 12-23, 13-25, 21-26, 23-23, 34-25, 41-26**

¹ Concurrent use indicates the length of new pipeline that will be used by two or more wells
See each well's Topo D and D2 maps for additional information.

² See Table 4 for detailed surface owner information, including full name and contact information.

Table 3
New Liquids Gathering Pipeline Details

Well Name	New Liquids Gathering Pipeline Length		Section/Township/Range		Surface Owner ²
	to Existing Pipeline (Amount with Concurrent Use) ¹	to Tie-in point (Amount with Concurrent Use) ¹	Starting (at existing pipeline)	Ending (at well pad)	
Wellington Fee 12-23	±3875' (±3670')	±2055' (±1680')	NW/4 SE/4 23-T14S-R10E	23-T14S-R10E	Lynda Varner, others
Wellington Fee 13-25	±6150' (±1940')	±4210'	C-SE/4 23-T14S-R10E	25-T14S-R10E	Verdis Barker
Wellington Fee 21-26	±5135' (±2045')	±3090'	C-SE/4 23-T14S-R10E	26-T14S-R10E	Circle K Ranch, others
Wellington Fee 23-23	±2005'	±2005'	NW/4 SE/4 23-T14S-R10E	23-T14S-R10E	Lynda Varner, others
Wellington Fee 34-25	±5425' (±4520')	±4520'	NE/4 NW/4 25-T14S-R10E	25-T14S-R10E	Donna Shimmon Perry Trust, others
Wellington Fee 41-26	±2140' (±2065')	±2140' (±2065')	C-SE/4 23-T14S-R10E	26-T13S-R10E	Verdis Barker

¹ Concurrent use indicates the length of new pipeline that will be used by two or more wells
See each well's Topo D and D2 maps for additional information.

² See Table 4 for detailed surface owner information, including full name and contact information.

The proposed pipelines will be buried and will include separate lines for gas gathering and liquid gathering in one trench, and electrical lines in an adjacent, separate trench. Where the utility trench is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. KMG requests a permanent 45' right-of-way (ROW) adjacent to the road for the life of the project for maintenance, repairs, and/or upgrades. For construction purposes, KMG requests a temporary 75' ROW. Where the pipeline is not adjacent to the road or well pad, KMG requests a temporary 45' construction ROW and 30' permanent ROW.

The proposed trench width for the pipeline would range from 18-48 inches and will be excavated to a depth of 48 to 60 inches of normal soil cover.

Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity, ownership, and to provide emergency contact phone numbers. Above ground valves and T's, will be installed at various locations for connection, corrosion prevention and/or for safety purposes. Trace wires follow the poly lines.

D. Location and Type of Water Supply:

Water use for drilling and completion purposes will be minimal as these wells will be air drilled. When water is needed, it will be obtained from the city of Price

E. Source of Construction Materials:

Construction operations will typically be completed with native materials found on location. If needed, construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source and described in subsequent Sundry requests. No construction materials will be removed from State lands without prior approval from SITLA.

F. Methods of Handling Waste Materials:

Should the well be productive, produced water will be contained in a water tank and will be transported by pipeline and/or truck to an approved disposal sites facilities and/or Salt Water Disposal (SWD) injection well.

Drill cuttings and/or fluids will be contained in the reserve pit. Cuttings will be buried in pit(s) upon closure. Unless otherwise approved, no oil or other oil-based drilling additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water (as specified above), biodegradable polymer soap, bentonite clay, and/or non-toxic additives will be used in the mud system.

Pits will be constructed to minimize the accumulation of surface runoff. Should fluid hydrocarbons be encountered during drilling, completions or well testing, product will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be released into a pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternate is approved by SITLA. Hydrocarbon removal will also take place prior to the closure of the pit, unless authorization is provided for disposal via alternative pit closure methods (e.g. solidification).

The reserve pit will be lined with a synthetic material 20-mil or thicker, the liner will be installed over smooth fill subgrade that is free of pockets, loose rocks, or other materials (i.e. sand, sifted dirt, bentonite, straw, etc.) that could damage the liner. Any additional pits necessary to subsequent operations, such as

temporary flare or workover pits, will be contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed the next full summer after completion of work at a well location.

For the protection of livestock and wildlife, all open pits and cellars will be fenced and covered to prevent wildlife or livestock entry. The fence to be used is 45" net fence.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Reserve pit liners will be cut off or folded as near to the mud surface as possible and as safety considerations allow and buried on location.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Any undesirable event, accidental release, or in excess of reportable quantities will be managed according to the notification requirements of UDOGM's "Reporting Oil and Gas Undesirable Events" rule, and, where State wells are participatory to a Federal agreement, according to NTL-3A.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities and may be kept in limited quantities on drilling sites and well locations for short periods of time during drilling or completion activities.

G. Ancillary Facilities:

None are anticipated.

H. Well Site Layout (see Well Pad Design Summary):

The location, orientation and aerial extent of each drill pad; reserve/completion/flare pit; access road ingress/egress points, drilling rig, dikes/ditches, existing wells/infrastructure; proposed cuts and fills; and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment and facility layout; however, the area of disturbance, as described in the survey, will not be exceeded.

Coordinates are provided in the National Spatial Reference System, North American Datum, 1983 (NAD83) or latest edition. Distances are depicted on each plat to the nearest two adjacent section lines.

I. Plans for Reclamation of the Surface:

Surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. This reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but are not limited to: re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation includes pit closure, re-contouring (where possible), soil bed preparation, topsoil placement, seeding, and/or weed control.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left "rough" after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit.

Final Reclamation

Final reclamation will be performed for newly drilled unproductive wells and/or at the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested

by KMG. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring, final grading will be conducted over the entire surface of the well site and access road. Where practical, the area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers and surface materials will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep perpendicular to the natural flow of water.

All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-contoured to approximate the original contour of the ground and seeded.

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to UDOGM.

Seeding and Measures Common to Interim and Final Reclamation

Reclaimed areas may be fenced to exclude grazing and encourage re-vegetation.

On slopes where severe erosion can become a problem and the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. The slope will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to, erosion control blankets and bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage.

Seeding will occur year-round as conditions allow. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The site specific seed mix will be provided by SITLA.

J. Surface/Mineral Ownership:

See Table 4

TABLE 4
Surface Ownership Information
Well Pad, Pipelines, Access Road

	Well Name	Pipeline/Landowner (1)	Pipeline/Landowner (2)	Landowner
1	Wellington Fee 12-23 Section 23 T14S R10E 1680' FNL 1280' FWL SW/4 NW/4 Fee Surface (Lynda Varner) Fee Minerals	Lynda Varner, et al PO Box 866 Price, Utah 84501 Dave Varner: 435-630-1182	Ralph C. Keele, Jr. 1733 400 E Price, UT 84501 &/or Denis Merrelli PO Box 833 Price, UT 84501-0833	Leona F Leautaud Trust c/o Jack Leautaud 1771 E 300 S Price, UT 84501 Jack Leautaud, Cell: 435-636-5966
2	Wellington Fee 13-25 Section 25 T14S R10E 1481' FSL 534' FWL NW/4 SW/4 Fee Surface (Verdis Barker) Fee Minerals	Verdis L. Barker & Pauline R. Barker Trust 1400 S 3250 E Price, UT 84501 435-637-3417 or 435-637-0538	Same	Same
3	Wellington Fee 21-26 Section 26 T14S R10E 1066' FNL 1600' FWL NE/4 NW/4 Fee Surface (Circle K Ranch) Fee Minerals	Anita Kiahtipes Family Limited Partnership (same as Circle K) PO Box 700 Price, Utah 84501 Dino: 435-650-0039	James N. & Jeanne P Marres P O Box 1005 Price, UT 84501-1005 Jim Marrs Realty Services PO Box 1005 Price, UT 84501 (435) 636-8824	Verdis L. Barker & Pauline R. Barker Trust 1400 S 3250 E Price, UT 84501 435-637-3417 or 435-637-0538
4	Wellington Fee 23-23 Section 23 T14S R10E 1837' FSL 1899' FWL NE/4 SW/4 Fee Surface (Lynda Varner) Fee Minerals	Lynda Varner, et al PO Box 866 Price, Utah 84501 Dave Varner: 435-630-1182	Verdis L. Barker & Pauline R. Barker Trust 1400 S 3250 E Price, UT 84501 435-637-3417 or 435-637-0538	Note: The 12-23 pipeline ties into this line, then crosses the road to the north and continues to the 14-14 and 12-14.
5	Wellington Fee 34-25 Section 25 T14S R10E 625' FSL 2678' FEL SW/4 SE/4 Fee (Shimmons) / Federal Surface Fee Minerals	Donna Shimmon Perry Trst. 207 W 1400 N American Fork, UT 84003-3732 Phone 801-763-8862 Attorney: Cell: 801-836-7597 Office: 801-562-8888	Ms. Karla Rhodes PO Box 145 Wellington, UT 84542-0145 Phone: 435-650-5229	Multiple landowners Well = Flintstone Rock/Shimmons &/or Jimmy Jay Joregensen; then Shimmons, Rhodes, BLM, ending on Verdis Barker
6	Wellington Fee 41-26 Section 26 T14S R10E 572' FNL 1117' FEL NE/4 NE/4 Fee Surface (Verdis Barker) Fee Minerals	Verdis L. Barker & Pauline R. Barker Trust 1400 S 3250 E Price, UT 84501 435-637-3417 or 435-637-0538	same	same

K. Other Information:

A Class I literature review is being conducted by SWCA Environmental Consultants (SWCA). A report will be submitted upon completion.

A paleontological reconnaissance survey, if needed, will be conducted by SWCA, and a report will be provided under separate cover.

Returned Unapproved

**Cardinal Draw Field: Six Wellington Fee wells
Wellington Fee 12-23, 13-25, 21-26, 23-23, 34-25, 41-26**

L. Lessee's or Operators' Representative & Certification:

Kathy Schneebeck Dulnoan
Staff Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6007

Tommy Thompson
General Manager, Drilling
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable state and Federal laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage for State lease activities is provided by State Surety Bond 22013542, and for applicable Federal lease activities and pursuant to 45 CFR 3104, by Bureau of Land Management Nationwide Bond WYB000291.

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



Kathy Schneebeck Dulnoan
Staff Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP

January 13, 2011

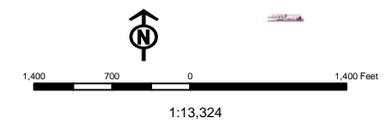
Date

Returned Unapproved

API Number: 4300750113
Well Name: Wellington Fee 23-23
Township 14.0 S Range 10.0 E Section 23
Meridian: SLBM
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
 Map Produced by Diana Mason

- | | |
|---------------|------------------------------------|
| Units | Wells Query |
| STATUS | Status |
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | DRL - Spudded (Drilling Commenced) |
| GAS STORAGE | GIW - Gas Injection |
| NF PP OIL | GS - Gas Storage |
| NF SECONDARY | LA - Location Abandoned |
| PI OIL | LOC - New Location |
| PP GAS | DPS - Operation Suspended |
| PP GEOTHERMAL | PA - Plugged Abandoned |
| PP OIL | PGW - Producing Gas Well |
| SECONDARY | POW - Producing Oil Well |
| TERMINATED | RET - Returned APD |
| Fields | Fields |
| Unknown | SGW - Shut-in Gas Well |
| ABANDONED | SOW - Shut-in Oil Well |
| ACTIVE | TA - Temp. Abandoned |
| COMBINED | TW - Test Well |
| INACTIVE | WDW - Water Disposal |
| STORAGE | WIW - Water Injection Well |
| TERMINATED | WSW - Water Supply Well |
| Sections | |
| Township | |





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

January 18, 2013

KERR-MCGEE OIL & GAS
ONSHORE, L.P.
P.O. Box 173779
Denver, CO 80217

Re: Application for Permit to Drill - CARBON County, Utah

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the Wellington Fee 23-23 well, API 43007501130000 that was submitted January 16, 2011 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason
Environmental Scientist

Enclosure

cc: Bureau of Land Management, Vernal, Utah

