

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-67868
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator WESTPORT OIL & GAS COMPANY, L.P.		7. If Unit or CA Agreement, Name and No. UTU74898
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078	3b. Phone No. (include area code) (435) 781-7060	8. Lease Name and Well No. SOUTHMAN CANYON 923-31M
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SWSW 954' FSL 1022' FWL LOT 4 638770X 39.987937 At proposed prod. Zone 4427473Y -109.374662		9. API Well No. 43-047-37364
14. Distance in miles and direction from nearest town or post office* 22.3 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory Natural Buttes
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 954'	16. No. of Acres in lease 38.83	11. Sec., T., R., M., or Blk. and Survey or Area SEC 31-T9S-R23E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8800'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5045.1' GL	22. Approximate date work will start* UPON APPROVAL	13. State UT
17. Spacing Unit dedicated to this well 80		
20. BLM/BIA Bond No. on file CO-1203		
23. Estimated duration TO BE DETERMINED		

**24. Attachments**

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

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).   |
| 2. A Drilling Plan.   | 5. Operator certification.  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) DEBRA DOMENICI	Date 11/2/2005
Title ASSOCIATE ENVIRONMENTAL ANALYST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 11-10-05
Title ENVIRONMENTAL SCIENTIST III		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

**Federal Approval of this  
Action is Necessary**

**RECEIVED**  
**NOV 08 2005**  
DIV. OF OIL, GAS & MINING

R  
22  
E

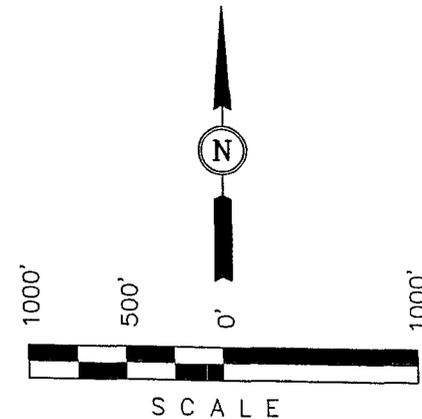
T9S, R23E, S.L.B.&M.

WESTPORT OIL AND GAS COMPANY, L.P.

Well location, SOUTHMAN CANYON #923-31M, located as shown in the SW 1/4 SW 1/4 of Section 31, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

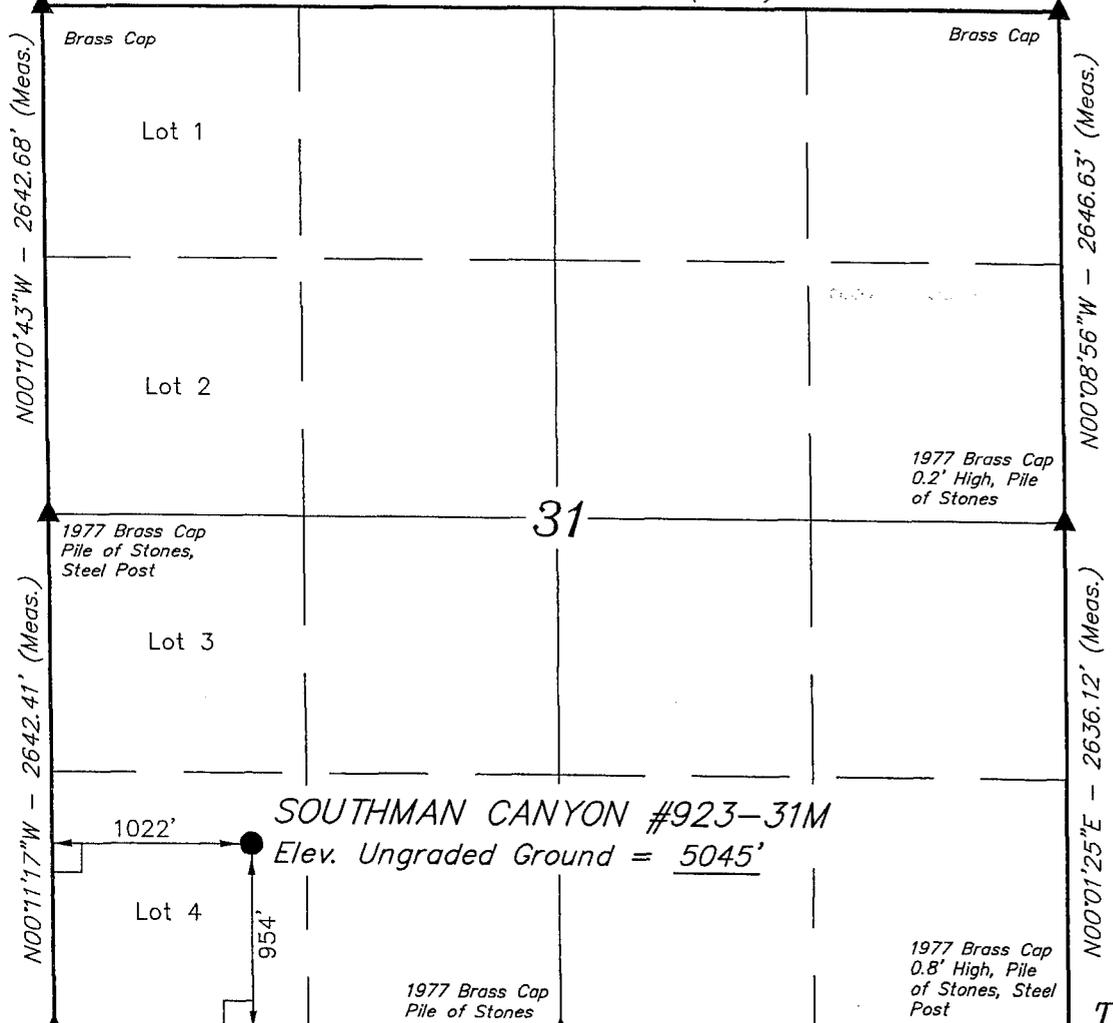
BENCH MARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.



CERTIFICATE

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

*Robert H. Key*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH



1997 Brass Cap, 0.3' High, Pile of Stones, Steel Post  
S89°55'34"W - 2605.59' (Meas.)

S89°59'51"W - 2644.87' (Meas.)

T9S  
T10S

BASIS OF BEARINGS

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

(NAD 83)  
LATITUDE = 39°59'16.28" (39.987856)  
LONGITUDE = 109°22'30.82" (109.375228)  
(NAD 27)  
LATITUDE = 39°59'16.40" (39.987889)  
LONGITUDE = 109°22'28.37" (109.374547)

LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 4-12-05	DATE DRAWN: 4-29-05
PARTY D.K. B.W. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE WESTPORT OIL AND GAS COMPANY, L.P.	

SOUTHMAN CANYON 923-31M  
SWSW SEC 31-T9S-R23E  
UINTAH COUNTY, UTAH  
UTU-67868

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1375'
Wasatch	4380'
Mesaverde	6670'
TD	8800'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1375'
Gas	Wasatch	4380'
Gas	Mesaverde	6670'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

*Please refer to the attached Drilling Program.*

4. **Proposed Casing & Cementing Program:**

*Please refer to the attached Drilling Program.*

5. **Drilling Fluids Program:**

*Please refer to the attached Drilling Program.*

6. **Evaluation Program:**

*Please refer to the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8800' TD, approximately equals 5456 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3520 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

*Drilling is planned to commence immediately upon approval of this application.*

9. **Variances:**

*Please refer to the attached Drilling Program.*

10. **Other Information:**

*Please refer to the attached Drilling Program.*





**Westport Oil and Gas Company, L.P.**  
**DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 2000	32.30	H-40	STC	0.76*****	1.58	4.49
PRODUCTION	4-1/2"	0 to 8800	11.60	M-80 or I-80	LTC	2.59	1.28	201000

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)  
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 10.8 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoys.Fact. of water)  
 MASP 3006 psi

\*\*\*\*\* Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
<b>Option 1</b>	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>				
<b>Option 2</b>	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,880'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	400	60%	11.00	3.38
	TAIL	4,920'	50/50 Poz/G + 10% salt + 2% gel	1380	60%	14.30	1.31

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained  
 \*Substitute caliper hole volume plus 15% excess for TAIL if accurate caliper is obtained

**FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Tolco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

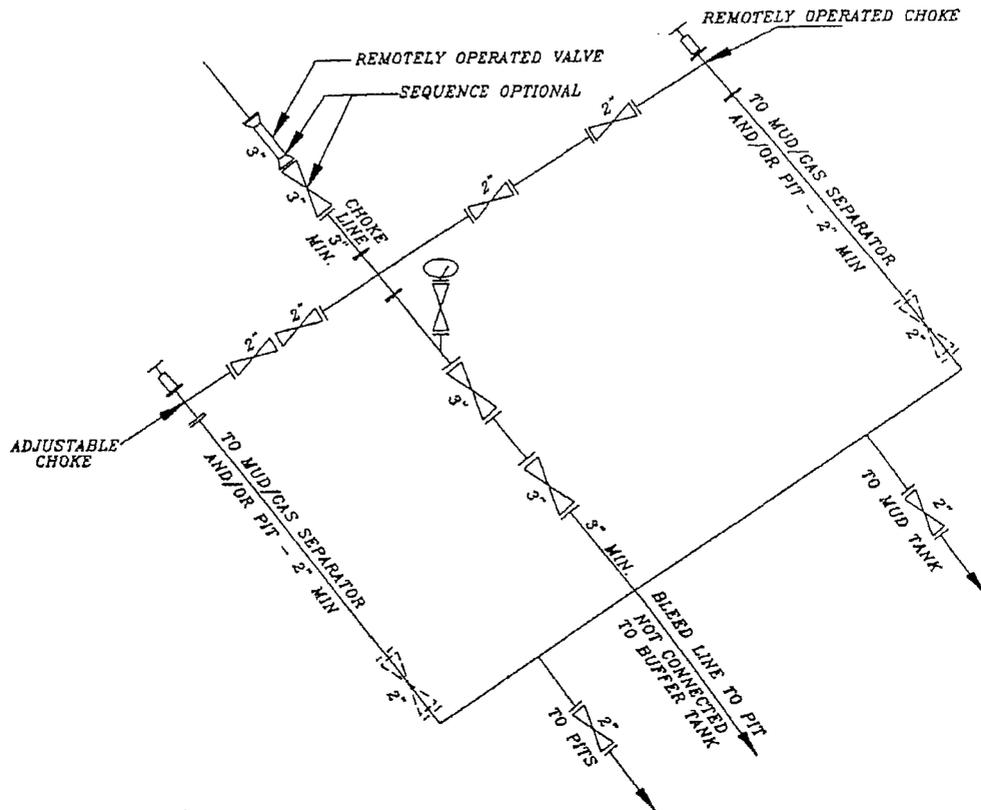
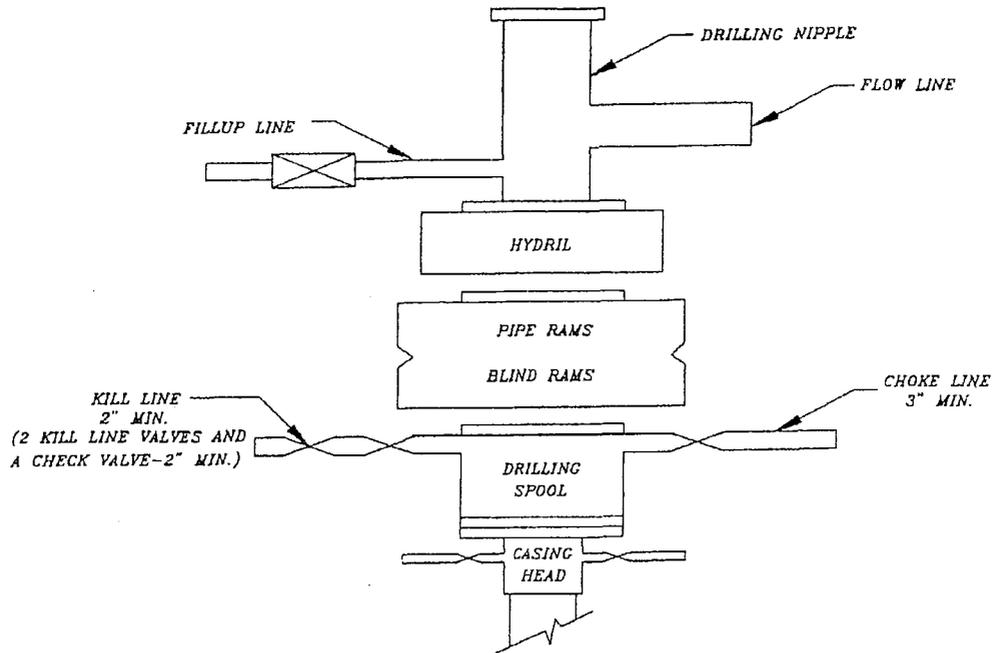
DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



SOUTHMAN CANYON 923-31M  
SWSW SEC 31-T9S-R23E  
UINTAH COUNTY, UTAH  
UTU-67868

ONSHORE ORDER NO. 1

*MULTI-POINT SURFACE USE & OPERATIONS PLAN*

1. **Existing Roads:**

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. **Planned Access Roads:**

The proposed access road is approximately 200' +/- . Refer to Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. **Location of Existing Wells Within a 1-Mile Radius**

Please refer to Topo Map C.

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**4. Location of Existing & Proposed Facilities**

*The following guidelines will apply if the well is productive.*

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Refer to Topo Map D for the placement of the proposed pipeline.

**Exceptions to Best Management Practices (BMPs) Requested:**

Approximately 50' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil type has a poor history for successful rehabilitation.

**5. Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Where available a 2" or 3" poly pipe will be installed with the existing rights-of-way to supply water during drilling and completion operations. There will be no new disturbance needed and the poly line will be removed after completion operations. The fresh water will be supplied from the power plant located within the following Sections 23, 24, 25, 26, 35, & 36, T8S, R23E.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

**6. Source of Construction Materials**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

**7. Methods of Handling Waste Materials**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

*Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).*

**8. Ancillary Facilities**

None are anticipated.

**9. Well Site Layout: (See Location Layout Diagram)**

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

**10. Plans for Reclamation of the Surface:***Producing Location:*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring of the pit, the stockpiled topsoil will be spread evenly over the location up to the rig anchor points, the location shall be reshaped to the original contour to the extent possible, and the location will be reseeded with Crested Wheatgrass using appropriate reclamation methods.

*Dry Hole/Abandoned Location:*

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

**11. Surface Ownership:**

United States of America  
Bureau of Land Management  
170 South 500 East  
Vernal, UT 84078  
(435) 789-1362

**12. Other Information:**

A Class III archaeological survey and a paleontological survey have been completed and the reports will be submitted separately.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

**Seed Mixture:**

The following seed mixture will be used during interim reclamation:

Crested Wheatgrass	6 lbs/acre
Needle and Thread Grass	6 lbs/acre

Operator will contact the BLM for the seed mixture when final reclamation of the location occurs.

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

Debra Domenici  
Associate Environmental Analyst  
Westport O&G Co.  
1368 South 1200 East  
Vernal, UT 84078  
(435) 781-7060

Randy Bayne  
Drilling Manager  
Westport O&G Co.  
1368 South 1200 East  
Vernal, UT 84078  
(435)781-7018

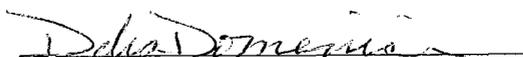
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator 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.

Westport Oil & Gas Company is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #CO-1203.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; 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 by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

  
Debra Domenici

November 2, 2005  
Date

# **WESTPORT OIL AND GAS COMPANY, L.P.**

## **SOUTHMAN CANYON #923-31M SECTION 31, T9S, R23E, S.L.B.&M.**

**PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 100' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 200' TO THE PROPOSED LOCATION.**

**TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 53.35 MILES.**

**WESTPORT OIL AND GAS COMPANY, L.P.**  
**SOUTHMAN CANYON #923-31M**  
 LOCATED IN UINTAH COUNTY, UTAH  
 SECTION 31, T9S, R23E, S.L.B.&M.

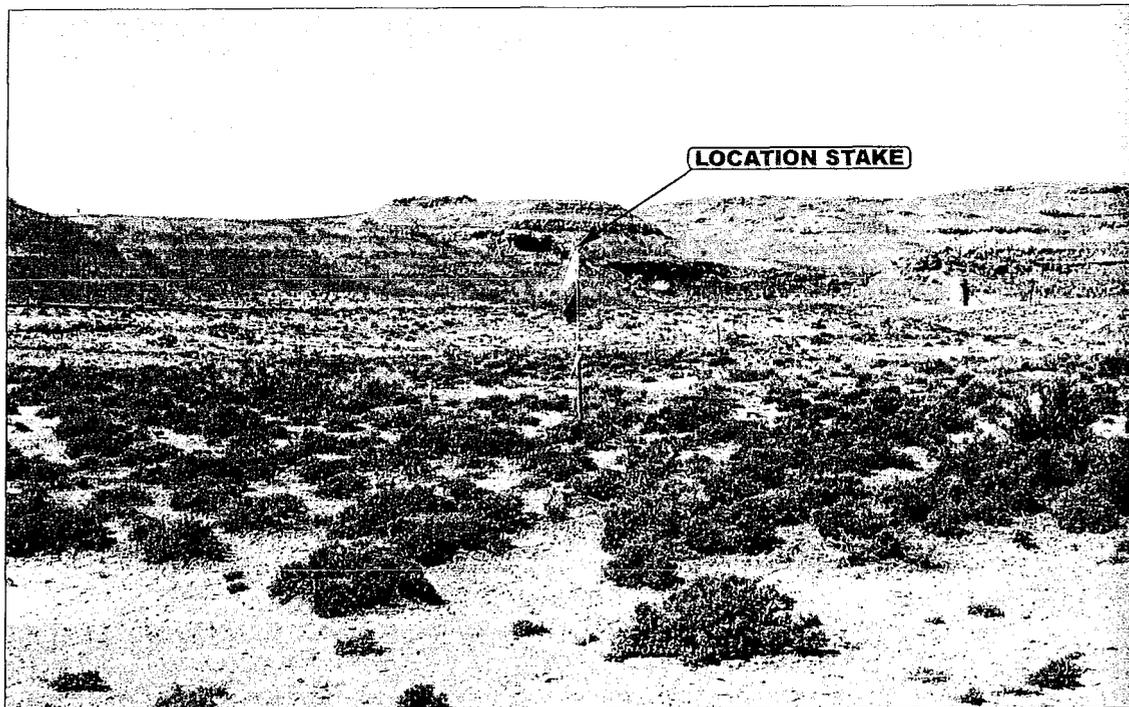


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

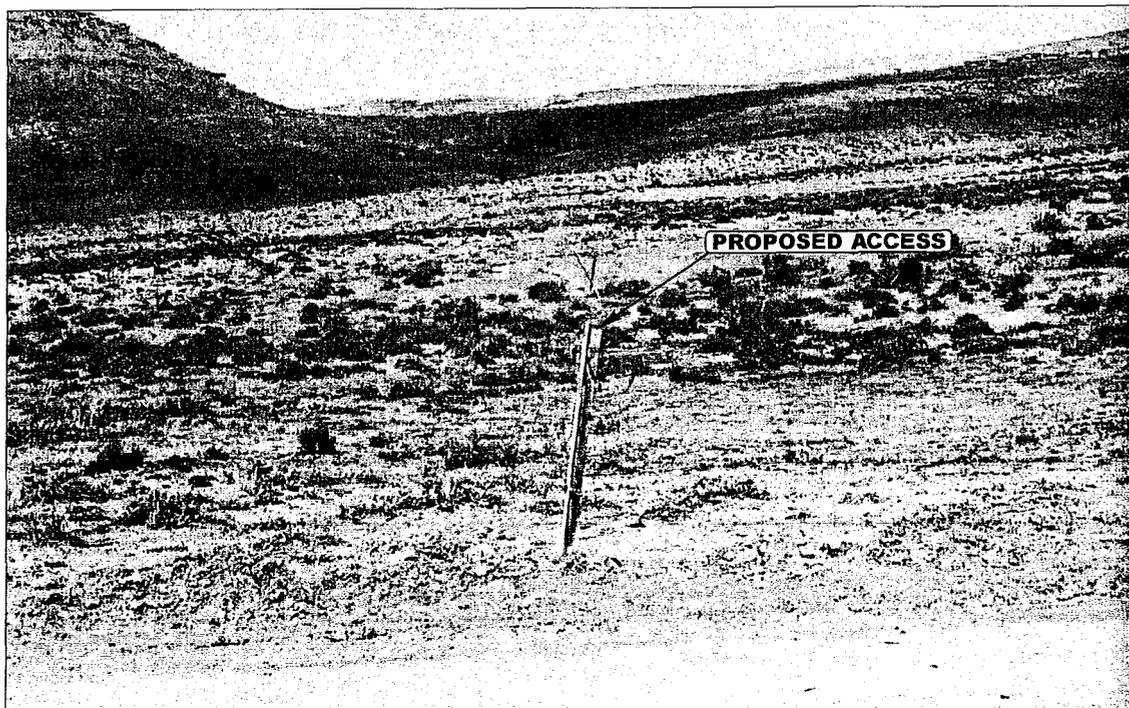


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

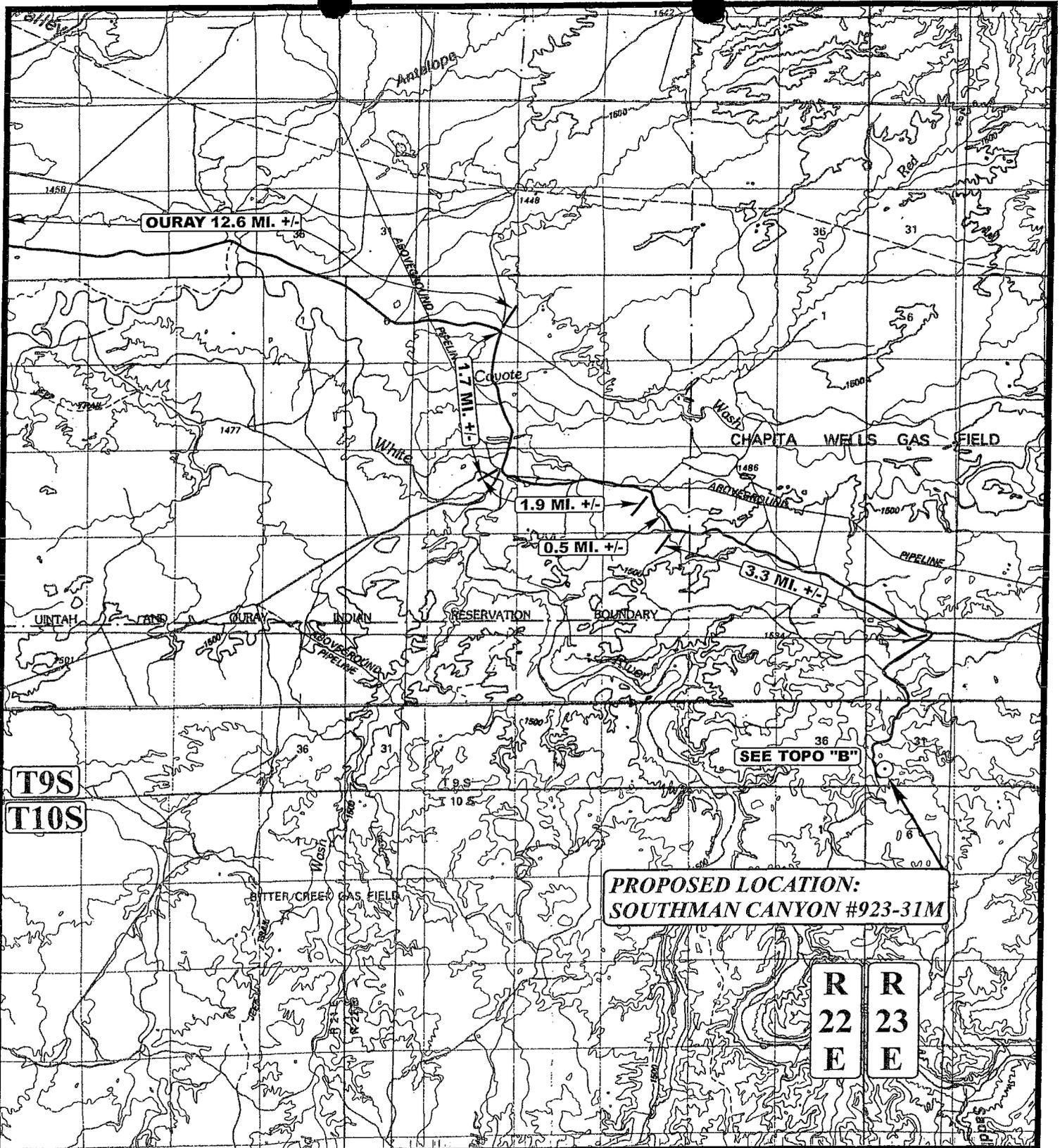
CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

**E&L S** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS			04	28	05	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: S.L.	REVISED: 00-00-00				



**PROPOSED LOCATION:  
SOUTHMAN CANYON #923-31M**

R	R
22	23
E	E

**LEGEND:**

○ PROPOSED LOCATION



**WESTPORT OIL AND GAS COMPANY, L.I.**

**SOUTHMAN CANYON #923-31M  
SECTION 31, T9S, R23E, S.L.B.&M.  
954' FSL 1022' FWL**

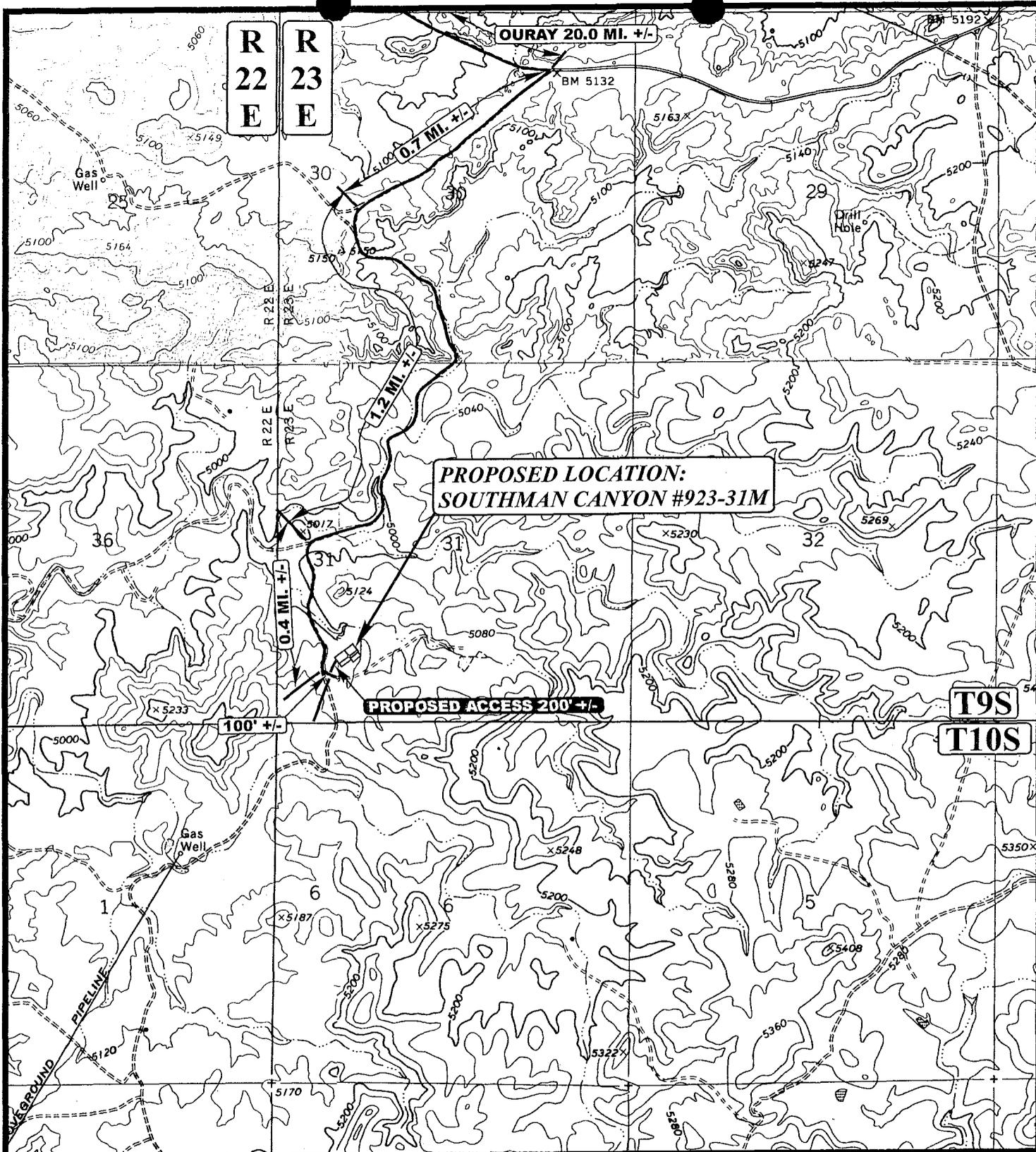


**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC MAP** 04 28 05  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: S.L. REVISED: 00-00-00





**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD

**WESTPORT OIL AND GAS COMPANY, L.P.**

**SOUTHMAN CANYON #923-31M  
SECTION 31, T9S, R23E, S.L.B.&M.  
954' FSL 1022' FWL**



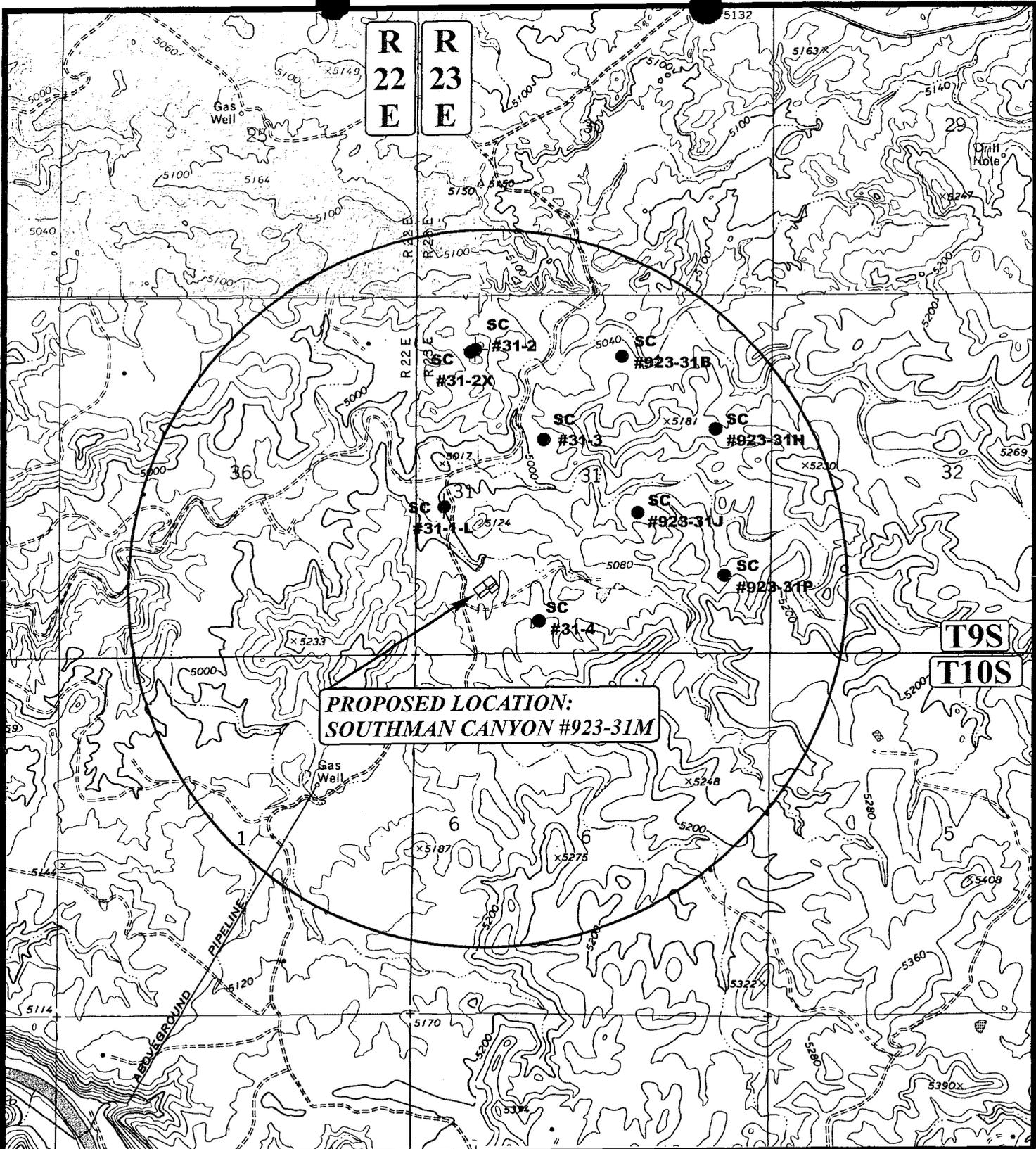
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**04 28 05**  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-00

**B  
TOPO**



**PROPOSED LOCATION:  
SOUTHMAN CANYON #923-31M**

**LEGEND:**

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

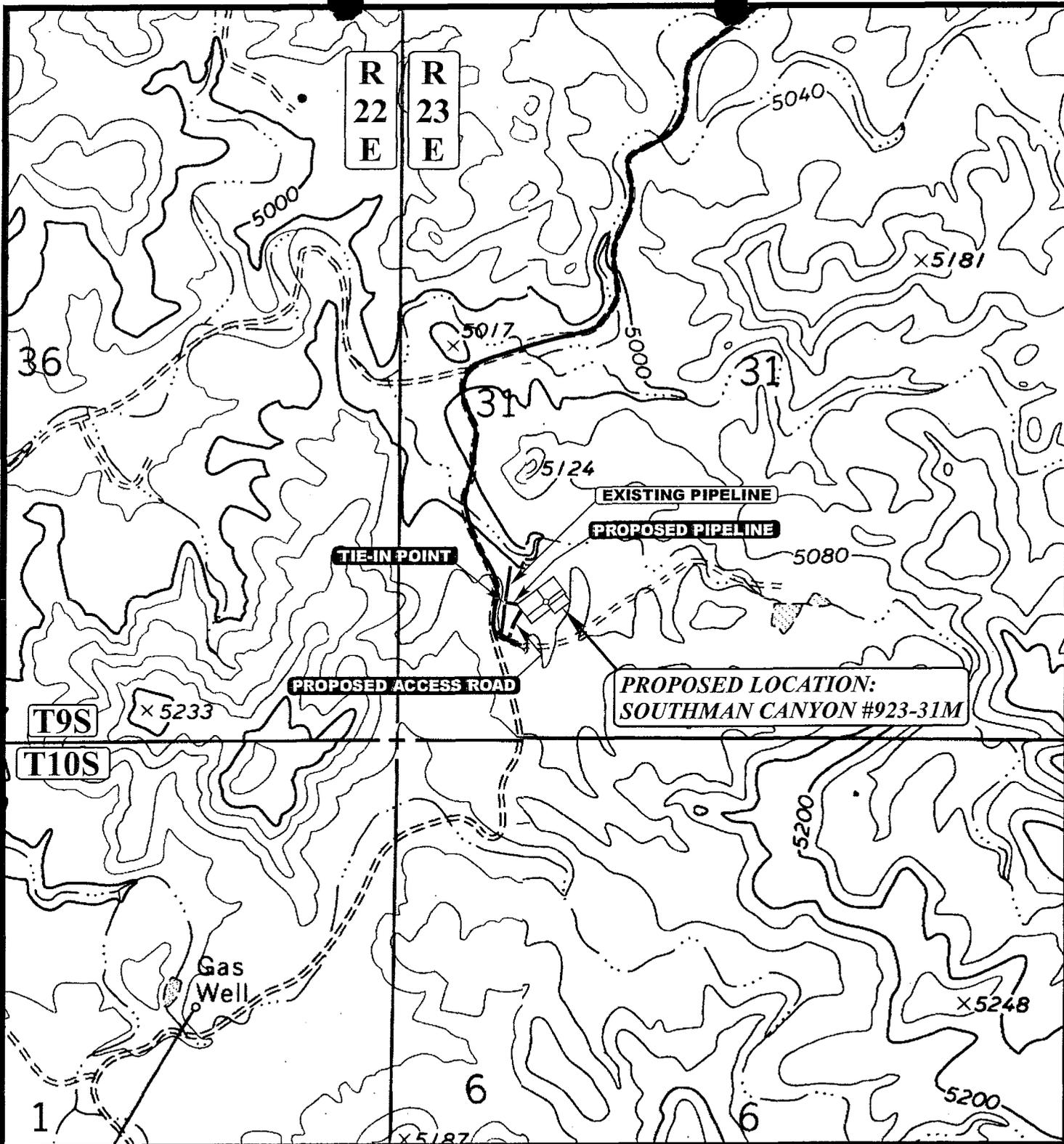
**WESTPORT OIL AND GAS COMPANY, L.L.C.**

**SOUTHMAN CANYON #923-31M  
SECTION 31, T9S, R23E, S.L.B.&M.  
954' FSL 1022' FWL**

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

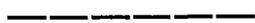


**TOPOGRAPHIC MAP** 04 28 05  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: S.L. REVISED: 00-00-00 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 50' +/-

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



**WESTPORT OIL AND GAS COMPANY, L.P.**

**SOUTHMAN CANYON #923-31M**  
**SECTION 31, T9S, R23E, S.L.B.&M.**  
**954' FSL 1022' FWL**



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

**TOPOGRAPHIC**  
**MAP**

<b>04</b>	<b>28</b>	<b>05</b>
MONTH	DAY	YEAR

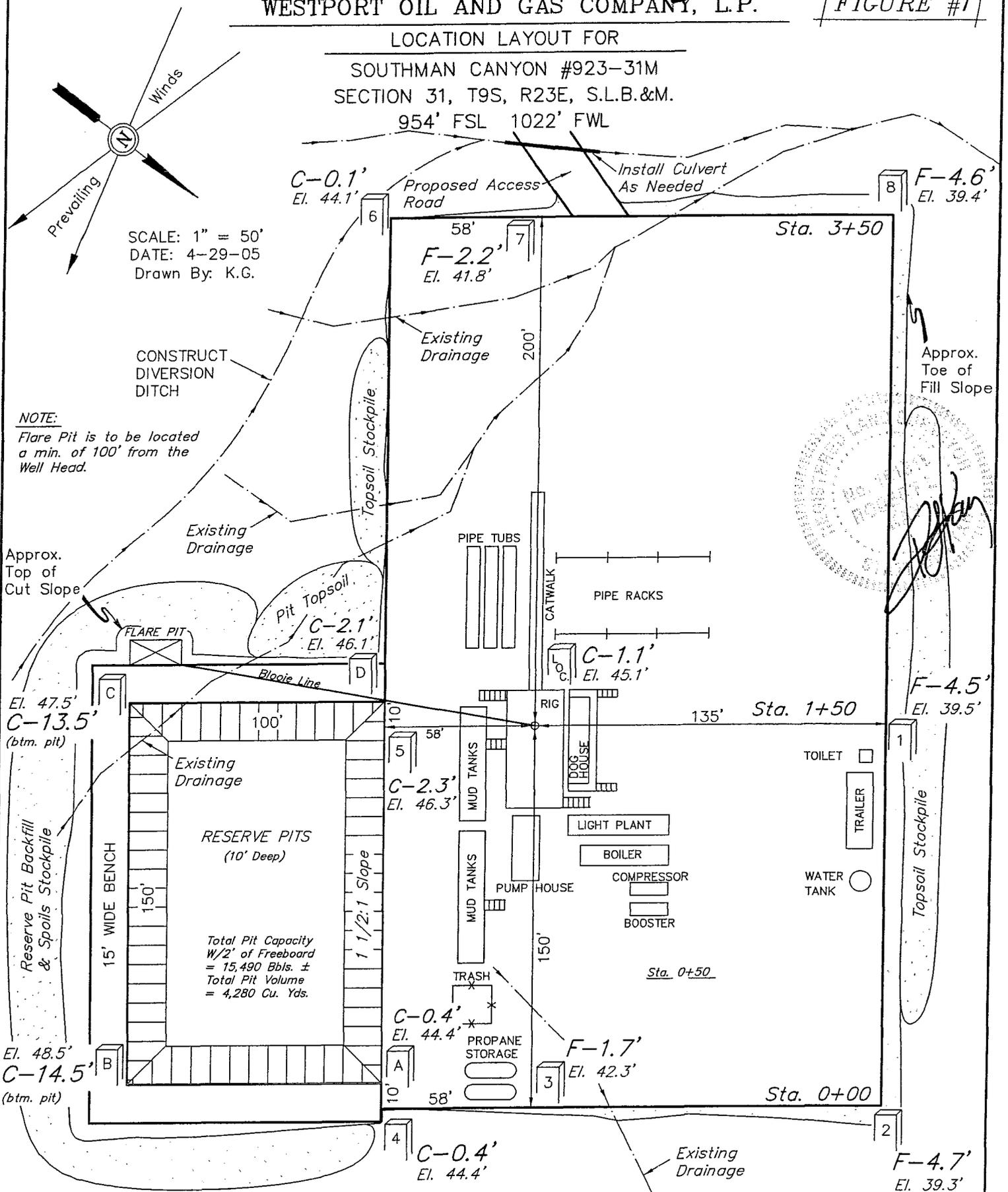
SCALE: 1" = 1000' | DRAWN BY: S.L. | REVISED: 00-00-00

**D**  
**TOPO**

WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #1

LOCATION LAYOUT FOR  
 SOUTHMAN CANYON #923-31M  
 SECTION 31, T9S, R23E, S.L.B.&M.  
 954' FSL 1022' FWL



SCALE: 1" = 50'  
 DATE: 4-29-05  
 Drawn By: K.G.

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

Approx.  
 Top of  
 Cut Slope

CONSTRUCT  
 DIVERSION  
 DITCH

Existing  
 Drainage

Pit Topsoil  
 C-2.1'  
 El. 46.1'

El. 47.5'  
 C-13.5'  
 (btm. pit)

Existing  
 Drainage

RESERVE PITS  
 (10' Deep)

Total Pit Capacity  
 W/2' of Freeboard  
 = 15,490 Bbls. ±  
 Total Pit Volume  
 = 4,280 Cu. Yds.

El. 48.5'  
 C-14.5'  
 (btm. pit)

15' WIDE BENCH

C-2.3'  
 El. 46.3'

C-0.4'  
 El. 44.4'

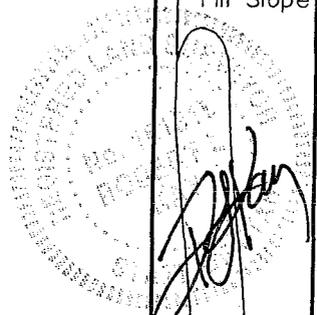
F-1.7'  
 El. 42.3'

C-0.4'  
 El. 44.4'

Existing  
 Drainage

F-4.7'  
 El. 39.3'

Approx.  
 Toe of  
 Fill Slope



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5045.1'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5044.0'

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

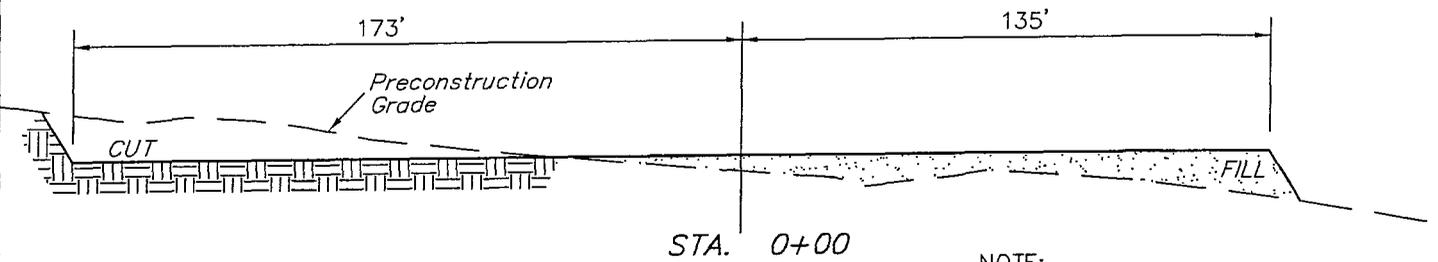
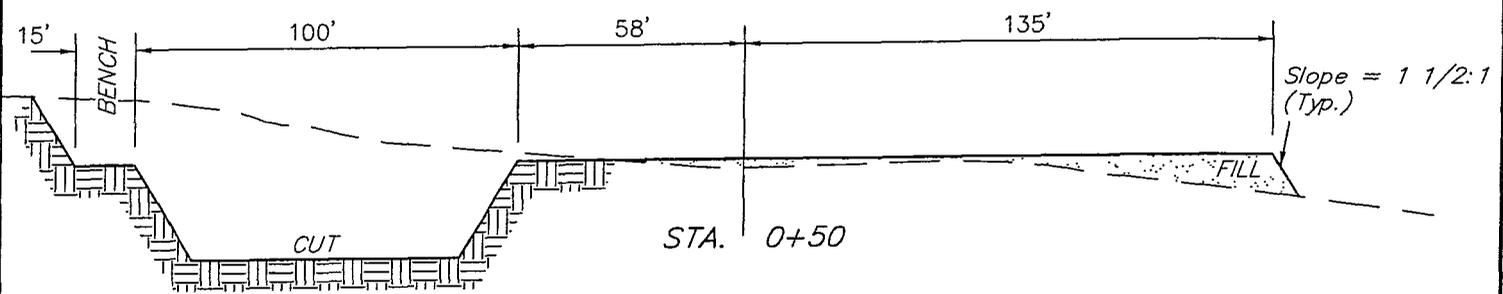
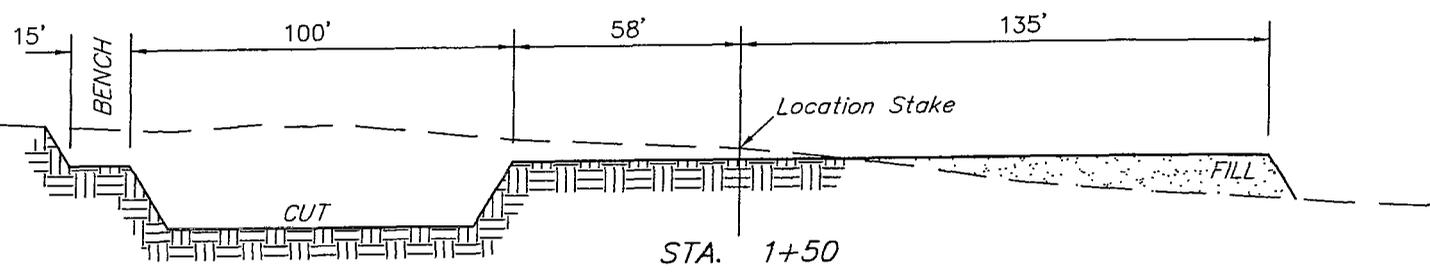
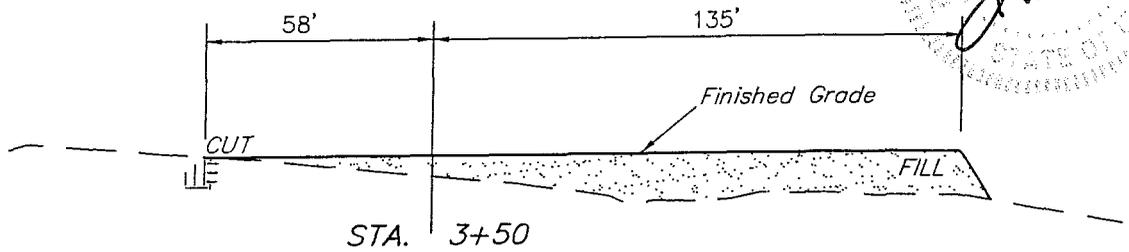
WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
SOUTHMAN CANYON #923-31M  
SECTION 31, T9S, R23E, S.L.B.&M.  
954' FSL 1022' FWL

1" = 20'  
X-Section Scale  
1" = 50'

DATE: 4-29-05  
Drawn By: K.G.



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

\* NOTE:  
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,820 Cu. Yds.
Remaining Location	= 7,730 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 9,550 CU.YDS.</b>
<b>FILL</b>	<b>= 5,590 CU.YDS.</b>

EXCESS MATERIAL	= 3,960 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,960 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/08/2005

API NO. ASSIGNED: 43-047-37364

WELL NAME: SOUTHMAN CYN 923-31M  
 OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

SWSW 31 090S 230E  
 SURFACE: 0954 FSL 1022 FWL  
 BOTTOM: 0954 FSL 1022 FWL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-67868  
 SURFACE OWNER: 1 - Federal  
 PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

LATITUDE: 39.98794  
 LONGITUDE: -109.3747

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. CO-1203 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

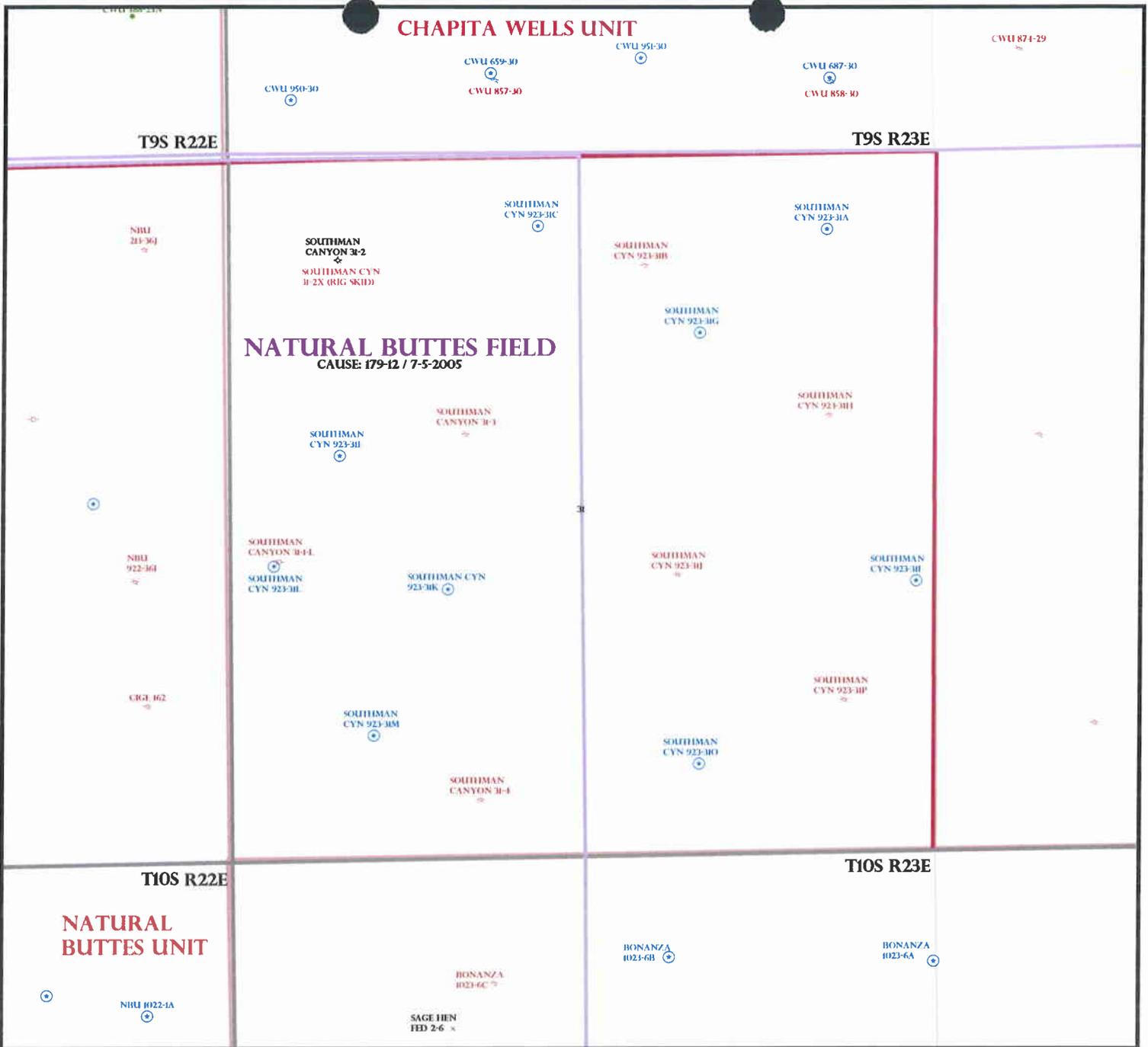
LOCATION AND SITING:

- 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: 179-12  
Eff Date: 7-5-05  
Siting: 460' from ext dkt 11 being 920' from nor wells.
- R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: 1- Federally approved

# CHAPITA WELLS UNIT



## NATURAL BUTTES FIELD CAUSE: 179-12 / 7-5-2005

## NATURAL BUTTES UNIT

OPERATOR: WESTPORT O&G CO (N2115)

SEC: 31 T. 9S R. 23E

FIELD: NATURAL BUTTES (630)

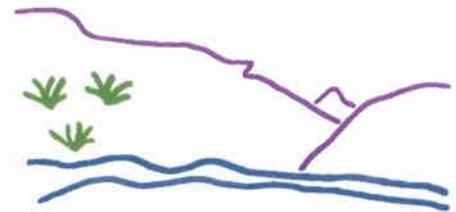
COUNTY: UINTAH

CAUSE: 179-12 / 7-5-2005

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

- Wells Status**
- GAS INJECTION
  - GAS STORAGE
  - LOCATION ABANDONED
  - NEW LOCATION
  - PLUGGED & ABANDONED
  - PRODUCING GAS
  - PRODUCING OIL
  - SHUT-IN GAS
  - SHUT-IN OIL
  - TEMP. ABANDONED
  - TEST WELL
  - WATER INJECTION
  - WATER SUPPLY
  - WATER DISPOSAL
  - DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 10-NOVEMBER-2005



047-37364

WESTPORT OIL AND GAS COMPANY, L.P.

1999 Broadway Suite 3700 Denver, Colorado 80202

Telephone: 303 296 3600 Fax: 303 296 3601

November 8, 2005

Ms. Diana Whitney  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-6100

RE: Southman Canyon 923-31M  
T9S-R23E  
Section 31: SWSW  
954' FSL, 1,022' FWL  
Uintah County, Utah

Dear Ms. Whitney:

Westport Oil and Gas Company, L.P. has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to Spacing Order 179-12. The well location was moved for topographic reasons. Westport owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

Westport requests your approval of this exception location. If you have any questions, call me at 720-264-2618. Thank you for your assistance.

Sincerely,

W. Chris Latimer, CPL  
Senior Landman

cc: Raleen Weddle

RECEIVED

NOV 15 2005

DIV. OF OIL, GAS & MINING



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

November 10, 2005

Westport Oil & Gas Company, LP  
1368 South 1200 East  
Vernal, UT 84078

Re: Southman Canyon 923-31M Well, 954' FSL, 1022' FWL, SW SW, Sec. 31,  
T. 9 South, R. 23 East, Uintah 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 43-047-37364.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

Operator: Westport Oil & Gas Company, LP

Well Name & Number Southman Canyon 923-31M

API Number: 43-047-37364

Lease: UTU-67868

Location: SW SW                      Sec. 31                      T. 9 South                      R. 23 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**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:		<b>1/6/2006</b>
<b>FROM:</b> (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	<b>TO:</b> ( New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	

WELL NAME	CA No.	Unit:	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
-----------	--------	-------	-----	-----	-----	--------	-----------	------------	-----------	-------------

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- 4a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- 4b. If **NO**, the operator was contacted on: \_\_\_\_\_
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 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 3/27/2006 BIA not yet
7. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
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")** The 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: \_\_\_\_\_

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** 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: 5/16/2006

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.

**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

Oil Well  Gas Well  Other

8. Well Name and No.

**MUTIPLE WELLS**

2. Name of Operator

**KERR-McGEE OIL & GAS ONSHORE LP**

9. API Well No.

3a. Address

**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)

**(435) 781-7024**

10. Field and Pool, or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**SEE ATTACHED**

11. County or Parish, State

**UINTAH COUNTY, UTAH**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006. KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

**RECEIVED**

**MAY 10 2006**

DIV. OF OIL, GAS & MINING

**BLM BOND = C01203**  
**BIA BOND = RLB0005239**

**APPROVED 5116106**

*Earlene Russell*

**Division of Oil, Gas and Mining**  
**Earlene Russell, Engineering Technician**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)  
**RANDY BAYNE**

Title  
**DRILLING MANAGER**

Signature  
*Randy Bayne*

Date  
**May 9, 2006**

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
-------------	-------	------

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office
---	--------

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**WESTPORT OIL & GAS COMPANY L.P.**

3a. Address  
**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED**

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

**APPROVED** 5/16/06  
*Earlene Russell*  
**Division of Oil, Gas and Mining**  
**Earlene Russell, Engineering Technician**

RECEIVED  
MAY 10 2006

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>BRAD LANEY</b>	Title <b>ENGINEERING SPECIALIST</b>
Signature	Date <b>May 9, 2006</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by <i>Brad Laney</i>	Title	Date <b>5-9-06</b>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Colorado State Office  
2850 Youngfield Street  
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)  
3106  
COC017387 et. al.

March 23, 2006

### NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :  
1999 Broadway, Suite 3700 : Oil & Gas  
Denver, CO 80202 :

#### Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell  
Martha L. Maxwell  
Land Law Examiner  
Fluid Minerals Adjudication

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>

IN REPLY REFER TO:  
3106  
(UT-922)

March 27, 2006

## Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of  
Fluid Minerals

## Enclosure

Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225  
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114  
Teresa Thompson  
Joe Incardine  
Connie Seare  
Dave Mascarenas  
Susan Bauman

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MAR 28 2006

U.S. DEPT. OF THE INTERIOR

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.

UTU-67868

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

UTU-74898

8. Well Name and No.

**SOUTHMAN CANYON 923-31M**

9. API Well No.

4304737364

10. Field and Pool, or Exploratory Area

UNDESIGNATED

11. County or Parish, State

UINTAH COUNTY, UTAH

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

**KERR-McGEE OIL & GAS ONSHORE LP**

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SWSW LOT 4, SEC. 31, T9S, R23E 954'FSL, 1022'FWL

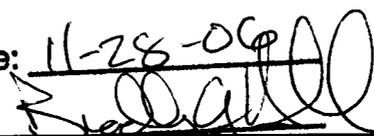
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>DOGM APD EXTENSION</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING DEPARTMENT ON NOVEMBER 10, 2005.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 11-28-06  
By: 

RECEIVED  
11-30-06  
PM

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHECO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

November 18, 2006

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**RECEIVED**

**NOV 24 2006**

(Instructions on reverse)

DIV. OF OIL, GAS & MINING



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304737364  
**Well Name:** SOUTHMAN CANYON 923-31M  
**Location:** SWSW LOT 4, SEC. 31, T9S, R23E  
**Company Permit Issued to:** WESTPORT OIL & GAS CO L.P.  
**Date Original Permit Issued:** 11/10/2005

The undersigned as owner with legal rights to drill on the property as permitted above, 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.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

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? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
Signature

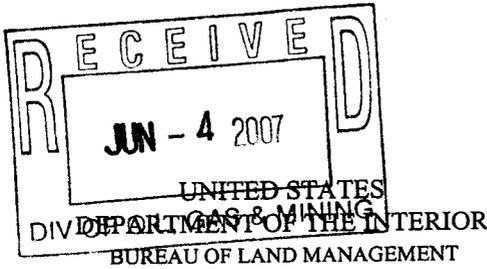
11/18/2006  
Date

Title: SENOIR LAND ADMIN SPECIALIST

Representing: KERR-McGEE OIL & GAS ONSHORE LP

**RECEIVED  
NOV 24 2006**

DIV. OF OIL, GAS & MINING



Received  
Nov 08, 2005

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-67868
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. UTU74898
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078	3b. Phone No. (include area code) (435) 781-7003	8. Lease Name and Well No. SOUTHMAN CANYON 923-31M
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSW 954' FSL 1022' FWL LOT 4 At proposed prod. Zone		9. API Well No. 43-047-37364
14. Distance in miles and direction from nearest town or post office* 22.3 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory Natural Buttes
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 954'	16. No. of Acres in lease 38.83	11. Sec., T., R., M., or Blk. and Survey or Area SEC 31-T9S-R23E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8800'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5045.1' GL	22. Approximate date work will start* UPON APPROVAL	13. State UT
20. BLM/BIA Bond No. on file CO-1203 WYB000291		
23. Estimated duration TO BE DETERMINED		

**24. Attachments**

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

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/or plans as may be required by the authorized office.</li> </ul> |
|---|--|

25. Signature <i>Ramey Hoopes</i>	Name (Printed/Typed) RAMEY HOOPES	Date 4/27/2006
<b>REGULATORY CLERK</b>		

Approved by (Signature) <i>Jerry Kowka</i>	Name (Printed/Typed) JERRY KOWKA	Date 5-18-2007
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached. **CONDITIONS OF APPROVAL ATTACHED**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

**NOTICE OF APPROVAL**



NOS 05/04/2005

06BM1157A

RECEIVED

NOV 08 2005

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR **BLM VERNAL, UTAH**  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>UTU-67868</b>	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator <b>WESTPORT OIL &amp; GAS COMPANY, L.P.</b>		7. If Unit or CA Agreement, Name and No. <b>UTU74898</b>	
3A. Address <b>1368 SOUTH 1200 EAST, VERNAL, UTAH 84078</b>		8. Lease Name and Well No. <b>SOUTHMAN CANYON 923-31M</b>	
3b. Phone No. (include area code) <b>(435) 781-7060</b>		9. API Well No.	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>SWSW 954' FSL 1022' FWL LOT 4</b> At proposed prod. Zone		10. Field and Pool, or Exploratory <b>Natural Bottes</b>	
14. Distance in miles and direction from nearest town or post office* <b>22.3 MILES SOUTHEAST OF OURAY, UTAH</b>		11. Sec., T., R., M., or Blk, and Survey or Area <b>SEC 31-T9S-R23E</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>954'</b>	16. No. of Acres in lease <b>38.83</b>	17. Spacing Unit dedicated to this well <b>80</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>REFER TO TOPO C</b>	19. Proposed Depth <b>8800'</b>	20. BLM/BIA Bond No. on file <b>CO-1203</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5045.1' GL</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	23. Estimated duration <b>TO BE DETERMINED</b>	

24. Attachments

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

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).   |
| 2. A Drilling Plan.   | 5. Operator certification.  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature <i>Debra Domenici</i>	Name (Printed/Typed) <b>DEBRA DOMENICI</b>	Date <b>11/2/2005</b>
Title <b>ASSOCIATE ENVIRONMENTAL ANALYST</b>		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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\*(Instructions on reverse)

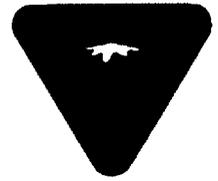


**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

<b>Company:</b> Kerr-McGee Oil & Gas Onshore, LP	<b>Location:</b> SWSW Lot 4, Sec. 31, T9S, R23E
<b>Well No:</b> Southman Canyon 923-31M	<b>Lease No:</b> UTU-67868
<b>API No:</b> 43-047-37364	<b>Agreement:</b> CA UTU-74898

<b>Title</b>	<b>Name</b>	<b>Office Phone Number</b>	<b>Cell Phone Number</b>
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:	Vacant	(435) 781-4476	(435) 828-7381
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	

Fax: (435) 781-4410

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**General Surface COA**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

**Specific Surface COA**

- During operations, if any vertebrate paleontological resources are discovered, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred alternative/course of action will be rendered.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.

## **DOWNHOLE CONDITIONS OF APPROVAL**

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

- None.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

# DIVISION OF OIL, GAS AND MINING

## SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, LP

Well Name: SOUTHMAN CYN 923-31M

Api No: 43-047-37364 Lease Type: FEDERAL

Section 31 Township 09S Range 23E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # RATHOLE

### SPUDDED:

Date 04/29/08

Time 1:30 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 04/30/08 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
 Address: 1368 SOUTH 1200 EAST  
city VERNAL  
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738235	BONANZA 1023-11G		SWNE	11	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16826	4/29/2008		4/30/08		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 04/29/2008 AT 0800 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737205	SOUTHMAN CANYON 923-310		SWSE	31	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16827	4/29/2008		4/30/08		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 04/29/2008 AT 1100 HRS.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737364	SOUTHMAN CANYON 923-31M		SWSW	31	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16828	4/29/2008		4/30/08		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 04/29/2008 AT 1330 HRS.							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

Title

4/30/2008

Date

**RECEIVED**  
**APR 30 2008**

(5/2000)

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**KERR-McGEE OIL & GAS ONSHORE LP**

3a. Address  
**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SW/SW LOT. 4, SEC. 31, T9S, R23E 954'FSL, 1022'FWL**

5. Lease Serial No.  
**UTU-67868**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**UTU-74898**

8. Well Name and No.  
**SOUTHMAN CANYON 923-31M**

9. API Well No.  
**4304737364**

10. Field and Pool, or Exploratory Area  
**UNDESIGNATED**

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>WELL SPUD</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

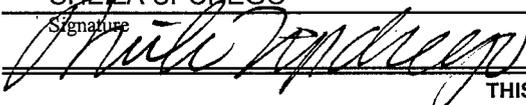
MIRU PETE MARTIN BUCKETRIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 04/29/2008 AT 1100 HRS.

**RECEIVED**  
**MAY 18 2008**

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Title <b>SENIOR LAND ADMIN SPECIALIST</b>
Signature 	Date <b>April 30, 2008</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE – Other instructions on reverse side</b>		5. Lease Serial No. <b>UTU-67868</b>
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No. <b>UTU-74898</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. <b>SOUTHMAN CANYON 923-31M</b>
2. Name of Operator <b>KERR-McGEE OIL &amp; GAS ONSHORE LP</b>		9. API Well No. <b>4304737364</b>
3a. Address <b>1368 SOUTH 1200 EAST VERNAL, UT 84078</b>	3b. Phone No. (include area code) <b>(435) 781-7024</b>	10. Field and Pool, or Exploratory Area <b>UNDESIGNATED</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  <b>SW/SW LOT. 4, SEC. 31, T9S, R23E 954'FSL, 1022'FWL</b>		11. County or Parish, State <b>UINTAH COUNTY, UTAH</b>

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

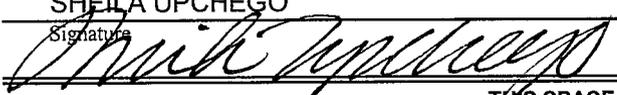
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>SET SURFACE</u>
			<u>CSG</u>

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PROPETRO AIR RIG ON 05/11/2008. DRILLED 12 1/4" SURFACE HOLE TO 2130'. RAN 9 5/8" 36# J-55 SURFACE CSG. LEAD CMT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TAILED CMT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT 150 +/- PSI LIFT. TOP OUT W/125 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 2ND TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Title <b>SENIOR LAND ADMIN SPECIALIST</b>
Signature 	Date <b>May 20, 2008</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office		

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

**RECEIVED**

**MAY 21 2008**

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
UTU-67868

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
UTU-74898

8. Well Name and No.  
**SOUTHMAN CANYON 923-31M**

9. API Well No.  
4304737364

10. Field and Pool, or Exploratory Area  
UNDESIGNATED

11. County or Parish, State  
UINTAH COUNTY, UTAH

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**KERR-McGEE OIL & GAS ONSHORE LP**

3a. Address  
**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SW/SW LOT. 4, SEC. 31, T9S, R23E 954'FSL, 1022'FWL**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other <b>FINAL DRILLING OPERATIONS</b>
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back

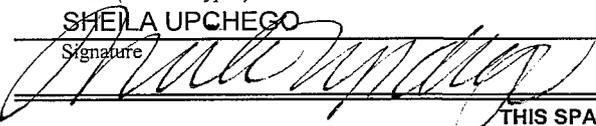
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FINISHED DRILLING FROM 2130' TO 8615' ON 07/06/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/505 SX PREM LITE II @12.5 PPG 2.08 YIELD. TAILED CMT W/1100 SX 50/50 POZ @ 14.3 PPG 1.31 YIELD. DROP PLUG & DISPLACE W/133.0 BBLS CLAY TREAT + 1 GAL MAGNACIDE @8.3 PPG BUMP PLUG W/3300 PSI PLUG HELD 2800 PUMPING PSI 500 OVER PSI 100% RETURNS 28 BBLS CMT BACK TO SURFACE 1.5 BBLS BLEED OFF SET MANDREL @50K STRING WT TEST MANDREL TO 5000 PSI NIPPLE DOWN BOP INSTALL NIGHT CAP AND CLEAN MUD PITS

**RECEIVED**  
**JUL 11 2008**

RELEASED PIONEER RIG 68 ON 07/07/2008 AT 2000 HRS.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Title <b>SENIOR LAND ADMIN SPECIALIST</b>	DIV. OF OIL, GAS & MINING
Signature 	Date <b>July 8, 2008</b>	

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
**UTU-67868**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**UTU-74898**

8. Well Name and No.  
**SOUTHMAN CANYON 923-31M**

9. API Well No.  
**4304737364**

10. Field and Pool, or Exploratory Area  
**UNDESIGNATED**

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**KERR-McGEE OIL & GAS ONSHORE LP**

3a. Address  
**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SW/SW LOT. 4, SEC. 31, T9S, R23E 954'FSL, 1022'FWL**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>PRODUCTION</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>START-UP</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 08/16/2008 AT 9:23 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Title <b>REGULATORY ANALYST</b>
Signature 	Date <b>August 19, 2008</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**RECEIVED**

**AUG 25 2008**

**DIV. OF OIL, GAS & MINING**

Wins No.: 95105

## SOUTHMAN CANYON 923-31M

## Well Operations Summary Long

Operator KERR MCGEE OIL & GAS ONSHORE LP	FIELD NAME SOUTHMAN CANYON	SPUD DATE 04/29/2008	GL 5.045	KB 5063	ROUTE
API 4304737364	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Long/Lat.: 39.98786 / -109.37523	Q-Q/Sect/Town/Range: SWSW / 31 / 9S / 23E	Footages: 954.00' FSL 1,022.00' FWL			

## Wellbore: SOUTHMAN CANYON 923-31M

MTD 7,930	TVD 7,925	PBMD	PBTVD
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<b>EVENT INFORMATION:</b>	EVENT ACTIVITY: DRILLING	START DATE: 4/29/2008	AFE NO.: 2013633
	OBJECTIVE: DEVELOPMENT	END DATE: 7/7/2008	
	OBJECTIVE 2: ORIGINAL	DATE WELL STARTED PROD.: 4	
	REASON: MV	Event End Status: COMPLETE	

<b>RIG OPERATIONS:</b>	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / UI	04/29/2008	04/29/2008	04/29/2008	04/29/2008	04/29/2008	04/29/2008	04/29/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation	MD:
4/29/2008	<u>SUPERVISOR:</u> LEW WELDON 13:30 - 20:00	6.50	DRLCON	02		P	MOVE IN AND RIG UP BUCKET RIG SPUD WELL @ 1330 HR 4/29/08 DRILL AND SET 40' OF SCHEDULE 10 PIPE DRILL RODENT HOLES FOR RIG 68 BLM AND STATE NOTIFIED OF SPUD	58
5/12/2008	<u>SUPERVISOR:</u> LEW WELDON 15:00 - 0:00	9.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 1500 HR 5/12/08 DA AT REPORT TIME 720'	720
5/13/2008	<u>SUPERVISOR:</u> LEW WELDON 0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1290'	1,350
	12:00 - 19:30	7.50	DRLSUR	02		P	RIG DRILLED TO 1350' RIG BROKE DOWN	
	19:30 - 0:00	4.50	DRLSUR	07		Z	FIX FUEL PUMP @ REPORT TIME	
5/14/2008	<u>SUPERVISOR:</u> LEW WELDON 0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1500'	1,680
	12:00 - 22:00	10.00	DRLSUR	02		P	RIG DRILLING HIT TRONA WATER @ 1590' DRILL TO 1680' TWIST OFF COLLARS TOO H AND LEFT 3 8" COLLARS AND TRICONE IN HOLE PREPAIR TO START FISHING JOB	
	22:00 - 0:00	2.00	DRLSUR	16		Z	FISHING COLLARS @ REPORT TIME	
5/15/2008	<u>SUPERVISOR:</u> LEW WELDON 0:00 - 12:00	12.00	DRLSUR	16		Z	RIH WITH OVERSHOT WAS UNSUCCESSFUL TOO H PREPAIR TO RIH WITH WASH PIPE	1,680





Wins No.: 95105

## SOUTHMAN CANYON 923-31M

API No.: 4304737364

	0:00 - 0:30	0.50	DRLPRO	09	A	P	SURVEY @ 2874' 2.71 DEG
	0:30 - 6:00	5.50	DRLPRO	02	B	P	DRILL F/ 2937' - 3443'. 506' TOTAL @ 92.0' HR
	6:00 - 6:30	0.50	DRLPRO	09	A	P	SURVEY @ 3368' RUN # 1 6.48 DEG, RUN SURE SHOT SURVEY 2.50 DEG
	6:30 - 11:00	4.50	DRLPRO	02	B	P	DRILL F/ 3443' - 3946'. 503' TOTAL @ 111.7' HR
	11:00 - 11:30	0.50	DRLPRO	09	A	P	SURVEY @ 3874'. 2.50 DEG
	11:30 - 12:00	0.50	DRLPRO	06	A	P	RIG SERVICE
	12:00 - 23:00	11.00	DRLPRO	02	B	P	DRILL F/ 3946' - 4962'. 1016' TOTAL @ 92.3' HR
	23:00 - 23:30	0.50	DRLPRO	09	A	P	SURVEY @ 4899' 1.91 DEG
	23:30 - 0:00	0.50	DRLPRO	02	B	P	DRILL F/ 4962' - 4993'. 31' TOTAL @ 62.0' HR
6/30/2008	<u>SUPERVISOR:</u> TIM OXNER						<u>MD:</u> 6,259
	0:00 - 11:30	11.50	DRLPRO	02	B	P	DRILL F/ 4962' - 5752'. 790' TOTAL @ 68.6' HR
	11:30 - 12:00	0.50	DRLPRO	06	A	P	RIG SERVICE
	12:00 - 19:00	7.00	DRLPRO	02	B	P	DRILL F/ 5752' - 6068'. 316' TOTAL @ 45.1' HR
	19:00 - 19:30	0.50	DRLPRO	09	A	P	SURVEY @ 5993' 2.50 DEG
	19:30 - 0:00	4.50	DRLPRO	02	B	P	DRILL F/ 6068' - 6259'. 191' TOTAL @ 42.4' HR
7/1/2008	<u>SUPERVISOR:</u> TIM OXNER						<u>MD:</u> 7,097
	0:00 - 17:00	17.00	DRLPRO	02	B	P	DRILL F/ 6259' - 7017'. 758' TOTAL @ 44.5' HR
	17:00 - 17:30	0.50	DRLPRO	06	A	P	RIG SERVICE
	17:30 - 20:00	2.50	DRLPRO	02	B	P	DRILL F/ 7017' - 7097'. 80' TOTAL @ 32.0' HR. 10.6 MW / 34 VIS
	20:00 - 21:00	1.00	DRLPRO	04	C	P	CIRC,MIX & PUMP PILL.DROP SURVEY
	21:00 - 0:00	3.00	DRLPRO	05	A	P	TOOH F/ BIT # 2 STOP @ 1932' TO REPAIR WITCHITA BRAKE.CIRC W/ SWEDGE.

Wins No.:	SOUTHMAN CANYON 923-31M						API No.:	4304737364
	21:00 - 0:00	3.00	DRLPRO	05	A	P	TOOH F/ BIT # 2 STOP @ 1932' TO REPAIR WITCHITA BRAKE.CIRC W/ SWEDGE.	
7/2/2008	<u>SUPERVISOR:</u> TIM OXNER						MD:	7,097
	0:00 - 1:00	1.00	DRLPRO	05	A	P	TOOH TO 1932'.	
	1:00 - 0:00	23.00	DRLPRO	07	A	S	WAIT ON WITCHITA BRAKE MECHANIC & PARTS	
7/3/2008	<u>SUPERVISOR:</u> TIM OXNER						MD:	7,097
	0:00 - 0:00	24.00	DRLPRO	07	A	P	WAIT ON MECHANICS & PARTS F/ WITCHITA BRAKE REPAIR.MECHANICS ON LOCATION @ 20:00 7-3-08.WORK ON WITCHITA BRAKE.	
7/4/2008	<u>SUPERVISOR:</u> TIM OXNER						MD:	7,555
	0:00 - 3:30	3.50	DRLPRO	07	A	P	REPAIR WITCHITA BRAKE	
	3:30 - 6:00	2.50	DRLPRO	05	A	P	TOOH,LAYDOWN MOTOR. SURVEY @ 7004' 2.0 DEG	
	6:00 - 13:30	7.50	DRLPRO	05	A	P	PICK UP BIT # 2 & TIH. KELLY UP & WORK TIGHT SPOTS @ 3775'-4065'-5901'. HOLE TAKING FLUID. MIX LCM	
	13:30 - 15:00	1.50	DRLPRO	03	A	P	WASH & REAM 6978' - 7097' PACKED OFF @ 6978' WORK TIGHT HOLE & REGAIN CIRC. 8' FILL . LOST 225 BBLs TOTAL ON TRIP.	
	15:00 - 0:00	9.00	DRLPRO	02	A	P	DRLG F/ 7097' - 7555'. 458' TOTAL @ 50.8' HR. 34 VIS/ 10.8 MW	
7/5/2008	<u>SUPERVISOR:</u> TIM OXNER						MD:	8,411
	0:00 - 9:00	9.00	DRLPRO	02	A	P	DRILL F/ 7555' - 7930' 375' TOTAL @ 41.6' HR	
	9:00 - 11:00	2.00	DRLPRO	04	B	P	CIRC OUT GAS THRU BUSTER 30' FLARE & RAISE MUD WT F/ 11.6 - 12.0 WAITING ON LOAD OF BAR. 800 TO 1150 BACK GROUND GAS. HOLE TAKING FLUID RAISE LCM TO 12%	
	11:00 - 16:30	5.50	DRLPRO	02	A	P	DRILL F/ 7930' - 8126' 196' TOTAL @ 35.6' HR	
	16:30 - 17:00	0.50	DRLPRO	06	A	P	RIG SERVICE	
	17:00 - 0:00	7.00	DRLPRO	02	A	P	DRILL F/ 8126' - 8411' 285' TOTAL @ 40.7' HR	
7/6/2008	<u>SUPERVISOR:</u> TIM OXNER						MD:	8,615
	0:00 - 6:30	6.50	DRLPRO	02	A	P	DRILL F/ 8411' - 8615' TD. 204' TOTAL @ 31.3' HR. 50 VIS/ 13.0 MW 10% LCM	
	6:30 - 7:30	1.00	DRLPRO	04	C	P	CIRCULATE F/ SHORT TRIP	

7:30 - 9:30	2.00	DRLPRO	05	E	P	SHORT TRIP 30 STDS TO 6693'
9:30 - 11:30	2.00	DRLPRO	04	C	P	CIRCULATE TO LDDS.HELD SAFETY MEETING & RIG UP WEATHERFORD TRS
11:30 - 21:00	9.50	DRLPRO	05	A	P	LDDS & PULL WEAR BUSHING. TIGHT HOLE @ 4750' & 3802'
21:00 - 0:00	3.00	DRLPRO	08	F	P	HELD SAFETY MEETING,RIG UP HALLIBURTON. LOGGS BRIDGED OUT @ 6240'.RUN TRIPLE COMBO F/ 6134' TO SHOE.

7/7/2008	<u>SUPERVISOR:</u> TIM OXNER					<u>MD:</u> 8,615
0:00 - 3:00	3.00	DRLPRO	08	F	P	RUN GR F/ SHOE TO SURFACE.REMOVE BO SPRING & ATTEMPT TO RUN LOGGS, BRIDGED OFF @ 4750'. TOOH W/ LOOGGS & RIG DOWN HALLIBURTON.
3:00 - 4:00	1.00	DRLPRO	11	A	P	HELD SAFETY MEETING & RIG UP WEATHERFORD CSG CREW
4:00 - 11:00	7.00	DRLPRO	11	B	P	RUN 4.5 PRODUCTION CSG TAG @ 8615'
11:00 - 12:30	1.50	DRLPRO	04	E	P	PICK UP MANDREL & PUP JT,HOOK UP BJ HEAD & CIRC
12:30 - 15:00	2.50	DRLPRO	15	A	P	HELD SAFETY MEETING W/ BJ & TEST LINES TO 4500 PSI. ( PUMP 20 BBLS MUD CLEAN @ 8.3 PPG ) ( PUMP 20 BBLS SCAVENGER SLURRY, 20 SCKS POZZ W/ BENTONITE @ 11.5 PPG,2.81Cf SACK YIELD ) ( PUMP LEAD SLURRY,505 SCKS POZZ MIX W/ BENTONITE @ 12.5 PPG,2.08 Cf SACK YIELD ) ( PUMP TAIL SLURRY, 1100 SCKS 50/50 POZ MIX @ 14.3 PPG , 1.31Cf SACK YIELD ) ( DROP PLUG & DISPLACE W/ 133.0 BBLS CLAYTREAT + 1 GL MAGNACIDE @ 8.3 PPG ) ( BUMP PLUG W/ 3300 PSI,PLUG HELD ) ( 2800 PUMPING PSI ) ( 500 OVER PSI ) ( 100% RETURNS ) ( 28 BBLS CEMENT BACK TO SURFACE ) ( 1.5 BBLS BLEED OFF ) ( SET MANDREL @ 50 K STRING WT,TEST MANDREL TO 5000 PSI )
15:00 - 20:00	5.00	DRLPRO	13	A	P	NIPPLE DOWN BOP,INSTALL NIGHT CAP & CLEAN MUD PITS. RELEASE RIG @ 20:00 07/07/2008

<b>EVENT INFORMATION:</b>	EVENT ACTIVITY: COMPLETION	START DATE: 7/13/2008	AFE NO.: 2013633
	OBJECTIVE: CONSTRUCTION	END DATE: 7/15/2008	
	OBJECTIVE 2: ORIGINAL	DATE WELL STARTED PROD.:	
	REASON: SURF FACILITIES	Event End Status: COMPLETE	

<b>RIG OPERATIONS:</b>	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
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Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
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7/13/2008	<u>SUPERVISOR:</u> HAL BLANCHARD					<u>MD:</u>
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Wins No.: 95105 **SOUTHMAN CANYON 923-31M** API No.: 4304737364

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 8/7/2008 AFE NO.: 2013633  
 OBJECTIVE: DEVELOPMENT END DATE:  
 OBJECTIVE 2: ORIGINAL DATE WELL STARTED PROD.:  
 REASON: MV Event End Status:

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location

LEED 733 / 733 08/07/2008 08/13/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
8/7/2008	SUPERVISOR: CLAUD SIMS						MD:
	7:00 - 7:30	0.50	COMP	48		P	JSA-SAFETY MEETING #1, DAY 1
	7:30 - 11:00	3.50	COMP	30	A	P	ROAD RIG FROM SC 923-31 O TO LOC, R/U SERVICE UNIT AND EQUIP., N/D WH, N/U BOPS, R/U FLOOR & TBG EQUIP.,
	11:00 - 19:00	8.00	COMP	31	I	P	P/U 3-7/8" MILL TIH W/ 2-3/8" TBG, TALLY TBG IN THE HOLE, RIH TO @ 8500', PULLEDUP TO 8400' SWIFN, SD
8/8/2008	SUPERVISOR: CLAUD SIMS						MD:
	7:00 - 7:30	0.50	COMP	48		P	JSA-SAFETY MEETING #2, DAY 2
	7:30 - 10:00	2.50	COMP	31	I	P	RIH TO @ 8540', CIRC WELL CLEAN W/ 2% KCL
	10:00 - 15:00	5.00	COMP	31	I	P	PULLED OUT LAY DN 30 JTS ON TRAILER, TOOHW W/ 2-3/8" TBG 120 STANDS, RD/ FLOOR & TBG EQUIP., ND/ BOPS, NU/ FRAC VALVE, RU/ FLOOR, PRESSURE TEST CSG AND FRAC VALVE TO 7500#, OK, READY FOR FRAC ON MONDAY. SDFWE
8/11/2008	SUPERVISOR: CLAUD SIMS						MD:
	7:00 - 7:30	0.50	COMP	48		P	JSA-SAFETY MEETING #3, DAY 3
	7:30 - 8:30	1.00	COMP	37	C	P	( STG #1 ) RU/ CASEDHOLE SOLUTIONS, RIH W/ 3-3/8" PERF GUNS, PERF THE MV @ 8404 - 08', 8382 - 84', 8332 - 36', USING 3-3/8" EXP GUNS, 23gm, 0.36 HOLE 90° PHS, 40 HOLES, WHP = 50#
	8:30 - 13:30	5.00	COMP	36	B	P	R/U SCHLUMBERGER FRAC, FRAC VAN HAD ELECTRIC TROUBLE, WAIT ON EQUIP FROM VERNAL. REWIRE FRAC VAN.
	13:30 - 14:30	1.00	COMP	36	B	P	( STG #1 )SCHLUMBERGER PRESSURE TESTED LINES TO 8500#, BRK DN PERF 3895# @ 6 B/M, INJ- P = 5627#, INJ -R = 47.7 B/M, ISIP = 2600 #, F.G. = .74, PMPD 3 BBLS 15% HCL AHEAD OF INJ., CALC 38/40, 97% PERF OPEN, PMPED 1105.9 BBLS SLK WTR & 34,548# OF SAND, ISIP = 2500 #, F.G. = .73, NPI = -100 , MP = 7377#, MR = 53.2 B/M, AP = 4646##, AR = 47.7 B/M, 28696# 30/50# OTTAWA SD, 5852# TLC SD, 94 GALS OF J583 CLAYTREAT, 32 GALS FRW B145 , 11 GALS NALCO BIOCID, 132 GALS NALCO SCALE INHIB.,

Wins No.: 95105

SOUTHMAN CANYON 923-31M

API No.: 4304737364

14:30 - 20:00 5.50 COMP 37 B P

( STG #2 ) RIH W/ BAKER 8K CBP & PERF GUNS, SET CBP @ 8232', PERF THE MV @ 8196 - 8202', 8180 - 84', 8142 - 46', 3-SPF, USING 303/8" EXP GUNS, 23gm, 0.36 HOLE, 90° PHS, 42 HOLES, WHP = 500#,  
 BRK DN PERF @ 3410# @ 6 B/M, INJ- P = 5070#, INJ RT = 50 B/M, ISIP = 2270 #, F.G. = .71, CALC 38/42, 97% PERF OPEN, PMPED 2202 BBLS SLK WTR & 83700 # SAND, ISIP = 2600 #, F.G. = .75, NPI = 300, MP = 5846#, MR = 51.7 B/M, AP = 4575#, AR = 48.7 B/M, 79425# 30/50 OTTAWA SD, 5846# TLC SD, 199 GALS J583 CLAYTREAT, 68 GALS FRW B145, 30 GAL NALCO BIOCID, 146 GAL NALCO SCALE INHIB.

( STG #3 ) RIH W/ BAKER 8K CBP & PERF GUNS, SET CBP @ 8112', PERF THE MV @ 8078 - 82', 4SPF, 8048 - 52' 3-SPF, 7999 - 8002', 3-SPF, 7944 - 46', 3-SPF, USING 3-3/8" EXP GUNS, 23gm, 0.36 HOLE, 90° PHS, 43 HOLES, WHP = 2230 #,  
 BRK DN PERF @ 3410 # @ 6 B/M, INJ- P = 5100 #, INJ - RT = 51 B/M, ISIP = 2450#,  
 F.G = .74 , CALC 38/93, 97% PERF OPEN, PMPD 2236.2 BBLS SLK WTR & 73256 # SAND, ISIP = 2500 #, F.G. = .74 , NPI = 50 , MP = 7843 #, MR = 51.5 B/M, AP = 4631#, AR = 47 B/M, 73256 # 30/50 OTTAWA SD, 0# TLC SD, 177 GAL J583 CLAYTREAT, 62 GAL FRW B145, 26 GAL NALCO BIOCID, 163 GAL NALCO SCALE INIHIB.  
 SCREEN OFF ON 1.83 LB SAND, REFLUSH CSG TO 7920'

( STG #4 ) RIH W/ BAKER 8K CBP & PERF GUNS, SET CBP @ 7910', PERF THE MV @ 7876 - 80', 4-SPF, 7847 - 50', 3-SPF, 7807 - 10', 3-SPF, 7769 -72', 3-SPF, USING 3-3/8" EXP GUNS, 23gm, 0.36 HOLE, 43 HOLES,

SHUT WELL IN FOR NIGHT, FINISH FRAC TOMORROW IN AM. SHUT DOWN.

8/12/2008

SUPERVISOR: CLAUD SIMS

MD:

7:00 - 7:30 0.50 COMP 48 P

JSA-SAFETY MEETING #4, DAY 4

7:30 - 19:00 11.50 COMP 36 B P

R/U SCHLUMBERGER FRAC,  
 ( STG #4 ) STARTED PUMPING THE BRK DN RATE W/  
 PRESSURE GOING UP 7,000# @ 38 B/M, PUMP HCL W/ SPOTING  
 ACROSS PERF, SHUT DN FOR 10 MIN, STARTED PUMPING W/  
 PRESSURE GOING TO @ 7400#, @ 38 B/M, SHUT DOWN, HAVE  
 @ 40% OF PERF OPEN, SHUT WELL IN , R/U WIRELINE RIH W/  
 BAILER W/ ACID, SET DN @ 7808', TOP PERF OPEN ONLY, DUMP  
 ACID, PULLED OUT OF HOLE, OPEN WELL TO PIT W/  
 FLOWING WELL BACK FOR 1-3/4 HOURS, FLOWED BACK SAND  
 AND WTR, SHUT WELL IN, R/U SCHLUMBERGER.  
 WHP = 2260#

( RESTART STG #4 )  
 BRK DN PERF @ 6130#, @5 B/M, INJ - P= 5000# INJ-RT = 50.5  
 B/M, ISIP = 2500#, F.G. = .75, CALC ALL PERF OPEN,, PMPED  
 2570.6 BBLS SLK WTR, 103200# SAND, ISIP = 4000#, F.G. = .94,  
 NPI = 1500 , MP = 8860#, MR = 52.8 B/M, AP = 4520#, AR = 45.8  
 B/M, 101700# 30/50 OTTAWA SD, 1500# 20/40 TLC SD., 254 GAL  
 J583 CLAYTREAT, 75 GAL FRW-B145, 30 GAL NALCO BIOCID,  
 125 GAL NALCO SCALE INHIB.  
 SCREEN OFF AT START OF FLUSH, FLOWED BACK @ 120 BBLS  
 WTR AND SD, PUMP SWEEP W/ SPOT ACID ON BOTTOM.

( STG #5) RIH W/ BAKER 8K CBP & PERF GUNS, SETCBP @  
 7744', PERF THE MV @ 7710 -14', 7675 - 78', 7635 - 42', USING  
 3-3/8" EXP GUNS, 23gm, 0.36 HOLE, 90° PHS 3-SPF, 42 HOLES,  
 WHP = 1138#,  
 BRK DN PERF @ 6604#, @ 6 B/M, INJ-P = 5600#, INJ-RT = 42.1  
 B/M, ISIP = 2200#,  
 F.G. = .72, CALC 87% PERF OPEN, PMPED 2457.2 BBLS SLK  
 WTR & 96254# SAND, ISIP = 2400#, F.G. = .73, NPI = 200 ,  
 MP = 7295#, MR = 54.2 B/M, AP = 5266#, AR = 42.3 B/M, 82148#  
 30/50 OTTAWA SD, 14106# 20/40 TLC SAND, 230 GAL J583  
 CLAYTREAT, 75 GAL FRW-B145, 34 GAL NALCO BIOCID, 263 GAL  
 NALCO SCALE INHIB.

( KILL PLUG ) RIH W/ BAKER 8K CBP, SET CBP @ 7516', POOH  
 RIG DOWN CASED HOLE SOLUTION AND SCHLUMBERGER  
 FRAC.

ND/ FRAC VALVE, NU/ BOPS, RU/ FLOOR & TBG EQUIP, READY  
 TO RIH IN AM, SDFN.

TOTAL FLUID = 10572 BBLS SLK WTR  
 TOTAL SAND = 389458#  
 TOTAL NALCO BIOCID = 131 GALS,  
 TOTAL NALCO SCALE INHIB. = 829 GALS  
 TOTAL J583 CLAYTREAT = 954 GALS,  
 TOTAL FRW-B145 = 267 GALS.

8/13/2008

SUPERVISOR: CLAUD SIMS

MD:

7:00 - 7:30 0.50 COMP 48 P

JSA-SAFETY MEETING #5, DAY 5

7:30 - 10:00 2.50 COMP 31 I P

P/U 3-7/8" BIT W/ POBS, RIH W/ 2-3/8" TBG, TAG CBP @ 7516',

10:00 - 19:00 9.00 COMP 44 P

R/U POWER SWIVEL, PRESSURE TESTED BOP TO 3000#, OK, ESTB. CIRC DN TBG OUT CSG.

( DRLG CBP #1 ) 7516' DRILL OUT BAKER 8K CBP IN 5 MIN, 150# DIFF, RIH TAG @ 7744', C/O 0' SAND, FCP = 150 #,

( DRLG CBP #2 ) 7744', DRILL OUT BAKER 8K CBP IN 5 MIN, 50 # DIFF,RIH TAG SD @ 7870', C/O 40' SD, FCP = 200#.

( DRLG CBP #3 ) 7910', DRILL OUT BAKER 8K CBP IN 4 MIN, 150 # DIFF, RIH TAG SD @ 8090', C/O 22' SD. FCP = 400#.

( DRLG CBP #4 ) 8112', DRILL OUT BAKER 8K CBP IN 2 MIN, 25# DIFF, RIH IN TAG AD @ 8202', C/O 30' SD, FCP = 425#.

( DRLG CBP #5 )8232', DRILL OUT BAKER 8K CBP IN 5 MIN, RIHTAG SD @ 8472', C/O 78' SD TO PBD @ 8550', CIRC WELL CLEAN. R/D POWER SWIVEL, POOH LAY DN 13 JTS ON PIPE TRAILER, LAND TBG ON HANGER W/ 257 JTS, EOT @ 8110', R/D FLOOR AND TBG EQUIP.,N/D BOPS, N/U WH, DROP BALL DN TBG, PUMP OFF THE BIT @ 3600 #, WAIT 30MIN FOR BIT TO FALL TO BTTM, OPEN WELL TO FBT ON 20/64 CHOKE, FTP 1200#, SICP = 1700#, TURN WELL OVER TO FBC @ 6:00 PM W/ 8395 BBLs WTR LTR. AVG. 5 MIN / PLUG, W @ 170' SAND.

285 JTS 2-3/8" J-55 TBG DELV.  
257 JTS 2-3/8" J-55 TBG LANDED  
28 JTS 2-3/8" J-55 TBG RETURNED

KB =	18.00'
HANGER =	.83'
257 JTS 2-3/8" J-55 TBG =	8089.43'
POBS W/ XN-NIPPLE =	2.20'
EOT =	8110.46'

8/14/2008

SUPERVISOR: CLAUD SIMS

MD:

7:00 - 33 A

7 AM FLBK REPORT: CP 2300#, TP 1850#, 20/64" CK, 45 BWPH, HEAVY SAND, - GAS  
TTL BBLs RECOVERED: 645  
BBLs LEFT TO RECOVER: 10827

8/15/2008

SUPERVISOR: CLAUD SIMS

MD:

7:00 - 33 A

7 AM FLBK REPORT: CP 2300#, TP 1850#, 20/64" CK, 45 BWPH, HEAVY SAND, - GAS  
TTL BBLs RECOVERED: 645  
BBLs LEFT TO RECOVER: 10827

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.  
UTU-67868

1a. Type of Well  Oil Well  Gas  Dry Other  
b. Type of Completion:  New  Work Over  Deepen  Plug Back  Diff. Resvr.  
Other \_\_\_\_\_

6. If Indian, Allottee or Tribe Name

2. Name of Operator  
KERR-MCGEE OIL & GAS ONSHORE LP

7. Unit or CA Agreement Name and No.  
CA: UTU-74898

3. Address  
1368 SOUTH 1200 EAST, VERNAL, UTAH 84078

3a. Phone No. (include area code)  
(435) 781-7024

8. Lease Name and Well No.  
SOUTHMAN CANYON 923-31N

4. Location of Well (Report locations clearly and in accordance with Federal requirements) \*

At surface SW/SW LOT 4. 954'FSL, 1022'FWL

At top prod. interval reported below

9. API Well No.  
4304737364

At total depth

10. Field and Pool, or Exploratory  
UNDESIGNATED

14. Date Spudded  
04/29/08

15. Date T.D. Reached  
07/06/08

16. Date Completed  
 D & A  Ready to Prod.  
08/16/08

11. Sec., T., R., M., or Block and Survey or Area SEC. 31, T9S, R23E

12. County or Parish UINTAH 13. State UTAH

17. Elevations (DF, RKB, RT, GL)\*  
5045'GL

18. Total Depth: MD 8615'  
TVD

19. Plug Back T.D.: MD 8550'  
TVD

20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored?  No  Yes (Submit copy)  
Was DST run?  No  Yes (Submit copy)  
Directional Survey?  No  Yes (Submit copy)

CBL-CCL-GR, SD, DSN, ACTR

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14"	36.7#		40'		28 SX			
12 1/4"	9 5/8"	36#		2130'		675 SX			
7 7/8"	4 1/2"	11.6#		8615'		1605 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2 3/8"	8110'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	7635'	8408'	7635'-8408'	0.36	210	OPEN
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and type of Material
7635'-8408'	PMP 10,572 BBLs SLICK H2O & 389,458# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/16/08	08/18/08	24	→	0	2,600	840			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 1700#	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
18/64	SI	2350#	→	0	2600	840			PRODUCING GAS WELL

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
	SI		→						

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

**SOLD**

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

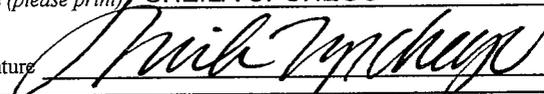
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GREEN RIVER	889'				
MAHOGANY	1888'				
WASATCH	4038'	5671'			
MESAVERDE	5705'	7782'			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) SHEILA UPCHEGO Title REGULATORY ANALYST  
 Signature  Date 09/08/08

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-67868
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> SOUTHMAN CYN 923-31M
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047373640000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0954 FSL 1022 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 31 Township: 09.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/14/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

THE OPERATOR REQUESTS AUTHORIZATION TO RECOMPLETE THE SUBJECT WELL LOCATION. THE OPERATOR PROPOSES TO RECOMPLETE THE WASATCH AND MESAVERDE FORMATIONS. THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE NEWLY WASATCH AND MESAVERDE FORMATIONS, ALONG WITH THE EXISTING MESAVERDE FORMATIONS. PLEASE REFER TO THE ATTACHED RECOMPLETION PROCEDURE.

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

Date: June 15, 2010

By: *David K. Lytle*

<b>NAME (PLEASE PRINT)</b> Andy Lytle	<b>PHONE NUMBER</b> 720 929-6100	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A		<b>DATE</b> 6/9/2010



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

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43047373640000**

**Authorization: Board Cause No. 179-14**

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

**Date:** June 15, 2010  
**By:** *David H. [Signature]*

# Greater Natural Buttes Unit



## **SOUTHMAN CANYON 923-31M RE-COMPLETIONS PROCEDURE**

**DATE:6/9/10  
AFE#:**

**COMPLETIONS ENGINEER:** Sarah Schaftenaar, Denver, CO  
(303)-895-5883 (Cell)  
(720)-929-6605 (Office)

**SIGNATURE:**

**ENGINEERING MANAGER: JEFF DUFRESNE**

**SIGNATURE:**

**REMEMBER SAFETY FIRST!**

**Name:** Southman Canyon 923-31M

**Location:** SW SW Sec. 31 T9S R23E

**Uintah County, UT**

**Date:** 6/2/10

**ELEVATIONS:** 5045' GL 5063' KB

**TOTAL DEPTH:** 8615' **PBTD:** 8566'

**SURFACE CASING:** 9 5/8", 36# J-55 ST&C @ 2092'

**PRODUCTION CASING:** 4 1/2", 11.6#, I-80 LT&C @ 8611'

Marker Joint **4203-4224'**

**TUBULAR PROPERTIES:**

	BURST (psi)	COLLAPSE (psi)	DRIFT DIA. (in.)	CAPACITIES	
				(bbl/ft)	(gal/ft)
2 3/8" 4.7# J-55 tbg	7,700	8,100	1.901"	0.00387	0.1624
4 1/2" 11.6# I-80 (See above)	7780	6350	3.875"	0.0155	0.6528
2 3/8" by 4 1/2" Annulus				0.0101	0.4227

**TOPS:**

1166' Green River Top  
1406' Bird's Nest Top  
1905' Mahogany Top  
4227' Wasatch Top  
6455' Mesaverde Top

**BOTTOMS:**

6455' Wasatch Bottom  
8615' Mesaverde Bottom (TD)

Estimated T.O.C. from CBL @ surface'

**GENERAL:**

- A minimum of **11** tanks (cleaned lined 500 bbl) of recycled water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Halliburtons Induction-Density-Neutron log dated 7/6/2008
- **5** fracturing stages required for coverage.
- Procedure calls for **6** CBP's (**8000** psi) .
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Pump scale inhibitor at 3 gpt (in pad and until 1.25 ppg ramp up is reached) and 10 gpt in all flushes except the final stage. Remember to pre-load the casing with scale inhibitor for the very first stage with 10 gpt.
- 30/50 mesh Ottawa sand, **Slickwater frac.**
- Maximum surface pressure **6200** psi.
- Flush volumes are the sum of slick water and acid used during displacement (include scale inhibitor as mentioned above). **DO NOT OVERDISPLACE.** Stage acid and scale inhibitor if necessary to cover the next perforated interval.

- Service companies need to provide surface/production annulus pop-offs to be set for 1500 psi for each frac.
- Pump 20/40mesh **resin coated sand** last 5,000# of all frac stages
- Tubing Currently Landed @~8110
- Originally completed on 8/6/2008

**Existing Perforations:**

Zone	Feet of Pay	Perfs		SPF	Holes
		Top, ft.	Bot., ft		
MESAVERDE	2	7635	7642	3	21
MESAVERDE	26	7675	7678	3	9
MESAVERDE	3	7710	7714	3	12
MESAVERDE	2	7769	7772	3	9
MESAVERDE	2	7807	7810	3	9
MESAVERDE	9	7847	7850	3	9
MESAVERDE	15	7876	7880	4	16
MESAVERDE	6	7944	7946	3	6
MESAVERDE	4	7999	8002	3	9
MESAVERDE	4	8048	8052	3	12
MESAVERDE	3	8078	8082	4	16
MESAVERDE	5	8142	8146	3	12
MESAVERDE	1	8180	8184	3	12
MESAVERDE	1	8196	8202	3	18
MESAVERDE	1	8332	8336	4	16
MESAVERDE	3	8382	8384	4	8
MESAVERDE	18	8404	8408	4	16

**PROCEDURE:**

1. MIRU. Control well with recycled water and biocide as required. ND WH, NU BOP's and test.
2. If the tubing is below the proposed CBP depth, TOO H with 2-3/8", 4.7#, J-55 (or N-80) tubing (currently landed at ~8110'). Visually inspect for scale and consider replacing if needed. If the tubing is above the proposed CBP depth, RIH with tubing and tag for fill before TOO H.
3. If tbg looks ok consider running a gauge ring to 7596 (50' below proposed CBP). Otherwise P/U a mill and C/O to 7596 (50' below proposed CBP).
4. Set 8000 psi CBP at ~ 7546'. Pressure test BOP and casing to 6000 psi.

5. Perf the following with 3-3/8" gun, 23 gm, 0.36"hole:
- | Zone      | From | To   | spf | # of shots |
|-----------|------|------|-----|------------|
| MESAVERDE | 7394 | 7396 | 3   | 6          |
| MESAVERDE | 7436 | 7440 | 3   | 12         |
| MESAVERDE | 7510 | 7516 | 4   | 24         |
6. Breakdown perfs and establish injection rate (include scale inhibitor in fluid). Spot 250 gals of 15% HCL and let soak 5-10 min. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~7394' and trickle 250gal 15%HCL w/ scale inhibitor in flush .
7. Set 8000 psi CBP at ~7344'. Perf the following 3-3/8" gun, 23 gm, 0.36"hole:
- | Zone      | From | To   | spf | # of shots |
|-----------|------|------|-----|------------|
| MESAVERDE | 7232 | 7238 | 3   | 18         |
| MESAVERDE | 7306 | 7314 | 3   | 24         |
8. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~7232' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
9. Set 8000 psi CBP at ~7182'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:
- | Zone      | From | To   | spf | # of shots |
|-----------|------|------|-----|------------|
| MESAVERDE | 7006 | 7010 | 3   | 12         |
| MESAVERDE | 7070 | 7074 | 3   | 12         |
| MESAVERDE | 7148 | 7152 | 4   | 16         |
10. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~7006' trickle 250gal 15%HCL w/ scale inhibitor in flush.
11. Set 8000 psi CBP at ~5890'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:
- | Zone    | From | To   | spf | # of shots |
|---------|------|------|-----|------------|
| WASATCH | 5702 | 5704 | 3   | 6          |
| WASATCH | 5769 | 5772 | 3   | 9          |
| WASATCH | 5834 | 5838 | 4   | 16         |
| WASATCH | 5857 | 5860 | 4   | 12         |
12. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 4 on attached listing. Under-displace to ~5702' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
13. Set 8000 psi CBP at ~5456'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:
- | Zone    | From | To   | spf | # of shots |
|---------|------|------|-----|------------|
| WASATCH | 5206 | 5210 | 3   | 12         |
| WASATCH | 5270 | 5274 | 3   | 12         |
| WASATCH | 5420 | 5426 | 3   | 18         |
14. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 5 on attached listing. Under-displace to ~5206' and flush only with recycled water.
15. Set 8000 psi CBP at~5156'.

16. TIH with 3 7/8" mill, sliding sleeve, SN and tubing.
17. Mill plugs and clean out to 7546. Land tubing at  $\pm 8110'$  and open sleeve unless indicated otherwise by the well's behavior. This well will be commingled at this time.
18. RDMO
19. Clean out well with foam and/or swabbing unit until steady flow has been established from recomplete, if necessary.

**For design questions, please call  
Sarah Schaftenaar, Denver, CO  
(303)-895-5883 (Cell)  
(720)-929-6605 (Office)**

**For field implementation questions, please call  
Jeff Samuels, Vernal, UT  
435-781-7046 (Office)**

NOTES:

**Southman Canyon 923-31M  
Perforation and CBP Summary**

Stage	Zones	Perforations		SPF	Holes	Fracture Coverage		
		Top, ft	Bottom, ft					
1	MESAVERDE	7394	7396	3	6	7370	to	7381.5
	MESAVERDE	7436	7440	3	12	7392.5	to	7402.5
	MESAVERDE	7510	7516	4	24	7414	to	7458.5
	MESAVERDE		No perfs			7474	to	7529
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	# of Perfs/stage				Look	42	CBP DEPTH	7,344
2	MESAVERDE	7232	7238	3	18	7221	to	7241.5
	MESAVERDE	7306	7314	3	24	7253.5	to	7259.5
	MESAVERDE		No perfs			7265.5	to	7268
	MESAVERDE		No perfs			7290.5	to	7292.5
	MESAVERDE		No perfs			7303	to	7319.5
	MESAVERDE		No perfs			7324	to	7332
	MESAVERDE							
	MESAVERDE							
# of Perfs/stage				Look	42	CBP DEPTH	7,182	
3	MESAVERDE	7006	7010	3	12	6999	to	7010.5
	MESAVERDE	7070	7074	3	12	7064	to	7074.5
	MESAVERDE	7148	7152	4	16	7133	to	7135.5
	MESAVERDE		No perfs			7140.5	to	7144
	MESAVERDE		No perfs			7145	to	7153.5
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
# of Perfs/stage				Look	40	CBP DEPTH	5,890	
4	WASATCH	5702	5704	3	6	5697	to	5708
	WASATCH	5769	5772	3	9	5748.5	to	5767
	WASATCH	5834	5838	4	16	5823.5	to	5849
	WASATCH	5857	5860	4	12	5853.5	to	5863
	WASATCH							
	WASATCH							
	WASATCH							
	WASATCH							
# of Perfs/stage					43	CBP DEPTH	5,456	
5	WASATCH	5206	5210	3	12	5182.5	to	5236.5
	WASATCH	5270	5274	3	12	5258.5	to	5287
	WASATCH	5420	5426	3	18	5410.5	to	5429.5
	WASATCH							
	WASATCH							
	WASATCH							
	WASATCH							
	WASATCH							
# of Perfs/stage				Look	42	CBP DEPTH	5,156	
Totals					209			kH

Fracturing Schedules  
**Southman Canyon 923-31M**  
**Slickwater Frac**

Recomplete?	Y
Pad?	N
ACTS?	N

Swabbing Days	0	Enter Number of swabbing days here for recompletes
Production Log	0	Enter 1 if running a Production Log
DFIT	0	Enter Number of DFITs

Stage	Zone	Md-Ft of Pay	Perfs		SPF	Holes	Rate BPM	Fluid Type	Initial ppg	Final ppg	Fluid	Volume gals	Cum Vol gals	Volume BBLs	Cum Vol BBLs	Fluid % of frac	Sand % of frac	Sand lbs	Cum. Sand lbs	Footage from CBP to Flush	Scale Inhib., gal.	
			Top, ft.	Bot., ft																		
1	MESAVERDE	12.00	7394	7396	3	6	Varied	Pump-in test			Slickwater		0	0	0							
	MESAVERDE	10.50	7436	7440	3	12	0	ISIP and 5 min ISIP														48
	MESAVERDE	45.00	7510	7516	4	24	50	Slickwater Pad			Slickwater	5,535	5,535	132	132	15.0%	0.0%	0	0		17	
	MESAVERDE	55.50	No perfs				50	Slickwater Ramp	0.25	1.25	Slickwater	10,455	15,990	249	381	28.3%	19.4%	7,841	7,841		31	
	MESAVERDE	0.00					50	SW Sweep	0	0	Slickwater	0	15,990	0	381		0.0%	0	7,841		0	
	MESAVERDE	0.00					50	Slickwater Ramp	1.25	1.5	Slickwater	10,455	26,445	249	630	28.3%	35.5%	14,376	22,217		0	
	MESAVERDE	0.00					50	SW Sweep	0	0	Slickwater	0	26,445	0	630		0.0%	0	22,217		0	
	MESAVERDE	0.00					50	Slickwater Ramp	0.5	1.5	Slickwater	0	26,445	0	630		0.0%	0	22,217		0	
	MESAVERDE	0.00					50	Slickwater Ramp	1.5	2	Slickwater	10,455	36,900	249	879	28.3%	45.2%	18,296	40,513		0	
	MESAVERDE	0.00					50	Flush (4-1/2)				4,827	41,727	115	993				40,513		48	
	MESAVERDE	0.00						ISDP and 5 min ISDP					41,727								143	
		<b>123.00</b>	<b># of Perfs/stage</b>			Look	<b>42</b>								<b>Flush depth</b>	<b>7394</b>		<b>gal/md-ft</b>	<b>300</b>	<b>329</b>	<b>lbs sand/md-ft</b>	<b>50</b>
							19.9	<< Above pump time (min)														
2	MESAVERDE	21.00	7232	7238	3	18	Varied	Pump-in test			Slickwater		0	0	0							
	MESAVERDE	6.50	7306	7314	3	24	0	ISIP and 5 min ISIP														
	MESAVERDE	3.00	No perfs				50	Slickwater Pad			Slickwater	4,388	4,388	104	104	15.0%	0.0%	0	0		13	
	MESAVERDE	2.50	No perfs				50	Slickwater Ramp	0.25	1.25	Slickwater	8,288	12,675	197	302	28.3%	19.4%	6,216	6,216		25	
	MESAVERDE	17.00	No perfs				50	SW Sweep	0	0	Slickwater	0	12,675	0	302		0.0%	0	6,216		0	
	MESAVERDE	8.50	No perfs				50	Slickwater Ramp	1.25	1.5	Slickwater	8,288	20,963	197	499	28.3%	35.5%	11,395	17,611		0	
	MESAVERDE	0.00					50	SW Sweep	0	0	Slickwater	0	20,963	0	499		0.0%	0	17,611		0	
	MESAVERDE	0.00					50	Slickwater Ramp	0.5	1.5	Slickwater	0	20,963	0	499		0.0%	0	17,611		0	
	MESAVERDE	0.00					50	Slickwater Ramp	1.5	2	Slickwater	8,288	29,250	197	696	28.3%	45.2%	14,503	32,114		0	
	MESAVERDE	0.00					50	Flush (4-1/2)				4,721	33,971	112	809				32,114		47	
	MESAVERDE	0.00						ISDP and 5 min ISDP					33,971								85	
		<b>58.50</b>	<b># of Perfs/stage</b>			Look	<b>42</b>								<b>Flush depth</b>	<b>7232</b>		<b>gal/md-ft</b>	<b>500</b>	<b>549</b>	<b>lbs sand/md-ft</b>	<b>50</b>
							16.2	<< Above pump time (min)														
3	MESAVERDE	12.00	7006	7010	3	12	Varied	Pump-in test			Slickwater		0	0	0							
	MESAVERDE	11.00	7070	7074	3	12	0	ISIP and 5 min ISIP														
	MESAVERDE	3.00	7148	7152	4	16	50	Slickwater Pad			Slickwater	5,265	5,265	125	125	15.0%	0.0%	0	0		16	
	MESAVERDE	4.00	No perfs				50	Slickwater Ramp	0.25	1.25	Slickwater	9,945	15,210	237	362	28.3%	19.4%	7,459	7,459		30	
	MESAVERDE	9.00	No perfs				50	SW Sweep	0	0	Slickwater	0	15,210	0	362		0.0%	0	7,459		0	
	MESAVERDE	0.00					50	Slickwater Ramp	1.25	1.5	Slickwater	9,945	25,155	237	599	28.3%	35.5%	13,674	21,133		0	
	MESAVERDE	0.00					50	SW Sweep	0	0	Slickwater	0	25,155	0	599		0.0%	0	21,133		0	
	MESAVERDE	0.00					50	Slickwater Ramp	0.5	1.5	Slickwater	0	25,155	0	599		0.0%	0	21,133		0	
	MESAVERDE	0.00					50	Slickwater Ramp	1.5	2	Slickwater	9,945	35,100	237	836	28.3%	45.2%	17,404	38,537		0	
	MESAVERDE	0.00					50	Flush (4-1/2)				4,574	39,674	109	945				38,537		38	
	MESAVERDE	0.00						ISDP and 5 min ISDP					39,674								84	
		<b>39.00</b>	<b># of Perfs/stage</b>			Look	<b>40</b>								<b>Flush depth</b>	<b>7006</b>		<b>gal/md-ft</b>	<b>900</b>	<b>988</b>	<b>lbs sand/md-ft</b>	<b>1,116</b>
							18.9	<< Above pump time (min)														
4	WASATCH	0.036	5702	5704	3	6	Varied	Pump-in test			Slickwater		0	0	0							
	WASATCH	1.070	5769	5772	3	9	0	ISIP and 5 min ISIP														
	WASATCH	0.752	5834	5838	4	16	50	Slickwater Pad			Slickwater	4,588	4,588	109	109	15.0%	0.0%	0	0		14	
	WASATCH	0.181	5857	5860	4	12	50	Slickwater Ramp	0.25	1.5	Slickwater	15,293	19,880	364	473	50.0%	35.7%	13,381	13,381		46	
	WASATCH	0.00					50	Slickwater Ramp	1.5	3	Slickwater	10,705	30,585	255	728	35.0%	64.3%	24,086	37,467		0	
	WASATCH	0.00					50	Flush (4-1/2)				3,722	34,307	89	817				37,467		0	
	WASATCH	0.00						ISDP and 5 min ISDP													0	
	WASATCH	0.00																			0	

RECEIVED June 09, 2010





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:  
3160 – UTU74898  
(UT-922100)

MAY 04 2012

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MAY 07 2012

DIV. OF OIL, GAS & MINING

Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, CO 80202

Re: <sup>43047-37364</sup> Communitization Agreement UTU74898 (CA UTU74898)  
Lots 3 and 4, Section 31, T. 9 South, R. 23 East, SLB&M

Gentlemen:

On May 1, 2012, the Ponderosa Unit Agreement, Uintah County, Utah, became effective and resulted in the segregation of the following lease committed to the above referenced communitization agreement:

Base Lease	Segregated Lease
UTU33433	UTU88580

As a result of this segregation, the tracts involved in CA UTU74898 are now described as follows:

Tract	Lease	Description
1	UTU88580	Township 9 South, Range 23 East, SLB&M Section 31: Lot 3 - 38.89 acres
2	UTU67868	Township 9 South, Range 23 East, SLB&M Section 31: Lot 4 - 38.83 acres

Effective May 1, 2012, all permitting and reporting on CA UTU74898 should reference these lease numbers.

If you have any questions regarding this notice, please contact Mickey Coulthard of this office at (801) 539-4042.

Sincerely,

A handwritten signature in cursive script that reads "Roger L. Bankert".

Roger L. Bankert  
Chief, Branch of Minerals

cc: UDOGM  
ONRR (Attn: Leona Reilly)  
BLM FOM - Vernal w/enclosure

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

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
Address: P.O. Box 173779  
city DENVER  
state CO zip 80217 Phone Number: (720) 929-6304

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737364	Southman Cyn 923-31M		SWSW	31	9S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
	18519	16828	4/29/2008			5/1/2012 7/31/2012	
Comments: MRVD put into Ponderosa in error							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

JAIME SCHARNOWSKE  
Name (Please Print) Jaime Scharnowske  
Signature  
REGULATORY ANALYST Date 7/20/2012  
Title Date

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: October 31, 2014

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU67868

1a. Type of Well  Oil Well  Gas Well  Dry  Other  
 b. Type of Completion:  New Well  Work Over  Deepen  Plug Back  Diff. Resrvr.,  
 Other: **RECOMPLETION**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator  
KERR MCGEE OIL & GAS ONSHORE, L.P.

8. Lease Name and Well No.  
SOUTHMAN CANYON 923-31M

3. Address PO BOX 173779  
DENVER, CO 80217

3a. Phone No. (include area code)  
720-929-6000

9. API Well No.  
4304737364

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*

At surface SWSW 954 FSL, 1022 FWL, LOT 4 S31, T9S, R23E

At top prod. interval reported below

At total depth

10. Field and Pool or Exploratory  
NATURAL BUTTES

11. Sec., T., R., M., on Block and Survey or Area  
SEC 31, T9S, R23E

12. County or Parish  
UINTAH

13. State  
UT

14. Date Spudded  
04/29/2008

15. Date T.D. Reached  
07/06/2008

16. Date Completed 11/28/2011  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*  
5045

18. Total Depth: MD 8615  
TVD

19. Plug Back T.D.: MD 8550  
TVD

20. Depth Bridge Plug Set: MD 7560  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was well cored?  No  Yes (Submit analysis)  
 Was DST run?  No  Yes (Submit report)  
 Directional Survey?  No  Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20	14	36.7		40		28			
12 1/4	9 5/8	36		2130		675			
7 7/8	4 1/2	11.6		8615		1605		180	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375								

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5218	5858		0.36		OPEN
B) MESAVERDE	7008	7513				
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
5218-7513	PUMP 4829 BBLs SLICK H2O & 113,385 LBS 30/50 OTTAWA SAND 5 STAGES

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/28/11	12/5/11	24	→	0	1940	98			FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
17/64	89	1549	→	0	1940	98		PRODUCING	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

\*(See instructions and spaces for additional data on page 2)

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DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				GREEN RIVER	1166
				BIRD'S NEST	1406
				MAHOGANY	1905
				WASATCH	4227
				MESAVERDE	6455

32. Additional remarks (include plugging procedure):

Attached is the recompletion history and perforation report. Casing in the well is as previously reported on the original Completion Report. New recompletion perforations are: Wasatch 5218-5858' and Mesaverde 7008-7513'; existing perforations: Mesaverde 7635-8408'. An isolation plug is in the hole at 7560' and the well is producing only from the newly perforated zones. A Sundry Notice will be submitted if a decision is made to drill out the iso plug.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)     
  Geologic Report     
  DST Report     
  Directional Survey  
 Sundry Notice for plugging and cement verification     
  Core Analysis     
  Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) CARA MAHLER Title REGULATORY ANALYST  
 Signature  Date 8/2/2012

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**US ROCKIES REGION**  
**Operation Summary Report**

Well: SOUTHMAN CANYON 923-31M	Spud Conductor: 4/29/2008	Spud Date: 5/12/2008
Project: UTAH-UINTAH	Site: SOUTHMAN CANYON 923-31M	Rig Name No: LEED 698/698
Event: RECOMPL/RESEREVEADD	Start Date: 11/21/2011	End Date: 11/28/2011
Active Datum: RKB @5,063.00usft (above Mean Sea Level)	UWI: SOUTHMAN CANYON 923-31M	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
11/21/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, LOADING EQUIP.
	7:30 - 13:30	6.00	COMP	30	A	P		RIG DWN OFF FEDERAL 920-23JT, MIRU, ND WH, NU BOPS, UNLAND TBG, RU SCAN TECH.
	13:30 - 18:00	4.50	COMP	31	I	P		POOH W/ 257 JTS 23/8 J-55 SCANNING TBG. HAD 251 YELLOW, 6 RED. RD SCANTECH. SWI SDFN.
11/22/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, WORKING W/ WIRELINE & TESTING CSG.
	7:30 - 9:30	2.00	COMP	34	I	P		SICP 450 PSI, BLEW WELL DWN TO TNK, CONTROL CSG W/ 40 BBLs T-MAC, RU JW RIH W/ 41/2 GAUGE RING TO 7593', POOH RIH SET 8-K CBP @ 7560', POOH RD JW.
	9:30 - 11:50	2.33	COMP	33	C	P		ND BOPS NU FV, RU B&C TEST 41/2 CSG TO 1,018 PSI FOR 15 MIN, GAIN 63 PSI, TEST TO 3531 PSI FOR 15 MIN, LOST 6 PSI. TEST TO 6218 PSI FOR 30 MIN LOST 18 PSI.
	11:50 - 16:49	4.98	COMP	36	E	P		RU SUPERIOR FRAC TREE & JW WIRELINE, ( STG #1 ) RIH W/ 31/8 EXP 23 GRM, .36" 120 DEG PHASING GNS, PERF AS OF PROCEDURE, POOH.PRIME PUMPS & LINES, TEST LINES 7485 PSI, LOST 500 PSI IN 5 MIN, SET POPOFF TO 6000 PSI, SET KICK OUT ON TRUCKS, #1 6000, #2 6050, #3 6100, #4 6150, #56175, #6 6025.
11/23/2011	16:49 - 18:00	1.18	COMP	34	H	P		WHP 80 PSI, BRK 3920 PSI @ 5.0 BPM. ISIP 1573 PSI, FG .65. SPOT ACID ON PERFS & LET SOAK FOR 5 MIN. CALC HOLES OPEN @ 42.3 BPM @ 5521 PSI = 71% HOLES OPEN. MP 6129 PSI, MR 53.7 BPM, AP 4941 PSI, AR 51.1 BPM ISIP 2015 PSI, FG .71 NPI 442 PSI. ( STG #2 ) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 90 & 120 DEG PHASING, SET CBP @ 7357', PERF WELL AS OF PROCEDURE.POOH SWI SDFN.
	6:30 - 7:00	0.50	COMP	48		P		HSM, WORKING W/ WIRELINE & FRAC CREW.
	7:00 - 7:32	0.53	COMP	36	E	P		( STG #2 ) WHP 1115 PSI, BRK 4110 PSI @ 4.8 BPM. ISIP 2154 PSI, FG .73. CALC HOLES OPEN @ 34.3 BPM @ 5778 PSI = 60% HOLES OPEN. MP 6134 PSI, MR 53.1 BPM, AP 5240 PSI, AR 47.7 BPM ISIP 2373 PSI, FG .76 NPI 219 PSI.

**US ROCKIES REGION**  
**Operation Summary Report**

Well: SOUTHMAN CANYON 923-31M      Spud Conductor: 4/29/2008      Spud Date: 5/12/2008  
 Project: UTAH-UINTAH      Site: SOUTHMAN CANYON 923-31M      Rig Name No: LEED 698/698  
 Event: RECOMPL/RESEREVEADD      Start Date: 11/21/2011      End Date: 11/28/2011  
 Active Datum: RKB @5,063.00usft (above Mean Sea Level)      UWI: SOUTHMAN CANYON 923-31M

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:32 - 9:03	1.52	COMP	36	E	P		( STG #3 ) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 90 DEG PHASING, SET CBP @ 7,180', PERF WELL AS OF PROCEDURE. WHP 720 PSI, BRK 3229 PSI @ 4.8 BPM. ISIP 1867 PSI, FG .70. CALC HOLES OPEN @ 35.8 BPM @ 5763 PSI = 60% HOLES OPEN. MP 6135 PSI, MR 51.4 BPM, AP 4917 PSI, AR 48.1 BPM ISIP 2374 PSI, FG .77 NPI 507 PSI.
	9:03 - 10:31	1.47	COMP	36	E	P		( STG #4 ) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 90 DEG PHASING, SET CBP @ 5,888', PERF WELL AS OF PROCEDURE. WHP 181 PSI, BRK 2223 PSI @ 4.5 BPM. ISIP 874 PSI, FG .59. CALC HOLES OPEN @ 46.8 BPM @ 5497 PSI = 72% HOLES OPEN. MP 5780 PSI, MR 51.8 BPM, AP 3657 PSI, AR 50.8 BPM ISIP 1262 PSI, FG .66 NPI 388 PSI.
	10:31 - 11:48	1.28	COMP	36	E	P		( STG # 5 ) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 90 DEG PHASING, SET CBP @ 5,458', PERF WELL AS OF PROCEDURE. WHP 770 PSI, BRK 2711 PSI @ 4.3 BPM. ISIP 454 PSI, FG .52. CALC HOLES OPEN @ 50.4 BPM @ 5102 PSI = 64% HOLES OPEN. MP 5776 PSI, MR 51.3 BPM, AP 3910 PSI, AR 50.7 BPM ISIP 1089 PSI, FG .64 NPI 635 PSI.
	11:48 - 13:00	1.20	COMP	34	I	P		TOTAL 113,385 LBS 30/50 OTTAWA SAND TOTAL 4829 BBLS WATER TOTAL 508 GAL SCALE INH TOTAL 107 GALS BIOCIDE ( KILL PLUG ) RIH W/ 41/2 8-K CBP & SET @ 5168' POOH RD WL & FRAC CREW.
	13:00 - 15:30	2.50	COMP	31	H	P		ND FV, NU BOPS, RIH W/ 37/8 BIT, PUMP OPEN SUB, 1.875 X/N, 162 JTS 23/8 J-55 RU DRLG EQUIP SWI SDFWE.
11/28/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, DRILLING PLUGS.

**US ROCKIES REGION**  
**Operation Summary Report**

Well: SOUTHMAN CANYON 923-31M		Spud Conductor: 4/29/2008	Spud Date: 5/12/2008
Project: UTAH-UINTAH		Site: SOUTHMAN CANYON 923-31M	Rig Name No: LEED 698/698
Event: RECOMPL/RESEREVEADD		Start Date: 11/21/2011	End Date: 11/28/2011
Active Datum: RKB @5,063.00usft (above Mean Sea Level)		UWI: SOUTHMAN CANYON 923-31M	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:30 - 15:00	7.50	COMP	44	C			<p>BROKE CIRC CONVENTIONAL, TEST BOPS TO 3,000# FOR 15 MIN NO PSI LOSS. RIH.</p> <p>C/O 15' SAND TAG 1ST PLUG @ 5168' DRL PLG IN 10 MIN, 0# PSI INCREASE RIH.</p> <p>C/O 30' SAND TAG 2ND PLUG @ 5458' DRL PLG IN 8 MIN, 0# PSI INCREASE RIH.</p> <p>C/O 20' SAND TAG 3RD PLUG @ 5888' DRL PLG IN 18 MIN, 300# PSI INCREASE RIH.</p> <p>C/O 20' SAND TAG 4TH PLUG @ 7180' DRL PLG IN 5 MIN, 400# PSI INCREASE RIH</p> <p>C/O 30' SAND TAG 5TH PLUG @ 7357' DRL PLG IN 5 MIN, 400# PSI INCREASE RIH</p> <p>C/O TO 7540', CIRC CLN, L/D 8 JTS. LAND TBG ON 231 JTS 23/8 J-55. ND BOPS NU WH, PUMP OPEN BIT, TURN WELL OVER TO FB CREW.</p> <p>KB= 18' ( SURFACE OPEN W/ POPOFF )  HANGER = .83' SICP 1100  PSI, FTP 75 PSI  231 JTS 23/8 J-55 = 7272.14'  PUMP OPEN W/ 1.875 X/N = 4.13'  EOT @ 7294.27'</p> <p>TWTR 5059 BBLS  TWR 520 BBLS  TWLTR 4539 BBLS</p> <p>257 PULLED F/ WELL  231 LANDED  19 YELLOW SAMUELS YARD  7 RED</p>

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	SOUTHMAN CANYON 923-31M	Wellbore No.	OH
Well Name	SOUTHMAN CANYON 923-31M	Wellbore Name	SOUTHMAN CANYON 923-31M
Report No.	1	Report Date	11/21/2011
Project	UTAH-UJINTAH	Site	SOUTHMAN CANYON 923-31M
Rig Name/No.	LEED 698/698	Event	RECOMPL/RESERVEADD
Start Date	11/21/2011	End Date	11/28/2011
Spud Date	5/12/2008	Active Datum	RKB @5,063.00usft (above Mean Sea Level)
UWI	SOUTHMAN CANYON 923-31M		

1.3 General

Contractor	JW WIRELINE	Job Method	PERFORATE	Supervisor	STEVE WALL, SR.
Perforated Assembly	PRODUCTION TUBING	Conveyed Method	WIRELINE		

1.4 Initial Conditions

Fluid Type		Fluid Density	
Surface Press		Estimate Res Press	
TVD Fluid Top		Fluid Head	
Hydrostatic Press		Press Difference	
Balance Cond	NEUTRAL		

1.5 Summary

Gross Interval	5,218.0 (usft)-7,513.0 (usft)	Start Date/Time	5/17/2011 12:00AM
No. of Intervals	19	End Date/Time	5/17/2011 12:00AM
Total Shots	117	Net Perforation Interval	32.00 (usft)
Avg Shot Density	3.66 (shot/ft)	Final Surface Pressure	
		Final Press Date	

2 Intervals

2.1 Perforated Interval

Date	Formation/Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
5/17/2011 12:00AM	WASATCH/			5,218.0	5,220.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO	N

## 2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
5/17/2011 12:00AM	WASATCH/			5,282.0	5,284.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	WASATCH/			5,426.0	5,428.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	WASATCH/			5,703.0	5,704.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	WASATCH/			5,762.0	5,764.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	WASATCH/			5,834.0	5,836.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	WASATCH/			5,857.0	5,858.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,008.0	7,010.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,070.0	7,072.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,133.0	7,134.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,148.0	7,150.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,233.0	7,235.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,255.0	7,256.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,308.0	7,310.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,326.0	7,327.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,373.0	7,374.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,396.0	7,397.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,436.0	7,438.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/17/2011 12:00AM	MESAVERDE/			7,510.0	7,513.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

## 3 Plots