

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-38424

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
CA UTU-60774

1a. Type of Work: DRILL REENTER

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

8. Lease Name and Well No.
BONANZA 1023-10P

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

9. API Well No.
43-047-382 26

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

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

10. Field and Pool, or Exploratory
NATURAL BUTTES

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

At surface **SESE 690'FSL, 856'FEL 644688X 39.958149**

At proposed prod. Zone **4424 276Y -109.306080**

11. Sec., T., R., M., or Blk, and Survey or Area
SECTION 10, T10S, R23E

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

12. County or Parish **JUNTAH** 13. State **UTAH**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **690'**

16. No. of Acres in lease
360.00

17. Spacing Unit dedicated to this well
320.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **REFER TO TOPO C 7800'**

19. Proposed Depth

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5495'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 	Name (Printed/Typed) SHEILA UPCHEGO	Date 6/1/2006
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 06-15-06
Title ENVIRONMENTAL MANAGER	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.

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

*(Instructions on reverse)

Federal Approval of this
Action is Necessary

RECEIVED

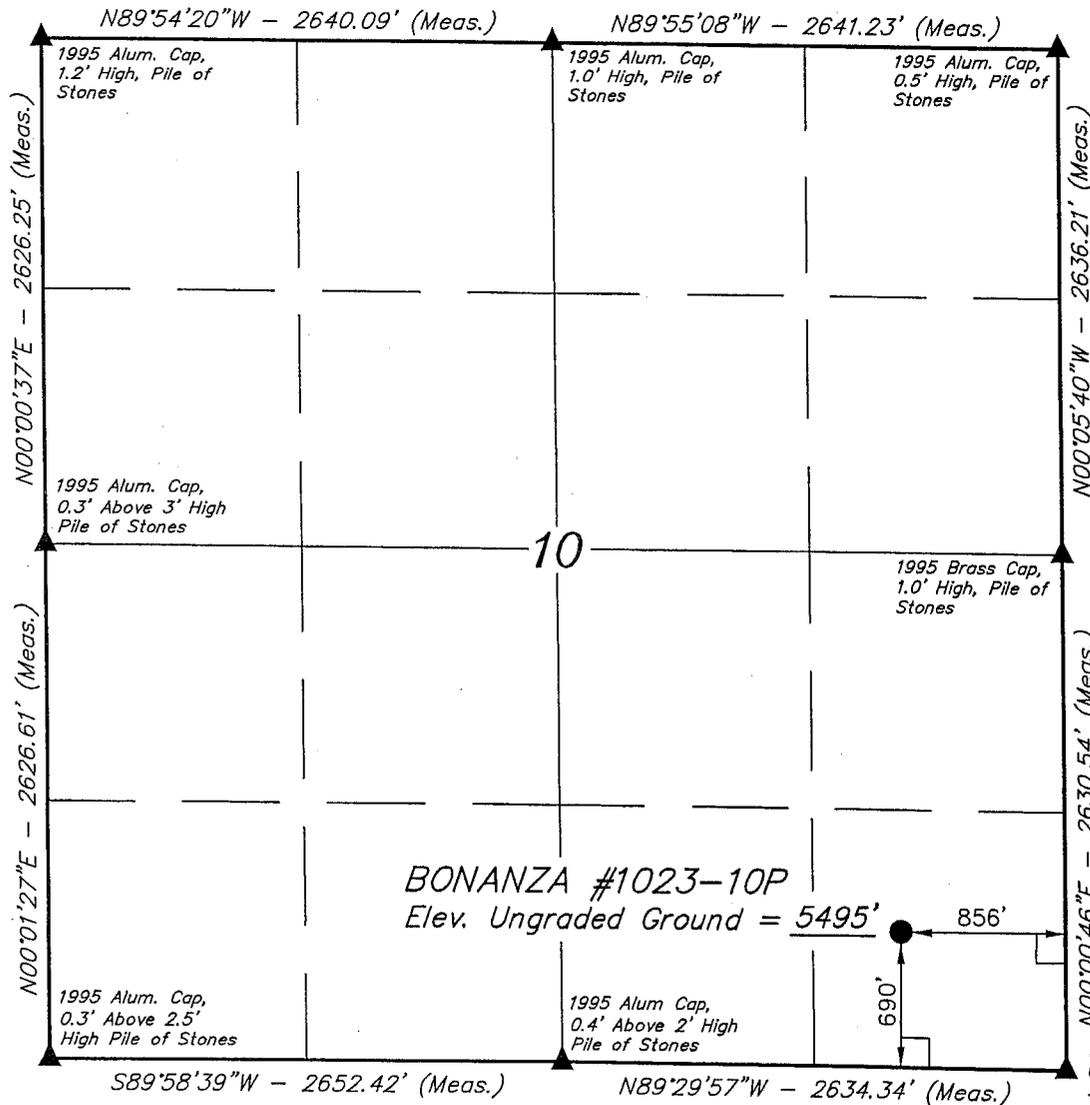
JUN 05 2006

OIL, GAS & MINING

T10S, R23E, S.L.B.&M.

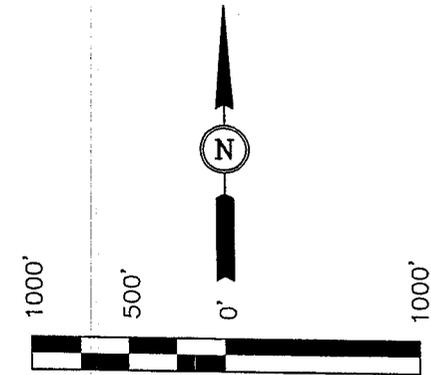
WESTPORT OIL AND GAS COMPANY, L.P.

Well location, BONANZA #1023-10P, located as shown in the SE 1/4 SE 1/4 of Section 10, T10S, R23E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

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



SCALE

CERTIFICATE

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

Fabrizio Steyer

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

BASIS OF BEARINGS

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

(NAD 83)

LATITUDE = 39°57'29.30" (39.958139)

LONGITUDE = 109°18'24.17" (109.306714)

(NAD 27)

LATITUDE = 39°57'29.42" (39.958172)

LONGITUDE = 109°18'21.73" (109.306036)

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

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

SCALE 1" = 1000'	DATE SURVEYED: 3-24-05	DATE DRAWN: 4-8-05
PARTY B.B. J.M. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE	WESTPORT OIL AND GAS COMPANY, L.P.

**BONANZA #1023-10P
SE/SE Sec. 10, T10S,R23E
UINTAH COUNTY, UTAH
UTU-38424**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	977'
Top of Birds Nest Water	1319'
Mahogany	1929'
Wasatch	3983'
Mesaverde	5944'
MVU2	6795'
MVL1	7331'
TD	7800'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	977'
	Top of Birds Nest Water	1319'
	Mahogany	1929'
Gas	Wasatch	3983'
	Mesaverde	5944'
	MVU2	6795'
Gas	MVL1	7331'
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 7800' TD, approximately equals 4836 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3120 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE June 1, 2006
 WELL NAME BONANZA 1023-10P TD 7,800' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,495' GL KB 5,510'
 SURFACE LOCATION SESE SECTION 10, T10S, R23E 690'FSL, 856'FEL BHL Straight Hole
 Latitude: 39.958139 Longitude: 109.306714
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	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 3,983' Green River @ 0,977' Top of Birds Nest Water @ 1,319' Preset f/ GL @ 1,920' 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.					
	Mahogany @	1,929'			Water/Fresh Water Mud
Mud logging program TBD Open hole logging program f/ TD - surf csg			7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	8.3-11.0 ppg
	Wasatch @	3,983'			
	Mverde @	5,944'			
	MVU2 @	6,795'			
	MVL1 @	7,331'			
	TD @	7,800'			Max anticipated Mud required 11.0 ppg



**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 1920	32.30	H-40	STC	0.83*****	1.52	4.68
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 7800	11.60	I-80	LTC	2.83	1.42	2.55

- 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 2746 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 Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18	
	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 Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized							
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82	
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18	
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
PRODUCTION	LEAD	3,480'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	380	60%	11.00	3.38	
	TAIL	4,320'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1210	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

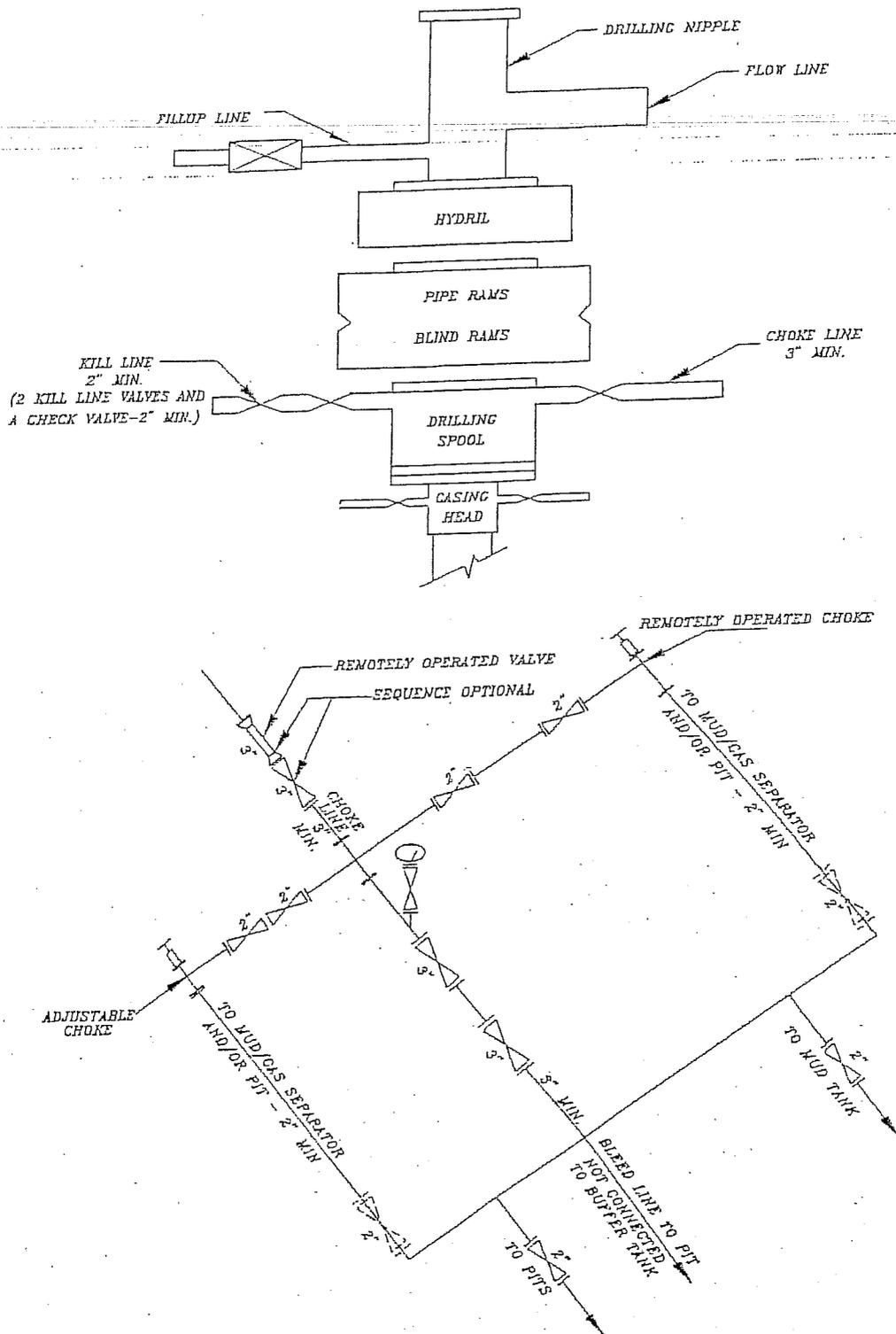
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

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 & four 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: _____ DATE: _____
 Brad Laney
 DRILLING SUPERINTENDENT: _____ DATE: _____
 Randy Bayne

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BONANZA 1023-10P
SE/SE SECTION 10, T10S, R23E
UINTAH COUNTY, UTAH
UTU-38424**

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:

Approximately 0.7 +/- miles of new access roads is proposed. 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.

Variations to Best Management Practices (BMP) Requests:

A 30' of rights-of-way will be required. Approximately 3640' of 4" steel pipeline is proposed from the location to cross into lease (UTU-38427) in Section 15, T10S, R23E to tie-in to an existing pipeline. Please refer to the Topo Map D. 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 with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

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

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

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

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

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

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

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

8. Ancillary Facilities

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Upon completion of backfilling, leveling, and recontouring, 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. Other Information:

A Class III Archaeological Report has been performed and completed on May 17, 2005, the Archaeological Report No. 05-119. Paleontological Reconnaissance Report will be submitted when report becomes available.

WILDLIFE STIPULATIONS:

MEXICAN SPOTTED OWL: The operator will be committed to perform a one year survey for the MSO in the buffer zone. After a one year survey is complete and no findings of the MSO is found, the operator will not commence any construction or drilling activities from **March 15th – June 15th**.

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

June 1, 2006

Date

WESTPORT OIL AND GAS COMPANY, L.P.
BONANZA #1023-10P
SECTION 10, T10S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 4.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1023-15H TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 64.7 MILES.

WESTPORT OIL AND GAS COMPANY, L.P.

BONANZA #1023-10P
LOCATED IN UINTAH COUNTY, UTAH
SECTION 10, T10S, R23E, S.L.B.&M.

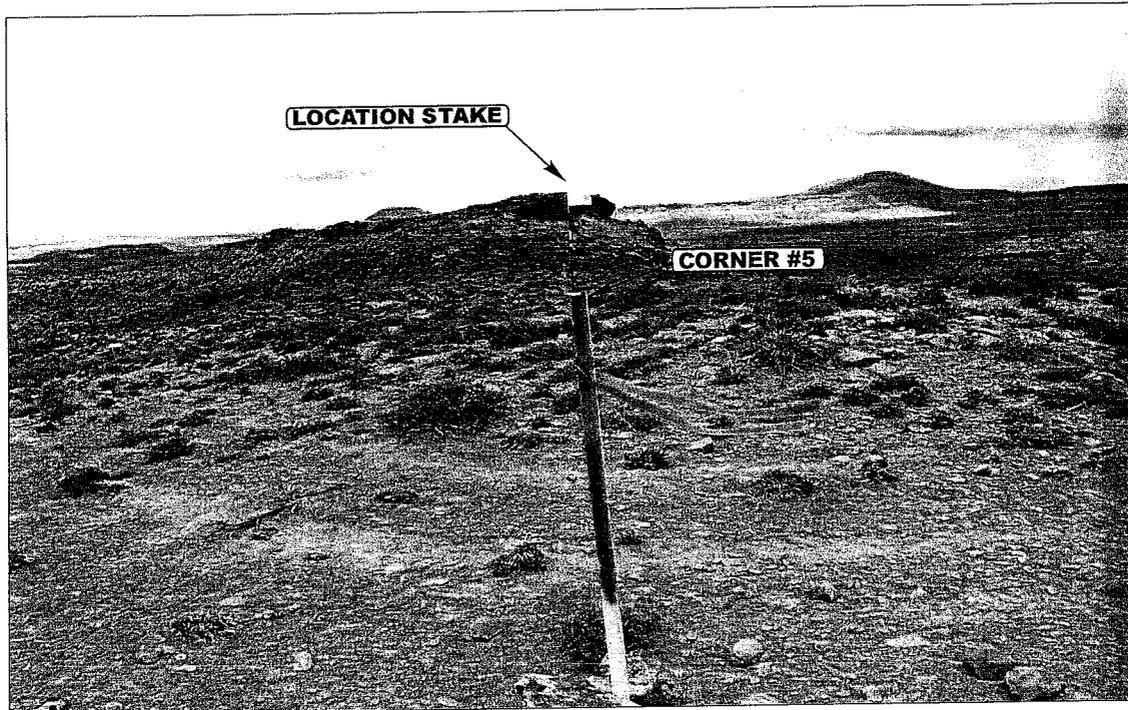


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

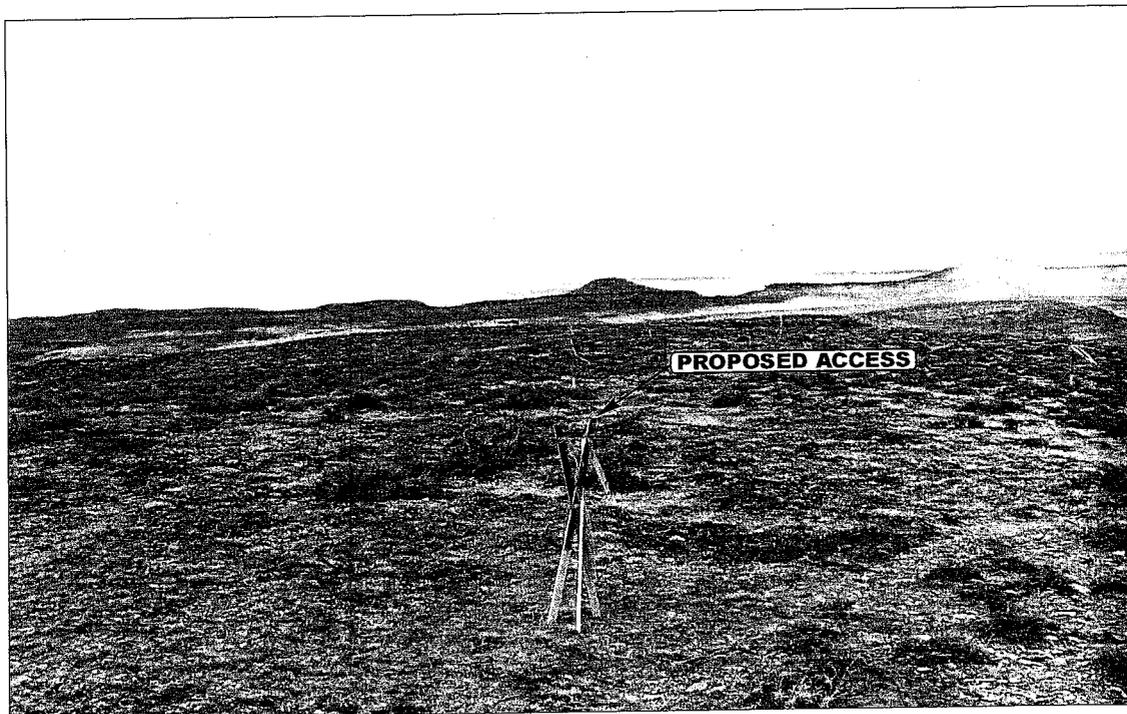


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

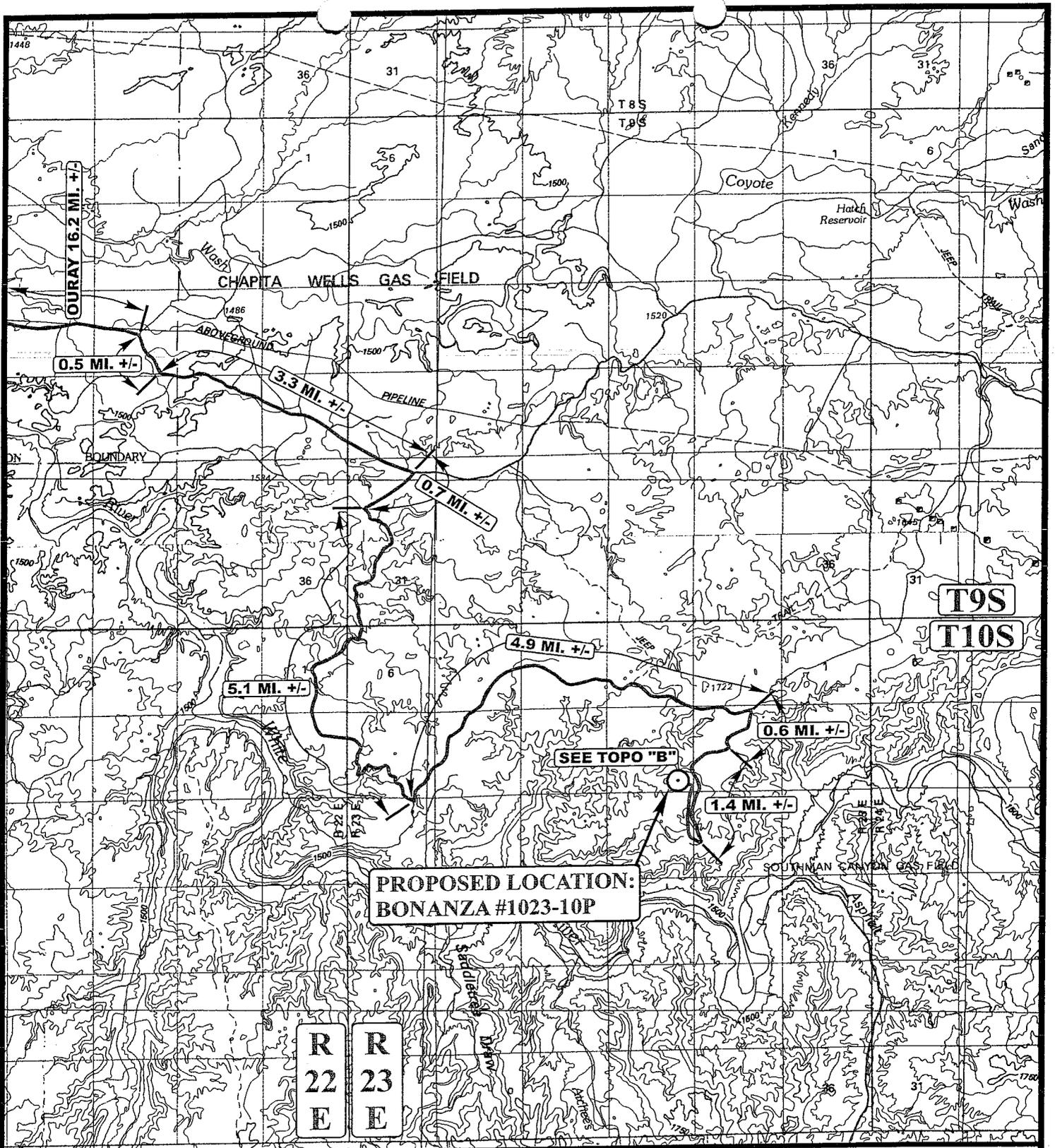
UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

03 28 05
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B. | DRAWN BY: L.K. | REVISED: 00-00-00



**PROPOSED LOCATION:
BONANZA #1023-10P**

LEGEND:

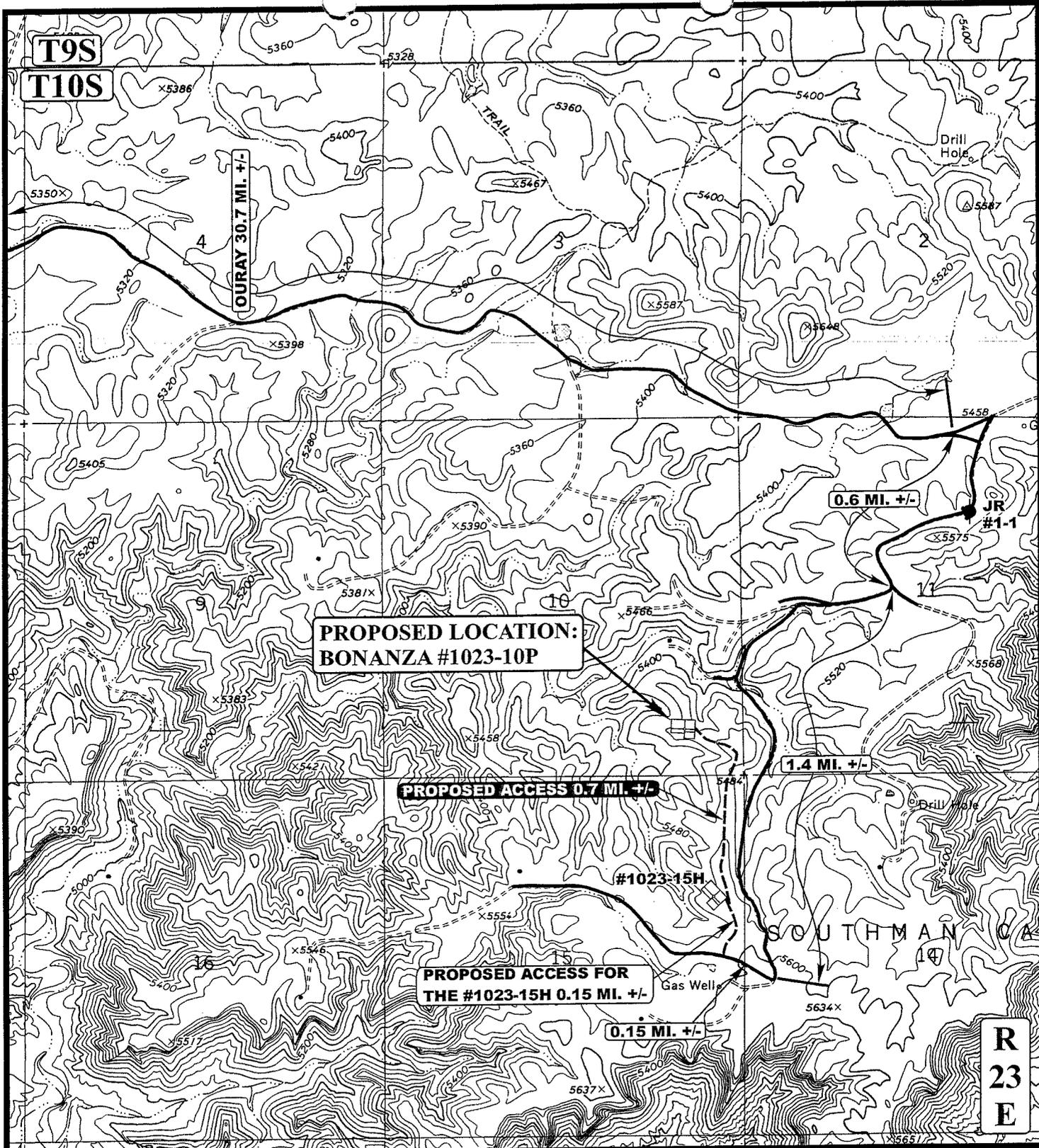
⊙ PROPOSED LOCATION

WESTPORT OIL AND GAS COMPANY, L.P.

**BONANZA #1023-10P
SECTION 10, T10S, R23E, S.L.B.&M.
690' FSL 856' FEL**

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

TOPOGRAPHIC MAP 03 28 05
 MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00 **TOPO**



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



WESTPORT OIL AND GAS COMPANY, L.P.

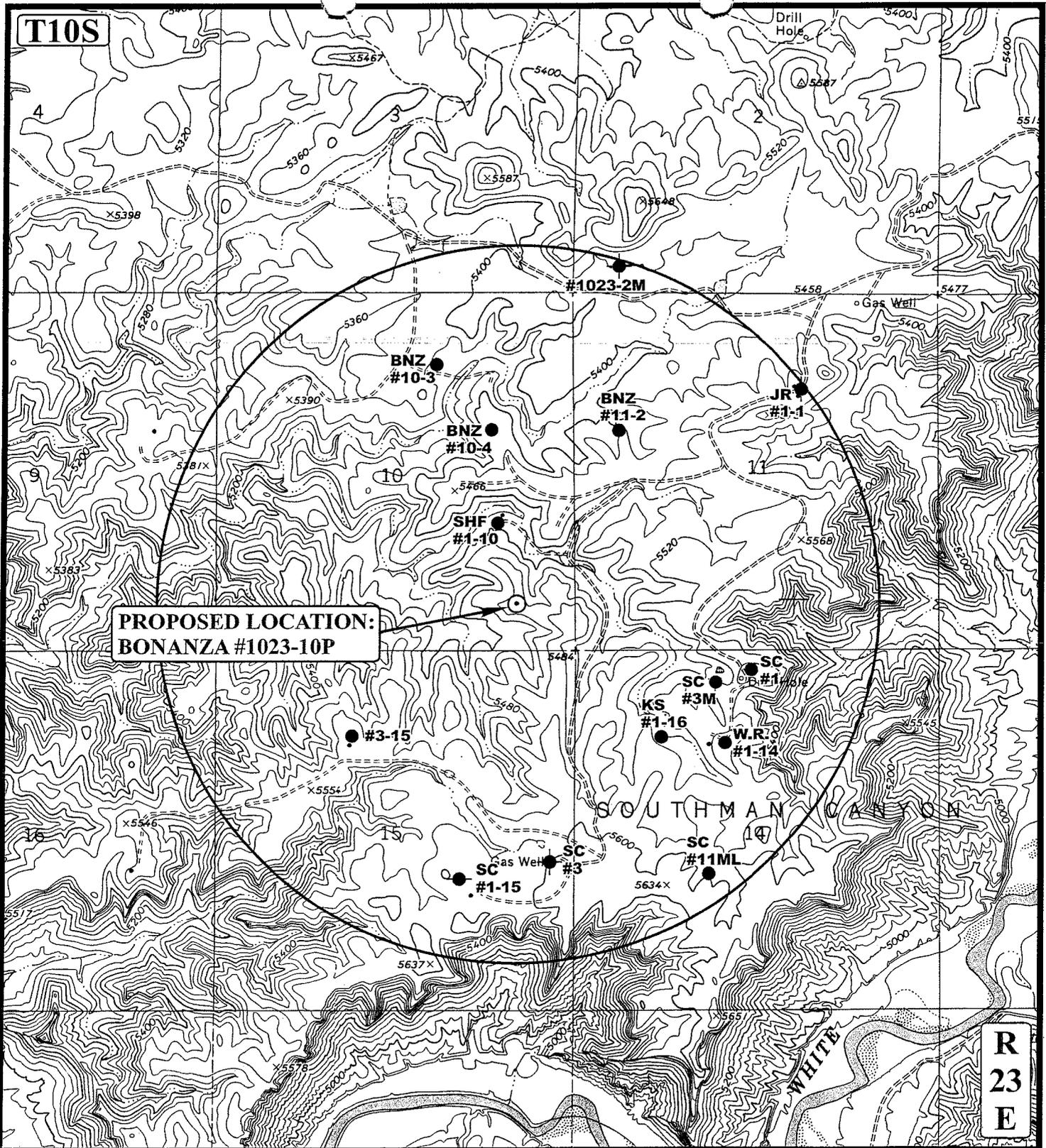
BONANZA #1023-10P
SECTION 10, T10S, R23E, S.L.B.&M.
690' FSL 856' FEL



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

TOPOGRAPHIC MAP **03 28 05**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





**PROPOSED LOCATION:
BONANZA #1023-10P**

LEGEND:

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



WESTPORT OIL AND GAS COMPANY, L.P.

**BONANZA #1023-10P
SECTION 10, T10S, R23E, S.L.B.&M.
690' FSL 856' FEL**



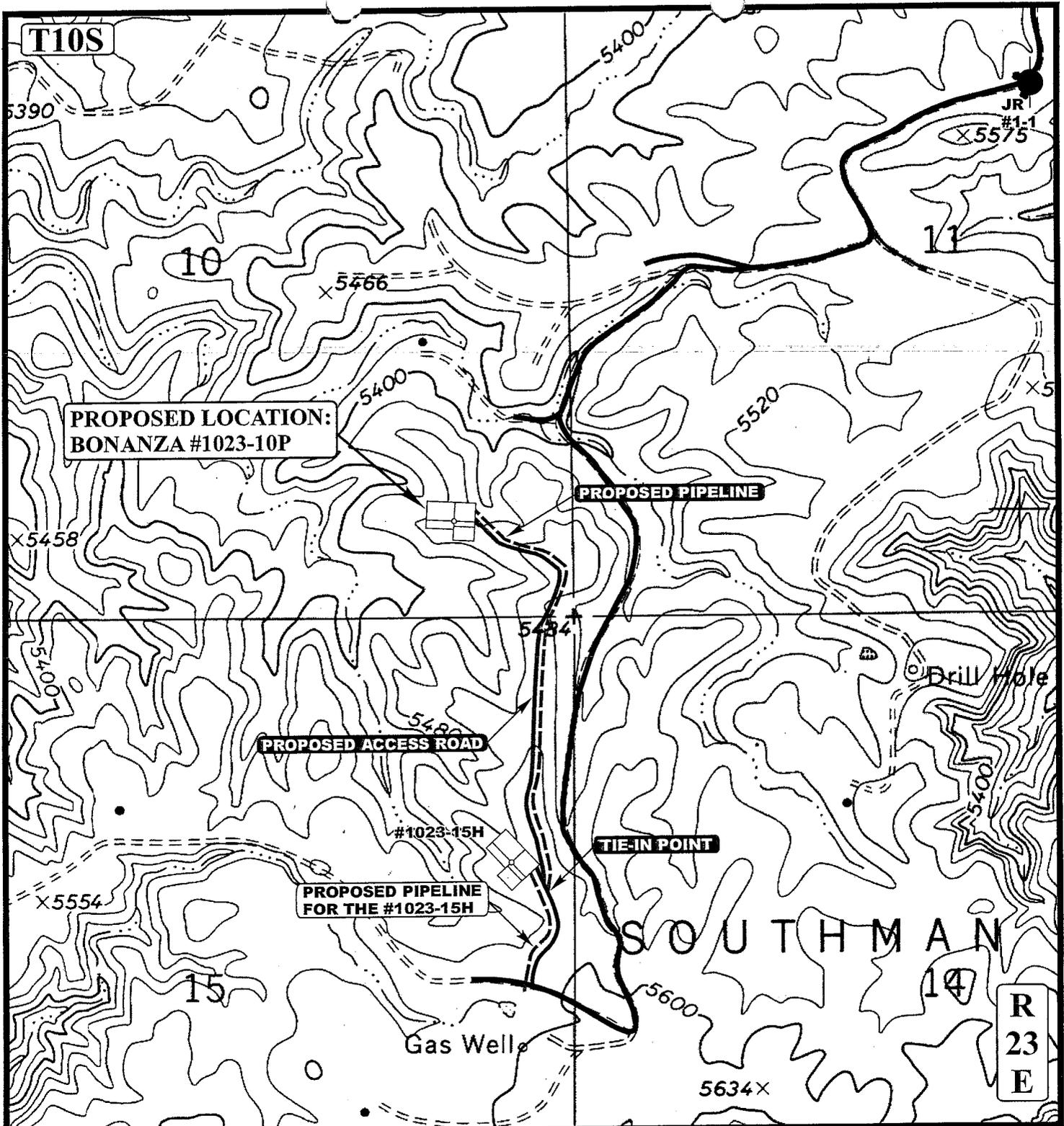
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

03 28 05
MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 3640' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)



WESTPORT OIL AND GAS COMPANY, L.P.

BONANZA #1023-10P
 SECTION 10, T10S, R23E, S.L.B.&M.
 690' FSL 856' FEL



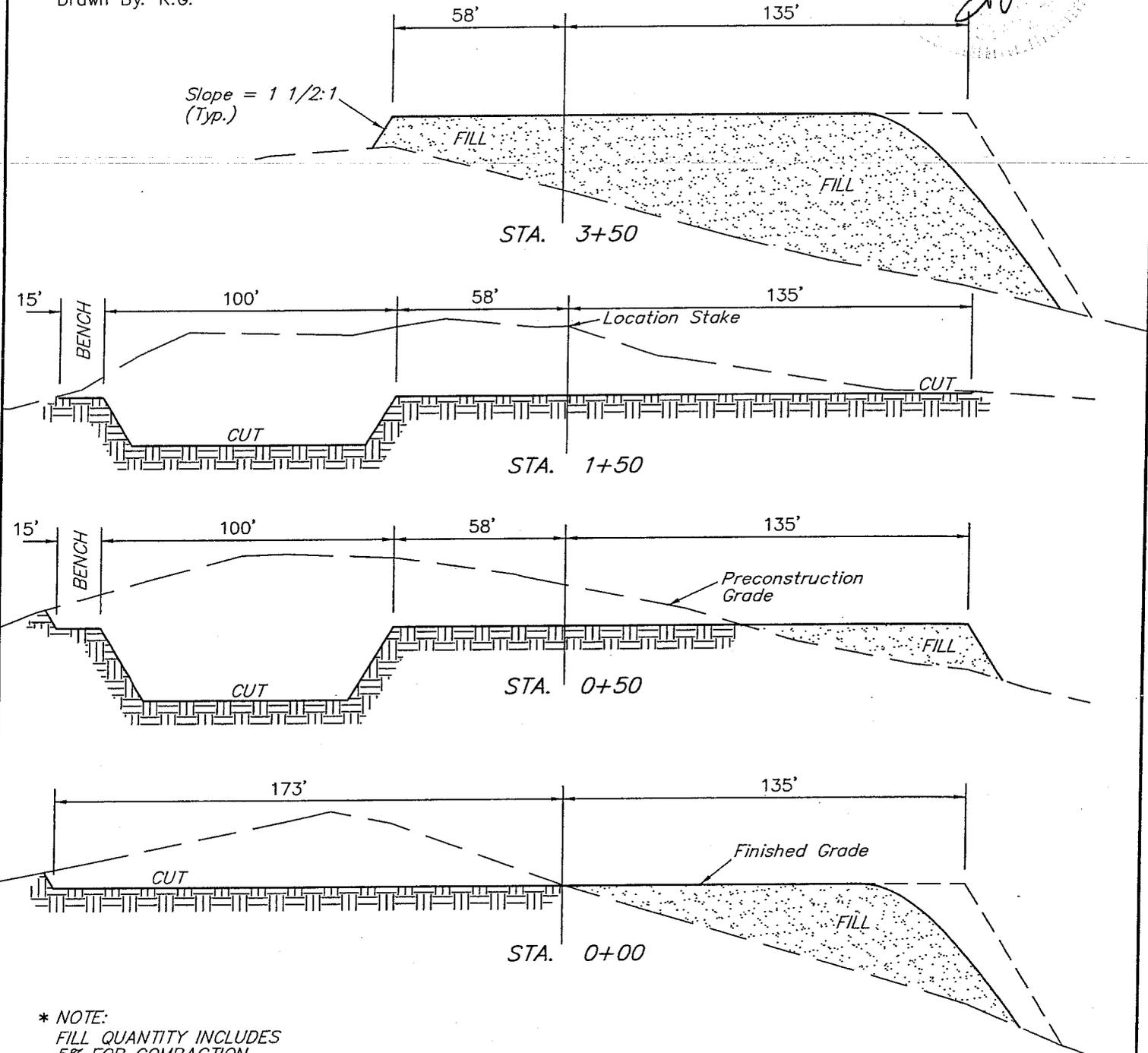
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **03 28 05**
 MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



TYPICAL CROSS SECTIONS FOR
 BONANZA #1023-10P
 SECTION 10, T10S, R23E, S.L.B.&M.
 690' FSL 856' FEL

1" = 20'
 X-Section Scale
 1" = 50'
 DATE: 4-8-05
 Drawn By: K.G.



* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 2,050 Cu. Yds.
Remaining Location	= 16,110 Cu. Yds.
TOTAL CUT	= 18,160 CU.YDS.
FILL	= 13,970 CU.YDS.

EXCESS MATERIAL	= 4,190 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,190 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/05/2006

API NO. ASSIGNED: 43-047-38226

WELL NAME: BONANZA 1023-10P
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SESE 10 100S 230E
 SURFACE: 0690 FSL 0856 FEL
 BOTTOM: 0690 FSL 0856 FEL
 COUNTY: UINTAH
 LATITUDE: 39.95815 LONGITUDE: -109.3061
 UTM SURF EASTINGS: 644688 NORTHINGS: 4424276
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-38424
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

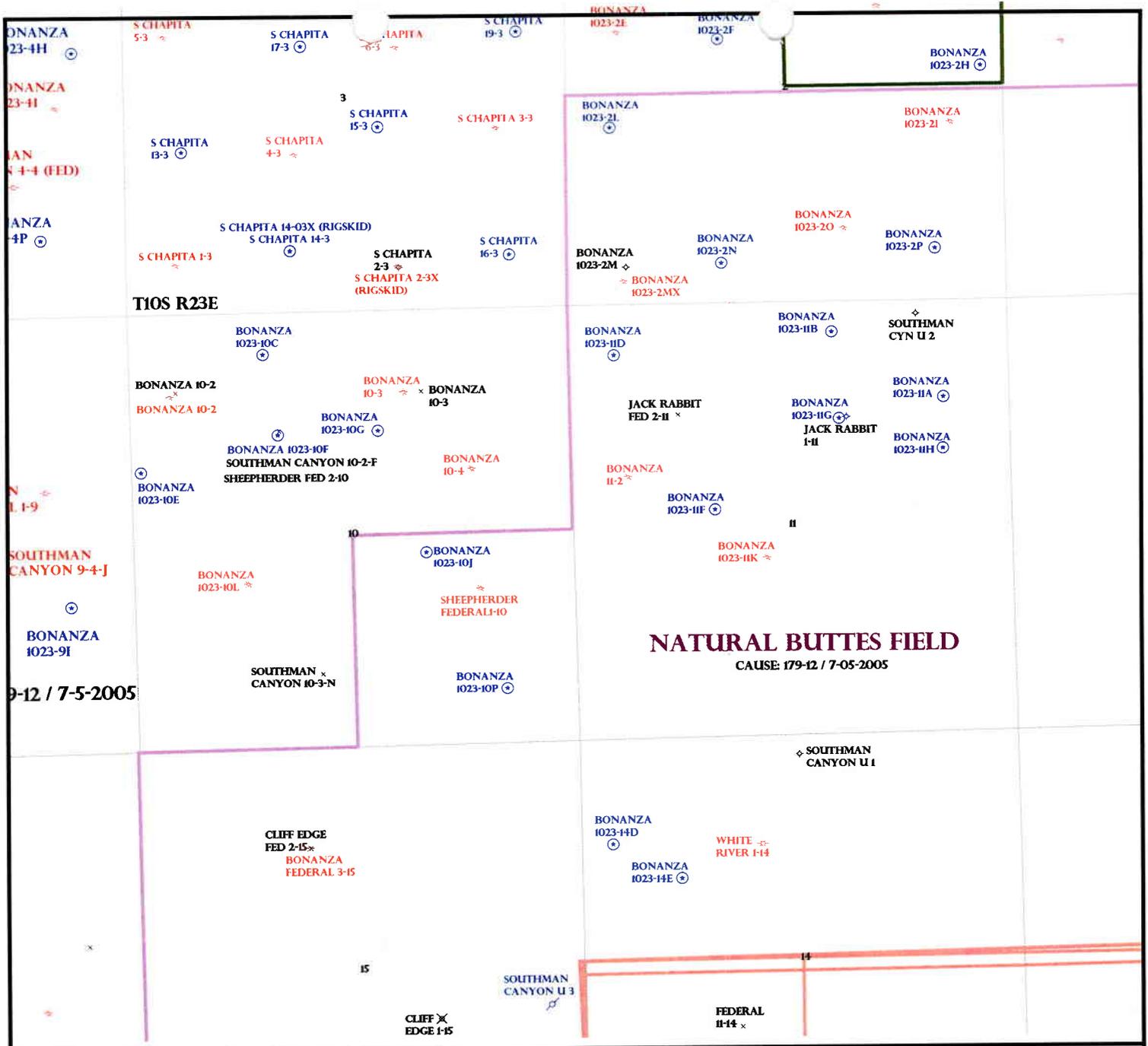
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 2971100-2533)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: 179-12
Eff Date: 7-5-05
Siting: 460' fr east 1/4 & 920' fr other wells
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval



NATURAL BUTTES FIELD
CAUSE: 179-12 / 7-05-2005

OPERATOR: KERR MCGEE O&G (N2995)

SEC: 10,11 T. 10S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-12 / 7-5-2005

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

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

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



PREPARED BY: DIANA WHITNEY
DATE: 14-JUNE-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

June 15, 2006

Kerr-McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: Bonanza 1023-10P Well, 690' FSL, 856' FEL, SE SE, Sec. 10, T. 10 South,
R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38226.

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 Bonanza 1023-10P
API Number: 43-047-38226
Lease: UTU-38424

Location: SE SE Sec. 10 T. 10 South R. 23 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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-382424

6. If Indian, Allottee or Tribe Name

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

CA UTU-60774

8. Well Name and No.

BONANZA 1023-10P

9. API Well No.

4304738226

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

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)

690' FSL, 856' FEL
SESE, SEC 10-T10S-R23E

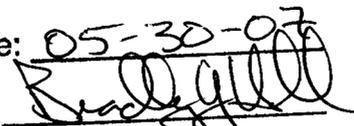
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other APD EXTENSION
			DOGM

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 LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON MAY 15, 2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-30-07
By: 

COPY SENT TO
Date: 3/31/07
Initials: RM

RECEIVED

MAY 29 2007

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

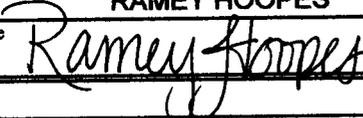
Name (Printed/Typed)

RAMEY HOOPES

Title

REGULATORY CLERK

Signature



Date

May 22, 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.

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.

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

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

API: 4304738226
Well Name: BONANZA 1023-10P
Location: SESE, SEC 10-T10S-R23E
Company Permit Issued to: KERR-MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 6/15/2006

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 Hoopes
Signature

5/22/2007
Date

Title: REGULATORY CLERK

Representing: KERR-MCGEE OIL AND GAS ONSHORE L

RECEIVED

MAY 29 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU- 72028 38424
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: PO Box 173779 CITY Denver STATE CO ZIP 80217-3779		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 690 FSL & 856 FEL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 10 10S 23E STATE: UTAH		8. WELL NAME and NUMBER: Bonanza 1023-10P
PHONE NUMBER: (303) 929-6171		9. API NUMBER: 4304738226
		10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Kerr-McGee Oil and Gas Onshore, LP, respectfully requests a one year extension for Bonanza 1023-10P, in order to complete drilling operations. The Utah Division of Oil, Gas, and Mining initially approved this APD on 06/15/2006.

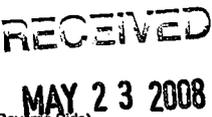
Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-27-08
By: [Signature]

COPY SENT TO OPERATOR
Date: 5.28.2008
Initials: KS

NAME (PLEASE PRINT) <u>Victoria Marques</u>	TITLE <u>Regulatory Intern</u>
SIGNATURE <u>Victoria Marques</u>	DATE <u>5/14/2008</u>

(This space for State use only)



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

RESET

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

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

API: 4304738226
Well Name: Bonanza 1023-10P
Location: SESE 690' FSL 856' FEL Sec. 10 T 10S R 23E
Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP
Date Original Permit Issued: 6/15/2006

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

Victoria Mungoz
Signature

5/22/2008
Date

Title: Regulatory Intern

Representing: Kerr-McGee Oil & Gas Onshore, LP

RECEIVED
MAY 23 2008
DIV. OF OIL, GAS & MINING

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 01 2006

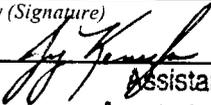
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-38424	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. CA GRS	
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		8. Lease Name and Well No. BONANZA 1023-10P	
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43 047 38226	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE 690'FSL, 856'FEL At proposed prod. Zone		10. Field and Pool, or Exploratory NATURAL BUTTES	
14. Distance in miles and direction from nearest town or post office* 33.7 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area SECTION 10, T10S, R23E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 690'	16. No. of Acres in lease 360.00	17. Spacing Unit dedicated to this well 320.00	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 7800'	20. BLM/BIA Bond No. on file BOND NO. 2971100-2533	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5495'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:

- | | |
|---|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 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. | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification. 6. Such other site specific information and/or plans as may be required by the authorized office. |
|---|--|

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 6/1/2006
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) JERRY KOWICKA	Date 7-29-2008
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

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

Conditions of approval, if any, are attached.

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)

RECEIVED

AUG 04 2008

DIV. OF OIL, GAS & MINING

06BM1341A



**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 and Gas Onshore LP
Well No: Bonanza 1023-10P
API No: 43-047-38226

Location: SESE, Sec. 10, T10S, R23E
Lease No: UTU-38424
Agreement: CA CR-5

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
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

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

- 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 determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- A surface casing shoe integrity test shall be performed.

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.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- 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.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

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

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

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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: Kerr-McGee Oil & Gas Onshore, LP

Well Name: Bonanza 1023-10P

API No: 43-047-38226 Lease Type: Federal

Section 10 Township 10S Range 23E County Uintah

Drilling Contractor Pete Martin Drilling Rig # Bucket

SPUDDED:

Date 9-04-08

Time 9:00 AM

How Dry

Drilling will Commence: _____

Reported by Lew Weldon

Telephone # 435-781-7060

Date 9-08-08 Signed RM

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
4304738911	BONANZA 1023-5N-1		SESW	5	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	17060	9/4/2008			9/22/08	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i> SPUD WELL LOCATION ON 09/04/2008 AT 8:00 AM.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738226	BONANZA 1023-10P		SESE	10	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	17061	9/4/2008			9/22/08	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i> SPUD WELL LOCATION ON 09/04/2008 AT 9:00 AM.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304739750	BITTER CREEK 1122-3M		SWSW	3	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	17062	9/5/2008			9/22/08	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i> SPUD WELL LOCATION ON 09/05/2008 AT 8:00 AM.							

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

REGULATORY ANALYST

9/5/2008

Title

Date

RECEIVED

SEP 08 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.

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)

SE/SE SEC.10, T10S, R23E 690'FSL, 856'FEL

5. Lease Serial No.

UTU-38424

6. If Indian, Allottee or Tribe Name

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

CA: CR-5

8. Well Name and No.

BONANZA 1023-10P

9. API Well No.

4304738226

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

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 type="checkbox"/> Other _____	
	<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 09/04/2008 AT 9:00 AM.

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

Name (Printed/Typed)

SHEILA UPCHEGO

Title

REGULATORY ANALYST

Signature



Date

September 5, 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

SEP 09 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No.
UTU-38424

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CA CR5

8. Well Name and No.
Bonanza 1023-10P

9. API Well No.
4304738226

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)
**SESE 690' FSL, 856' FEL
SEC.10, T10S-R23E**

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 recompleate 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 recompleation 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 PIONEER RIG 68 ON 9/28/08. DRILLED 12 1/4" SURFACE HOLE TO 2118'. RAN 9 5/8" 36# J-55 SURFACE CSG. CMT W/350 SX PREM CLASS G @15.8 PPG. DISPLACE W/ 158.6 BBLs OF H2O. 100 PSI OF LIFT. BUMP PLUG, HELD PLUG 600 PSI FOR 5 MIN, PLUG HELD. START IMMEDIATE TOP JOB OF 20 BBLs (100 SX) OF 4% CAL 15.8# CEM DOWN BACK SIDE. THEN WAIT APPROX 2 HRS. 2ND TOP OUT 46 BBLs 225SX OF 4% CAL 15.8#. 3RD TOP OUT 46 BBLs 225SX OF 4% CAL 15.8#. 4TH TOP OUT 46 BBLs 225SX OF 4% CAL 15.8#. 5TH TOP OUT 20 BBLs 100SX OF 4% CAL 15.8#. CEMENT TO SURFACE AND HOLDING. RIG DOWN CEMENTERS HOLD SAFETY MEETING, CUT RISER, CUT CSG AND INSTALL DRILL HEAD.
WORT

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

Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature <i>Sheila Upchego WR</i>	Date October 2, 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
OCT 06 2008
DIV. 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.

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

5. Lease Serial No.
UTU-38424

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CA CR5

8. Well Name and No.
BONANZA 1023-10P

9. API Well No.
4304738226

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)
**690' FSL, 856' FEL
SESE, SEC.10, T10S-R23E**

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 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 SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/6/2008 AT 1100 HRS.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

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

Name (Printed/Typed) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
Signature <i>Sheila Upchego</i>	Date November 10, 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
NOV 12 2008
DIV. OF OIL, GAS & MINING

	6:00 - 12:00	6.00	DRLSUR	11		P	RUN 9 5/8 CSG 35 JNTS TO 1528' WAS UNABLE TO RUN ANY MORE CIRCULATE TO WASH DOWN CSG WITH NO SUCCESS
	12:00 - 0:00	12.00	DRLSUR	11	B	X	LAY DOWN 9 5/8 CSG AGAIN
9/28/2008	<u>SUPERVISOR:</u> LEW WELDON						
	18:00 - 0:00	6.00	DRLPRO	01	E	P	RDRT TO MOVE TO BONANZA 1023-10P
9/29/2008	<u>SUPERVISOR:</u> TIM OXNER						
	0:00 - 7:00	7.00	DRLPRO	01	E	P	RDRT
	7:00 - 19:30	12.50	DRLPRO	01	A	P	HELD SAFETY MEETING W/ WESTROCK & MOVE RIG TO BONANZA 1023-10P, RAISE DERRICK, SCOPE SUB & DERRICK
	19:30 - 0:00	4.50	DRLPRO	01	B	P	RURT
9/30/2008	<u>SUPERVISOR:</u> TIM OXNER/JAMES GOBER						
	0:00 - 12:00	12.00	DRLPRO	01	B	P	RURT
	12:00 - 16:00	4.00	DRLPRO	13	A	P	BUILD RISER, ATTACH FLOWLINE. INSTALL FILL UP LINE AND TURN BUCKLES. PREPARE BOTTOM HOLE ASSEMBLY
	16:00 - 17:00	1.00	DRLPRO	13	B	P	INSTALL MOUSE HOLE... MOUSE HOLE NOT POSITIONED IN CORRECT LOCATION. PUSH MOUSE HOLE SOCK DOWN WITH KELLY.
	17:00 - 18:00	1.00	DRLPRO	07	A	Z	WORK ON ROT. MOTOR AND HYDRALIC LEAK ON CAT HEAD.
	18:00 - 19:30	1.50	DRLPRO	05	A	P	PRE SAFETY MEETING, MAKE UP 12 1/4" BIT P/U 3 8" DC'S. BRIDGE @ 67', LAYDOWN 2 8" DC'S, P/U KELLY. WORK THROUGH BRIDGE, TIGHTEN KELLY. PICK BACK UP 3 8" DC'S.
	19:30 - 20:30	1.00	DRLPRO	05	A	P	HOLD SAFETY MEETING W/ WEATHERFORD TRS AND RIG UP LAYDOWN MACHINE.
	20:30 - 23:30	3.00	DRLPRO	05	A	P	P/U BHA, TRIPPING IN HOLE SLOWLY. NO DISPLACEMENT ON TRIP. NO TIGHT HOLE, TAG FILL 2076',
	23:30 - 0:00	0.50	DRLPRO	09	A	P	RUN WIRELINE SURVEY, SURVEY 2061' = 1.9 DEGREES.
10/1/2008	<u>SUPERVISOR:</u> JAMES GOBER						
	0:00 - 1:00	1.00	DRLSUR	03	E	P	WASH AND REAM FILL F/ 2075' TO 2113'. NO CIRC.
	1:00 - 3:30	2.50	DRLSUR	04	G	P	CLEAN HOLE WITH 20 BBL HIGH VIS GEL AND SAWDUST SWEEP, (NO CIRC.) PUMP 80 BBL OF 8.6# MUD, FOLLOWED W/ 100 BBL OF 11.8# MUD.

3:30 - 6:30	3.00	DRLSUR	05	A	P	TRIP OUT OF HOLE, LAY DOWN 8" DRILL COLLARS. LD 12 1/4" BIT.
6:30 - 8:00	1.50	DRLSUR	11	A	P	HOLD SAFETY MEETING, RIG UP TO RUN SURFACE CASING.
8:00 - 11:30	3.50	DRLSUR	11	B	P	RUN 48 JTS OF 9-5/8" 36# J-55 CSG, TO TOTAL DEPTH OF 2079'. FLOAT @ 2034'. (WORK CSG PAST LEDGE @ 65', AND THROUGH TIGHT HOLE @ 1540' TO 1600'.) FILLED CSG @ 450', 1540', AND 2079'.
11:30 - 12:00	0.50	DRLSUR	11	A	P	HOLD SAFETY MEETING AND RIG DOWN WEATHERFORD TRS.
12:00 - 13:00	1.00	DRLSUR	15	A	P	HOLD SAFETY MEETING W/ PRO PETRO CEMENTERS AND RIG UP CEMENTERS
13:00 - 16:00	3.00	DRLSUR	15	A	P	START CEMENT PROCEDURES, PUMP 72 BBLS 2% CAL(350 SX) OF 15.8#. DISPLACE W/ 158.6 BBLS OF H2O. 100 PSI OF LIFT. BUMP PLUG, HELD PLUG 600 PSI FOR 5 MIN, PLUG HELD. START IMMEDIATE TOP JOB OF 20 BBLS (100 SX) OF 4% CAL 15.8# CEM DOWN BACK SIDE. THEN WAIT APPROX 2 HRS.
16:00 - 17:30	1.50	DRLSUR	15	A	P	2ND TOP OUT 46 BBLS (225SX) OF 4% CAL 15.8#.
17:30 - 20:00	2.50	DRLSUR	15	A	P	3 RD TOP OUT 46 BBLS (225 SX) OF 4% CAL 15.8#
20:00 - 21:30	1.50	DRLSUR	15	A	P	4 TH TOP OUT 46 BBLS (225SX) OF 4% CAL 15.8#
21:30 - 22:30	1.00	DRLSUR	15	A	P	5 TH TOP OUT 20 BBL (100 SX) OF 4% CAL 15.8#. CEMENT TO SURFACE AND HOLDING. RIG DOWN CEMENTERS
22:30 - 0:00	1.50	DRLSUR	13	A	P	HOLD SAFETY MEETING, CUT RISER, CUT CSG AND INSTALL DRILL HEAD.

10/2/2008

SUPERVISOR: JAMES GOBER

0:00 - 2:00	2.00	DRLPRO	18	A	P	WELD ON CSG HEAD, AND TEST.
2:00 - 6:00	4.00	DRLPRO	13	A	P	NIPPLE UP BOP'S, INSTALL ROT. HEAD, FILL UP LINE, CHOKE LINE, KILL LINE. FUNCTION TEST BOP'S
6:00 - 11:30	5.50	DRLPRO	13	C	P	HOLD SAFETY MEETING W/ SINGLE JACK, PRESSURE TEST ALL BOP EQUIPMENT TO 5000 PSI FOR 10 MIN AND 250 PSI FOR 5 MIN. TEST ANNULAR TO 2500 PSI FOR 10 MIN AND 250 PSI FOR 5 MIN, TEST CSG TO 1500 PSI FOR 30 MIN. INSTALL WEAR BUSHING
11:30 - 13:30	2.00	DRLPRO	05	A	P	TRIP IN HOLE W/ BIT #1 AND NEW MUD MOTOR. TAG CEMENT 1975', INSTALL ROT HEAD RUBBER.

13:30 - 14:00	0.50	DRLPRO	06	A	P	RIG SERVICE
14:00 - 16:30	2.50	DRLPRO	02	F	P	HOLE PRE-SPUD SAFETY MEETING DRILL CEMENT FROM 1975' TO 2118', CSG SHOE 2076',
16:30 - 18:00	1.50	DRLPRO	02	B	P	DRILL FROM 2118' TO 2146', (DRILLED LIKE OPEN HOLE TILL 2146' AND STOP DRILLING, ACTED LIKE DRILLING ON JUNK.) COULD NOT MAKE ANY MORE FOOTAGE. SPUD 10/02/2008 16:30.
18:00 - 20:00	2.00	DRLPRO	05	A	P	TRIP OUT OF HOLE FOR CONCAVE MILL AND JUNK BASKET. LAY DOWN MUD MOTOR
20:00 - 22:00	2.00	DRLPRO	12	E	P	WAIT ON CONCAVE MILL AND JUNK BASKET TO ARRIVE @ LOCATION.
22:00 - 0:00	2.00	DRLPRO	05	A	P	MAKE UP BIT SUB, JUNK BASKET, AND 7 1/2" CONCAVE MILL, TRIP IN HOLE. TAG @ 2116'.

10/3/2008

SUPERVISOR: JAMES GOBER

0:00 - 10:00	10.00	DRLPRO	16	A	X	MILL JUNK IN HOLE, FROM 2116' TO 2123'. PUMP HIGH VIS PILLS, WORK JUNK BASKET.
10:00 - 10:30	0.50	DRLPRO	16	A	X	HOLD SAFETY MEETING, PUMP DRY JOB AND PREPARE FOR TRIP OUT OF HOLE.
10:30 - 13:30	3.00	DRLPRO	16	A	P	TRIP OUT OF HOLE, CLEAN OUT JUNK BASKET. JUNK APPEARS TO BE CSG CENTRALIZER.
13:30 - 14:00	0.50	DRLPRO	06	A	P	RIG SERVICE. FUNCTION BOP'S.
14:00 - 16:00	2.00	DRLPRO	12	E	P	WAIT FOR BLADED CONCAVE MILL. MUD UP TO 34 VIS.
16:00 - 18:30	2.50	DRLPRO	16	A	P	MAKE UP BHA #4, TRIP IN HOLE W/ BLADED CONCAVE MILL AND JUNK BASKET.
18:30 - 0:00	5.50	DRLPRO	16	A	P	MILL REMAINING JUNK 2123' TO 2152'. PUMP HIGH VIS SWEEPS.

10/4/2008

SUPERVISOR: JAMES GOBER

0:00 - 1:00	1.00	DRLPRO	16	A	X	MILL ON JUNK TO 2152'. PUMP HI VIS PILL, WORK JUNK BASKET.
1:00 - 3:00	2.00	DRLPRO	05	A	X	PUMP DRY JOB, TOOH, CHECK JUNK BASKET, VERY SMALL AMOUNT OF IRON. BREAK OF MILL AND JUNKBASKET.
3:00 - 6:00	3.00	DRLPRO	05	A	P	P/U MOTOR MAKE UP Q506Z AND TRIP IN HOLE.

3:00 - 6:00	3.00	DRLPRO	05	A	P	P/U MOTOR MAKE UP Q506Z AND TRIP IN HOLE.
6:00 - 8:30	2.50	DRLPRO	02	B	P	DRILL F/ 2152' TO 2304' (152', 61'/HR) MUD WT 8.6 VIS 32.
8:30 - 9:30	1.00	DRLPRO	06	A	P	RIG SERVICE, FUNCTION BOP'S, REPAIR AUTO DRILLER CABLE.
9:30 - 10:00	0.50	DRLPRO	07	A	Z	WORK ON KELLY SPINNER.
10:00 - 18:00	8.00	DRLPRO	02	B	P	DRILL F/ 2304' TO 2684' (380', 48'/HR) MUD WT 8.7 VIS 33
18:00 - 18:30	0.50	DRLPRO	09	A	P	SURVEY 2641' = 1.66 DEGREES
18:30 - 19:00	0.50	DRLPRO	07	A	Z	REMOVE KELLY SPINNER FOR REPAIR.
19:00 - 0:00	5.00	DRLPRO	02	B	P	DRILL F/ 2684' TO 3001'. (317', 63'/HR) MUD WT 8.8 VIS 32.

10/5/2008

SUPERVISOR: JAMES GOBER

0:00 - 10:30	10.50	DRLPRO	02	B	P	DRILL F/ 3001' TO 3729' (728', 70') MUD WT 9.1 VIS 33
10:30 - 11:00	0.50	DRLPRO	09	A	P	WIRELINE SURVEY 3660 = 1.98 DEGREES
11:00 - 13:30	2.50	DRLPRO	02	B	P	DRILL F/ 3729' TO 3918' (189', 76'/HR) MUD WT 9.2 VIS 33
13:30 - 14:00	0.50	DRLPRO	06	A	P	RIG SERVICE, FUNCTION BOP'S.
14:00 - 0:00	10.00	DRLPRO	02	B	P	DRILL FROM 3918' TO 4614' (696', 70'/HR)

10/6/2008

SUPERVISOR: JAMES GOBER

0:00 - 1:00	1.00	DRLPRO	02	B	P	DRILL F/ 4614' TO 4677' (63', 63'/HR)
1:00 - 1:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY 4602' = 1.17 DEGREES
1:30 - 13:00	11.50	DRLPRO	02	B	P	DRILL F/ 4677' TO 5278' (601,52'/HR) MUD WT 9.7 VIS 36
13:00 - 13:30	0.50	DRLPRO	06	A	P	RIG SERVICE. FUNCTION BOP'S
13:30 - 14:30	1.00	DRLPRO	07	A	P	INSTALL NEW KELLY SPINNERS.
14:30 - 0:00	9.50	DRLPRO	02	B	P	DRILL 5278' TO 5689'. (411,43'/HR) MUD WT 10 VIS 36

10/7/2008	<u>SUPERVISOR:</u> JAMES GOBER							
	0:00 - 0:30	0.50	DRLPRO	09	A	P	SURVEY 5610'= 1.79 DEGREES.	
	0:30 - 16:00	15.50	DRLPRO	02	B	P	DRILL F/ 5689' TO 6417' (728',47'/HR) MUD WT 10.5 VIS 38	
	16:00 - 16:30	0.50	DRLPRO	06	A	P	RIG SERVICE, FUNCTION BOP'S, BOP DRILL	
	16:30 - 0:00	7.50	DRLPRO	02	B	P	DRILL F/ 6417' TO 6715' (298', 40'/HR) MUD WT 10.8 VIS 38	
10/8/2008	<u>SUPERVISOR:</u> JAMES GOBER							
	0:00 - 12:30	12.50	DRLPRO	02	B	P	DRILL F/ 6715 TO 7209' (494', 40'/HR) MUD WT 11 VIS 40	
	12:30 - 13:00	0.50	DRLPRO	04	B	P	MIX DRY JOB AND PUMP, DROP SURVEY.	
	13:00 - 18:00	5.00	DRLPRO	05	A	P	TRIP FOR BIT, HOLE DRAG 20K OVER @ 5700', 4900', 4500', 3400'. RECOVER SURVEY 7102' = 2.14 DEGREES. BIT SLIGHTLY BALLED.	
	18:00 - 23:00	5.00	DRLPRO	05	A	P	C/O TO BIT #5, TRIP IN HOLE. NO TIGHT HOLE ON TRIP IN, FILL PIPE @ 2100'. NO FILL ON BOTTOM.	
	23:00 - 0:00	1.00	DRLPRO	02	B	P	DRILL F/ 7209' TO 7253' (44'/HR) TRIP GAS = 3230 u MUD WT 11.1 VIS 40.	
10/9/2008	<u>SUPERVISOR:</u> JAMES GOBER							
	0:00 - 13:00	13.00	DRLPRO	02	B	P	DRILL F/ 7253' TO 7774' (521',40'/HR) MUD WT 11.2 VIS 42	
	13:00 - 13:30	0.50	DRLPRO	06	A	P	RIG SERVICE, FUNCTION BOP'S.	
	13:30 - 19:30	6.00	DRLPRO	02	B	P	DRILL F/ 7774' TO 8050' TD 19:30 10/09/2008 (276',46'/HR) MUD WT 11.7 VIS 42 (TD EXTENDED TO 8050 AT REQUEST OF GEOLOGIST.)	
	19:30 - 20:30	1.00	DRLPRO	04	A	P	CIRC BOTTOMS UP. MIX AND PUMP DRY JOB. MUD WT 11.8 VIS 42. (SAFETY MEETING)	
	20:30 - 0:00	3.50	DRLPRO	05	E	P	WIPER TRIP TO 3950', TIGHT HOLE @ 5985'.	
10/10/2008	<u>SUPERVISOR:</u> JAMES GOBER							
	0:00 - 1:00	1.00	DRLPRO	05	E	P	WIPER RUN FROM 4000'.	
	1:00 - 3:00	2.00	DRLPRO	04	A	P	CIRC OUT TRIP GAS. 4150u W/ 3' FLARE. HAVE SAFETY MEETING W/ WEATHERFORD TRS. AND RIG UP LAYDOWN MACHINE.	

1:00 - 3:00	2.00	DRLPRO	04	A	P	CIRC OUT TRIP GAS. 4150u W/ 3' FLARE. HAVE SAFETY MEETING W/ WEATHERFORD TRS. AND RIG UP LAYDOWN MACHINE.
3:00 - 10:30	7.50	DRLPRO	05	A	P	LAYDOWN DP, BREAK KELLY, LD BHA. SURVEY RETRIEVED 7893'= 1.2 DEGREES
10:30 - 11:00	0.50	DRLPRO	13	B	P	PULL WEAR BUSHING. PARTIALLY RIG DOWN WEATHERFORD TRS.
11:00 - 16:30	5.50	EVALPR	08	A	P	HOLD SAFETY MEETING W/ HALIBURTON LOGGERS. RIG UP LOGGERS AND LOG TO 7450' (BRIDGE OUT AT 7450') LOG UP FROM 7450'. RIG DOWN HALIBURTON
16:30 - 17:30	1.00	CSG	11	A	P	HOLD SAFETY MEETING W. WEATHERFORD TRS. AND RIG UP CSG CREW AND LD TROUGH.
17:30 - 23:00	5.50	CSG	11	B	P	RUN 189 JTS OF 4-1/2", 11.6#, 1-80 CSG. WILL LAND @ 8042', FLOAT @ 8000'. WASATCH MARKER @ 3929'. NO TIGHT HOLE WHILE RUNNING CSG. FILL PIPE @ 1000', 3000', 6000'. GOOD DISPLACEMENT. INSTALL MANDREL, ROT HEAD RUBBER. RIG DOWN CSG CREW.
23:00 - 0:00	1.00	CSG	04	E	P	CIRC OUT GAS. HOLD SAFETY MEEITNG W/ BJ SERVICES. RIG UP BJ.

10/11/2008

SUPERVISOR: JAMES GOBER

0:00 - 1:00	1.00	CSG	11	A	P	CIRC. READY BJ TO PUMP CEMENT. HOLD SAFETY MEETING W/ BJ SERVICE. PRESSURE TEST LINES.
1:00 - 3:30	2.50	CSG	15	A	P	START 20 BBLS OF 8.3# MUD CLEAN, PUMP 30 BBLS (20 SX, 8.45 YD) OF 9.5# SCAVENGER PREMIUM LIGHT CEMENT. PUMP 170 BBLS (305SX, 3.13 YD) OF 11.2# PREM LIGHT LEAD. PUMP 126 BBLS (1080 SX, 1.31 YD) 14.5# OF 50/50 POZ CEMENT. DISPLACE PIPE W/ H2O 124.5 BBLS. PRESSURE PRIOR TO BUMP 2300. BUMP PLUG 3000 PSI, HEL PSI FOR 5 MIN, TEST FLOAT. FLOAT HELD. 24 BBL OF LEAD CEMENT TO RESERVE. FLUSH STACK, LAND CSG, RIG DOWN BJ. TEST MANDREL TO 5000 PSI FOR 5 MIN.
3:30 - 8:30	5.00	RDMO	13	A	P	NIPPLE DOWN BOP, DROP 1 GAL OF CHLORINE TABS, CLEAN MUD PITS. SAVE 800 BBLS OF 12# MUD. RELEASE RIG 10/11/2008 08:30

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 10/29/2008 AFE NO.: 2021890
 OBJECTIVE: DEVELOPMENT END DATE: 11/4/2008
 OBJECTIVE 2: VERTICAL WELL DATE WELL STARTED PROD.: 9/14/2008
 REASON: MV Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location
 LEED 686 / 686 10/29/2008 11/04/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
10/29/2008	SUPERVISOR: BRAD BURMAN						
	7:00 - 7:30	0.50	COMP	48		P	JSA#1
	7:30 - 16:23	8.88	COMP	30	A	P	7AM [DAY 1]
	MIRU LAST NIGHT. NDWH, NUBOP. R/U FLOOR & TBG EQUIPMENT. P/U 3-7/8" MILL & NEW 2-3/8" J-55 TBG & RIH. NOTE: GREEN FLOOR HAND UNLATCHED ELEVATORS BEFORE SLIPS WERE SET. DROPPED 1 JT & MILL TO BTM. CALL FISHERMAN. CONTINUE P/U TBG & RIH. [SLM] TBG WAS DRIFTED. TAG TOP OF FISH @ 7955' ATTEMPT TO SCREW INTO DROPPED JT @ 7965'. POOH & L/D 1 JT ON FLOAT. CONTINUE POOH STDG BACK TBG. L/D FISHED JT & MILL!!! R/D FLOOR & TBG EQUIPMENT. NDBOP, NU FRAC VALVES. R/U FLOOR. 3PM SWI-SDFN. PREP TO P.T. & PERF IN AM.						
10/30/2008	SUPERVISOR: BRAD BURMAN						
	7:00 - 7:30	0.50	COMP	48		P	JSA#2
	7:30 - 15:00	7.50	COMP	37	B	P	7AM [DAY 2]
	MIRU DOUBLE JACK. P.T. CSG & FRAC VALVES TO 7500#. RDMO DBL JACK. [STG#1] MIRU CUTTERS. RIH W/ PERF GUNS & PERF THE M.V. @ 7637'-7640', 7700'-7704' & 7757'-7764' USING 3-3/8" EXP GUNS, 23 GM, 0.36, 120* PHS, 3 SPF [42 HLS] WHP=0#. POOH & L/D WIRELINE TOOLS. RDMO CUTTERS. SWI-SDFN						
10/31/2008	SUPERVISOR: BRAD BURMAN						
	[DAY3] STAND-BY						
11/3/2008	SUPERVISOR: BRAD BURMAN						
	7:00 - 7:30	0.50	COMP	48		P	DAY 4 - JSA & SM #4
	7:30 - 9:05	1.58	COMP	36	E	P	WHP = 1500 PSI. MIRU BJ SERVICES. P/T SURFACE EQUIP. TO 8000 PSI. STG #1) BRK DWN PERF 3.5 BPM @ 3706 PSI. ISIP = 2347 PSI, FG - 0.75. PMP 100 BBLS W/10/1000 SCALE INHIB. PMP 250 GAL 15% HCL. PMP 130 BBLS @ 50.3 BPM @ 3900 PSI. 42/42 PRFS OPEN - 100%. MP 4086 PSI, MR 50.9 BPM, AP 3895 PSI, AR 49.7 BPM, ISIP = 2091 PSI, FG = 0.72, NPI = (-256) PSI, PMPD 1464 BBLS SLK WTR, 47,226 LBS OTTOWA, 5,108 LBS TLC, 52,334 LBS TOTAL SAND, 177 GAL SCALE INHIB. MIRU CUTTERS WIRELINE. STG #2) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLE, 120 DEG PHSG., SET BAKER 8K CBP @ 7580'. PERF THE M.V. @ 7540' - 50', 3 SPF, 7422' - 26', 3 SPF, 42 HOLES. STG #2) BRK DWN PERF 3.7 BPM @ 3714 PSI. ISIP = 2263 PSI, FG - 0.75. PMPD 130 BBLS @ 50.8 BPM @ 4100 PSI. 42/42 PRFS OPEN - 100%. MP 4175 PSI, MR 51.6 BPM, AP 3991 PSI, AR 51.2 BPM, ISIP = 2240 PSI, FG = 0.75, NPI = (-23) PSI, PMPD 1947 BBLS SLK WTR, 68,000 LBS OTTOWA, 4,889 LBS TLC, 72,889 LBS TOTAL SAND, 133 GAL SCALE INHIB. STG #3) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLE, 120 DEG PHSG., SET BAKER 8K CBP @ 7366'. PERF THE M.V. @ 7332' - 36', 3 SPF, 7259' - 62', 3 SPF, 7219' - 26', 3 SPF, 42 HOLES.
	9:05 - 10:20	1.25	COMP	37	B	P	
	10:20 - 11:10	0.83	COMP	36	E	P	
	11:10 - 12:02	0.87	COMP	37	B	P	

12:02 - 13:02	1.00	COMP	36	E	P	STG #3) BRK DWN PERF 3.8 BPM @ 5330 PSI. ISIP = 2263 PSI, FG - 0.76. PMPD 140 BBLs @ 50.6 BPM @ 4500 PSI. 42/42 PRFS OPEN - 100%. MP 4505 PSI, MR 51.6 BPM, AP 4238 PSI, AR 51.1 BPM, ISIP = 2255 PSI, FG = 0.76, NPI = (-15) PSI, PMPD 2180 BBLs SLK WTR, 77,014 LBS OTTOWA, 5,936 LBS TLC, 83,050 LBS TOTAL SAND, 145 GAL SCALE INHIB.
13:02 - 13:50	0.80	COMP	37	B	P	STG #4) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLE, 90 DEG PHSG., SET BAKER 8K CBP @ 7154'. PERF THE M.V. @ 7117' - 24', 4 SPF, 7064' - 67', 4 SPF, 40 HOLES.
13:50 - 14:50	1.00	COMP	36	E	P	STG #4) BRK DWN PERF 3.8 BPM @ 3070 PSI. ISIP = 1858 PSI, FG - 0.71. PMPD 270 BBLs @ 50.5 BPM @ 4400 PSI. 28/40 PRFS OPEN - 70%. 1465 BBLs PMPD 50.6 BPM @ 4040 PSI. 40/40 PERFS OPEN. (END OF SWEEP) MP 4813 PSI, MR 52.4 BPM, AP 4292 PSI, AR 51.5 BPM, ISIP = 1708 PSI, FG = 0.69, NPI = (-150) PSI, PMPD 2140 BBLs SLK WTR, 77,012 LBS OTTOWA, 4,175 LBS TLC, 81,187 LBS TOTAL SAND, 139 GAL SCALE INHIB.
14:50 - 15:45	0.92	COMP	37	B	P	STG #5) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLE, 120 DEG PHSG., SET BAKER 8K CBP @ 6950'. PERF THE M.V. @ 6901' - 08', 3 SPF, 6832' - 36', 3 SPF, 6775' - 78', 3 SPF, 42 HOLES.
15:45 - 15:45	0.00	COMP	36	E	P	STG #5) BRK DWN PERF 3.5 BPM @ 3664 PSI. ISIP = 1597 PSI, FG - 0.68. PMPD 125 BBLs @ 53 BPM @ 3300 PSI. 42/42 PRFS OPEN - 100%. MP 3299 PSI, MR 53.0 BPM, AP 3071 PSI, AR 52.0 BPM, ISIP = 1708 PSI, FG = 0.70, NPI = 163 PSI, PMPD 6226 BBLs SLK WTR, 241,999 LBS OTTOWA, 5,071 LBS TLC, 247,070 LBS TOTAL SAND, 322 GAL SCALE INHIB.
			34	I		KILL PLUG) RIH W/BAKER 8K CBP SET @ 6725'. POOH W/TOOL & LD. RDMO CUTTERS WIRELINE & BJ SERVICES. 18:30 - SWI - SDFN.

11/4/2008

SUPERVISOR: BRAD BURMAN

7:00 - 7:15	0.25	COMP	48		P	DAY 5 - JSA & SM #5.
7:15 - 7:15	0.00	COMP	44	C	P	WHP = 0 PSI. R/D FLOOR. ND FRAC VALVES, NUBOP. R/U FLOOR & TBG EQUIP. PU 3 7/8" BIT, POBS & XN NIPPLE. RIH ON NEW 2 3/8" 4.7# J55 TBG. TAG CBP @ 6694'. R/U PWR SWWL & PMP. EST CIRC. P/T BOP TO 3000 PSI. CBP #1) DRLG OUT BAKER 8K CBP @ 6694' IN 5 MIN. 125 PSI DIFF. RIH TAG FILL @ 6905'. C/O 45' OF SND. FCP = 50 PSI. CBP #2) DRLG OUT BAKER 8K CBP @ 6950' IN 8 MIN. 150 PSI DIFF. RIH TAG FILL @ 7114'. C/O 40' OF SND. FCP = 100 PSI. CBP #3) DRLG OUT BAKER 8K CBP @ 7154' IN 4 MIN. 50 PSI DIFF. RIH TAG FILL @ 7331'. C/O 35' OF SND. FCP = 200 PSI. CBP #4) DRLG OUT BAKER 8K CBP @ 7366' IN 4 MIN. 50 PSI DIFF. RIH TAG FILL @ 7550'. C/O 30' OF SND. FCP = 250 PSI. CBP #5) DRLG OUT BAKER 8K CBP @ 7580' IN 5 MIN. 0 PSI DIFF. RIH TAG FILL @ 7877'. C/O 120' OF SND. PBTD @ 7997'. CIRC WELL CLEAN W/RECYCLED WTR. FCP = 500 PSI. R/D PWR SWWL. POOH & L/D 20 JTS TBG ON FLOAT. (27 JTS TOTAL ON FLOAT). LAND TBG ON HANGER W/235 JTS NEW 2 3/8" 4.7# J55 TBG. EOT @ 7360.62'. POBS & XN NIPPLE @ 7381.65'. R/D FLOOR & TBG EQUIP. NDBOP, DROP BALL, NUWH. PMP OFF BIT @ 2300 PSI. WAIT 30 MIN FOR BIT TO FALL TO BTM. OPEN WELL TO F.B.T. ON 20 CHOKE. FTP = 1200 PSI. SICP = 1350 PSI. TURN WELL TO F.B.C. LTR = 11450 BBLs RDMO SERVICE UNIT. 17:00 SDFN.

11/5/2008

SUPERVISOR: BRAD BURMAN

Wins No.: 95608

BONANZA 1023-10P

API No.: 4304738226

	7:00 -		33	A	7 AM FLBK REPORT: CP 1525#, TP 1650#, 20/64" CK, 55 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 3392 BBLS LEFT TO RECOVER: 10565
11/6/2008	<u>SUPERVISOR:</u> TRENT MATTHEWS 7:00 -		33	A	7 AM FLBK REPORT: CP 1950#, TP 1800#, 20/64" CK, 43 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 4544 BBLS LEFT TO RECOVER: 9413
	11:00 -	PROD			WELL TURNED TO SALES @ 1100 AM ON 11/06/2008 - FTP 1900#, CP 2900#, CK 20/64", 1624 MCFD, 1032 BWPD
11/7/2008	<u>SUPERVISOR:</u> TRENT MATTHEWS 7:00 -		33	A	7 AM FLBK REPORT: CP 2900#, TP 1900#, 20/64" CK, 37 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 5432 BBLS LEFT TO RECOVER: 8525
11/8/2008	<u>SUPERVISOR:</u> TRENT MATTHEWS 7:00 -		33	A	7 AM FLBK REPORT: CP 2525#, TP 1750#, 20/64" CK, 28 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 1690 BBLS LEFT TO RECOVER: 6940

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-38424

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
CR-5

8. Lease Name and Well No.
BONANZA 1023-10P

9. AFI Well No.
4304738226

10. Field and Pool or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., on Block and Survey or Area
SEC. 10, T10S, R23E

12. County or Parish
UINTAH, COUNTY

13. State
UT

14. Date Spudded
09/04/2008

15. Date T.D. Reached
10/11/2008

16. Date Completed
11/06/2008
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
5495'GL

18. Total Depth: MD 8050'
TVD

19. Plug Back T.D.: MD 7997'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR) RPM, TDI/S/D/SN

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

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

3. Address
1368 SOUTH 1200 EAST VERNAL, UTAH 84078

3a. Phone No. (include area code)
435.781.7024

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface SE/SE 690'FSL, 856'FEL
At top prod. interval reported below
At total depth

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" STEEL	36.7#		40'		28 SX			
12 1/4"	9 5/8" J-55	36#		2118'		1225 SX			
7 7/8"	4 1/2 I-80	11.6#		8050'		1385 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	7361'							

25. Producing Intervals **MURD**

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) 6775'-7764'	6775'	7764'	6775'-7764'	0.36	208	OPEN
B)						
C)						
D)						

26. Perforation Record

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

Depth Interval	Amount and Type of Material
6775'-7764'	PMP 13,957 BBLS SLICK H2O & 13,957# 40/70 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/6/08	11/9/08	24	→	0	2576	670			FLOWS FROM WELL

Choke Size: 18/64

Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status
1750#	2525#	→	0	2576	670		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	Gas/Oil Ratio	Well Status
		→					

RECEIVED
DEC 08 2008

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

28b. Production - Interval C

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

28c. Production - Interval D

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

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

SOLD

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

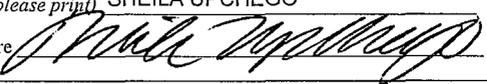
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GREEN RIVER	964'				
MAHOGANY	1843'				
WASATCH	3990'	5811'			
MESAVERDE	5822'	7936'			

32. Additional remarks (include plugging procedure):

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

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

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

Name (please print) SHEILA UPCHEGO Title REGULATORY ANALYST
 Signature  Date 11/25/2008

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.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-38424
SUNDRY NOTICES AND REPORTS ON WELLS		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well		8. WELL NAME and NUMBER: BONANZA 1023-10P
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		9. API NUMBER: 43047382260000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6515 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0690 FSL 0856 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 10 Township: 10.0S Range: 23.0E Meridian: S		COUNTY: UINTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/3/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Subsurface Commingle"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>The operator requests authorization to re-complete the subject well location.</p> <p>The operator proposed to re-complete the Wasatch formation. The operator also requests authorization to commingle the newly Wasatch and existing Mesaverde formations. Please refer to the attached re-completion procedures.</p>		
		Accepted by the Utah Division of Oil, Gas and Mining
		Date: 05/09/2011 By: <u>Derek Quist</u>
NAME (PLEASE PRINT) Gina Becker	PHONE NUMBER 720 929-6086	TITLE Regulatory Analyst II
SIGNATURE N/A		DATE 5/3/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047382260000

Authorization: Board Cause No. 179-14 .

Greater Natural Buttes Unit



BONANZA 1023-10P
RE-COMPLETIONS PROCEDURE

DATE:4/20/2011
AFE#:
API#:4304738226
USER ID:JVN975 (Frac Invoices Only)

COMPLETIONS ENGINEER: Michael Sollee, Denver, CO
(720)-929-6057 (Office)
(832)-859-0515 (Cell)

SIGNATURE:

ENGINEERING MANAGER: JEFF DUFRESNE

SIGNATURE:

REMEMBER SAFETY FIRST!

Name: Bonanza 1023-10P**Location:** SE SE Sec 10 T10S R23E**Uintah County, UT****LAT: 39.958139****LONG: -109.306714****COORDINATE: NAD83****Date:** 4/20/2011**ELEVATIONS:** 5495' GL 5513' KB *Frac Registry TVD: 8047***TOTAL DEPTH:** 8050'**PBTD:** 7998'**SURFACE CASING:** 9 5/8", 36# J-55 ST&C @ 2079'**PRODUCTION CASING:** 4 1/2", 11.6#, I-80 LT&C @ 8043'Marker Joint **3924-3941'****TUBULAR PROPERTIES:**

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

TOPS:

964' Green River Top
 1222' Bird's Nest Top
 1843' Mahogany Top
 3990' Wasatch Top
 5822' Mesaverde Top

BOTTOMS:

5822' Wasatch Bottom
 8050' Mesaverde Bottom (TD)

T.O.C. @ 990'**GENERAL:**

- A minimum of **5** tanks (cleaned lined 500 bbl) of recycled water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Halliburtons Induction-Density-Neutron log dated 10/10/08
- **2** fracturing stages required for coverage.
- Procedure calls for **3** CBP's (**8000** psi) .
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Pump scale inhibitor at 3 gpt (in pad and until 1.25 ppg ramp up is reached) and 10 gpt in all flushes except the final stage. Remember to pre-load the casing with scale inhibitor for the very first stage with 10 gpt.
- 30/50 mesh Ottawa sand, **Slickwater frac.**
- Maximum surface pressure **6200** psi.
- Flush volumes are the sum of slick water and acid used during displacement (include scale inhibitor as mentioned above). Stage acid and scale inhibitor if necessary to cover the next perforated interval.

- **Call flush at 0 PPG @ inline densimeters. Slow to 5 bbl/min over last 10-20 bbls of flush. Flush to top perf.**
- **If distance between plug and top perf of previous stage is less than 50', it is considered to be tight spacing - over flush stage by 5 bbls (from top perf)**
- Pump 20/40 mesh **curable resin coated sand** last 5,000# of all frac stages
- Tubing Currently Landed @~7381
- Originally completed on 11/03/2008

Existing Perforations:

Stage	Zones	Perforations		SPF	Holes
		Top, ft	Bottom, ft		
1	MESAVERDE	7637	7640	3	9
	MESAVERDE	7700	7704	3	12
	MESAVERDE	7757	7764	3	21
	# of Perfs/stage				42
2	MESAVERDE	7422	7426	3	12
	MESAVERDE	7540	7550	3	30
	# of Perfs/stage				42
3	MESAVERDE	7219	7226	3	21
	MESAVERDE	7259	7262	3	9
	MESAVERDE	7332	7336	3	12
	# of Perfs/stage				42
4	MESAVERDE	7064	7067	4	12
	MESAVERDE	7117	7124	4	28
	# of Perfs/stage				40
5	MESAVERDE	6775	6778	3	9
	MESAVERDE	6832	6836	3	12
	MESAVERDE	6901	6908	3	21
	# of Perfs/stage				42

Relevant History:

Feb 2009—Workover for barium. LD 19 jts scaled tbg. Land tbg @ 7381.

Aug 2009—Tagged at 6119 w/1.906" guage ring. Worked down to 7365. Dropped spring.

Jan 2010—Fish sand plunger and spring. Tubing and spring lightly scaled. Stacked out at 7817. Dropped spring and plunger.

H2S History:

BONANZA 1023-10P		
	Date	H2S H2S_SEPARATO R_PPM
1	10/1/2008	3.00
2	11/1/2008	
3	12/1/2008	
4	1/1/2009	0.00
5	2/1/2009	0.00
6	3/1/2009	3.00
7	4/1/2009	0.00
8	5/1/2009	15.00
9	6/1/2009	16.00
10	7/1/2009	1.00
11	8/1/2009	1.00
12	9/1/2009	2.00
13	10/1/2009	3.00
14	11/1/2009	10.00
15	12/1/2009	12.00
16	1/1/2010	5.00
17	2/1/2010	7.00
18	3/1/2010	15.00
19	4/1/2010	15.00

PROCEDURE: (If using any chemicals for pickling tubing or H2S Scavenging, have MSDS for all chemicals prior to starting work.)

1. MIRU. Control well with recycled water and biocide as required. ND WH, NU BOP's and test.
2. If the tubing is below the proposed CBP depth, TOOH with 2-3/8", 4.7#, J-55 (or N-80) tubing (currently landed at ~7381'). Visually inspect for scale and consider replacing if needed. If the tubing is above the proposed CBP depth, RIH with tubing and tag for fill before TOOH.
3. If tbg looks ok consider running a gauge ring to 6821 (50' below proposed CBP). Otherwise P/U a mill and C/O to 6821 (50' below proposed CBP).
4. Set 8000 psi CBP at ~ 6771'. ND BOPs and NU frac valves. Test frac valves and casing to 1000 and 3500 psi for 15 minutes each and to 6200 psi for 30 minutes. As per standard operating procedure install steel blowdown line to reserve pit from 4-1/2" X 8-5/8" annulus with pressure relief valve in line. Pressure relief will be set to release at 500 psig. Lock **OPEN** the Braden head valve. Annulus will be monitored throughout stimulation. If release occurs, stimulation will be shut down. Well conditions will be assessed and actions taken as necessary to secure the well. UDOGM will be notified if a release to the annulus occurs.
5. Perf the following with 3-3/8" gun, 23 gm, 0.36"hole:

Zone	From	To	spf	# of shots
MESAVERDE	6440	6441	3	3
MESAVERDE	6529	6530	3	3
MESAVERDE	6552	6554	3	6
MESAVERDE	6655	6656	3	3
MESAVERDE	6739	6741	3	6

6. Breakdown perfs and establish injection rate (include scale inhibitor in fluid). Spot 250 gals of 15% HCL and let soak 5-10 min. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~6440' and trickle 250gal 15%HCL w/ scale inhibitor in flush .
7. Set 8000 psi CBP at ~5,640'. Perf the following 3-3/8" gun, 23 gm, 0.36"hole:

Zone	From	To	spf	# of shots
WASATCH	5233	5234	3	3
WASATCH	5240	5241	3	3
WASATCH	5311	5314	3	9
WASATCH	5608	5610	3	6
8. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 9 on attached listing. Under-displace to ~5233' and flush only with recycled water..
9. Set 8000 psi CBP at~5,183'.
10. ND Frac Valves, NU and Test BOPs.
11. TIH with 3 7/8" bit, pump off sub, SN and tubing.
12. Drill plugs and clean out to PBSD. Shear off bit and land tubing at $\pm 7381'$ unless indicated otherwise by the well's behavior. The well will be commingled at this time.
13. Clean out well with foam and/or swabbing unit until steady flow has been established from completion.
14. **Leave surface casing valve open.** Monitor and report any flow from surface casing. RDMO

For design questions, please call
Michael Sollee, Denver, CO
(720)-929-6057 (Office)
(832)-859-0515 (Cell)

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

NOTES:

If using any chemicals for pickling tubing or H2S Scavenging, have MSDS for all chemicals prior to starting work

Verify that the Braden head valve is locked OPEN.

Name Bonanza 1023-10P Recomp
Perforation and CBP Summary

Stage	Zones	Perforations		SPF	Holes	Fracture Coverage		
		Top, ft	Bottom, ft					
1	MESAVERDE	6440	6441	3	3	6427	to	6448.25
	MESAVERDE	6529	6530	3	3	6523	to	6534.25
	MESAVERDE	6552	6554	3	6	6542	to	6561
	MESAVERDE	6655	6656	3	3	6636.75	to	6658.75
	MESAVERDE	6739	6741	3	6	6723.75	to	6748.25
	MESAVERDE							
	MESAVERDE							
	# of Perfs/stage				21	CBP DEPTH	5,640	
2	WASATCH	5233	5234	3	3	5225.75	to	5234.25
	WASATCH	5240	5241	3	3	5236.5	to	5247.5
	WASATCH	5311	5314	3	9	5291.25	to	5318
	WASATCH	5608	5610	3	6	5603.5	to	5611.75
	WASATCH							
	WASATCH							
	WASATCH							
	WASATCH							
	# of Perfs/stage				21	CBP DEPTH	5,183	
	Totals				42			

Acid Pickling and H2S Procedures (If Required)

****PROCEDURE FOR PUMPING ACID DOWN TBG**

WHEN FINDING SCALE IN TUBING THAT IS ACID SOLUBLE, ENSURE THAT PLUNGER EQUIPMENT IS REMOVED AND ABLE TO PUMP DOWN TBG. INSTALL A 'T' IN PUMP LINE W/2" VALVE THAT NALCO CAN TIE INTO. HAVE 60 BBL 2% KCL MIXED W/ 10-15 GAL H2S SCAVENGER IN RIG FLAT TANK. (WE USED THE RIG FLAT TANK FOR MIXING CHEMICAL SO WE DIDN'T HAVE THE CHEMICAL IN ALL FLUIDS ON LOCATION, ONLY WHAT WE NEEDED TO PUMP DOWN HOLE)

1. PUMP 5-10 BBL 2% KCL DOWN TBG (NALCO CANNOT PUMP AGAINST PRESSURE)
2. NALCO WILL PUMP 3 DRUMS HCL (31%) INTO PUMP LINE.
3. FLUSH BEHIND ACID WITH 10-15 BBL 2% KCL
4. PUMP 2—30 BBL 2% W/ H2S SCAVENGER DOWN TBG.
5. PUMP REMAINDER OF 2% W/ H2S SCAVENGER DOWN CASING AND SHUT WELL IN FOR MINIMUM OF 2 HRS.
6. OVER DISPLACE DOWN TBG AND CSG TO FLUSH ACID AND SCAVENGER INTO FORMATION
7. MONITOR TUBING FOR FLOW AND CASING FOR H2S NOW AS POOH W/ TUBING.

**** PROCEDURE FOR PUMPING H2S SCAVENGER WITHOUT ACID**

PRIOR TO RIG MOVING ON OR AS RIG PULLS ONTO LOCATION. TEST CASING, TUBING AND SEPARATOR FOR H2S. IF FOUND MAKE SURE THAT PLUNGER SYSTEM IS REMOVED (IT IS POSSIBLE TO PUMP AROUND PLUNGERS BUT SOME WILL HAVE A STANDING VALVE IN SEATING NIPPLE).

1. MIX 10-15 GAL H2S SCAVENGER WITH 60-100 BBL 2% KCL IN RIG FLAT TANK.
2. PUMP 25 BBL MIXTURE DOWN TUBING AND REST DOWN CASING. SHUT WELL IN FOR 2 HOURS.
3. IF WELL HAS PRESSURE AFTER 2 HOURS – RETEST CASING AND TUBING FOR H2S.
4. FLUSH TUBING AND CASING PUSHING H2S SCAVENGER INTO FORMATION.
5. MONITOR TUBING FOR FLOW AND CASING FOR H2S NOW AS POOH W/ TUBING.

** As per APC standard operating procedure, APC foreman will verify ALL volumes pumped and record on APC Volume Report Form

Key Contact information

Completion Engineer

Michael Sollee: 832-859-0515, 720-929-6057

Production Engineer

Kyle Bohannon: 804-512-1985, 435-781-7068

Completion Supervisor Foreman

Jeff Samuels: 435-828-6515, 435-781-7046

Completion Manager

Jeff Dufresne: 720-929-6281, 303-241-8428

Vernal Main Office

435-789-3342

Emergency Contact Information—Call 911

Vernal Regional Hospital Emergency: 435-789-3342

Police: (435) 789-5835

Fire: 435-789-4222

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU38424

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
b. Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Diff. Resvr. Other _____		7. Unit or CA Agreement Name and No.	
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE; Mail: JAIME.SCHARNOWSKE@ANADARKO.COM		8. Lease Name and Well No. BONANZA 1023-10P	
3. Address PO BOX 173779 DENVER, CO 80217		3a. Phone No. (include area code) Ph: 720-929-6304	
9. API Well No. 43-047-38226		10. Field and Pool, or Exploratory NATURAL BUTTES	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SESE 690FSL 856FEL At top prod interval reported below SESE 690FSL 856FEL At total depth SESE 690FSL 856FEL		11. Sec., T., R., M., or Block and Survey or Area Sec 10 T10S R23E Mer SLB	
12. County or Parish UINTAH		13. State UT	
14. Date Spudded 09/04/2008		15. Date T.D. Reached 10/11/2008	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 11/03/2011		17. Elevations (DF, KB, RT, GL)* 5495 GL	
18. Total Depth: MD 8050 TVD		19. Plug Back T.D.: MD 7997 TVD	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CBL/CCL/GR-RPM-HDI/SD/DSN	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)			

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

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7355							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5233	5610	5233 TO 5610	0.360	21	OPEN
B) MESAVERDE	6440	6741	6440 TO 6741	0.360	21	OPEN
C) MESAVERDE	6775	7764	6775 TO 7764	0.360	208	OPEN
D)						

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

Depth Interval	Amount and Type of Material
5233 TO 6741	PUMP 1,816 BBLs SLICK H2O & 59,027 LBS 30/50 OTTAWA SAND

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28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/03/2011	11/06/2011	24	→	0.0	735.0	177.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
45/64	SI 178	530.0	→	0	735	177		PGW	

28a. Production - Interval B

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

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

ELECTRONIC SUBMISSION #124589 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				GREEN RIVER BIRD'S NEST MAHOGANY WASATCH MESAVERDE	964 1222 1843 3990 5822

32. Additional remarks (include plugging procedure):

Attached is the chronological recompletion history and perforation report. New recompletion perms are in the Wasatch 5233-5610 & Mesaverde 6440-6741; existing perms in Mesaverde 6775-7764. Production test info is from all perms. Casing in the well is as previously reported in the original completion report.

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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: | |

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

**Electronic Submission #124589 Verified by the BLM Well Information System.
For KERR MCGEE OIL & GAS ONSHORE,L, sent to the Vernal**

Name (please print) JAIME L. SCHARNOWSKE Title REGULATORY ANALYST

Signature (Electronic Submission) Date 12/02/2011

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-10P	Spud Conductor: 9/4/2008	Spud Date: 9/14/2008
Project: UTAH-UINTAH	Site: BONANZA 1023-10P	Rig Name No: MILES-GRAY 1/1
Event: RECOMPL/RESEREVEADD	Start Date: 10/12/2011	End Date: 10/26/2011
Active Datum: RKB @5,513.00usft (above Mean Sea Level)	UWI: BONANZA 1023-10P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
10/13/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, WORKING W/ TBG SCANNERS
	7:30 - 12:00	4.50	COMP	31	I	P		SICP 180 SITP 180, PUMPED 20 BBLS T-MAC DWN TBG, ND WH NU BOPS, PUMP 20 BBLS DWN CSG. UNLAND TBG, RU SCAN TECH, POOH W/ 235 JTS 23/8 J-55.HAD 89 BAD W/ WALL LOSS PITTING.
	12:00 - 17:00	5.00	COMP	31	I	P		PU RIH W/ 37/8 MILL & 146 JTS 23/8 YELLOWN BAND F/ DERICK. PU 99 JTS 23/8 YELLOW BAND OFF FLOAT. TAG UP @ 7709' RU DRLG EQUIP SWM SDFN.
10/14/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, WORKING W/ FOAM UNIT.
	7:30 - 17:00	9.50	COMP	44	D	P		SICP 500, SITP 100, BROKE CIRC W/ AIR/ FOAM, C/O SCALE & SAND F/ 7709' TO 7847', CIRC CLEAN, KILL TBG. L/D 249 JTS 23/8 J-55, ND BOPS NU FV, SWM RIG DWN SDFWE.
10/20/2011	7:00 - 15:00	8.00	COMP	37	B	P		MIRU SUPERIOR & JW WIRELINE, RUN 41/2 GAUGE RING BELOW 6752' POOH RIH SET CBP @ 6752' POOH RU B&C QUICK TEST, TEST TO 1,000 PSI, GAINED 250 PSI IN 15 MIN, TEST TO 3500 PSI, GAINED 149 PSI IN 15 MIN, TEST TO 6200 PSI, GAINED 62 PSI IN 30 MIN.RD B&C RIH W/ 31/8 EXP, 23 GRM, .36" HOLES GNS,120 DEG PHASING & PERF 1ST STG AS OF PROCEDURE. SWM PREP TO FRAC IN AM, SDFN
10/21/2011	6:00 - 7:00	1.00	COMP	33	D	P		PRIME & TEST PUMPS & LINES TO 7600# PSI LOST 2800 PSI IN 15 MIN TROUGH PUMPS, SET POPOFF TO 5950 PSI, SET KICK OUTS ON PUMPS, #1 6150 PSI, #2 6125 PSI, #3 6100 PSI, #4 6000 PSI, #5 6175 PSI, #6 6050 PSI. HELD SAFTEY MEETING. SURFACE VALVE OPEN.
	7:00 - 7:36	0.60	COMP	36	E	P		(STG #1) WHP 330 PSI, BRK 3003 PSI @ 1.2 BPM. ISIP 1377 PSI, FG .65. SPOT ACID ON PERF & LET SOAK FOR 5 MIN. CALC HOLES OPEN @ 45.1 BPM @ 4485 PSI = 80% HOLES OPEN. MP 5567 PSI, MR 50.9 BPM, AP 4608 PSI, AR 49.9 BPM ISIP 2075 PSI, FG .75 NPI 698 PSI.

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US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-10P	Spud Conductor: 9/4/2008	Spud Date: 9/14/2008
Project: UTAH-UINTAH	Site: BONANZA 1023-10P	Rig Name No: MILES-GRAY 1/1
Event: RECOMPL/RESEREVEADD	Start Date: 10/12/2011	End Date: 10/26/2011
Active Datum: RKB @5,513.00usft (above Mean Sea Level)	UWI: BONANZA 1023-10P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:36 - 9:03	1.45	COMP	36	E	P		(STG #2) PU 41/2 HAL 8-K CBP & 31/8 EXP 23 GRM .36" HLS, 120 DEG PHASING, SET CBP @ 5640', PERF WELL AS OF PROCEDURE. WHP 366 PSI, BRK 2380 PSI @ 4.1 BPM. ISIP 893 PSI, FG .60. CALC HOLES OPEN @ 48.0 BPM @ 4619 PSI = 74% HOLES OPEN. MP 5350 PSI, MR 50.5 BPM, AP 3985 PSI, AR 49.9 BPM ISIP 509 PSI, FG .70 NPI 509 PSI. TOTAL 59,027 LBS 30/50 OTTAWA SAND TOTAL 1816 BBLS WTR TOTAL 42 GALS BIOCIDE TOTAL 195 GALS SCALE INH 261 JTS 23/8 J-55 ON LOCATION 146 F/ WELL 115 YELLOW BAND F/ B&C (YELLOW ON BTM OF TRAILOR)
	9:03 -		COMP	34	I	P		(KILL PLUG) RIH W/ 41/2 8-K HAL CBP & SET @ 5183', POOH, SWI, RD WIRELINE & FRAC CREW. SDFD STDBY FOR RIG TO DRILL OUT.
10/25/2011	7:00 - 7:15	0.25	COMP	48		P		JSA-SAFETY MEETING, P/U TBG
	7:15 - 10:00	2.75	COMP	30	A	P		ROAD RID FROM BONANZA 1023-4N TO LOC, MIRU
	10:00 - 11:00	1.00	COMP	30	F	P		PUMP 50 BBLS WTR TO CONTROL WELL, N/D FRAC VALVE, N/U BOPS,
	11:00 - 14:00	3.00	COMP	31	I	P		P/U PUMP OPEN BIT SUB AND BIT, TIH W/ 2 3/8" J-55 TBG, TAG KILL PLUG5183', R/U SWIVEL AND FOAM, PRESSURE TEST BOPS TO 3000#, OK,
	14:00 - 19:30	5.50	COMP	44	C	P		ESTB CIRC W/ PUMP, DRILL OUT CBP IN 4 MIN, NO PRESSURE INCREASE, RIH TAG FILL @ 5600', C/O FILL TO 5640', DRILL OUT CBP IN 3 MIN, LOST CIRC., PUT FOAM UNIT ON LINE, CIRC WELL W/ FOAM UNIT, RIH W/ TBG TAG @ 6655', ESTB CIRC W/ FOAM UNIT C/O FILL TO @ 6745', CIRC WELL CLEAN, WELL NOT FLOWING ON IT OWN, EVAN AFTER PUMPING W/ FOAM UNIT, R/D SWIVEL, TOOH 25 STANDS TO @ 5200', SHUT WELL IN , SDFN.
10/26/2011	7:00 - 7:15	0.25	WO/REP	48		P		JSA-SAFETY MEETING, COLD AND SNOW
	7:15 - 9:00	1.75	WO/REP	31	I	P		1050# ON CSG, BLOWED DN TO TK IN 3 MIN, TOOH W/ 2 3/8" TBG, LAY DN BHA,
	9:00 - 11:00	2.00	WO/REP	31	I	P		P/U POBS AND BIT, TIH W/ TBG, TAG @ 6722', R/U SWIVEL AND FOAM UNIT,

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**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-10P		Spud Conductor: 9/4/2008		Spud Date: 9/14/2008	
Project: UTAH-UINTAH			Site: BONANZA 1023-10P		Rig Name No: MILES-GRAY 1/1
Event: RECOMPL/RESEREVEADD			Start Date: 10/12/2011		End Date: 10/26/2011
Active Datum: RKB @5,513.00usft (above Mean Sea Level)				UWI: BONANZA 1023-10P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	11:00 - 17:30	6.50	WO/REP	44	C	P		ESTB CIRC W/ FOAM UNIT, C/O FILL TO 6752', DRILL OUT CBP IN 5 MIN, NO PRESSURE INCREASE, CIRC WELL CLEAN, RIH W/ TBG, TAG PBTD @ 7847', P/O LAY DN 16 JTS ON TRAILER, LAND TBG W/ HANGER W/ 233 JTS 2 3/8" J-55 YELLOW BAND TBG, EOT @ 7355.36', DROP BALL DN TBG, RUN TBG BROACH THRU TBG, N/D BOPS, N/U WH, PUMP BIT OFF @ 1100#, PUMP FOAM DN TBG OUT CSG CIRC WELL CLEAN, R/D UNIT MOVE OFF. BLOW WELL DOWN, 751 BBLs WTR LEFT TO RECOVER KB = 18.00' HANGER = .83' 233 JTS 2 3/8" J-55 TBG = 7334.33' XN-NIPPLE 1.875" = 2.20' EOT = 7355.36'

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US ROCKIES REGION

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	BONANZA 1023-10P	Wellbore No.	OH
Well Name	BONANZA 1023-10P	Wellbore Name	BONANZA 1023-10P
Report No.	1	Report Date	10/12/2011
Project	UTAH-UINTAH	Site	BONANZA 1023-10P
Rig Name/No.	MILES-GRAY 1/1	Event	RECOMPL/RESERVEADD
Start Date	10/12/2011	End Date	10/26/2011
Spud Date	9/14/2008	Active Datum	RKB @5,513.00usft (above Mean Sea Level)
UWI	BONANZA 1023-10P		

1.3 General

Contractor		Job Method	PERFORATE	Supervisor	
Perforated Assembly	PRODUCTION CASING	Conveyed Method	WIRELINE		

1.4 Initial Conditions

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

1.5 Summary

Gross Interval	5,233.0 (usft)-6,741.0 (usft)	Start Date/Time	10/21/2011 12:00AM
No. of Intervals	9	End Date/Time	10/21/2011 12:00AM
Total Shots	0	Net Perforation Interval	14.00 (usft)
Avg Shot Density	0.00 (shot/ft)	Final Surface Pressure	
		Final Press Date	

2 Intervals

2.1 Perforated Interval

Date	Formation/Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/Add. Shot	Diameter (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
10/21/2011 12:00AM	WASATCH/ 1			5,233.0	5,234.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
10/21/2011 12:00AM	WASATCH/			5,240.0	5,241.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
10/21/2011 12:00AM	WASATCH/			5,311.0	5,314.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
10/21/2011 12:00AM	WASATCH/			5,608.0	5,610.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
10/21/2011 12:00AM	MESAVERDE/			6,440.0	6,441.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
10/21/2011 12:00AM	MESAVERDE/			6,529.0	6,530.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
10/21/2011 12:00AM	MESAVERDE/			6,552.0	6,554.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
10/21/2011 12:00AM	MESAVERDE/			6,655.0	6,656.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
10/21/2011 12:00AM	MESAVERDE/			6,739.0	6,741.0			0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

3 Plots

3.1 Wellbore Schematic

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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
4304737215	BONANZA 1023-7M		SWSW	7	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
E	16715	16715	10/19/2011		10/19/11		
Comments: THE SUBJECT WELL WAS RECOMPLETED FROM MSVD TO WSMVD EFFECTIVE DATE 10/19/2011. — 12/16/11							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738226	BONANZA 1023-10P		SESE	10	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
E	17061	17061	11/3/2011		11/3/11		
Comments: THE SUBJECT WELL WAS RECOMPLETED FROM MVRD TO WSMVD EFFECTIVE DATE 11/03/2011. — 12/16/11							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738812	BONANZA 1023-11L		NWSW	11	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
E	16987	16987	10/13/2011		10/13/11		
Comments: THE SUBJECT WELL WAS RECOMPLETED FROM MVRD TO WSMVD EFFECTIVE DATE 10/13/2011. — 12/16/11							

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 WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

12/14/2011

Date

(5/2000)

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STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-38424
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	8. WELL NAME and NUMBER: BONANZA 1023-10P
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0690 FSL 0856 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 10 Township: 10.0S Range: 23.0E Meridian: S	9. API NUMBER: 43047382260000
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH	
STATE: UTAH	

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/8/2016	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="WORKOVER"/>

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

A SCALE CLEANOUT HAS BEEN COMPLETED ON THE BONANZA 1023-10P WELL. PLEASE SEE THE ATTACHED OPERATIONS SUMMARY REPORT FOR DETAILS.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 December 23, 2016

NAME (PLEASE PRINT) Candice Barber	PHONE NUMBER 435 781-9749	TITLE HSE Representative
SIGNATURE N/A	DATE 12/12/2016	

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-10P			Spud Conductor: 9/4/2008			Spud date: 9/14/2008		
Project: UTAH-UINTAH			Site: BONANZA 1023-10P			Rig name no.: ROCKY MOUNTAIN WELL SERVICE 3/3		
Event: WELL WORK EXPENSE			Start date: 12/6/2016			End date: 12/8/2016		
Active datum: RKB @5,513.00usft (above Mean Sea Level)			UWI: BONANZA 1023-10P					
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
11/18/2016	9:30 - 12:00	2.50	MAINT	52	F	P		MIRU RHETTS TEST TRUCK, PUMP 50 BBLS TMAC DWN TBG (TBG VOL TO PLUG 24 BBLS) NO PRESS INC TBG WENT ON VAC, SWI, RDMO
12/6/2016	7:00 - 7:30	0.50	MAINT	48	B	P		HSM, RIGGING DOWN RIG.
	7:30 - 10:00	2.50	MAINT	30	A	P		RIGB DWN OFF BON 1023-18E3AS, MIRU,
	10:00 - 12:00	2.00	MAINT	30	F	P		SICP 50 & SITP 50, CONTROL WELL W/ 40 BBLS T-MAC, ND WH UNLAND TBG NOT STUCK. RELAND NU BOPS UNLAND TBG, L/D HANGER.
	12:00 - 17:00	5.00	MAINT	45	A	P		RU & SCAN OUT W/ 233 JTS 23/8 J-55 & X/N HAD HAD 73 YELLOW, 160 RED, RED JTS HAD WALL LOSS & HEAVY PITTING, LIGHT EXTERNAL SCALE JTS 8-233, PLUNGER IN JT 206, NO DRIFT JYS F/ 209 - 233, RD SCANTECH SWI SDFN.
12/7/2016	7:00 - 7:30	0.50	MAINT	48	B	P		HSM, PICKING UP TBG W/ PIPW WRANGLE.
	7:30 - 13:30	6.00	MAINT	31	I	P		SICP 675 , CONTROL WELL W/ 35 BBLS T-MAC, TALLY & PU 37/8 MILL, 73 JTS 23/8 YB J-55 F/ WELL, 154 JTS 23/8 NEW P-110 TAG @ 7453'.
	13:30 - 17:00	3.50	MAINT	44	D	P		RU DRLG EQUIP INSTALL TSF, BROKE CIRC W/ AIR/FOAM IN 1 HR 35 MIN. C/O SCALE F/ 7453' TO 7541'FELL FREE, CIRC CLN SWI SDFN.
12/8/2016	7:00 - 7:30	0.50	MAINT	48	B	P		HSM, WORKING W/ FOAM / N2 UNITS, WATCH FOR ICE PLUGS
	7:30 - 12:30	5.00	MAINT	44	D	P		SICP 675, RIH TAG UP @ 7600', BROKE CIRC W/ AIR/N2 UNITS, C/O PATCHY SCALE F/ 7600' - 7827' HIT OLD POBS, CIRC CLN. KILL TBG RD SWIVEL. L/D 14 JTS LAND TBG ON 230 JTS. BROACH TBG W/ DOUBLE BROACH OK.
								KB=18' 41/16 HANGER = .83' 157 JTS 23/8 P-110 NEW= 5067.53' 73 JTS 23/8 J-55 F/ WELL= 2309.01' POBS W/ 1.875 X/N = 2.20' EOT @ 7397.57'
	12:30 - 13:00	0.50	MAINT	30	J	P		RD FLOOR ND BOPS NU WH.
	13:00 - 16:00	3.00	MAINT	30	H	P		RIGGED DWN BLEW WELL AROUND W/ AIR/N2 SWI, MIRU ON BON 1023-8B1AS SDFWE