

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>UTU-0143276</b>	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		7. If Unit or CA Agreement, Name and No. <b>MULLIGAN UNIT #UTU-80643X</b>	
3A. Address <b>1368 SOUTH 1200 EAST VERNAL, UT 84078</b>		8. Lease Name and Well No. <b>MULLIGAN 823-200</b>	
3b. Phone No. (include area code) <b>(435) 781-7024</b>		9. API Well No. <b>43-047-38628</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>SWSE 811'FSL, 2176'FWL 640754X 40.103201</b> At proposed prod. Zone <b>4440308Y -104.348644</b>		10. Field and Pool, or Exploratory <b>MULLIGAN Undesignated</b>	
14. Distance in miles and direction from nearest town or post office* <b>49.2 MILES SOUTH OF VERNAL, UTAH</b>		11. Sec., T., R., M., or Blk, and Survey or Area <b>SEC. 20, T8S, R23E</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>811'</b>	16. No. of Acres in lease <b>1080.00</b>	17. Spacing Unit dedicated to this well <b>40.00</b>	<b>RECEIVED</b> <b>SEP 15 2006</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>REFER TO TOPO C</b>	19. Proposed Depth <b>9840'</b>	20. BLM/BIA Bond No. on file <b>BOND NO: WY-2357</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4936'UNGRADED GL</b>		22. Approximate date work will start*	23. Estimated duration <b>DIV OF OIL, GAS &amp; MINING</b>

24. Attachments

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

- 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) <b>SHEILA UPCHEGO</b>	Date <b>9/8/2006</b>
Title <b>REGULATORY ANALYST</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>09-21-06</b>
Title <b>ENVIRONMENTAL MANAGER</b>		

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.

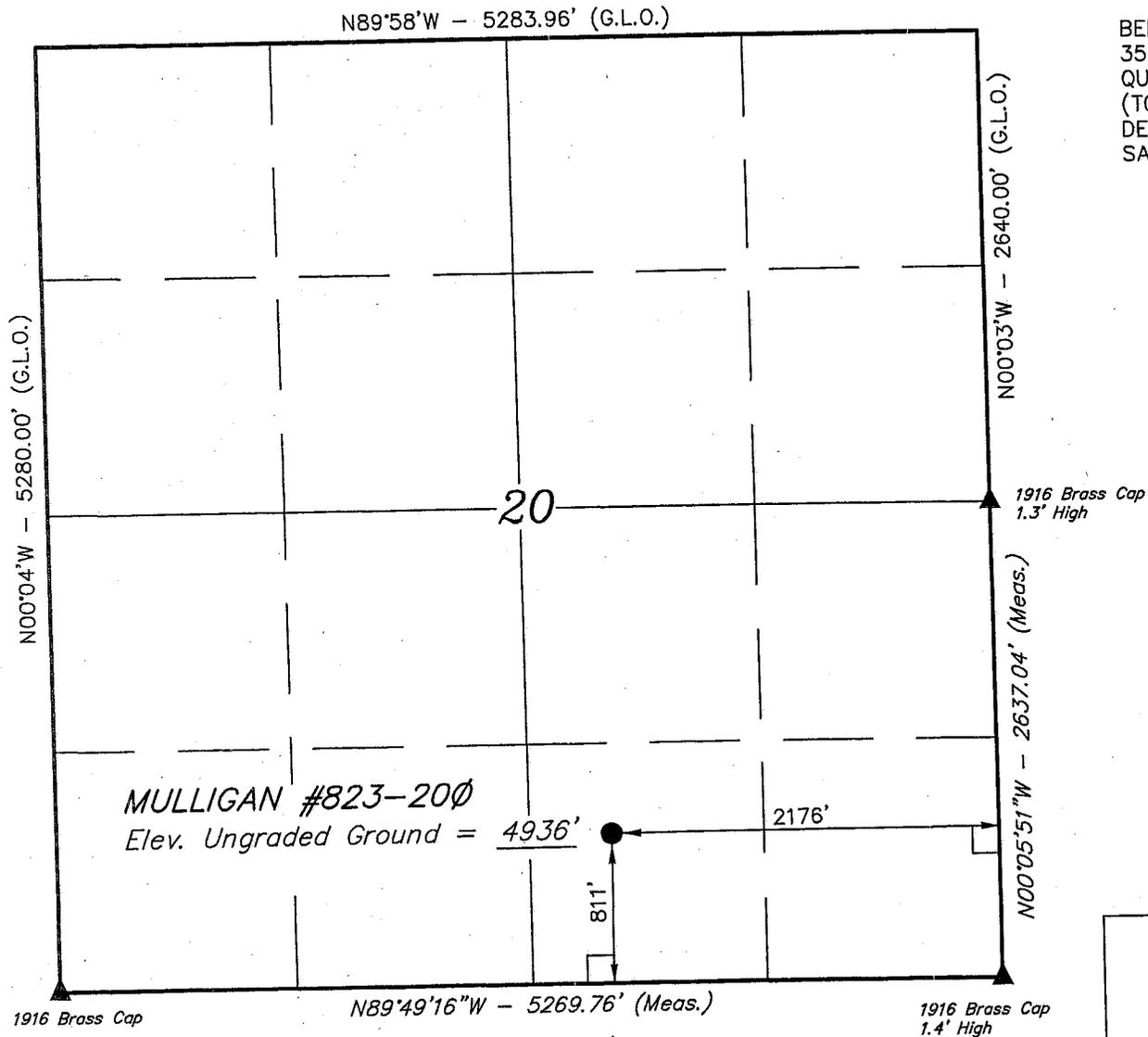
Conditions of approval, if any, are attached.

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

# T8S, R23E, S.L.B.&M.



### LEGEND:

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

(NAD 83)  
 LATITUDE = 40°06'11.32" (40.103144)  
 LONGITUDE = 109°20'57.63" (109.349342)  
 (NAD 27)  
 LATITUDE = 40°06'11.45" (40.103181)  
 LONGITUDE = 109°20'55.18" (109.348661)

## Kerr-McGee Oil & Gas Onshore LP

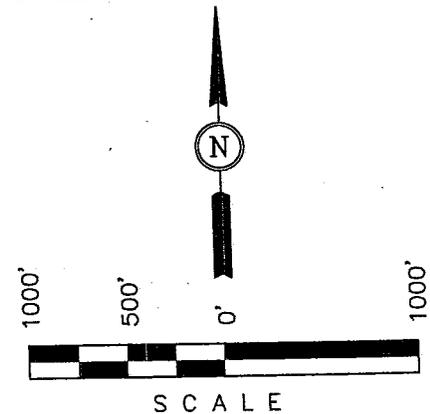
Well location, MULLIGAN #823-200, located as shown in the SW 1/4 SE 1/4 of Section 20, T8S, R23E, S.L.B.&M., Uintah County, Utah.

### BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY 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 4697 FEET.

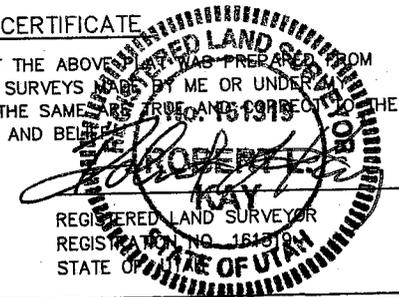
### BASIS OF BEARINGS

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



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE SURVEY 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.



## UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-07-06	DATE DRAWN: 08-14-06
PARTY B.H. F.Y. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

MULLIGAN 823-200  
SWSE SEC 20, T8S, R23E  
UINTAH COUNTY, UTAH  
UTU-0143276

ONSHORE ORDER NO. 1

**DRILLING PROGRAM**

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	2258'
Top of Birds Nest Water	2575'
Mahogany	3134'
Wasatch	5280'
Mesaverde	7609'
MVU2	8762'
MVL1	9266'
TD	9840'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	2258'
	Top of Birds Nest Water	2575'
Water	Mahogany	3134'
	Wasatch	5280'
Gas	Mesaverde	7609'
Gas	MVU2	8762'
Gas	MVL1	9266'
Gas	N/A	
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 9840' TD, approximately equals 6101 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3936 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.*

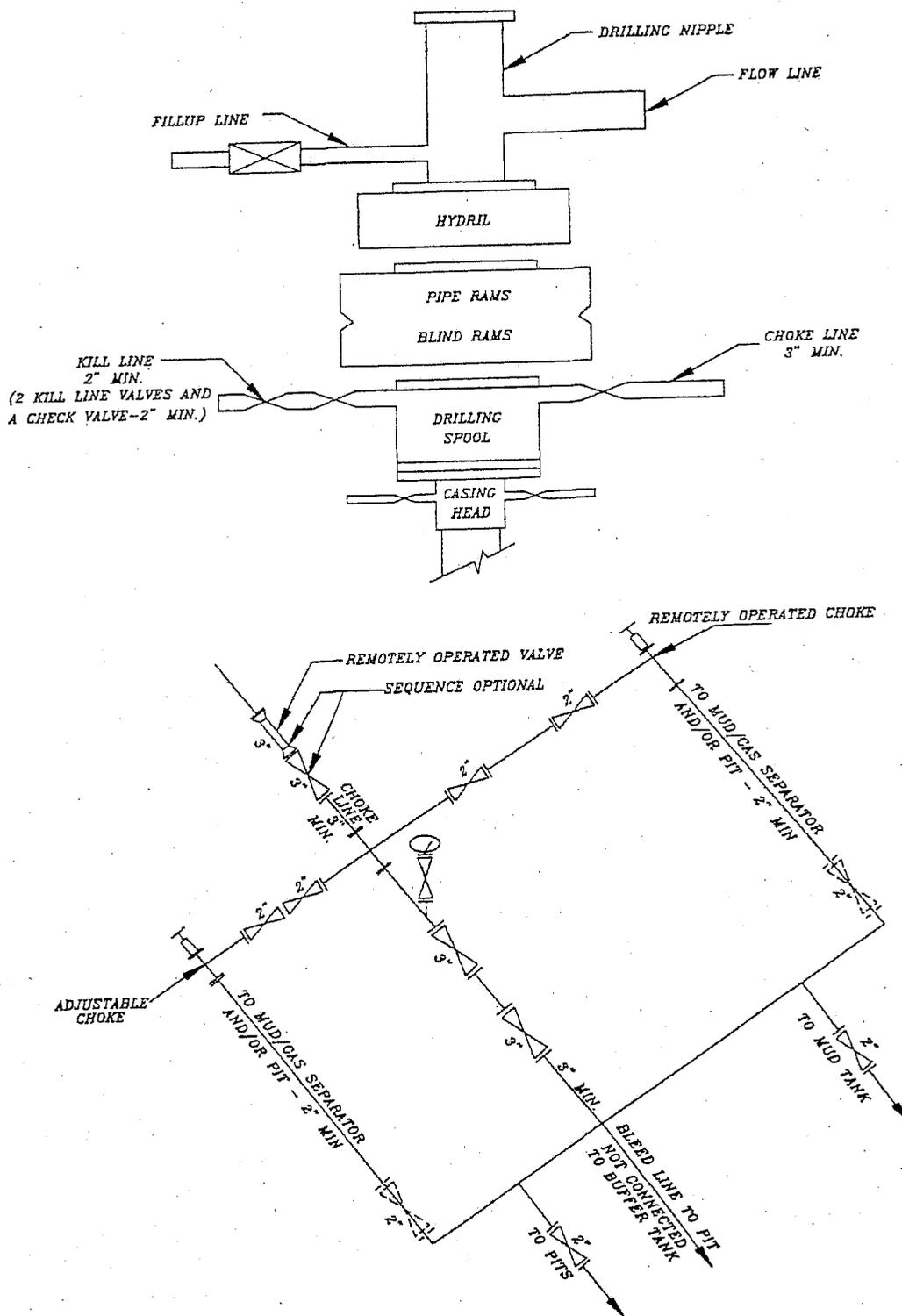
10. **Other Information:**

*Please refer to the attached Drilling Program.*





# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



MULLIGAN 823-200  
SWSE SEC 20, T8S, R23E  
UINTAH COUNTY, UTAH  
UTU-0143276

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 110' +/- of access road 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:**

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

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

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

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

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

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

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

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

Approximately 33' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurate bedrock, such as sandstone, is at or within 2 feet of the surface.

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

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

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

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

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

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

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

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

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

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

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

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

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

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

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

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

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

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

8. **Ancillary Facilities:**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

*Producing Location:*

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

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

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

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

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

Upon completion of backfilling, leveling, and recontouring of the pit, the stockpiled topsoil will be spread evenly over the location and the location will be reseeded see seed mixture.

*Dry Hole/Abandoned Location:*

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

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

**11. Surface Ownership:**

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

**12. Other Information:**

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

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

**Seed Mixture:**

The following seed mixture will be used during interim reclamation:

Galleta Grass                      20 lb/acre

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

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

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. Kerr-McGee Oil & Gas Onshore LP, 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 #WY-2357.

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

September 8, 2006  
Date

Kerr-McGee Oil & Gas Onshore LP  
MULLIGAN #823-200  
SECTION 20, T8S, R23E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 19.2 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 8.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #823-21B TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 110' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 38.1 MILES.

# Kerr-McGee Oil & Gas Onshore LP

MULLIGAN #823-200  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 20, T8S, R23E, S.L.B.&M.

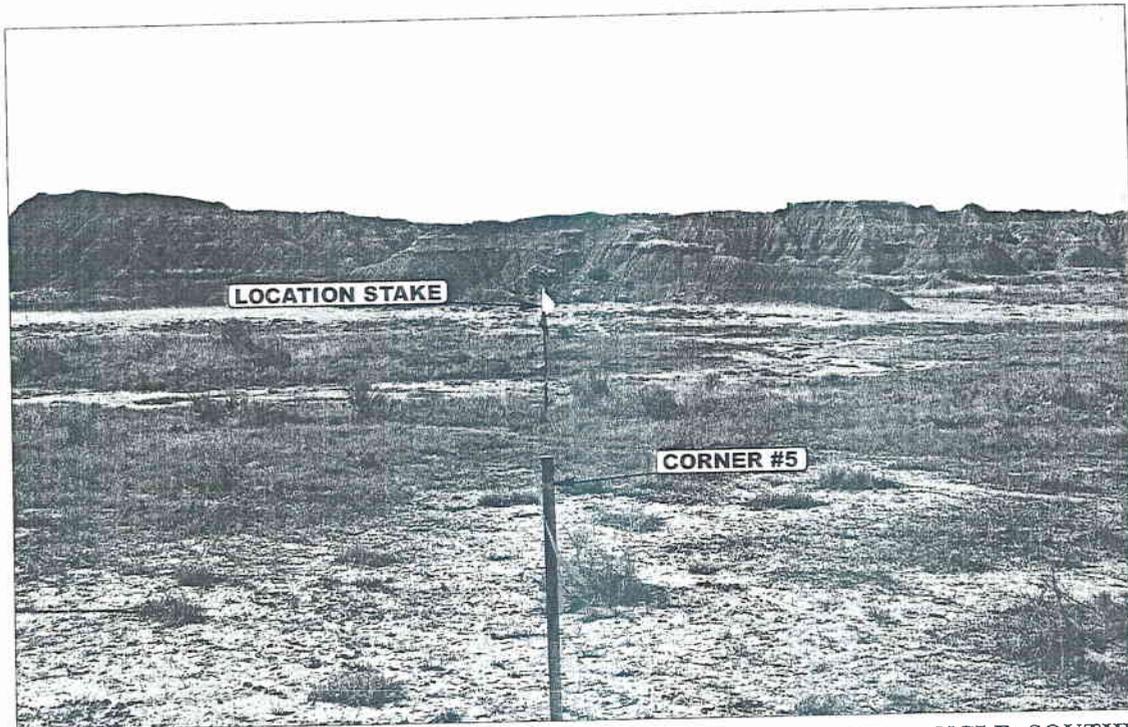


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

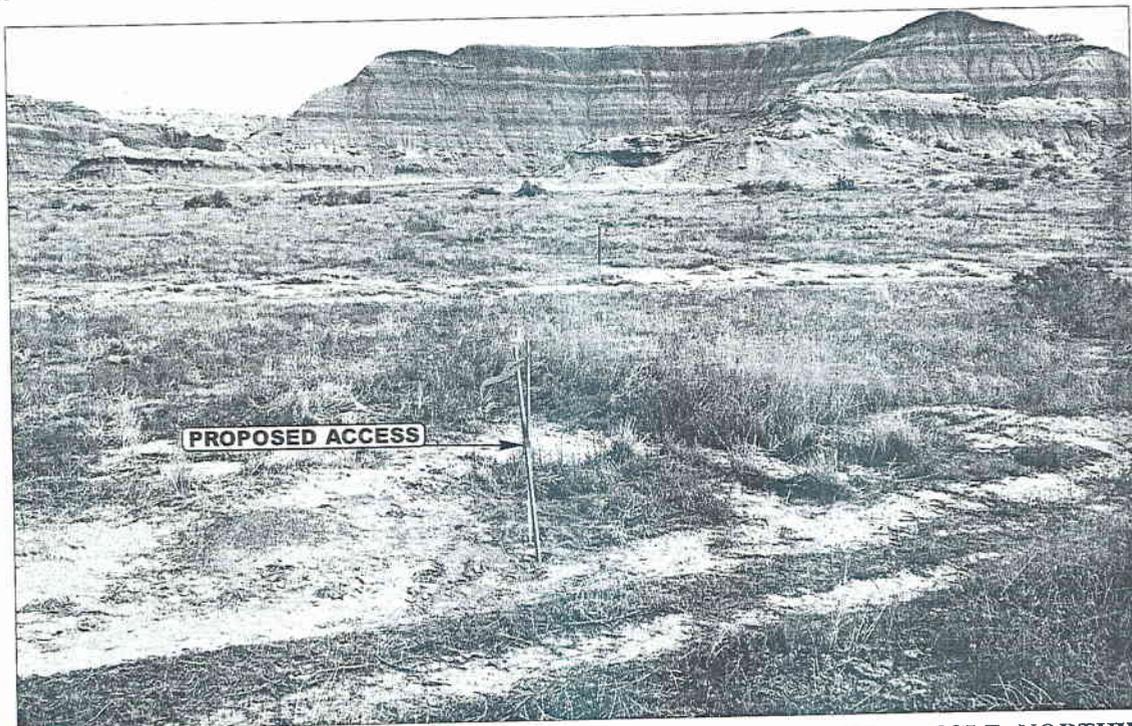


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

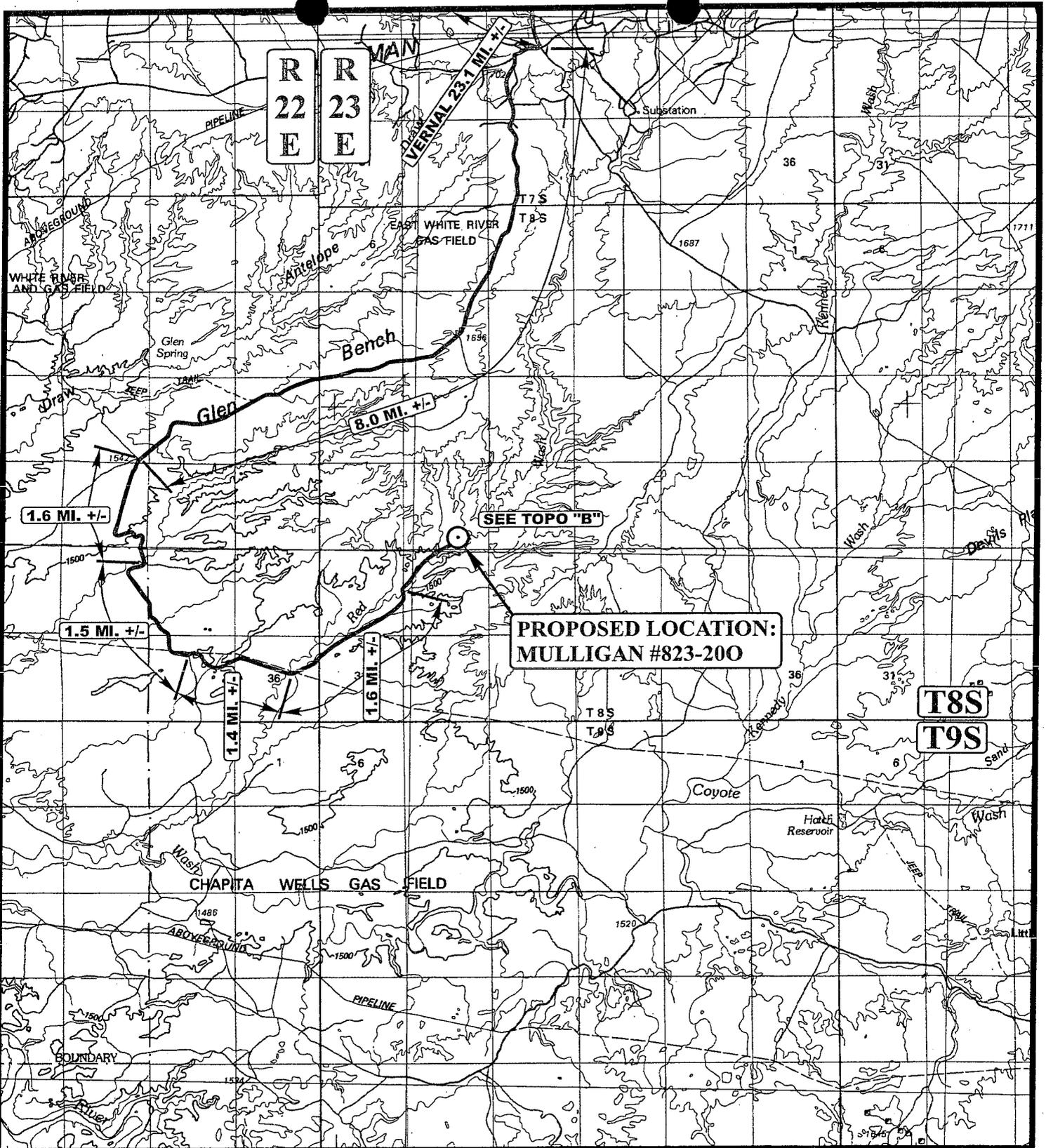
CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	08	15	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: B.H.	DRAWN BY: C.P.		REVISED: 00-00-00	



**LEGEND:**

○ PROPOSED LOCATION



**Kerr-McGee Oil & Gas Onshore LP**

**MULLIGAN #823-200**  
**SECTION 20, T8S, R23E, S.L.B.&M.**  
**811' FSL 2176' FEL**



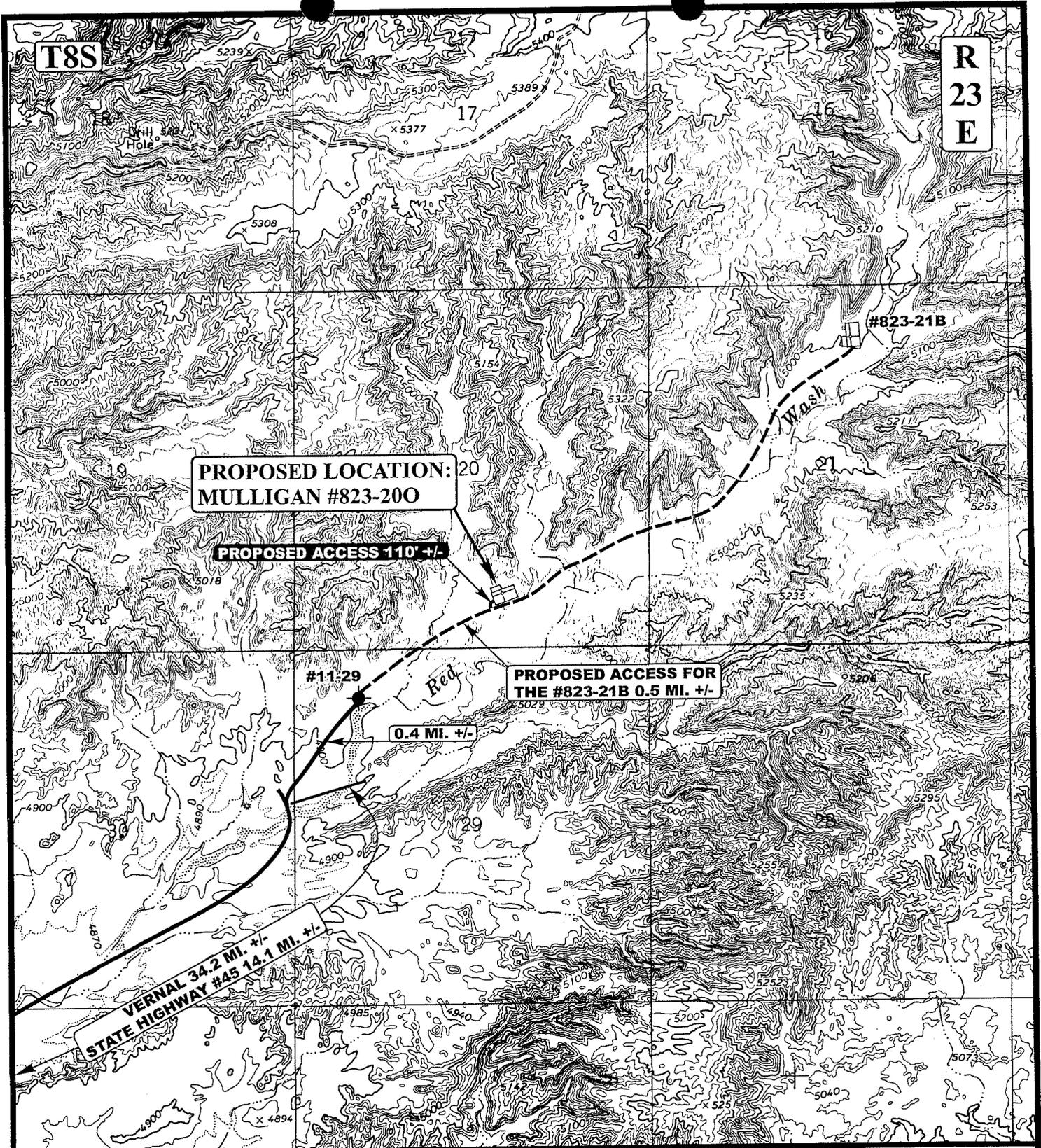
**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

<b>08</b>	<b>15</b>	<b>06</b>
MONTH	DAY	YEAR

SCALE: 1:100,000    DRAWN BY: C.P.    REVISED: 00-00-00





**PROPOSED LOCATION:  
MULLIGAN #823-200**

**PROPOSED ACCESS 110' +/-**

**PROPOSED ACCESS FOR  
THE #823-21B 0.5 MI. +/-**

**0.4 MI. +/-**

**VERNAL 34.2 MI. +/-  
STATE HIGHWAY #45 14.1 MI. +/-**

**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



**Kerr-McGee Oil & Gas Onshore LP**

**MULLIGAN #823-200  
SECTION 20, T8S, R23E, S.L.B.&M.  
811' FSL 2176' FEL**

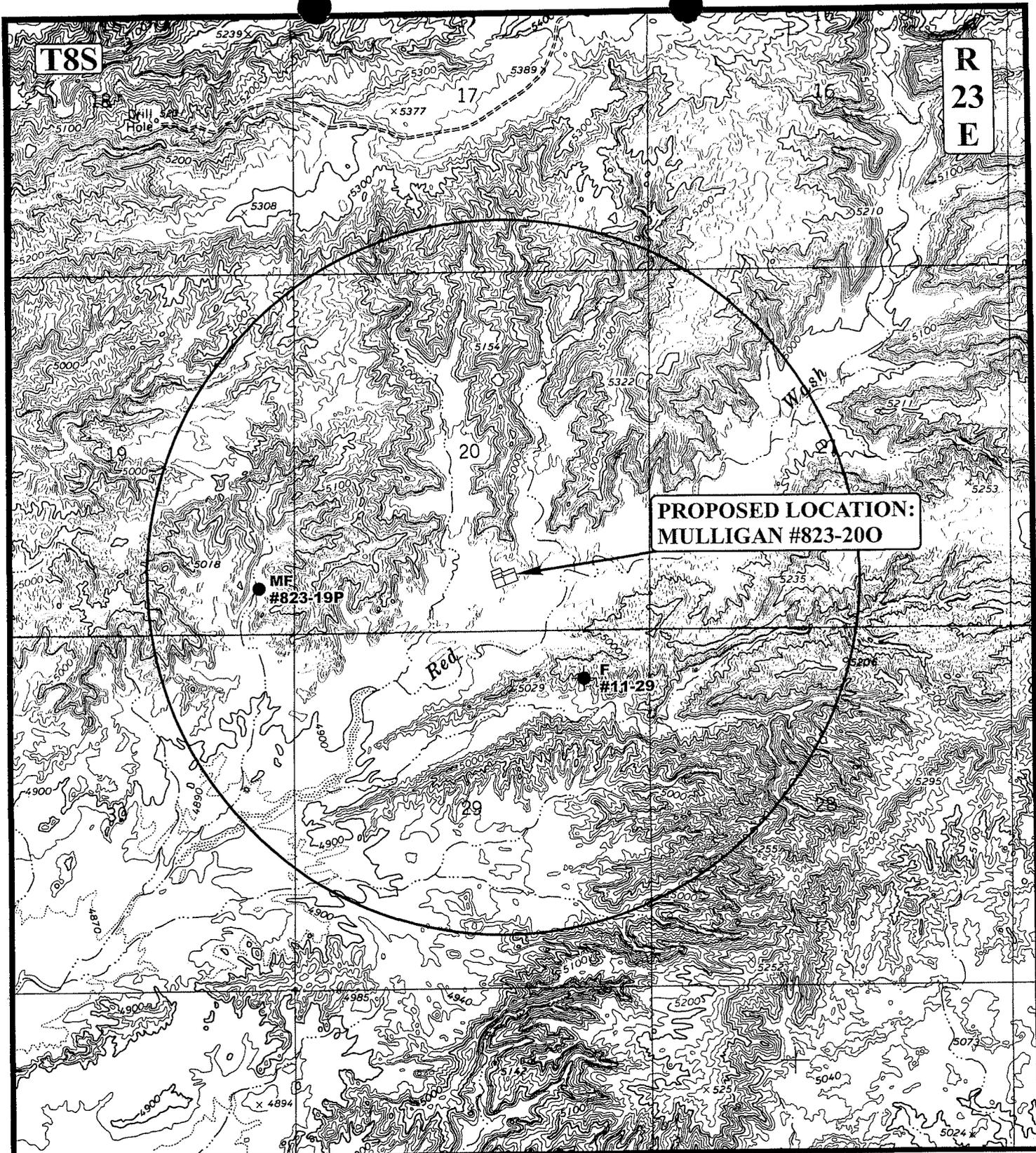


**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 08 15 06  
**MAP** MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





T8S

R  
23  
E

**PROPOSED LOCATION:  
MULLIGAN #823-200**

MF  
#823-19P

F  
#11-29

**LEGEND:**

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

**Kerr-McGee Oil & Gas Onshore LP**

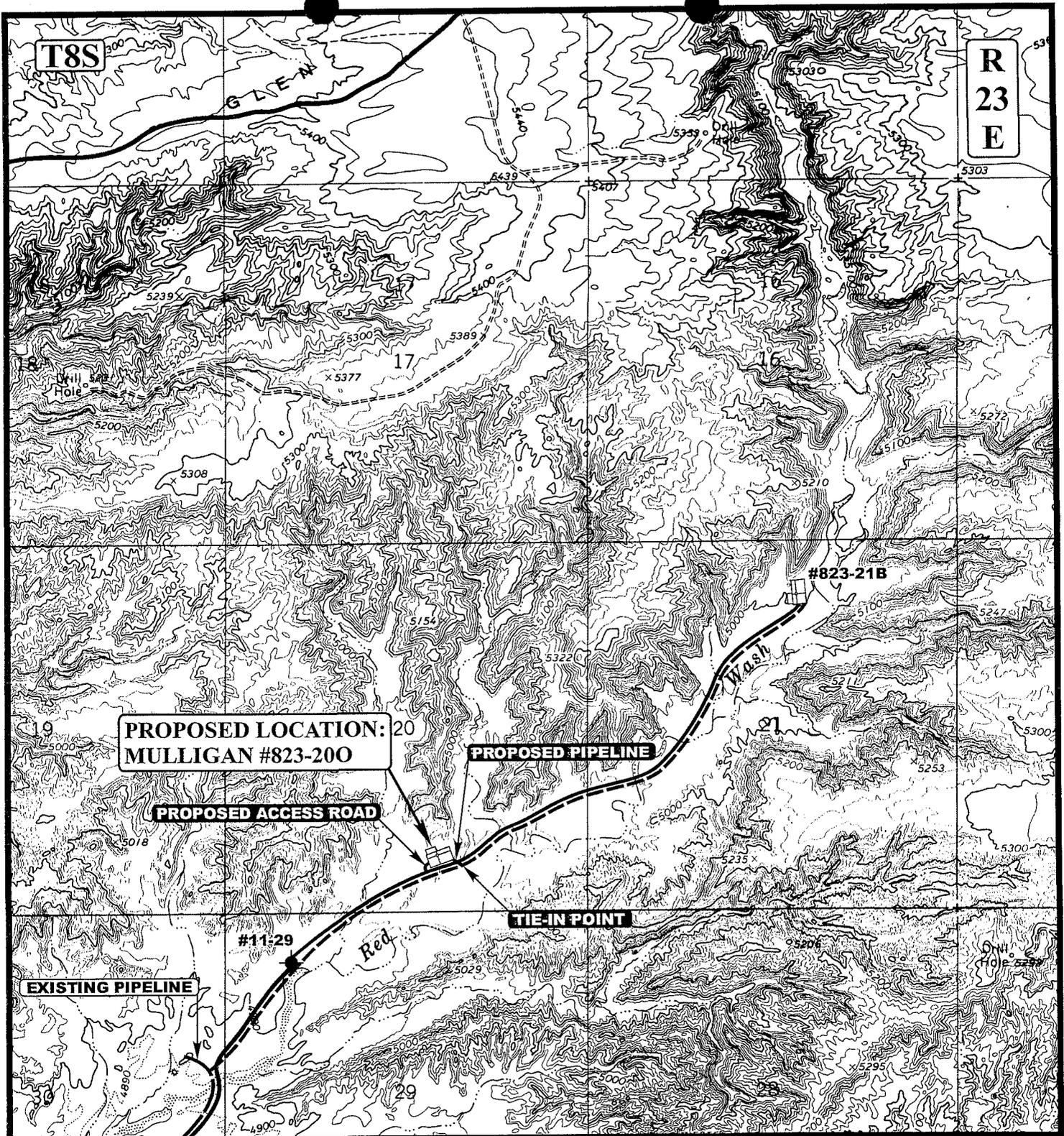
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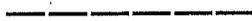
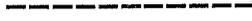
**TOPOGRAPHIC** 08 15 06  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 33' +/-

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



**Kerr-McGee Oil & Gas Onshore LP**

**MULLIGAN #823-200**  
**SECTION 20, T8S, R23E, S.L.B.&M.**  
**811' FSL 2176' FEL**



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

**TOPOGRAPHIC**  
**MAP**

<b>08</b>	<b>15</b>	<b>06</b>
MONTH	DAY	YEAR

SCALE: 1" = 2000'    DRAWN BY: C.P.    REVISED: 00-00-00



**Kerr-McGee Oil & Gas Onshore LP**  
**MULLIGAN #823-200**  
 PIPELINE ALIGNMENT  
 LOCATED IN UINTAH COUNTY, UTAH  
 SECTION 20, T8S, R23E, S.L.B.&M.

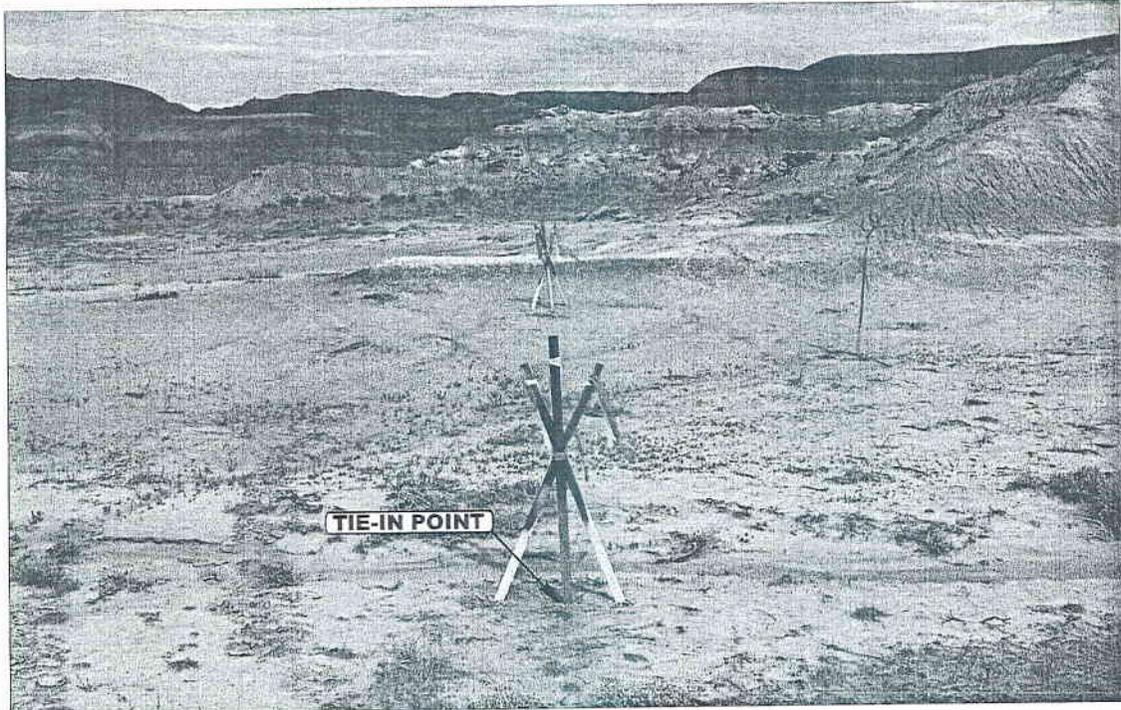


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY

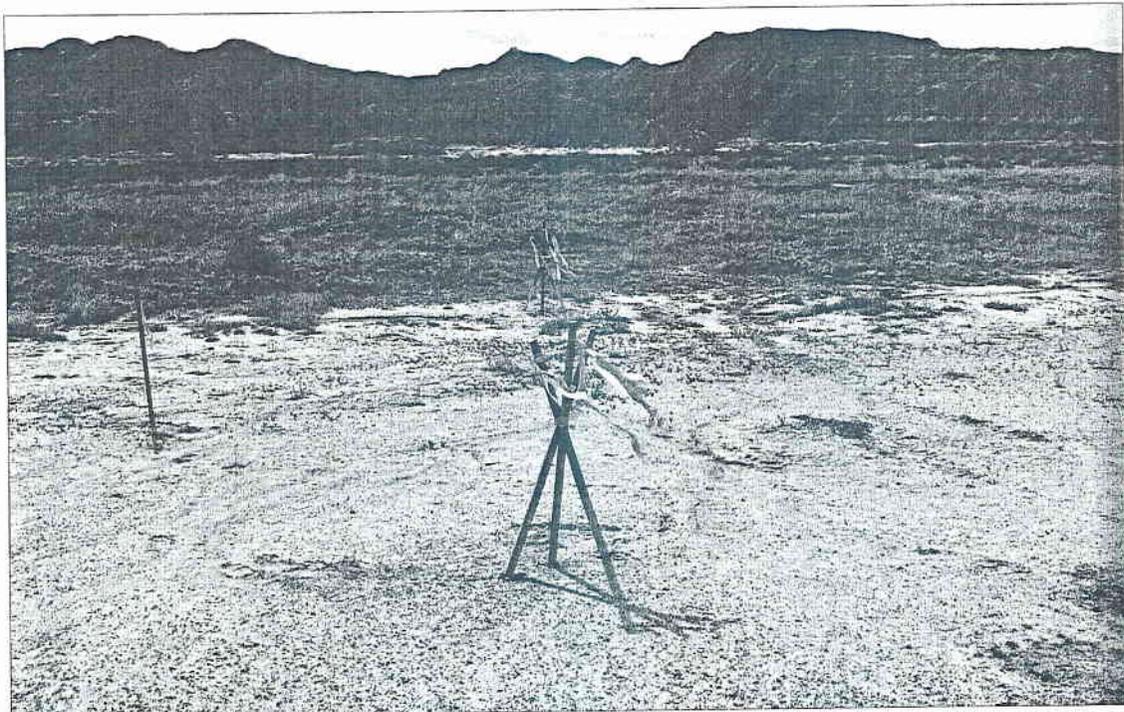


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

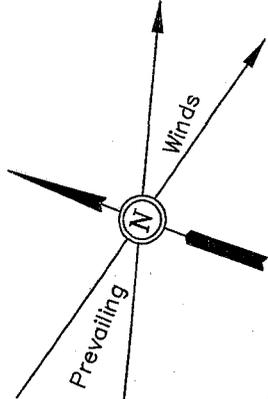
**UELS** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS			08	15	06	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: B.H.	DRAWN BY: C.P.	REVISED: 00-00-00				

# Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR  
 MULLIGAN #823-20Ø  
 SECTION 20, T8S, R23E, S.L.B.&M.  
 811' FSL 2176' FEL

CONSTRUCT  
 DIVERSION  
 DITCH



SCALE: 1" = 50'  
 DATE: 08-14-06  
 Drawn By: C.H.

Topsoil Stockpile

C-2.5'  
 El. 38.1'

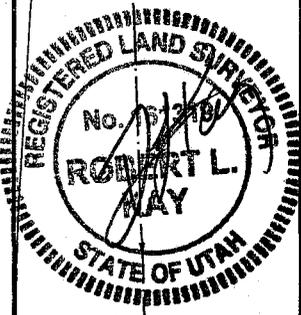
Sta. 3+50

C-5.0'  
 El. 40.6'

C-5.3'  
 El. 40.9'

Round Corners  
 as Needed

Existing  
 Drainage



Approx.  
 Top of  
 Cut Slope

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

Pit Topsoil

PIPE TUBS

PIPE RACKS

El. 40.4'  
 C-14.8'  
 (btm. pit)

C-3.2'  
 El. 38.8'

C-0.6'  
 El. 36.2'

Sta. 1+50

Reserve Pit Backfill  
 & Spoils Stockpile

15' WIDE BENCH

RESERVE PITS  
 (10' Deep)  
 Total Pit Capacity  
 W/2' of Freeboard  
 = 9,850 Bbls. ±  
 Total Pit Volume  
 = 2,780 Cu. Yds.

SLOPE 1 1/2 : 1

C-3.0'  
 El. 38.6'

RIG

DOG  
 HOUSE

TOILET

F-0.7'  
 El. 34.9'

TRAILER

LIGHT PLANT

BOILER

PUMP HOUSE

WATER TANK

Sta. 0+50

F-0.5'  
 El. 35.1'

PROPANE  
 STORAGE

TRASH

Approx.  
 Toe of  
 Fill Slope

El. 35.8'  
 C-10.2'  
 (btm. pit)

15' WIDE BENCH

F-0.6'  
 El. 35.0'

F-1.6'  
 El. 34.0'

Sta. 0+00

F-2.6'  
 El. 33.0'

**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 4936.2'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 4935.6'

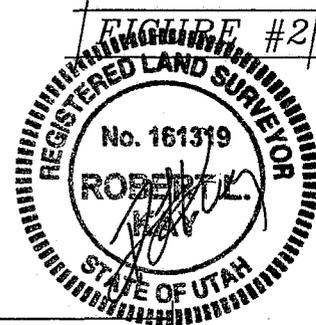
Proposed Access  
 Road

**FIGURE #1**

# Kerr-McGee Oil & Gas Onshore LP

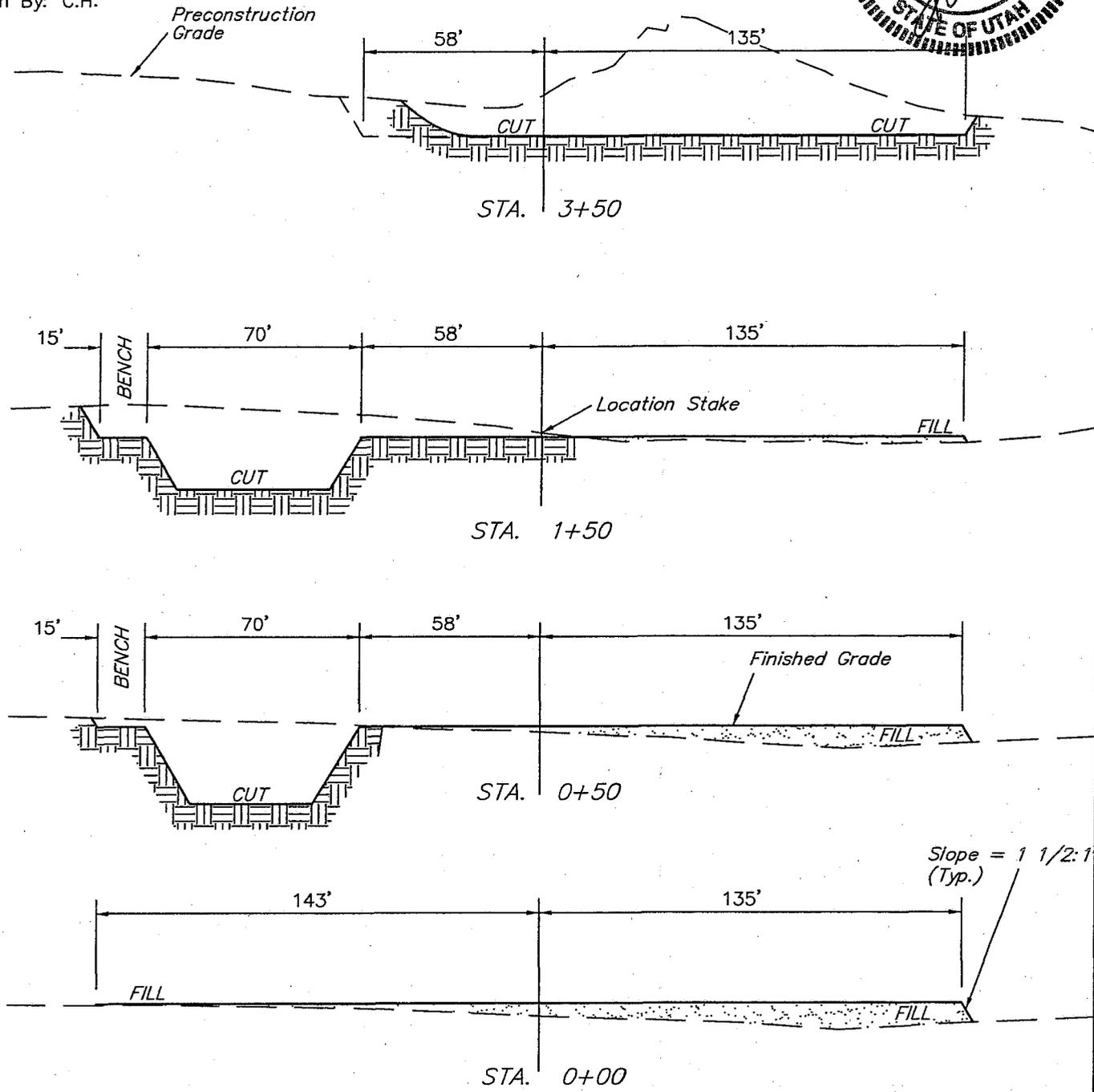
## TYPICAL CROSS SECTIONS FOR

MULLIGAN #823-20Ø  
SECTION 20, T8S, R23E, S.L.B.&M.  
811' FSL 2176' FEL



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

DATE: 08-14-06  
Drawn By: C.H.



### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,680 Cu. Yds.
Remaining Location	= 6,750 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 8,430 CU.YDS.</b>
<b>FILL</b>	<b>= 2,150 CU.YDS.</b>

EXCESS MATERIAL	= 6,280 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,200 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 3,080 Cu. Yds.

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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/15/2006

API NO. ASSIGNED: 43-047-38628

WELL NAME: MULLIGAN 823-200  
 OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )  
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SWSE 20 080S 230E  
 SURFACE: 0811 FSL 2176 FEL  
 BOTTOM: 0811 FSL 2176 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40.10320 LONGITUDE: -109.3486  
 UTM SURF EASTINGS: 640754 NORTHINGS: 4440308  
 FIELD NAME: UNDESIGNATED ( 2 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-0143276  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. WY-2357 )
- 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)

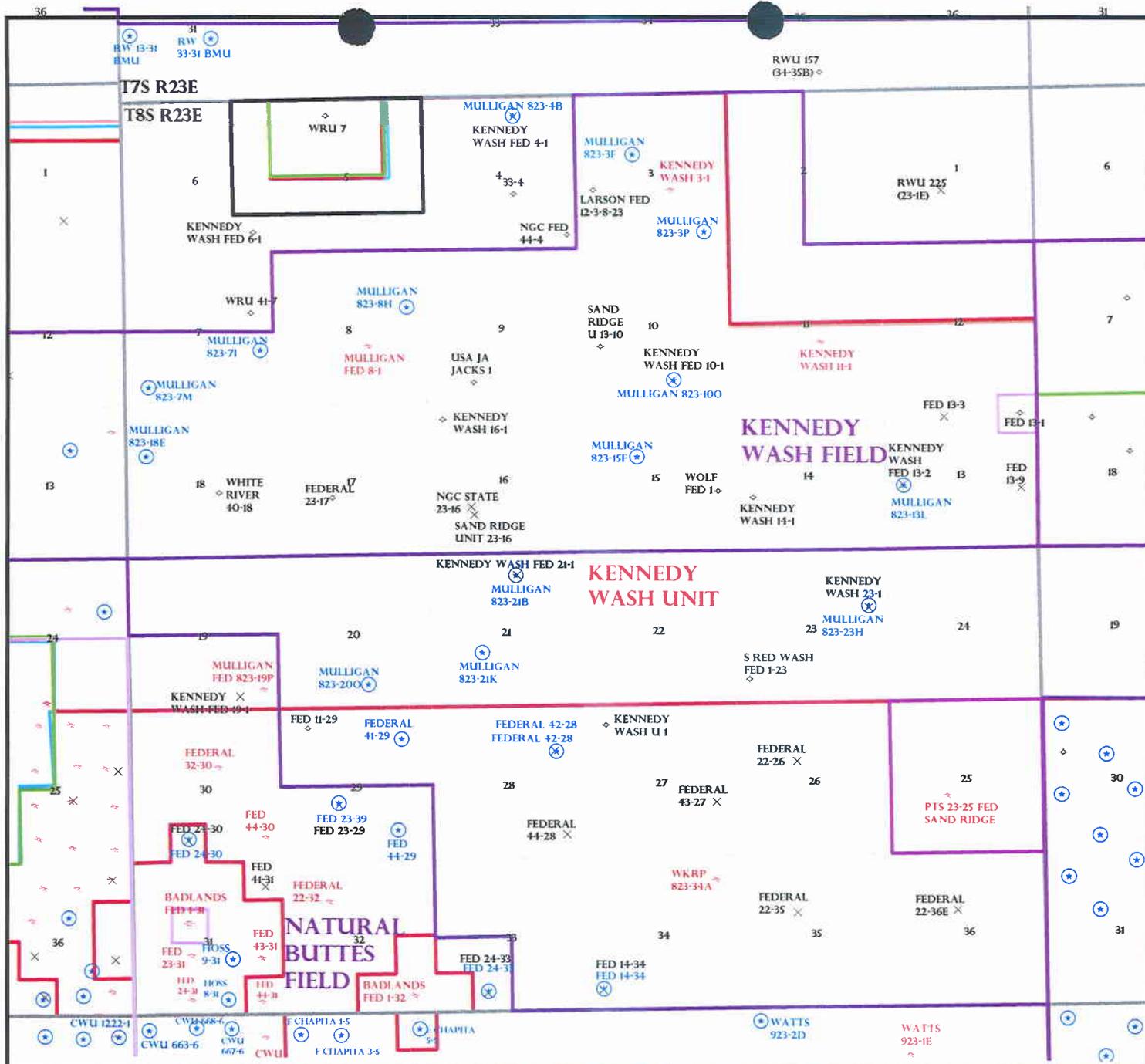
LOCATION AND SITING:

- R649-2-3.
- Unit: MULLIGAN
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

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

STIPULATIONS: 1- Federal Approval

2- Spacing Strip



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 4,20,21,23 T.8S R. 23E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

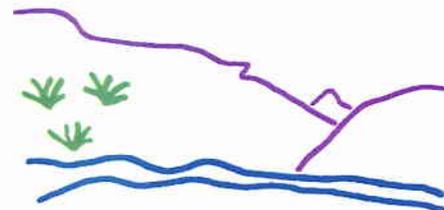
SPACING: R649-3-2 / GENERAL SITING

- 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
- x LOCATION ABANDONED
- o NEW LOCATION
- x PLUGGED & ABANDONED
- \* PRODUCING GAS
- o PRODUCING OIL
- \* SHUT-IN GAS
- o SHUT-IN OIL
- x TEMP. ABANDONED
- o TEST WELL
- o WATER INJECTION
- o WATER SUPPLY
- o WATER DISPOSAL
- o DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 20-SEPTEMBER-2006

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160  
(UT-922)

September 20, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2006 Plan of Development Mulligan, Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Mulligan Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Wasatch/MesaVerde)		
43-047-38619	Mulligan 823-3P	Sec 03 T08S R23E 0466 FSL 0858 FEL
43-047-38620	Mulligan 823-3F	Sec 03 T08S R23E 2095 FNL 1984 FWL
43-047-38622	Mulligan 823-7M	Sec 07 T08S R23E 0636 FSL 0804 FWL
43-047-38623	Mulligan 823-7I	Sec 07 T08S R23E 1878 FSL 0461 FEL
43-047-38624	Mulligan 823-8H	Sec 08 T08S R23E 1980 FNL 0661 FEL
43-047-38625	Mulligan 823-10O	Sec 10 T08S R23E 0660 FSL 1980 FEL
43-047-38626	Mulligan 823-13L	Sec 13 T08S R23E 2164 FSL 0625 FWL
43-047-38627	Mulligan 823-15F	Sec 15 T08S R23E 1979 FNL 1980 FWL
43-047-38621	Mulligan 823-4B	Sec 04 T08S R23E 0689 FNL 2145 FEL
43-047-38628	Mulligan 823-20O	Sec 20 T08S R23E 0811 FSL 2176 FEL
43-047-38630	Mulligan 823-21K	Sec 21 T08S R23E 1865 FSL 1786 FWL
43-047-38631	Mulligan 823-23H	Sec 23 T08S R23E 1980 FNL 0660 FEL
43-047-38629	Mulligan 823-21B	Sec 21 T08S R23E 0767 FNL 2297 FEL
43-047-38616	Mulligan 822-13D	Sec 13 T08S R22E 1088 FNL 0470 FWL
43-047-38614	Mulligan 822-12M	Sec 12 T08S R22E 0691 FSL 1081 FWL
43-047-38618	Mulligan 822-13E	Sec 13 T08S R22E 2259 FNL 0866 FWL
43-047-38615	Mulligan 822-12L	Sec 12 T08S R22E 2161 FSL 0538 FWL
43-047-38617	Mulligan 822-13L	Sec 13 T08S R22E 1858 FSL 0763 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard



**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*

September 21, 2006

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

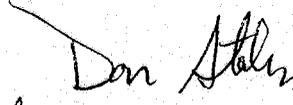
Re: Mulligan 823-200 Well, 811' FSL, 2176' FEL, SW SE, Sec. 20, T. 8 South,  
R. 23 East, Uintah County, Utah

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 43-047-38628.

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 Mulligan 823-200  
API Number: 43-047-38628  
Lease: UTU-0143276

Location: SW SE                      Sec. 20                      T. 8 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.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



**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*

March 9, 2007

Sheila Upchego  
Kerr-McGee O&G Onshore LP  
1368 South 1200 East  
Vernal, UT 84078

Re: APD Rescinded at the request of Kerr McGee

Dear Ms. Upchego:

Enclosed find the APD list that was requested to be rescinded to Kerr-McGee per Raleen White and you dated March 9, 2007. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 9, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal

<u>Well Name</u>	<u>API Number</u>
NBU 1022-35I	43-047-35677
NBU 1022-19L	43-047-37598
NBU 1022-21-0	43-047-37174
NBU 1022-19K	43-047-37783
NBU 1022-22G	43-047-38794
NBU 1022-21A	43-047-36089
NBU 1022-19M	43-047-37599
NBU 1022-19N	43-047-37597
NBU 1022-21J	43-047-37175
NBU 1022-21P	43-047-37173
NBU 1022-22C	43-047-37177
NBU 1022-22E	43-047-37176
NBU 1022-29A	43-047-37101
NBU 1022-30I	43-047-37600
NBU 1022-30J	43-047-37551
NBU 1022-30N	43-047-37550
BITTER CREEK 1122-3H	43-047-38822
BITTER CREEK 1122-3I	43-047-38809
BITTER CREEK 1122-5M	43-047-38121
BITTER CREEK 1122-6B	43-047-38118
BITTER CREEK 1122-6F	43-047-38117
BITTER CREEK 1122-6G	43-047-38116
BITTER CREEK 1122-6H	43-047-38115
BITTER CREEK 1122-6J	43-047-38114
BITTER CREEK 1122-6L	43-047-38112
BITTER CREEK 1122-6P	43-047-38110
FEDERAL 1021-24E	43-047-38175
FEDERAL 1021-24G	43-047-38174
FEDERAL 1021-24K	43-047-38176
FEDERAL 1021-24M	43-047-38177
FEDERAL 1022-29E	43-047-37102
FEDERAL 1022-29G	43-047-37357
FEDERAL 1022-31M	43-047-37358
FEDERAL 1022-31O	43-047-37104
MULLIGAN 823-3F	43-047-38620
MULLIGAN 823-3P	43-047-38619
MULLIGAN 823-4B	43-047-38621
MULLIGAN 823-13L	43-047-38626
MULLIGAN 823-20O	43-047-38628
MULLIGAN 822-13G	43-047-36556
MULLIGAN 823-18E	43-047-36557