

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

5. Lease Serial No.
UTU-29797

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
BITTER CREEK 1122-3C

9. API Well No.
4304738124

10. Field and Pool, or Exploratory
BITTER CREEK 417

11. Sec., T., R., M., or Blk, and Survey or Area
SEC 3, T11S, R22E

12. County or Parish
UINTAH

13. State
UTAH

1a. Type of Work: DRILL REENTER

b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

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 (Report location clearly and in accordance with any State requirements.)*
At surface **NENW 1777'FNL, 1920'FWL (LOT 6) 39.894928**
At proposed prod. Zone **4417046Y -109.443028**

14. Distance in miles and direction from nearest town or post office*
35.0 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1777'

16. No. of Acres in lease
701.24

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
REFER TO TOPO C 8270'

20. BLM/BIA Bond No. on file
BOND NO. 2971100-2533

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5613'GL

22. Approximate date work will start*

23. Estimated duration

24. Attachments

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

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

25. Signature *Sheila Upchego* Name (Printed/Typed) **SHEILA UPCHEGO** Date **5/10/2006**

Title **REGULATORY ANALYST**

Approved by (Signature) *Bradley G. Hill* Name (Printed/Typed) **BRADLEY G. HILL** Date **05-22-06**

Title **ENVIRONMENTAL MANAGER**

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)

MAY 15 2006

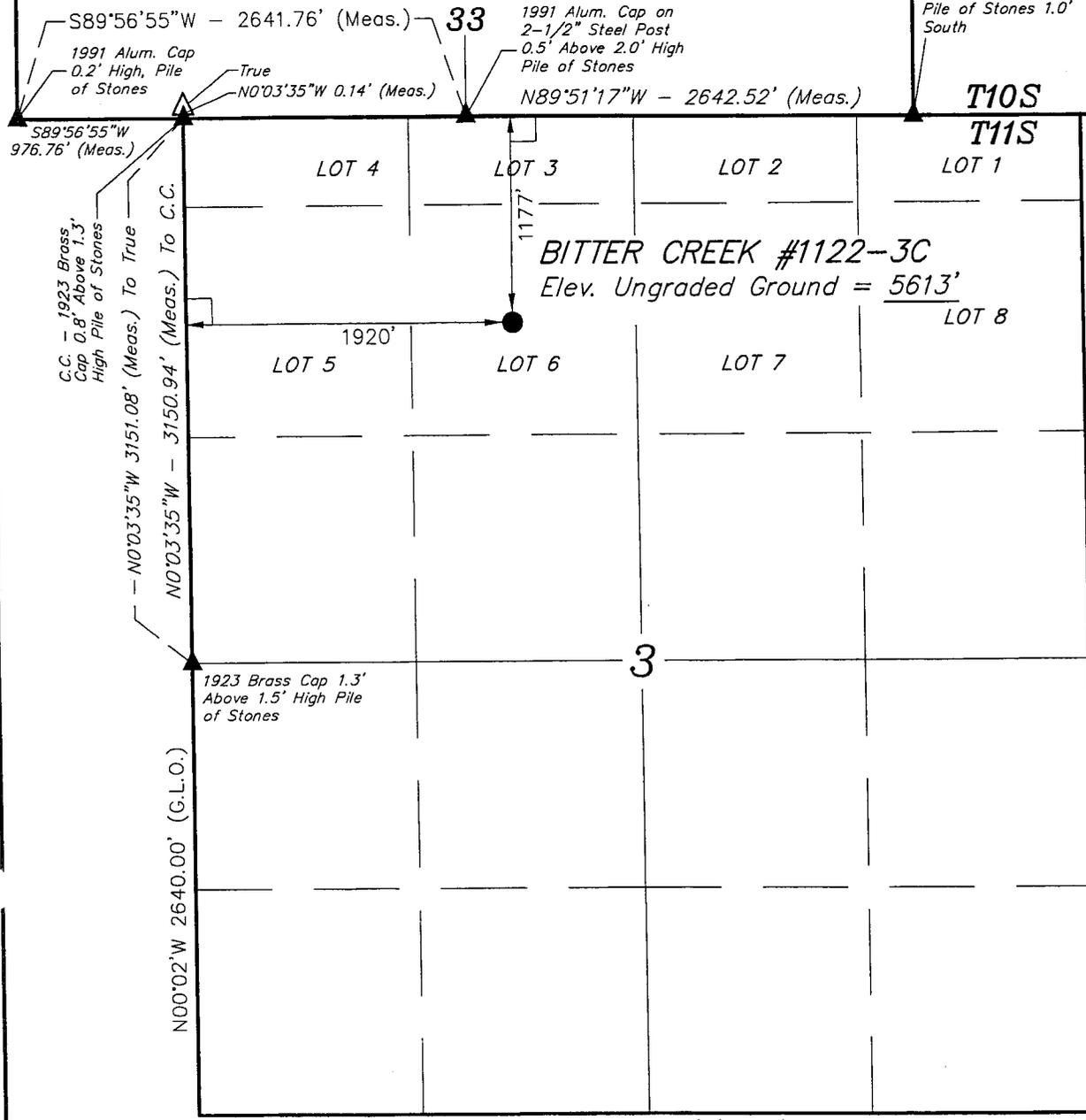
**Federal Approval of this
Action is Necessary**

OFFICE OF OIL, GAS & MINING

T11S, R22E, S.L.B.&M.

Kerr-McGee Oil & Gas Onshore LP

Well location, BITTER CREEK #1122-3C, located as shown in the NW 1/4 (LOT 6) of Section 3, T11S, R22E, S.L.B.&M. Uintah County, Utah.



1991 Alum. Cap on 2-1/2" Steel Post, Pile of Stones 1.0' South

1991 Alum. Cap on 2-1/2" Steel Post 0.5' Above 2.0' High Pile of Stones

1991 Alum. Cap 0.2' High, Pile of Stones

True N0°03'35"W 0.14' (Meas.)

C.C. - 1923 Brass Cap 0.8' Above 1.3' High Pile of Stones

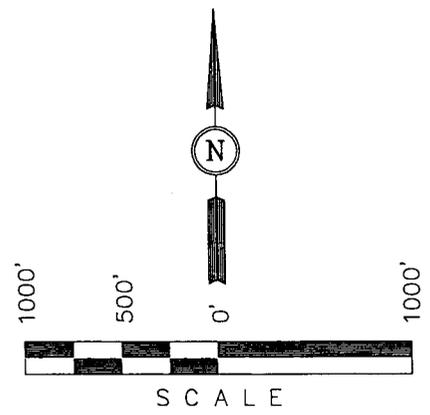
1923 Brass Cap 1.3' Above 1.5' High Pile of Stones

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, 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 5238 FEET.

BASIS OF BEARINGS

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



CERTIFICATE
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM THE 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.
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (NOT SET ON GROUND)

S89°52'W 5293.20' (G.L.O.)
 (NAD 83)
 LATITUDE = 39°53'41.88" (39.894967)
 LONGITUDE = 109°26'37.50" (109.443750)
 (NAD 27)
 LATITUDE = 39°53'42.00" (39.895000)
 LONGITUDE = 109°26'35.05" (109.443069)

SCALE 1" = 1000'	DATE SURVEYED: 03-15-06	DATE DRAWN: 03-17-06
PARTY N.H. D.S. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr-McGee Oil & Gas Onshore LP	

**BITTER CREEK 1122-3C
NE/NW LOT 6, SECTION 3, T11S, R22E
UINTAH COUNTY, UTAH
UTU-29797**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	953'
Top of Birds Nest Water	1236'
Mahogany	1732'
Wasatch	3931'
Mesaverde	6293'
MVU2	7247'
MVL1	7848'
TD	8270'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	953'
Water	Top of Birds Nest Water	1236'
	Mahogany	1732'
	Wasatch	3931'
Gas	Mesaverde	6293'
Gas	MVU2	7247'
Gas	MVL1	7848'
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 8270' TD, approximately equals 5127 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3308 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. **Variations:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE May 10, 2006
 WELL NAME BITTER CREEK 1122-3C TD 8,270' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,613' GL KB 5,628'
 SURFACE LOCATION NENW SECTION 3, T11S, R22E 1177'FNL, 1920'FWL BHL Straight Hole
 Latitude: 39.894967 Longitude: 109.443750
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.

GEOLOGICAL		MECHANICAL			
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to					
	Green River @	0,953'			
	Top of Birds Nest Water @	1236'			
	Mahogany @	1,732'			
	Preset f/ GL @				
		1,740' MD			
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD Open hole logging program f/ TD - surf csg					
	Wasatch @	3,931'		7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing
	Mverde @	6,293'			Water/Fresh Water Mud 8.3-11.0 ppg
	MVU2 @	7,247'			
	MVL1 @	7,848'			
					Max anticipated Mud required 11.0 ppg
		TD @ 8,270'			



KERR-McGEE OIL & GAS ONSHORE LP 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 1740	32.30	H-40	STC	0.78*****	1.68	5.16
PRODUCTION	4-1/2"	0 to 8270	11.60	I-80	LTC	2.67	1.34	2.40

- 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 = 11.0 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)

MASP 2911 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
Option 1	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	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
Option 2	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	3,430'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	380	60%	11.00	3.38
	TAIL	4,840'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1350	60%	14.30	1.31

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

*Substitute caliper hole volume plus 10% 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 Totco 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: _____

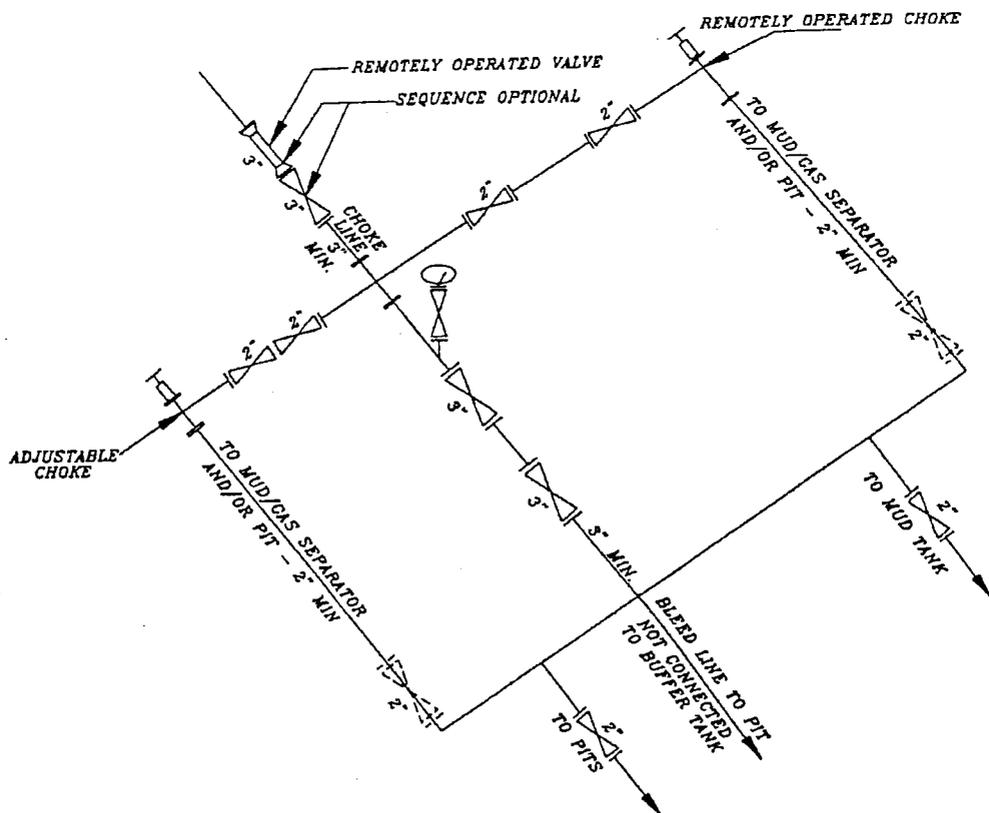
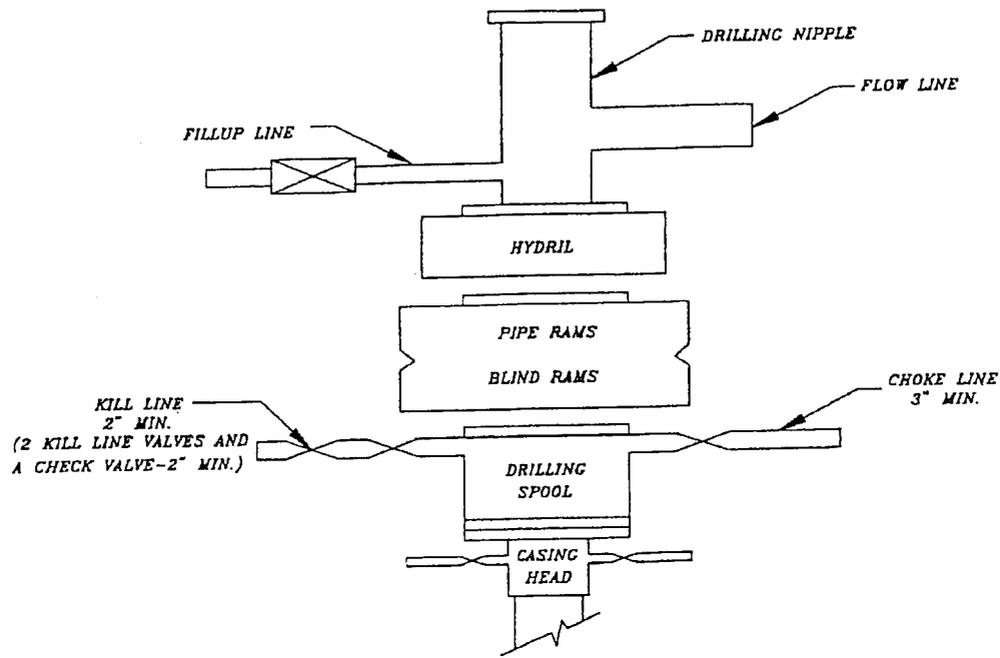
Brad Laney

DATE: _____

DRILLING SUPERINTENDENT: _____

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BITTER CREEK 1122-3C
NE/NW LOT 6, SECTION 3, T11S, R22E
UINTAH COUNTY, UTAH
U-29797**

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 70' +/- of proposed access road 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.

4. Location of Existing & Proposed Facilities & Pipelines:

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.

Variances to Best Management Practices (BMP) Requests:

A rights-of-way will be need for the proposed pipeline. Approximately 5850' of 4" steel pipeline will go off lease into Lease #UTU-71417 in Section 4, T11S, R22E to tie-in at the Lizzard Creek Pipeline. The pipeline will be butt-welded together. The pipeline shall be installed on surface within 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 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.

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 (Double Layer), 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).

The tank battery shall be installed at the end of the location for visual concerns. As discussed at the on-site inspection.

The operator will berm location on the drainage side of the location. As discussed at the on-site inspection.

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, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

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.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Crested Wheatgrass	4 lbs.
Needle and Thread Grass	4 lbs
Indian Rice Grass	4 lbs.

The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 781-4400

12. STIPULATIONS:

WILDLIFE STIPULATIONS:

ANTELOPE STIPULATIONS: No drilling or construction from May 15th through June 20th.

13. Other Information:

A Class III Archaeological Survey has been performed and completed on April 17, 2006, the Archaeological Report No. 06-144.
The Paleontological Reconnaissance Survey has been performed will be submitted when report becomes available.

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.

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

Sheila Upchego
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
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.

Kerr-McGee Oil & Gas Onshore LP 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 #2971100-2533.

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.


Sheila Upchego

May 10, 2006
Date

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-3C
SECTION 3, T11S, R22E, 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, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 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, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.0 MILE TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 70' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.3 MILES.

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-3C
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 3, T11S, R22E, S.L.B.&M.

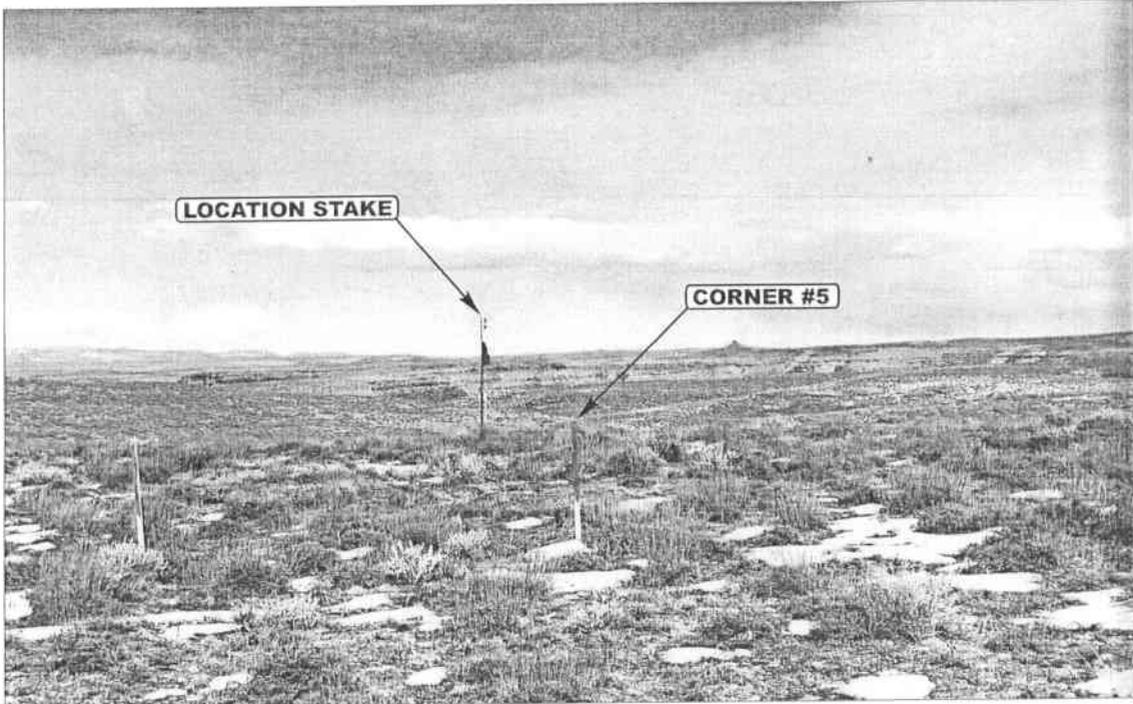


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

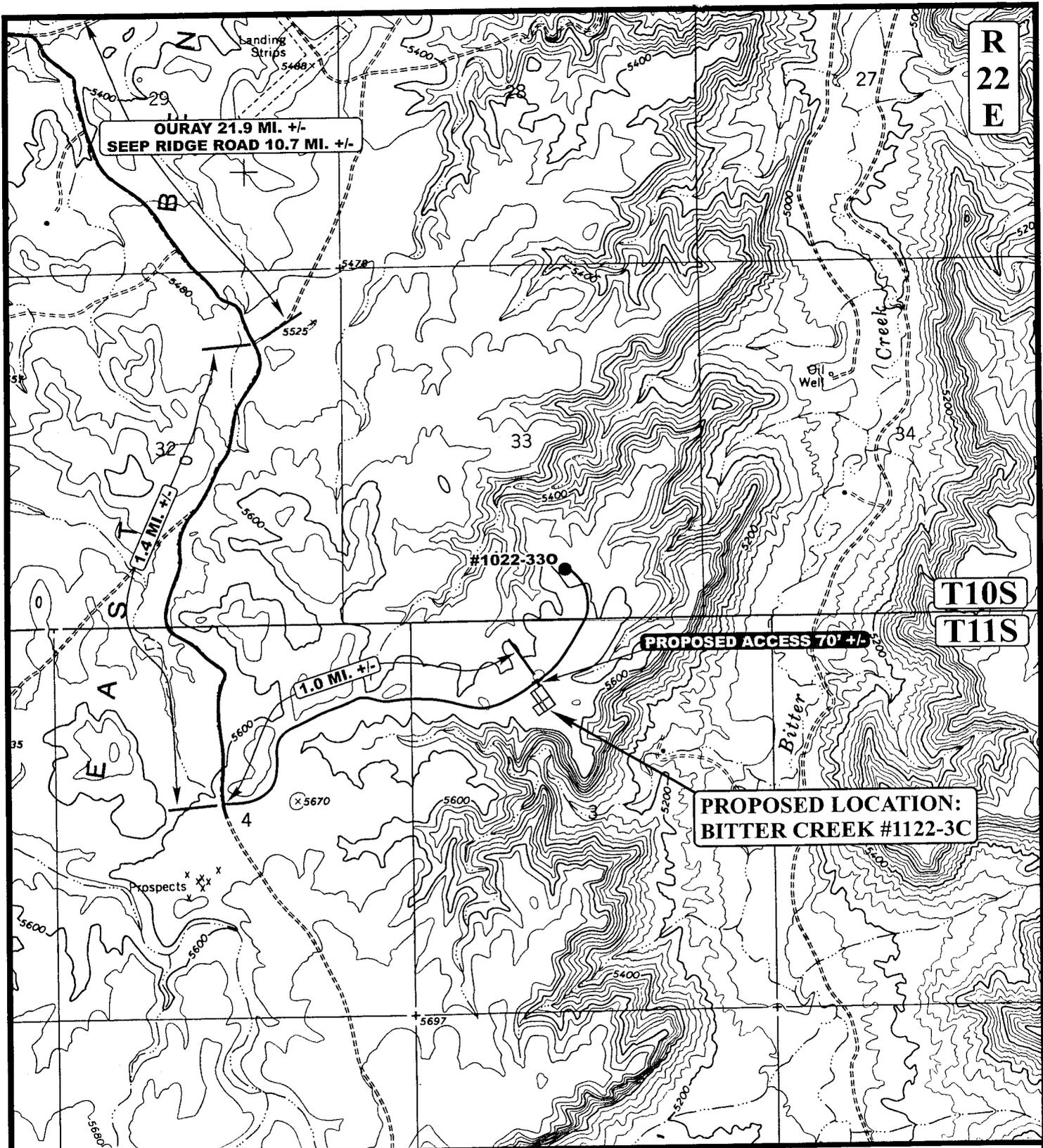
CAMERA ANGLE: SOUTHERLY



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

- Since 1964 -

LOCATION PHOTOS	03	20	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: N.H.	DRAWN BY: LDK	REVISED: 00-00-00		



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3C
SECTION 3, T11S, R22E, S.L.B.&M.
1177' FNL 1920' FWL

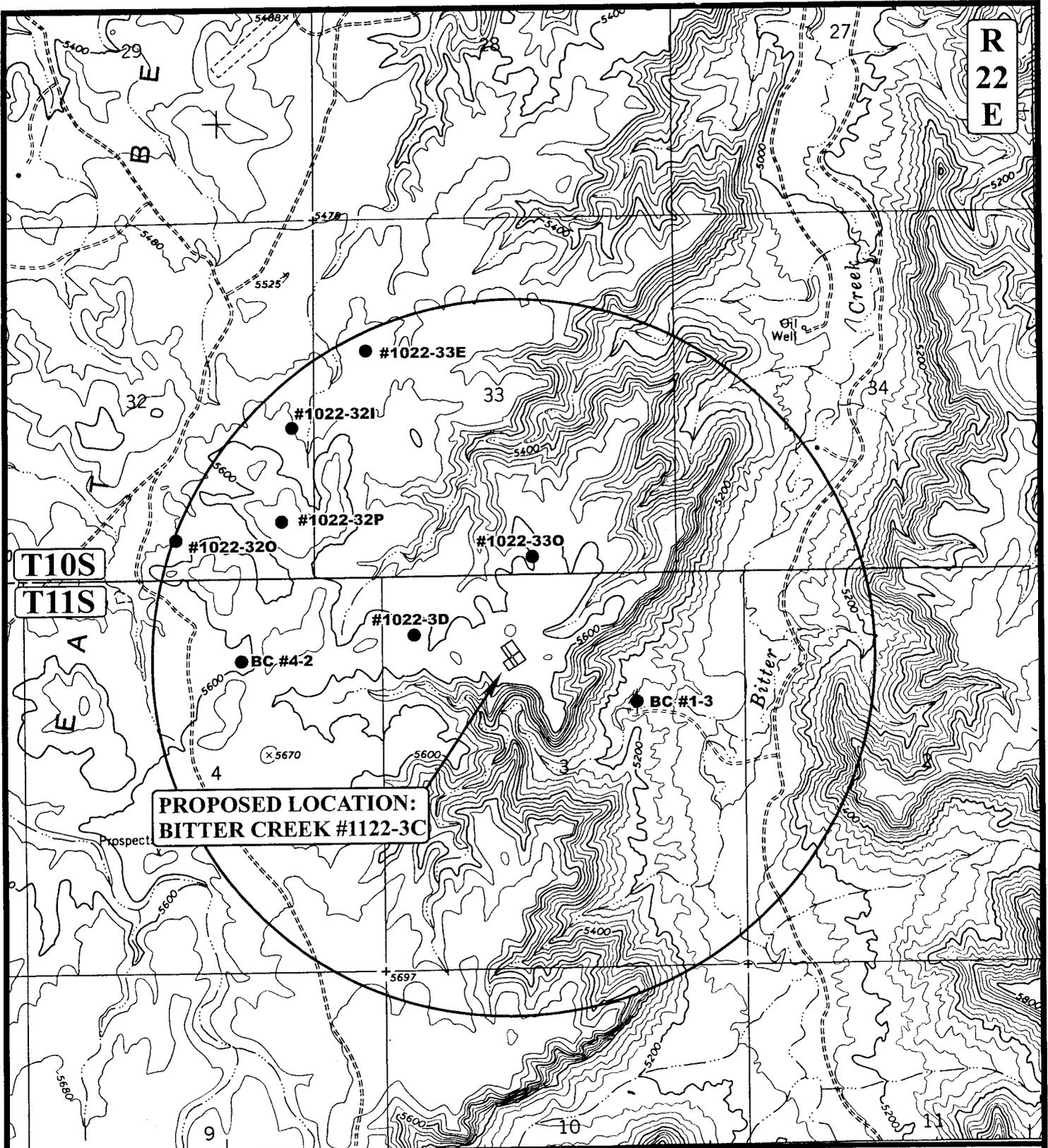


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 03 20 06
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: LDK REVISED: 00-00-00





R
22
E

T10S

T11S

**PROPOSED LOCATION:
BITTER CREEK #1122-3C**

LEGEND:

- ∅ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ∅ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3C
SECTION 3, T11S, R22E, S.L.B.&M.
1177' FNL 1920' FWL



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



TOPOGRAPHIC			03	20	06
MAP			MONTH	DAY	YEAR
SCALE: 1" = 2000'		DRAWN BY: LDK		REVISED: 00-00-00	



Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

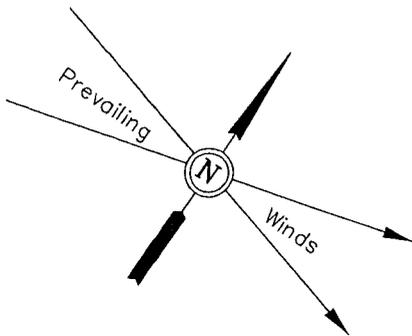
LOCATION LAYOUT FOR

BITTER CREEK #1122-3C
SECTION 3, T11S, R22E, S.L.B.&M.

F-1.6' 1177' FNL 1920' FWL
El. 610.0'

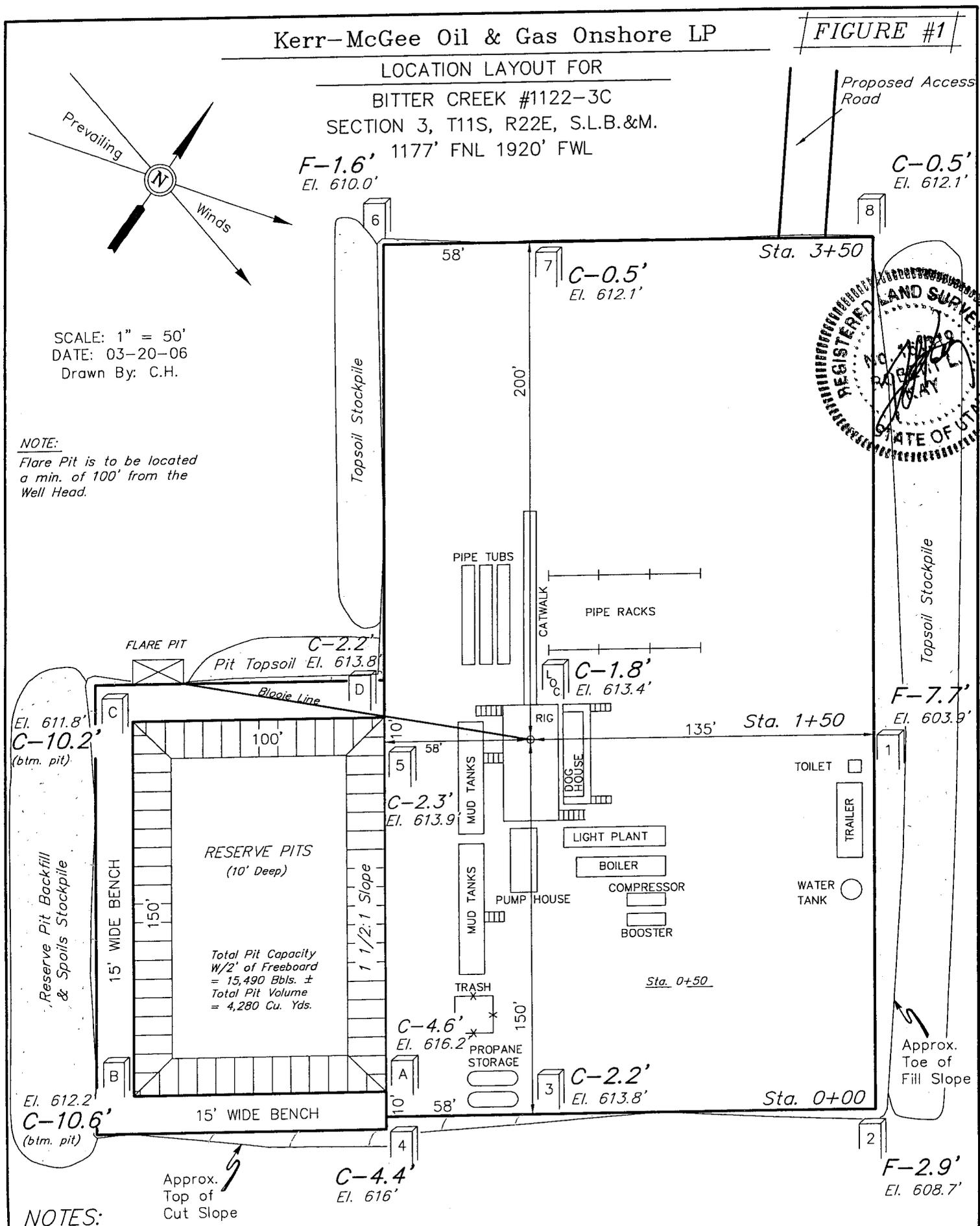
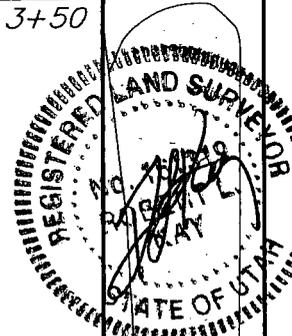
Proposed Access Road

C-0.5'
El. 612.1'



SCALE: 1" = 50'
DATE: 03-20-06
Drawn By: C.H.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5613.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 5611.6'

Kerr-McGee Oil & Gas Onshore LP

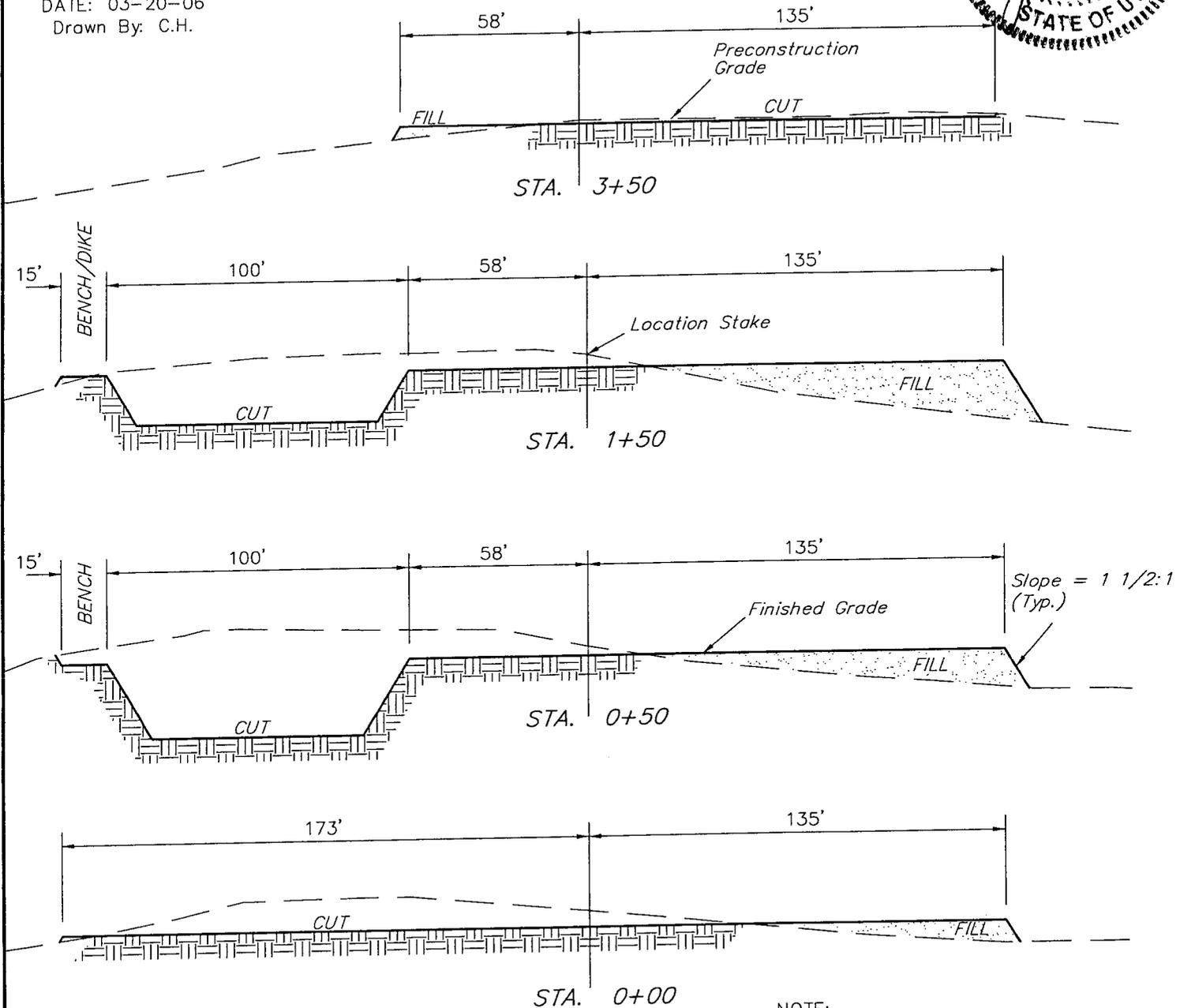
FIGURE #2

TYPICAL CROSS SECTIONS FOR
BITTER CREEK #1122-3C
SECTION 3, T11S, R22E, S.L.B.&M.
1177' FNL 1920' FWL



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

DATE: 03-20-06
Drawn By: C.H.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,770 Cu. Yds.
Remaining Location	=	7,260 Cu. Yds.
TOTAL CUT	=	9,030 CU.YDS.
FILL	=	5,120 CU.YDS.

NOTE:

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

EXCESS MATERIAL	=	3,910 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,910 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/15/2006

API NO. ASSIGNED: 43-047-38124

WELL NAME: BITTER CREEK 1122-3C
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NENW 03 110S 220E
 SURFACE: 1177 FNL 1920 FWL
 BOTTOM: 1177 FNL 1920 FWL
 COUNTY: UINTAH
 LATITUDE: 39.89493 LONGITUDE: -109.4430
 UTM SURF EASTINGS: 633113 NORTHINGS: 4417046
 FIELD NAME: BITTER CREEK (547)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-29797
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 2971100-2533)
- 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: 210-04
Eff Date: 4-12-04
Siting: 460' fr 12' larg § 920' fr other wells
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1. Federal Approval

FEDERAL 1022-33N

NATURAL BUTTES UNIT

T10S R22E

T11S R22E

BITTER CREEK FIELD

CAUSE: 210-04 / 4-12-2004

BITTER CREEK 1022-30

BITTER CREEK 1022-3C

BITTER CREEK 1-3

ARCHY BENCH 11-22-13-2

BITTER CREEK FED 2-3

LIZZARD CREEK FED 1-10

OPERATOR: KERR-MCGEE O&G (N2995)

SEC: 3 T. 11S R. 22E

FIELD: BITTER CREEK (547)

COUNTY: UINTAH

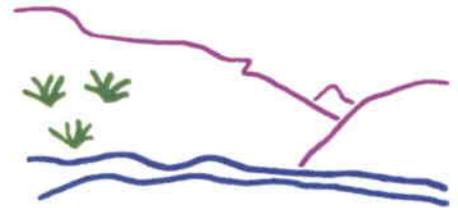
CAUSE: 210-04 / 4-12-2004

- 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: 19-MAY-2006



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

May 22, 2006

Kerr-McGee Oil & Gas Onshore, LP
1368 South 1200 East
Vernal, UT 84078

Re: Bitter Creek 1122-3C Well, 1177' FNL, 1920' FWL, NE NW, Sec. 3,
T. 11 South, R. 22 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 43-047-38124.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore, LP
Well Name & Number Bitter Creek 1122-3C
API Number: 43-047-38124
Lease: UTU-29797

Location: NE NW **Sec.** 3 **T.** 11 South **R.** 22 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
VERNAL FIELD OFFICE

2000 MAY 11 10 34 AM
FORMAL APPROVED
OMB No. 1004-0136
DEPT. OF THE INTERIOR
BUREAU OF LAND MGMT.
APR 30, 2000

UTU-29797

1a. Type of Work: DRILL REENTER

b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
BITTER CREEK 1122-3C

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

9. API Well No.
43-0A7-3812A

3A. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

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

10. Field and Pool, or Exploratory
BITTER CREEK

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **NENW 1777'FNL, 1920'FWL (LOT 6)**

11. Sec., T., R., M., or Blk, and Survey or Area
SEC 3, T11S, R22E

At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office*
35.0 MILES SOUTHEAST OF OURAY, UTAH

12. County or Parish
UINTAH

13. State
UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1777'

16. No. of Acres in lease
701.24

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
REFER TO TOPO C

19. Proposed Depth
8270'

20. BLM/BIA Bond No. on file
BOND NO. 2971100-2533 CO-1203

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5613'GL

22. Approximate date work will start*

23. Estimated duration

24. Attachments

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

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Well plat certified by a registered surveyor.</p> <p>2. A Drilling Plan.</p> <p>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.</p> | <p>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</p> <p>5. Operator certification.</p> <p>6. Such other site specific information and/or plans as may be required by the authorized office.</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

25. Signature *Sheila Upchego*
Name (Printed/Typed) **SHEILA UPCHEGO**
Date **5/10/2006**
Title **REGULATORY ANALYST**

Approved by (Signature) *Jerry Kenczka*
Name (Printed/Typed) **JERRY KENCZKA**
Date **4-19-2007**
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 **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
Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED
APR 24 2007
DIV. OF OIL, GAS & MINING



06BM1505A



**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

Company:	Kerr-McGee Oil & Gas Onshore, LP	Location:	Lot 6, Sec. 3, T11S, R22E
Well No:	Bitter Creek 1122-3C	Lease No:	UTU-29797
API No:	43-047-38124	Agreement:	N/A

Title	Name	Office Phone Number	Cell Phone Number
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:	Melissa Hawk	(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 one-year period. An additional year extension 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.

SITE SPECIFIC SURFACE CONDITIONS OF APPROVAL

- The lessee/operator is given notice that lands in the lease have been identified as containing crucial pronghorn (antelope) habitat. It is requested that the lessee/operator not initiate surface disturbing activities or drilling from May 15 through June 20. A survey may be conducted by a qualified biologist or a BLM representative during this timing period to determine if pronghorn are in the area.
- As discussed on the onsite conducted on April 18, 2006 the tank battery will be placed near corner 6 of the location for visual reasons.
- 4 to 6 inches of topsoil shall be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.
- 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 re-contoured and the topsoil re-spread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be re-contoured to natural contours, topsoil re-spread 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

- A surface casing shoe integrity test shall be performed.
- Production casing cement top shall be at a minimum of 200' above the surface casing shoe.

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.

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-29797

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BITTER CREEK 1122-3C

9. API Well No.
4304738124

10. Field and Pool, or Exploratory Area
UNDESIGNATED

11. County or Parish, State
UINTAH, 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 AND GAS ONSHORE, LP

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

3b. Phone No. (include area code)
435-781-7003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1177' FNL, 1920' FWL LOT 6
NENW, SEC 3-T11S-R22E**

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 APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DOG M
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

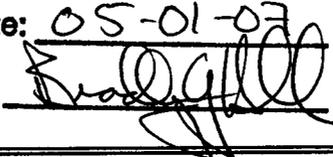
13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical 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.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCALITY. THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL AND MINING ON MAY 22, 2006.

Approved by the
Utah Division of
Oil, Gas and Mining

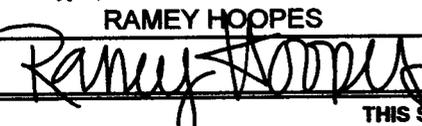
RECEIVED
MAY 01 2007

5.3.07
RM

Date: 05-01-07
By: 

DIV OF OIL, GAS & MINING

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

Name (Printed/Typed) RAMEY HOOPES	Title REGULATORY CLERK
Signature 	Date April 24, 2007

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.

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.

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

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

API: 4304738124
Well Name: BITTER CREEK 1122-3C
Location: NENW, SEC 3-T11S-R22E
Company Permit Issued to: KERR-MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 5/22/2006

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

Ramey Hoover
Signature

4/24/2007

Date

Title: REGULATORY CLERK

Representing: KERR-MCGEE OIL AND GAS ONSHORE L

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

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

Well Name: BITTER CREEK 1122-3C

Api No: 43-047-38124 Lease Type: FEDERAL

Section 03 Township 11S Range 22E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # RATHOLE

SPUDDED:

Date 01/22/08

Time 11:00 AM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435)781-7060

Date 01/23/08 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
4304738124	BITTER CREEK 1122-3C		NENW	3	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>A</i>	99999	<i>16626</i>	1/22/2008			<i>1/24/08</i>	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i> SPUD WELL LOCATION ON 01/22/2008 AT 1100 HRS.							

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)

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

Title

[Signature]
1/24/2008

Date

RECEIVED

JAN 24 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-29797

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.
BITTER CREEK 1122-3C

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

9. API Well No.
4304738124

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
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE/NW LOT. 6, SEC. 3, T11S, R22E 1177'FNL, 1920'FWL

11. County or Parish, State
UINTAH COUNTY, UTAH

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

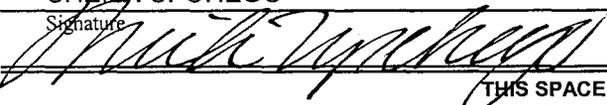
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 WELL SPUD
	<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 BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 01/22/2008 AT 1100 HRS.

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

Name (Printed/Typed) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
Signature 	Date January 24, 2008

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)

JAN 28 2008

BUREAU OF OIL, GAS & MINING

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.

5. Lease Serial No.
UTU-29797

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BITTER CREEK 1122-3C

9. API Well No.
4304738124

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

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)
NE/NW LOT. 6, SEC. 3, T11S, R22E 1177'FNL, 1920'FWL

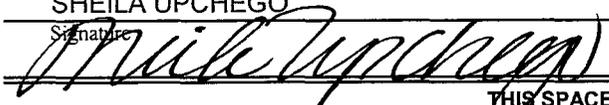
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 SET SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	CSG
	<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.

MIRU BILL MARTIN AIR RIG ON 01/23/2008. DRILLED 12 1/4" SURFACE HOLE TO 1870'. RAN 9 5/8" 36# J-55 SURFACE CSG. LEAD CMT W/150 SX HILFILL CLASS G @11.0 PPG 3.82 YIELD. TAIL CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. LOST RETURNS 90 BBL INTO DISPLACEMENT 210 PSI LIFT FLOATS DIDN'T HOLD. RAN 200' OF 1" PIPE. CMT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" PIPE NO CMT TO SURFACE. TOP OUT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE CMT TO SURFACE AND FELL BACK. 2ND TOP OUT W/100 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) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
Signature 	Date January 28, 2008

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
FEB 05 2008

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

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5. Lease Serial No.
UTU-29797

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BITTER CREEK 1122-3C

9. API Well No.
4304738124

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

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)
NE/NW LOT. 6, SEC. 3, T11S, R22E 1177'FNL, 1920'FWL

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

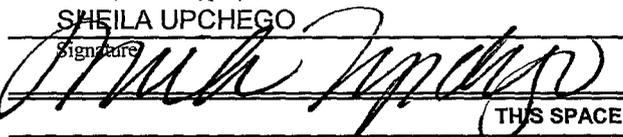
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 FINAL DRILLING OPERATIONS
	<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.

FINISHED DRILLING FROM 1870' TO 8306' ON 03/08/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/322 SX PREM LITE II @11.5 PPG 2.91 YIELD. TAILED CMT W/1378 SX 50/50 POZ @ 14.3 PPG 1.31 YIELD. DISPLACE W/129 BBLS CLAY FIX FINAL CIRC 2650 PSI BUMP PLUG FLOATS HELD. SET MANDREL HANGER TEST SAME CLEAN PITS

RELEASED PIONEER RIG 38 ON 03/10/2008 AT 8:00 AM

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

Name (Printed/Typed) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
Signature 	Date March 11, 2008

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

MAR 17 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

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5. Lease Serial No.

UTU-29797

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

BITTER CREEK 1122-3C

9. API Well No.

4304738124

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

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)

NE/NW LOT. 6, SEC. 3, T11S, R22E 1177'FNL, 1920'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 PRODUCTION START-UP	
	<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 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 recomplate 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 04/03/2008 AT 7:46 AM

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
APR 15 2008
DIV. OF OIL, GAS & MINING

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

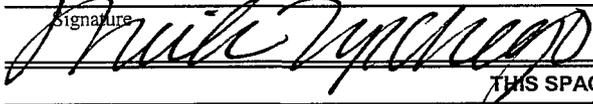
Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature



Date

April 3, 2008

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

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WINS No.: 95702

BITTER CREEK 1122-3C

Start Date: 1/22/2008

AFE No.: 2010914

Operation Summary Report

End Date: 3/11/2008

Operator KERR-MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 1/22/08	GL 5,613	KB 5629	ROUTE
API 4304738124	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Lat./Long.: Lat./Long.: 39.89497 / -109.44375		Q-Q/Sect/Town/Range: NENW / 3 / 11S / 22E		Footages: 1,177.00' FNL 1,920.00' FWL	
MTD 8306	TVD 8299	LOG MD	PBMD	PBTVD	

EVENT INFORMATION:	EVENT ACTIVITY: DRILLING	REASON:
	OBJECTIVE: DEVELOPMENT	DATE WELL STARTED/RESUMED: 1/22/2008
	OBJECTIVE2:	Event End Status: COMPLETE

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / I	01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
1/22/2008							
SUPERVISOR: LEW WELDON							
	0:00 - 11:00	11.00	DRLCON	12		P	WAIT ON PETE MARTIN BUCKET RIG
	11:00 - 17:00	6.00	DRLCON	02		P	MOVE IN AND RIG UP BUCKET RIG SPUD WELL @ 1100 HR 1/22/08 DRILL AND SET 40' OF SCHEDULE 10 PIPE DRILL RODENT HOLES FOR RIG 38 BLM AND STATE NOTIFIED OF SPUD
	17:00 - 0:00	7.00	DRLCON	12		P	WOAR
1/23/2008							
SUPERVISOR: LEW WELDON							
	0:00 - 19:00	19.00	DRLSUR	12		P	WAIT ON CRAIGS AIR RIG
	19:00 - 0:00	5.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 1900 HR 1/23/08 DA AT REPORT TIME 450'
1/24/2008							
SUPERVISOR: LEW WELDON							
	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 810'
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER
1/25/2008							
SUPERVISOR: LEW WELDON							
	0:00 - 7:00	7.00	DRLSUR	02		P	RIG T/D @ 1870' CONDITION HOLE 1 HR
	7:00 - 10:00	3.00	DRLSUR	05		P	TRIP DP OUT OF HOLE
	10:00 - 13:00	3.00	DRLSUR	11		P	RUN 1832' OF 9 5/8 CSG AND WAIT ON HALLIBURTON
	13:00 - 16:00	3.00	DRLSUR	12		Z	WAIT ON HALLIBURTON
	16:00 - 17:00	1.00	DRLSUR	11		P	RUN 200' OF 1" PIPE AND RIG DOWN AIR RIG
	17:00 - 18:00	1.00	DRLSUR	15		P	CEMENT 1ST STAGE WITH 150 SKS LEAD @ 11# 3.82 23 GAL/SK AND 200 SKS TAIL @ 15.8# 1.15 5.0 GAL SK LOST RETURNS 90 BBL IN TO DISPLACEMENT 210 PSI LIFT FLOATS DIDNT HOLD SHUT IN WELL
	18:00 - 18:30	0.50	DRLSUR	15		P	1ST TOP JOB 100 SKS DOWN 1" PIPE NO CMT TO SURFACE WOC
	18:30 - 22:00	3.50	DRLSUR	15		P	2ND TOP JOB 150 SKS DOWN BS CEMENT TO SURFACE AND FELL BACK WOC
	22:00 - 23:00	1.00	DRLSUR	15		P	3RD TOP JOB 100 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE
	23:00 - 0:00	1.00	DRLSUR	12		P	NO VISIBLE LEAKS PIT 1/4 FULL WORT
2/26/2008							
SUPERVISOR: KENNY MORRIS							
	0:00 - 7:00	7.00	RDMO	01	E	P	RDRT,PREP F/MOVE

Wins No.: 95702

BITTER CREEK 1122-3C

API No.: 4304738124

EVENT INFORMATION: EVENT ACTIVITY: DRILLING REASON:
 OBJECTIVE: DEVELOPMENT DATE WELL STARTED/RESUMED:
 OBJECTIVE2: Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location
 PETE MARTIN DRILLING / I 01/22/2008 01/22/2008 01/22/2008 01/22/2008 01/22/2008 01/22/2008 01/22/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
	7:00 - 0:00	17.00	MIRU	01	A	P	START RIG MOVE,RURT

2/27/2008

SUPERVISOR: KENNY MORRIS

0:00 - 6:00	6.00	DRLPRO	01	A	S	S	SHUT DOWN F/NIGHT
6:00 - 13:00	7.00	DRLPRO	01	B	P	P	SET RIG IN W/JONES,HAD 6 TRUCKS,2 FORKLIFTS,RELEASE RW JONES @13:00
13:00 - 0:00	11.00	DRLPRO	01	B	P	P	RURT,W,DERRICK @HALF MAST

2/28/2008

SUPERVISOR: KENNY MORRIS

0:00 - 15:00	15.00	DRLPRO	01	B	P	P	RAISE DERRICK,RU FLOOR,PRE SPUD INSPECTION
15:00 - 17:00	2.00	DRLPRO	06	D	P	P	CUT &SLIP DRILLING LINE
17:00 - 19:00	2.00	DRLPRO	13	A	P	P	FUNCTION TEST BOP,LEVEL STACK,FILL UP LINE,TURN BUCKELS
19:00 - 0:00	5.00	DRLPRO	13	C	P	P	TEST BOP,RAMS &CHOKE TO5K,ANNULAR 2500,CASING 1500

2/29/2008

SUPERVISOR: KENNY MORRIS

0:00 - 1:30	1.50	DRLPRO	13	C	P	P	FINISH BOP TEST
1:30 - 8:00	6.50	DRLPRO	05	A	P	P	SAFETY MEET W/TESCO ,,RU & P/U BIT #1 & BHA
8:00 - 10:00	2.00	DRLPRO	02	F	P	P	INSTALL ROT RUBBER,DRILL CEMENT & FE
10:00 - 10:30	0.50	DRLPRO	09	A	P	P	SURVEY@ 1830=4
10:30 - 15:00	4.50	DRLPRO	02	B	P	P	DRILL NEW F/1870 TO 2042,AVG 38,DUE TO WET BRAKE DRILLERS SIDE
15:00 - 16:00	1.00	DRLPRO	07	A	S	S	CHECK LEAK ON BRAKE CIRCULATION,CALL FWELDER
16:00 - 19:30	3.50	DRLPRO	02	B	P	P	DRILL F/2042 TO 2264,AVG 63 WT 8.4 / 27
19:30 - 20:00	0.50	DRLPRO	09	A	P	P	SURVEY @2194 = 3
20:00 - 20:30	0.50	DRLPRO	06	A	P	P	RIG SERVICE,,REMOVE GAURDS PRE FWELDER
20:30 - 0:00	3.50	DRLPRO	07	A	S	S	REPAIR BRAKE ANTIFREEZE LEAK ON RIMS

3/1/2008

SUPERVISOR: KENNY MORRIS

0:00 - 8:00	8.00	DRLPRO	02	B	P	P	DRILL F/2264' TO 2835,AVG 72 WT 8.5 /32
8:00 - 8:30	0.50	DRLPRO	09	A	P	P	SURVEY@2765=2
8:30 - 15:30	7.00	DRLPRO	02	B	P	P	DRILL F/2835 TO 3345,AVG 73,WT 8.7 34
15:30 - 16:00	0.50	DRLPRO	06	A	P	P	RIG SERVICE
16:00 - 21:00	5.00	DRLPRO	02	B	P	P	DRILL F/3345 TO 3760,AVG 83 415' WT 9.0/ 34
21:00 - 21:30	0.50	DRLPRO	09	A	P	P	SURVEY@3690=2.5
21:30 - 0:00	2.50	DRLPRO	02	B	P	P	DRILL F/3760 TO 3887,AVG 51

3/2/2008

SUPERVISOR: KENNY MORRIS

0:00 - 16:00	16.00	DRLPRO	02	B	P	P	DRILL F/3887 TO 4742, 855-AVG 53 WT 9.2 38
16:00 - 16:30	0.50	DRLPRO	06	A	P	P	RIG SERVICE
16:30 - 17:00	0.50	DRLPRO	09	A	P	P	SURVEY@ 4672=1.5
17:00 - 0:00	7.00	DRLPRO	02	B	P	P	DRILL F/4742 TO 5028,286 AVG 41 9.6/42

3/3/2008

SUPERVISOR: KENNY MORRIS

0:00 - 15:30	15.50	DRLPRO	02	B	P	P	DRILL F/5028' TO 5631,603' AVG 39 WT 9.8/44
15:30 - 16:00	0.50	DRLPRO	06	A	P	P	RIG SERVICE
16:00 - 0:00	8.00	DRLPRO	02	B	P	P	DRILL F/5631 TO 5831,200 AVG 25

Wins No.: 95702

BITTER CREEK 1122-3C

API No.: 4304738124

EVENT INFORMATION:

EVENT ACTIVITY: DRILLING
OBJECTIVE: DEVELOPMENT
OBJECTIVE2:

REASON:

DATE WELL STARTED/RESUMED:
Event End Status: COMPLETE

RIG OPERATIONS:

Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / I	01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
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3/4/2008

SUPERVISOR: KENNY MORRIS

0:00	- 15:30	15.50	DRLPRO	02	B	P	DRILL F/5831 TO 6170,339' AVG 22 WT10.3 / 55
15:30	- 16:00	0.50	DRLPRO	06	A	P	RIG SERVICE
16:00	- 0:00	8.00	DRLPRO	02	B	P	DRILL F/6170 TO 6392,222'AVG 28

3/5/2008

SUPERVISOR: KENNY MORRIS

0:00	- 16:00	16.00	DRLPRO	02	B	P	DRILL F/6392 TO 6870, 478' AVG 30 WT 10.7
16:00	- 20:30	4.50	DRLPRO	05	A	P	DROP SURVEY,POOH TO 830',BRAKE BAND ON DRILL SIDE,PADS COMING OFF BANDS
20:30	- 0:00	3.50	DRLPRO	07	A	P	REPAIR BRAKES

3/6/2008

SUPERVISOR: KENNY MORRIS

0:00	- 1:30	1.50	DRLPRO	07	A	S	REPAIR BRAKES
1:30	- 3:30	2.00	DRLPRO	05	A	P	FINISH POOH ,,CHANGE BIT & MTR
3:30	- 8:30	5.00	DRLPRO	05	A	P	TIH W/BIT #2,CIRC@2500',TIH
8:30	- 15:00	6.50	DRLPRO	02	B	P	DRILL F/6830 TO 7092,AVG 34 WT 10.8/45
15:00	- 15:30	0.50	DRLPRO	06	A	P	RIG SERVICE
15:30	- 0:00	8.50	DRLPRO	02	B	P	DRILL F/7092 TO

3/7/2008

SUPERVISOR: KENNY MORRIS

0:00	- 15:30	15.50	DRLPRO	02	B	P	DRILL F/ 7346' TO 7760,414' AVG 27
15:30	- 16:00	0.50	DRLPRO	06	A	P	RIG SERVICE
16:00	- 0:00	8.00	DRLPRO	02	B	P	DRILL F/7760 TO

3/8/2008

SUPERVISOR: KENNY MORRIS

0:00	- 16:00	16.00	DRLPRO	02	B	P	DRILL F/ 7930 TO 8268,AVG 22,WT 11.4 / 45
16:00	- 16:30	0.50	DRLPRO	06	A	P	RIG SERVICE
16:30	- 19:00	2.50	DRLPRO	02	B	P	DRILL F/8268 TO TD 8306,AVG 16, WT 11.5/45
19:00	- 20:00	1.00	DRLPRO	04	A	P	CIRC BTMS UP & BUILD AND PUMP PILL
20:00	- 21:00	1.00	DRLPRO	05	E	P	SHORTTRIP BACK TO 6800,NO PROBLEMS
21:00	- 23:00	2.00	DRLPRO	04	C	P	CIRCULATE BTMS UP & COND TO LDDP,RELEASE MUD LOGGERS
23:00	- 0:00	1.00	DRLPRO	05	A	P	SAFETY MEET W/TESCO,R/U & LDDP

3/9/2008

SUPERVISOR: KENNY MORRIS

0:00	- 8:00	8.00	DRLPRO	05	B	P	LDDP,&BHA,BREAKKELLY,PULL WEARRING
8:00	- 16:30	8.50	DRLPRO	10	C	P	SAFETY MEET W/HALLIBURTON,RUN QUAD COMBO TO LOGGERS DEPTH=8330
16:30	- 17:00	0.50	DRLPRO	06	A	P	RIG SERVICE
17:00	- 0:00	7.00	DRLPRO	11	B	P	SAFETY MEET W/TESCO,R/U & RUN 4.5 PROD CSG TO 8296'

3/10/2008

SUPERVISOR: KENNY MORRIS

0:00	- 2:00	2.00	DRLPRO	04	E	P	CONDITION F/CEMENT
2:00	- 4:30	2.50	DRLPRO	15	A	P	322SX LEAD,1378 TAIL,DISPLACE 129 BBLS CLAYFIX ,,FINAL CIRC PSI2650,BUMPPUG FLOATS HELD,
4:30	- 5:00	0.50	DRLPRO	13	A	P	SET MANDRAL HANGER,TEST SAME
5:00	- 8:00	3.00	DRLPRO	01	E	P	CLEAN PITS,RELEASE RIG @08:00AM 3/10/2008

4/7/2008

10:40:16AM

Wins No.: 95702

BITTER CREEK 1122-3C

API No.: 4304738124

EVENT INFORMATION:

EVENT ACTIVITY: DRILLING
OBJECTIVE: DEVELOPMENT
OBJECTIVE2:

REASON:

DATE WELL STARTED/RESUMED:
Event End Status: COMPLETE

RIG OPERATIONS:

Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008	01/22/2008

PETE MARTIN DRILLING / I

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
	8:00 - 0:00	16.00	DRLPRO	01	E	P	RDRT & PREP TO MOVE TO NBU 1022-33P

WINS No.: 95702

BITTER CREEK 1122-3C

Start Date: 3/27/2008

AFE No.: 2010914

Operation Summary Report

End Date:

Operator KERR-MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 1/22/08	GL 5,613	KB 5629	ROUTE
API 4304738124	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Lat./Long.: Lat./Long.: 39.89497 / -109.44375		Q-Q/Sect/Town/Range: NENW / 3 / 11S / 22E	Footages: 1,177.00' FNL 1,920.00' FWL		
MTD 8306	TVD 8299	LOG MD	PBMD	PBTVD	

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION REASON: MV
 OBJECTIVE: DEVELOPMENT DATE WELL STARTED/RESUMED: 1/22/2008
 OBJECTIVE2: ORIGINAL Event End Status:

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

KEY 243 / 243

Date	Time Start-End	Duration (hr)	Phase	Code	Subco de	P/U	Operation
3/28/2008							
SUPERVISOR: KEN WARREN							
	7:00 - 7:15	0.25	COMP	48		P	HSM- ROADING RIG
	7:15 - 15:00	7.75	COMP	47	A	P	ROAD RIG FROM CIGE 266 TO BITTER CREEK 1122-3C, MIRU. N/D WELL HEAD, NU FRAC VALVES. MIRU B&C QUICK TEST, PRESSURE TEST CSG & FRAC VALVES TO 7500# [GOOD TEST] SWI, READY FOR FRAC MON.

3/31/2008							
SUPERVISOR: KEN WARREN							
	7:00 - 7:30	0.50	COMP	48		P	HSM W/ WEATHERFORD FRAC CREW. MIRU CUTTERS WIRE LINE & WEATHERFORD FRAC CREW
	7:30 - 9:45	2.25	COMP	36	E	P	STG #1] P/U RIH W/ 3-3/8 EXPEND, 23 GRM, 0.36" HOLE, PERF MESAVERDE 7980'-7982' 3 SPF, 120* PH, 6 HOLES, 7919'-7922' 3 SPF, 120* PH, 9 HOLES, 7870'-7875' 4 SPF, 90* PH, 20 HOLES, 7820'-7822' 3 SPF, 120* PH, 6 HOLES, [41 HOLES] FRAC STG #1] WHP=150#, BRK DN PERFS @ 3883#, INJT PSI=4650#, INJT RT=51, ISIP=2439#, FG=.75, PUMP'D 1983.2 BBLS SLK/WTR W/ 67101# 30/50 MESH W/ 5897# RESIN COAT IN TAIL. ISIP=2665#, FG=.78, AR=50, AP=4287#, MR=51.3, MP=6664#, NPI=266#, 30/40 CALC PERFS OPEN.
	9:45 - 11:30	1.75	COMP	36	E	P	STG #2] P/U RIH W/ BKR 8K CBP & 3-3/8 EXPEND, 23 GRM, 0.36" HOLE PERF GUN. SET CBP @ 7725', PERF MESAVERDE 7686'-7695' 4 SPF, 90* PH, 36 HOLES, 7592'-7594' 3SPF, 120* PH, 6 HOLES [42 HOLES] FRAC STG#2] WHP=100#, BRK DN PERFS @ 3727#, INJT PSI=4615#, INJT RT=51, ISIP=2563#, FG=.78, PUMP'D 2910.8 BBLS SLK/WTR W/ 106024# 30/50 W/ 6191 RESIN COAT IN TAIL, ISIP=2882#, FG=.82, AR=50.9, AP=4207#, MR=51.3, MP=5275#, NPI=319#, 31/42 CALC PERFS OPEN.
	11:30 - 13:15	1.75	COMP	36	E	P	STG #3] P/U RIH W/ BKR 8K CBP & 3-3/8 EXPEND, 23 GRM, 0.36" HOLE GUN, SET CBP @ 7053', PERF MESAVERDE7021'-7023' 4 SPF, 90* PH, 8 HOLES, 6912'-6920' 4 SPF, 90* PH, 32 HOLES. [40 HOLES] WHP=40#, BRK DN PERS @ 2980#, INJT PSI=4140#, INJT RT=50, ISIP=2644#, FG=.82, PUMP'D 1078.7 BBLS SLK/WTR W/ 37181# 30/50 MESH W/ 6135# RESIN COAT IN TAIL, ISIP=2848#, FG=.85, AR=51.1, AP=4133#, MR=53, MP=5057, NPI=204#, 40/40 CALC PERFS OPEN.

EVENT INFORMATION:	EVENT ACTIVITY: COMPLETION	REASON: MV					
	OBJECTIVE: DEVELOPMENT	DATE WELL STARTED/RESUMED:					
	OBJECTIVE2: ORIGINAL	Event End Status:					
RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location

KEY 243 / 243

Date	Time Start-End	Duration (hr)	Phase	Code	Subco de	P/U	Operation
	13:15 - 14:30	1.25	COMP	36	E	P	STG #4] P/U RIH W/ BKR 8K CBP & 3-3/8, EXPEND, 23 GRM, 0.36" HOLE, SET CBP @ 6848', PERF MESAVERDE 6814'-6818' 4 SPF, 90* PH, 16 HOLES, 6768'-6774' 4 SPF, 90* PH, 24 HOLES [40 HOLES] WHP=70#, BRK DN PERFS @ 3772#, INJT PSI=4300#, INJT RT=50.5, ISIP=1759#, FG=.70, PUMP'D 915.7 BBLS SLK/WTR W/ 30802# 30/50 MESH W/ 6323# RESIN COAT IN TAIL, ISIP=2661#, FG=.83, AR=51.4, AP=2727#, MR=53.1, MP=5130#, NPI=902#, 25/40 CALC PERFS OPEN
	14:30 - 18:00	3.50	COMP	36	E	P	STG #5] P/U RIH W/ BKR 8K CBP & 3-3/8 EXPEND, 23GRM, 0.36" PERF MESAVERDE 6642'-6652 4SPF, 90* PH, 40 HOLES. WHP=90#, BRK DN PERFS @ 4089#, INJT PSI=3560#, INJT RT=40, ISIP=1969#, FG=.74, PUMP'D 1639.9 BBLS SLK/WTR W/ 68913# 30/50 MESH W/ 6356# RESIN COAT IN TAIL. ISIP=2620#, FG=.84, AR=39.7, AP=3359#, MR=40.8, MP=4737#, NPI=651, 31/40 CALC PERFS OPEN. P/U RIH W/ BKR 8K CBP, SET CBP @ 6592, POOH R/D CUTTERS WIRE LINE & WEATHERFORD FRAC EQUIP. SWIFN.

4/1/2008

SUPERVISOR: KEN WARREN

7:00 - 7:15	0.25	COMP	48		P	HSM DRLG CBP'S
7:15 - 18:00	10.75	COMP	44	C	P	P/U 3-7/8 BIT W/ POBS PKG, TALLEY & P/U 2-3/8 J-55 TBG, TAG TOP KILL @ 6592'. PLUG #1] P/U PWR SWVL EST CIRC & DRL THROUGH BKR 8K CBP IN 12 MIN. W/ 200# INCREASE. PLUG #2] CONTINUE TO RIH, TAG SAND @ 6652' [30' FILL] C/O & DRL THROUGH BKR 8K CBP @ 6682' IN 10 MIN. 300# INCREASE. PLUG #3] CONTINUE TO RIH, TAG SAND @ 6818' [30' FILL] C/O & DRL THROUGH BKR 8K CBP @ 6848' IN 12 MIN. 200# INCREASE. PLUG #4] CONTINUE TO RIH, TAG SAND @ 7023' [30' FILL] C/O & DRL THROUGH BKR 8K CBP @ 7053' IN 12 MIN. 400# INCREASE. PLUG #5] CONTINUE TO RIH, TAG SAND @ 7695' [30' FILL] C/O & DRL THROUGH BKR 8K CBP @ 7725 IN 10 MIN. 300# INCREASE, CONTINUE TO RIH TAG SAND @ 8112' [140' RAT HOLE] PBSD @ 8277' C/O TO 8112'. L/D 27 JNTS ON FLOAT. R/D PWR SWVL, P/U HANGER, LANDED WELL W/ 231' JNTS 2-3/8 J-55 TBG, EOT @ 7269.26'. DROP BALL, R/D TBG EQUIP, N/D BOP'S, NU WELL HEAD, PUMP OFF BIT W/ 3 BBLS @ 1800#, TURN WELL OVER TO FLOW BACK CREW 18:00 HRS.

4/2/2008

SUPERVISOR: BJ BRAITHWAITE

7:00 -		PROD			P	7 AM FLOWBACK REPORT: CP 1500#, TP 1250#, CK 20/64", 40 BWPH, TRACE SAND, LIGHT GAS TTL BBLS RECOVERED: 530 BBLS LEFT TO RECOVER: 8008
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4/3/2008

SUPERVISOR: BJ BRAITHWAITE

7:00 -		PROD			P	7 AM FLOWBACK REPORT: CP 1525#, TP 1175#, CK 20/64", 30 BWPH, TRACE SAND, MEDIUM GAS TTL BBLS RECOVERED: 1305 BBLS LEFT TO RECOVER: 7233
10:00 -		PROD			P	WELL TURNED TO SALES @ 1000 ON 4/3/2008 FTP 1200#, FCP 1800#, CK 20/64", 720 BWPD, 950 MCFD

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION REASON: MV
 OBJECTIVE: DEVELOPMENT DATE WELL STARTED/RESUMED:
 OBJECTIVE2: ORIGINAL Event End Status:

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

KEY 243 / 243

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
4/4/2008	7:00 -		PROD			P	7 AM FLOWBACK REPORT: CP 2100#, TP 1200#, CK 20/64", 30 BWPH, TRACE SAND, 850 MCFD TTL BBLS RECOVERED: 2085 BBLS LEFT TO RECOVER: 6453
4/5/2008	7:00 -						7 AM FLOWBACK REPORT: CP 1950#, TP 1200#, CK 20/64", 25 BWPH, TRACE SAND, 1150 MCFD TTL BBLS RECOVERED: 2733 BBLS LEFT TO RECOVER: 5085
4/6/2008	7:00 -						7 AM FLOWBACK REPORT: CP 1750#, TP 1050#, CK 20/64", 18 BWPH, CLEAN TTL BBLS RECOVERED: 3189 BBLS LEFT TO RECOVER: 5349
4/7/2008	7:00 -						7 AM FLOWBACK REPORT: CP 16000#, TP 1000#, CK 20/64", 16 BWPH, CLEAN, 1200 MCFD TTL BBLS RECOVERED: 3597 BBLS LEFT TO RECOVER: 4941

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-29797

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

7. Unit or CA Agreement Name and No.

2. Name of Operator

KERR-MCGEE OIL & GAS ONSHORE LP

8. Lease Name and Well No.

BITTER CREEK 1122-3C

3. Address

1368 SOUTH 1200 EAST, VERNAL, UTAH 84078

3a. Phone No. (include area code)

(435) 781-7024

9. API Well No.

4304738124

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

At surface

NE/NW LOT 6, 1777'FNL, 1920'FWL

10. Field and Pool, or Exploratory

NATURAL BUTTES

At top prod. interval reported below

11. Sec., T., R., M., or Block and Survey or Area **SEC. 3, T11S, R22E**

12. County or Parish

UINTAH

13. State

UTAH

At total depth

14. Date Spudded

01/22/08

15. Date T.D. Reached

03/08/08

16. Date Completed

04/03/08

D & A Ready to Prod.

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

5613'GL

18. Total Depth: MD **8306'**
TVD

19. Plug Back T.D.: MD **8277'**
TVD

20. Depth Bridge Plug Set: MD
TVD

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

CBL-CCL-GR, SD, DSN, HRI, BCSDT

22. Was well cored? No Yes (Submit copy)

Was DST run? No Yes (Submit copy)

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 SX			
12 1/4"	9 5/8"	36#		1870'		700 SX			
7 7/8"	4 1/2"	11.6#		8306'		1700 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"	7269'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6642'	7982'	6642'-7982'	0.36	203	OPEN
B)						
C)						
D)						

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

Depth Interval	Amount and type of Material
6642'-7982'	PMP 8438 BBLs SLICK H2O & 310,021# 30/50 SD

RECEIVED

MAY 02 2008

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
04/03/08	04/06/08	24	→	2	1,205	432			Flows from well
Choke Size	Tbg. Press. Flwg. 1050#	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
20/64	SI	1750#	→	2	1205	432		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. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
			→						

(See instructions and spaces for additional data on reverse side)

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
WASATCH MESAVERDE	3859' 6270'	6270'			

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 SENIOR LAND ADMIN SPECIALIST

Signature  Date 04/23/08

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.