

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
UTU-29797

6. If Indian, Allottee or Tribe Name

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

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.
BITTER CREEK 1122-3P

9. API Well No.
43-047-38927

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

10. Field and Pool, or Exploratory
BITTER CREEK

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **SESE 636'FSL, 731'FEL 633936X 39.284059**
At proposed prod. Zone **4415853Y -109.433647**

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

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

12. County or Parish
UINTAH

13. State
UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 636'	16. No. of Acres in lease 701.24	17. Spacing Unit dedicated to this well 40.00
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18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 7510'	20. BLM/BIA Bond No. on file BOND NO. WY-2357
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21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5114' UNGRADED GL	22. Approximate date work will start*	23. Estimated duration
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24. Attachments

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

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

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 12/5/2006
Title REGULATORY ANALYST		

Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 12-14-06
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.

RECEIVED

DEC 11 2006

**Federal Approval of this
Action is Necessary**

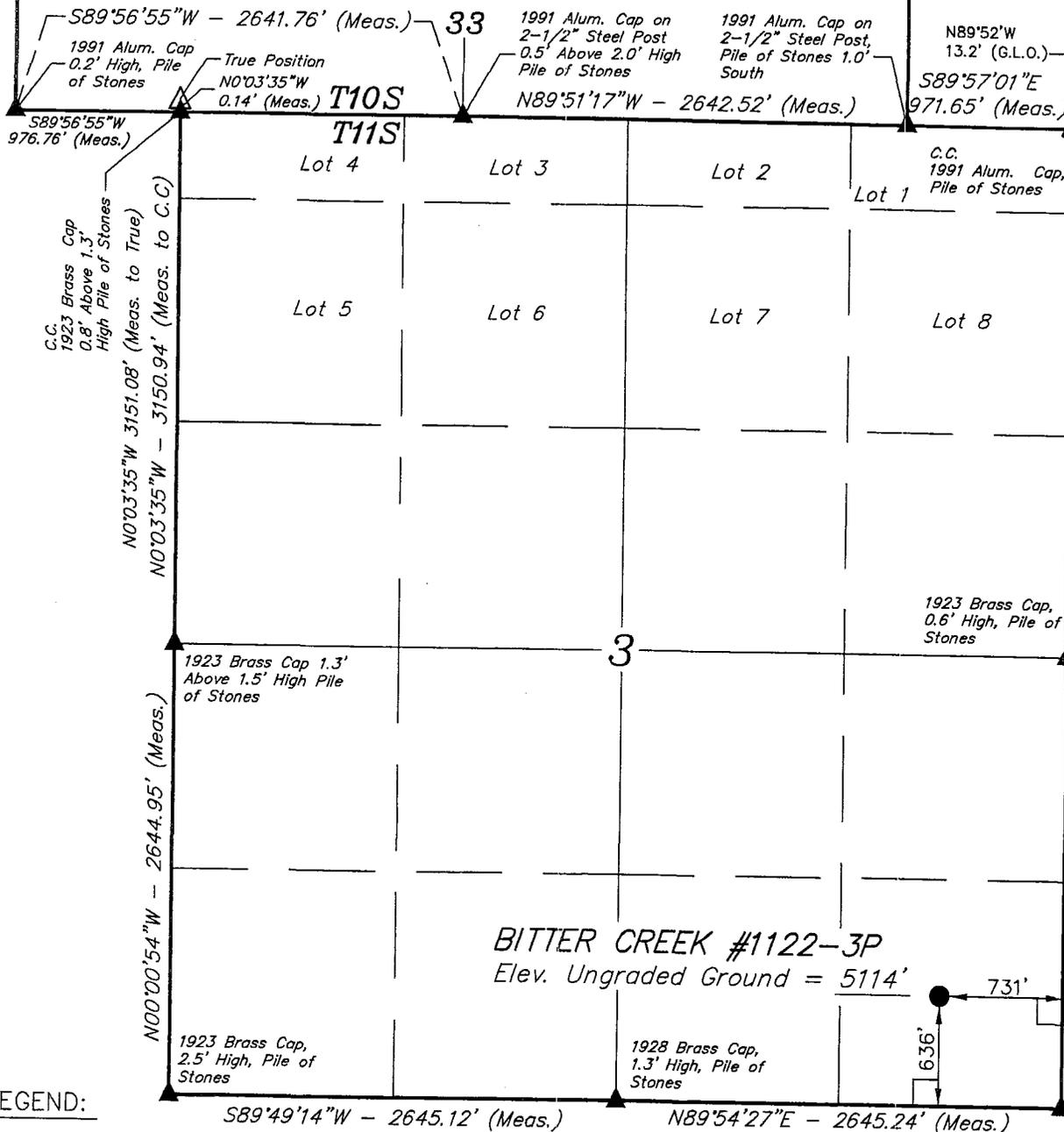
DIV. OF OIL, GAS & MINING

*(Instructions on reverse)

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

Kerr-McGee Oil & Gas Onshore LP

Well location, BITTER CREEK #1122-3P, located as shown in the SE 1/4 SE 1/4 of Section 3, T11S, R22E, S.L.B.&M., Uintah County, Utah.

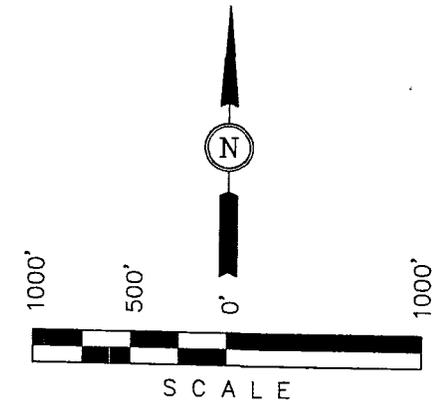


BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

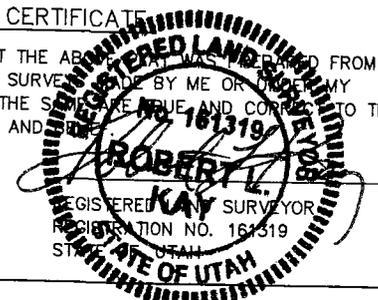
BASIS OF BEARINGS

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



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS DERIVED FROM FIELD NOTES OF ACTUAL SURVEY 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

- LEGEND:
- └─┘ = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - ▲ = SECTION CORNERS LOCATED.
 - △ = SECTION CORNERS RE-ESTABLISHED. (Not Set On Ground)

(NAD 83)
LATITUDE = 39°54'25.94" (39.907206)
LONGITUDE = 109°25'25.99" (109.423886)
(NAD 27)
LATITUDE = 39°54'26.06" (39.907239)
LONGITUDE = 109°25'23.54" (109.423206)

SCALE 1" = 1000'	DATE SURVEYED: 08-14-06	DATE DRAWN: 08-17-06
PARTY D.K. P.J. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

**BITTER CREEK 1122-3P
SE/SE SECTION 3, T11S, R22E
UINTAH COUNTY, UTAH
UTU-29797**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	318'
Top of Birds Nest Water	601'
Mahogany	1085'
Wasatch	3260'
Mesaverde	5519'
MVU2	6485'
MVL1	7064'
TD	7510'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	318'
	Top of Birds Nest Water	601'
	Mahogany	1085'
Gas	Wasatch	3260'
Gas	Mesaverde	5519'
Gas	MVU2	6485'
Gas	MVL1	7064'
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 7510' TD, approximately equals 4656 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3004 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 December 4, 2006
 WELL NAME BITTER CREEK 1122-3P TD 7,510' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,114' GL KB 5,129'
 SURFACE LOCATION SESE SEC. 3, T11S, R22E 636'FSL, 731'FEL BHL Straight Hole
 Latitude: 39.907206 Longitude: 109.423886
 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 3,260' Green River @ 0,318' Top of Birds Nest Water @ 601' Mahogany @ 1,085' Preset f/ GL @ 1,160' MD					
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD Open hole logging program f/ TD - surf csg			7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.0 ppg
	Wasatch @	3,260'			
	Mverde @	5,519'			
	MVU2 @	6,485'			
	MVL1 @	7,064'			
	TD @	7,510'			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 1160	32.30	H-40	STC	0.86*****	2.52	7.74
PRODUCTION	4-1/2"	0 to 7510	11.60	I-80	LTC	7780	6350	201000
						2.94	1.48	2.64

- 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 2644 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	2,760'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	300	60%	11.00	3.38
	TAIL	4,750'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1330	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained
 *Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

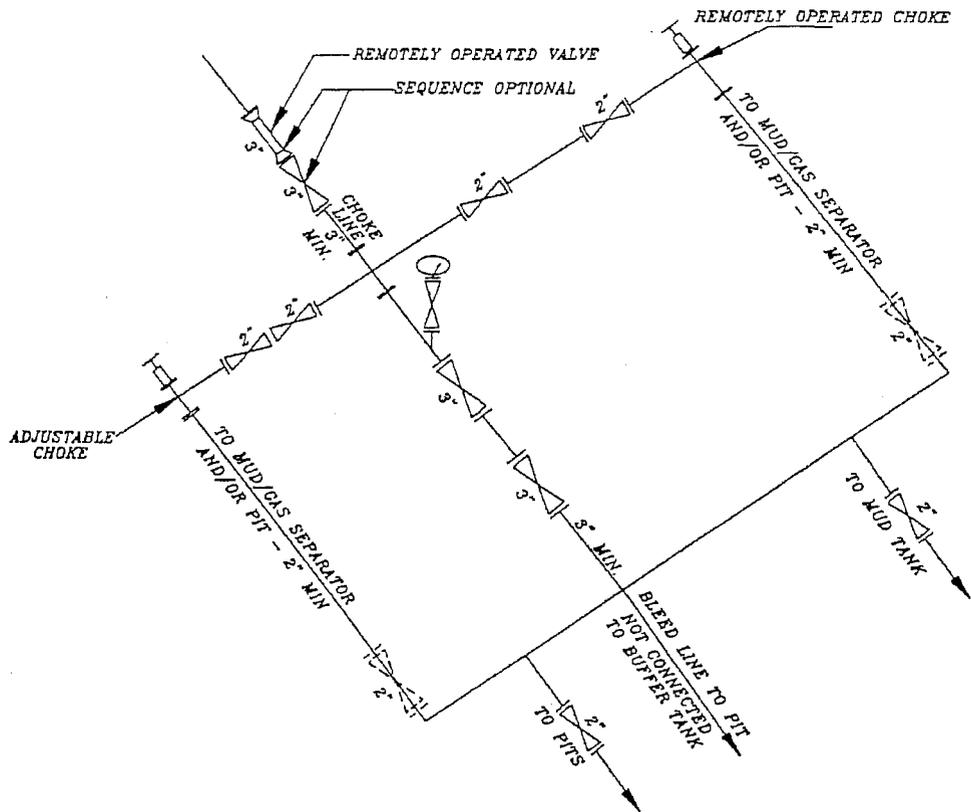
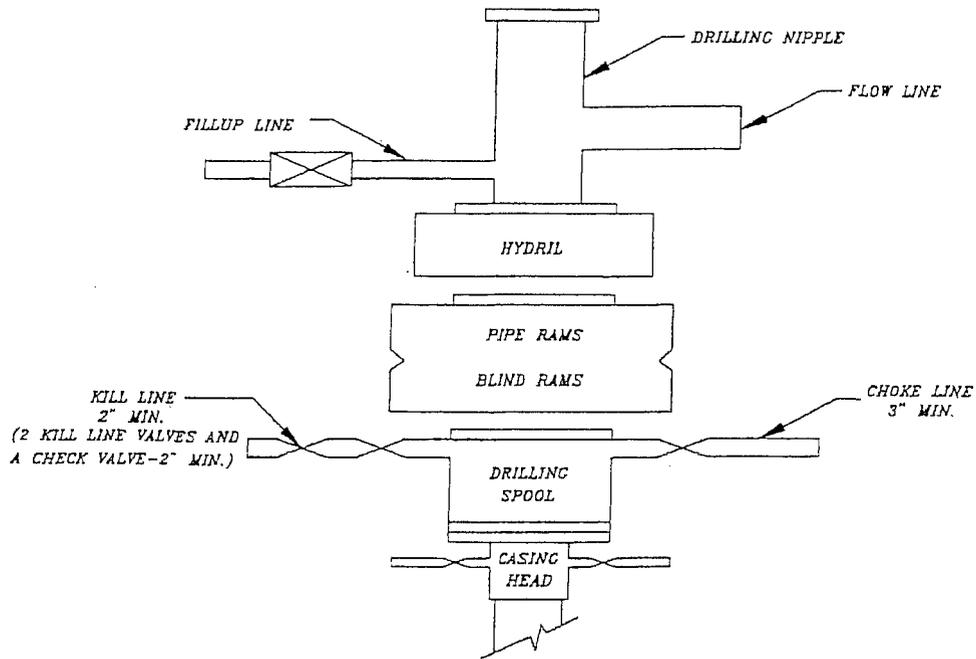
DRILLING ENGINEER: _____
Brad Laney

DATE: _____

DRILLING SUPERINTENDENT: _____
Randy Bayne

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



BITTER CREEK 1122-3P
SE/SE SECTION 3, T11S, R22E
UINTAH COUNTY, UTAH
UTU-29797

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Directions to the proposed location are attached.

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

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

2. **Planned Access Roads:**

The proposed access road is approximately 0.2 +/- miles of proposed access road. Refer to Topo Map B.

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

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

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

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

Please refer to Topo Map C.

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

The following guidelines will apply if the well is productive.

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

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

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

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

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

Variances to Best Management Practices (BMP) Requests:

Approximately 1225' +/- of 4" steel pipelines shall run from the proposed well location to tie-in the 1122-3! pipeline. The pipeline will be butt-welded together. The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

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

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

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

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

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

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

Any gravel will be obtained from a commercial source.

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

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

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

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

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt 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:

Galleta Grass	10 lbs.
Indian Rice Grass	10 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 Survey has been performed and completed on October 5, 2006, the Archaeological Report No. 06-267.

The Paleontological Reconnaissance Survey has been performed and completed on October 5, 2006 the Paleontological Reconnaissance Survey Report No. 06-272. These reports are being submitted along with the Application for Permit to Drill (APD).

WILDLIFE STIPULATIONS:

MEXICAN SPOTTED OWL: No construction or drilling March 1st – August 31st. – this location will get cleared after USF&WLS sends letter.

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 #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

December 5, 2006
Date

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3P

SECTION 3, T11S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.2 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 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE BITTER CREEK #1122-3I TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED BITTER CREEK #1122-3I AND THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW THE ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 57.75 MILES.

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3P

LOCATED IN UINTAH COUNTY, UTAH

SECTION 3, T11S, R22E, S.L.B.&M.

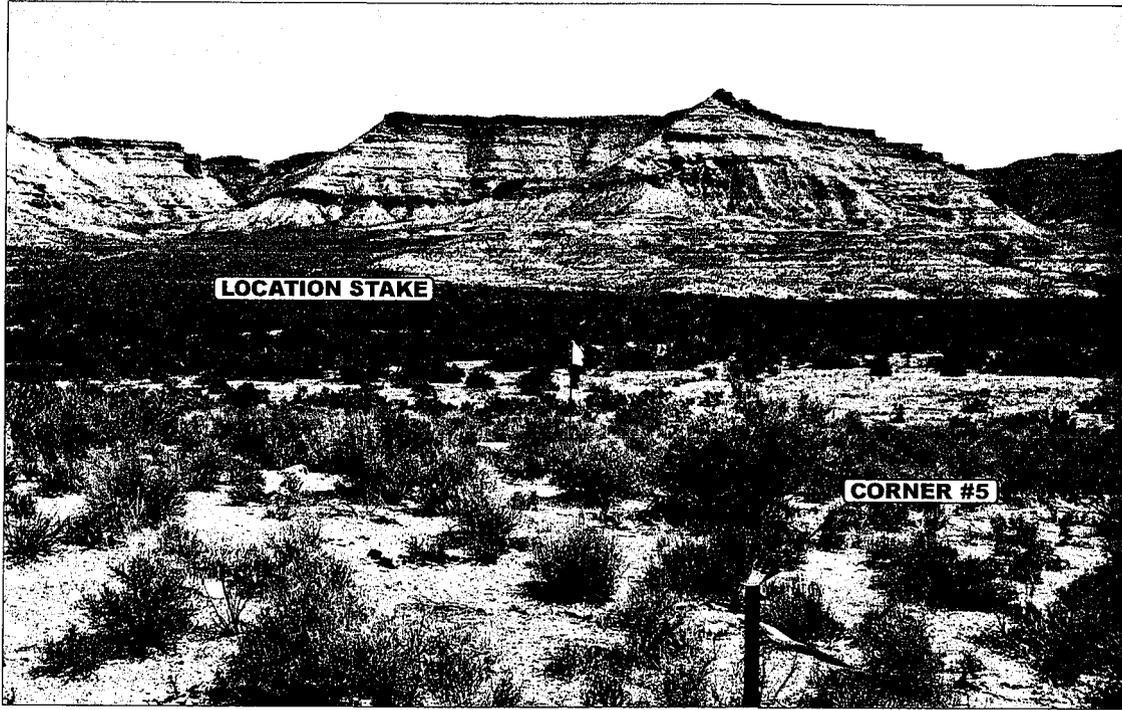


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

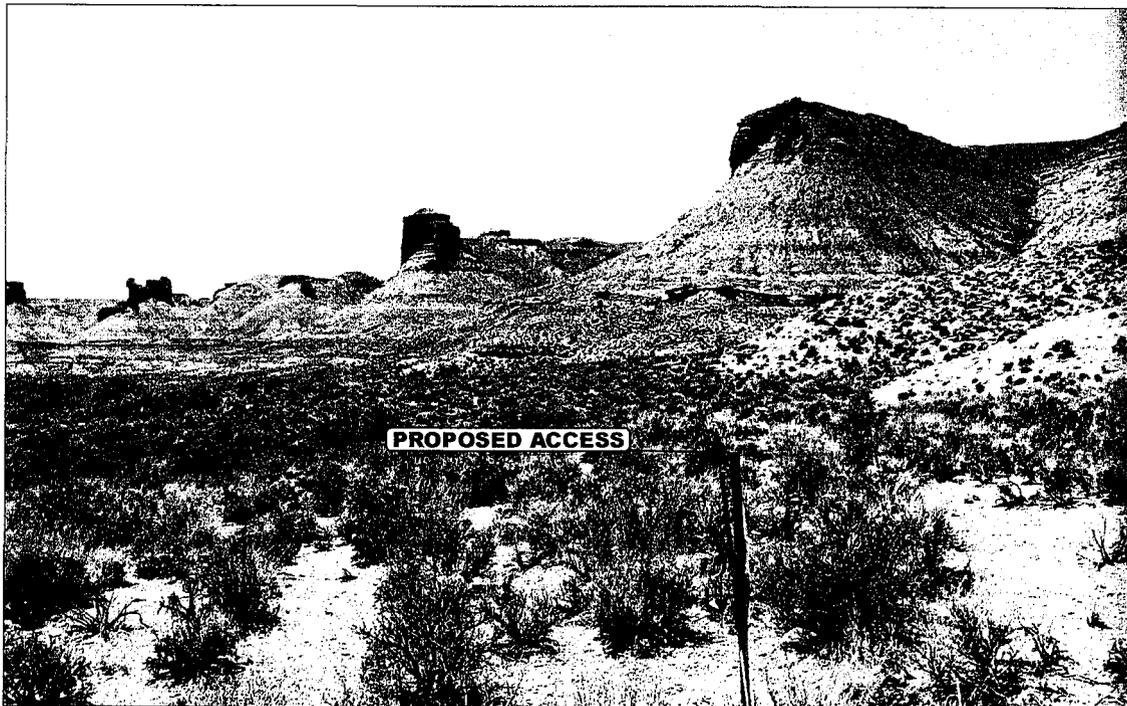


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

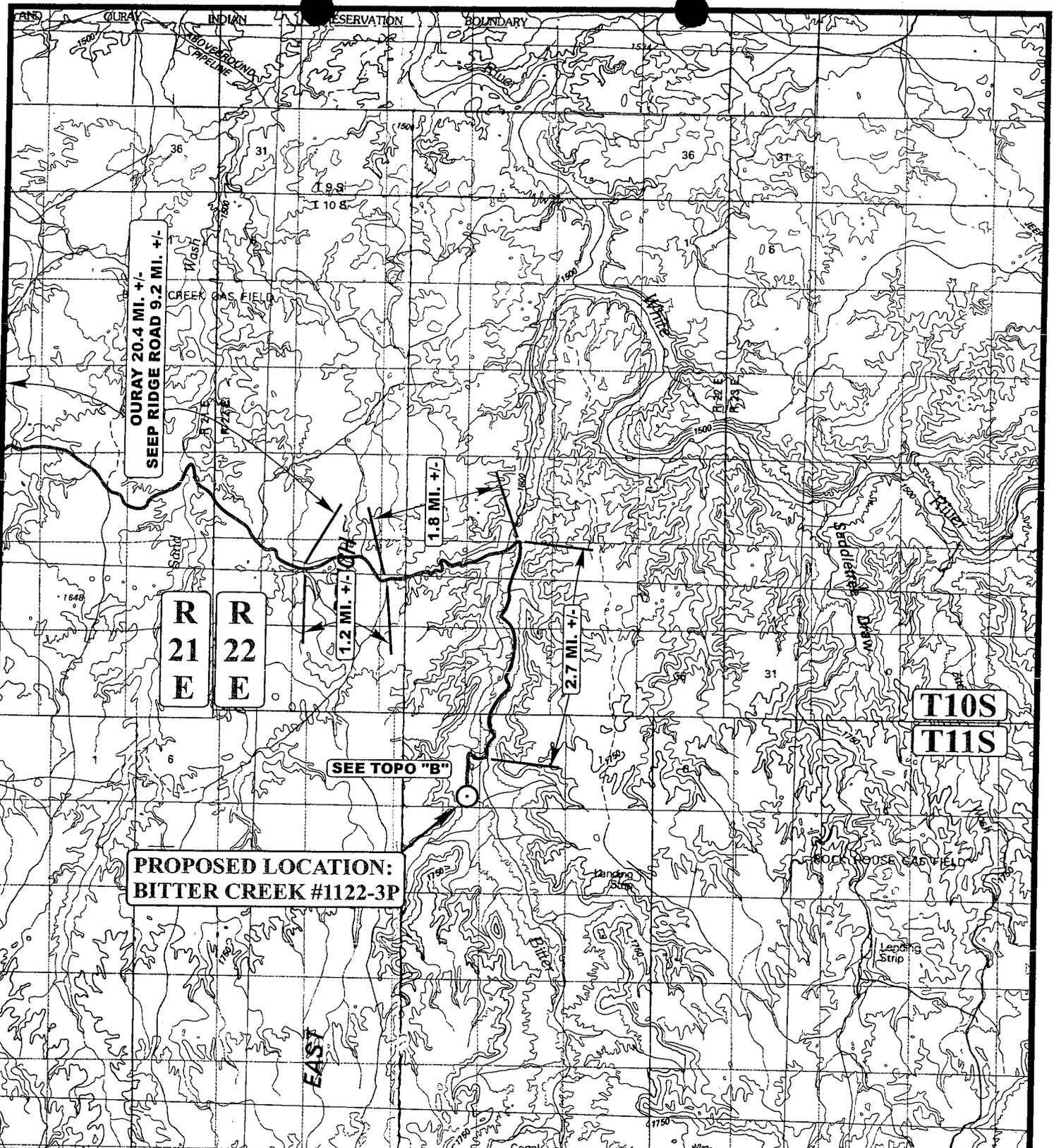
08 24 06
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: A.A.

REVISED: 00-00-00



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

LEGEND:

○ PROPOSED LOCATION

N



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3P

SECTION 3, T11S, R22E, S.L.B.&M.

636' FSL 731' FEL



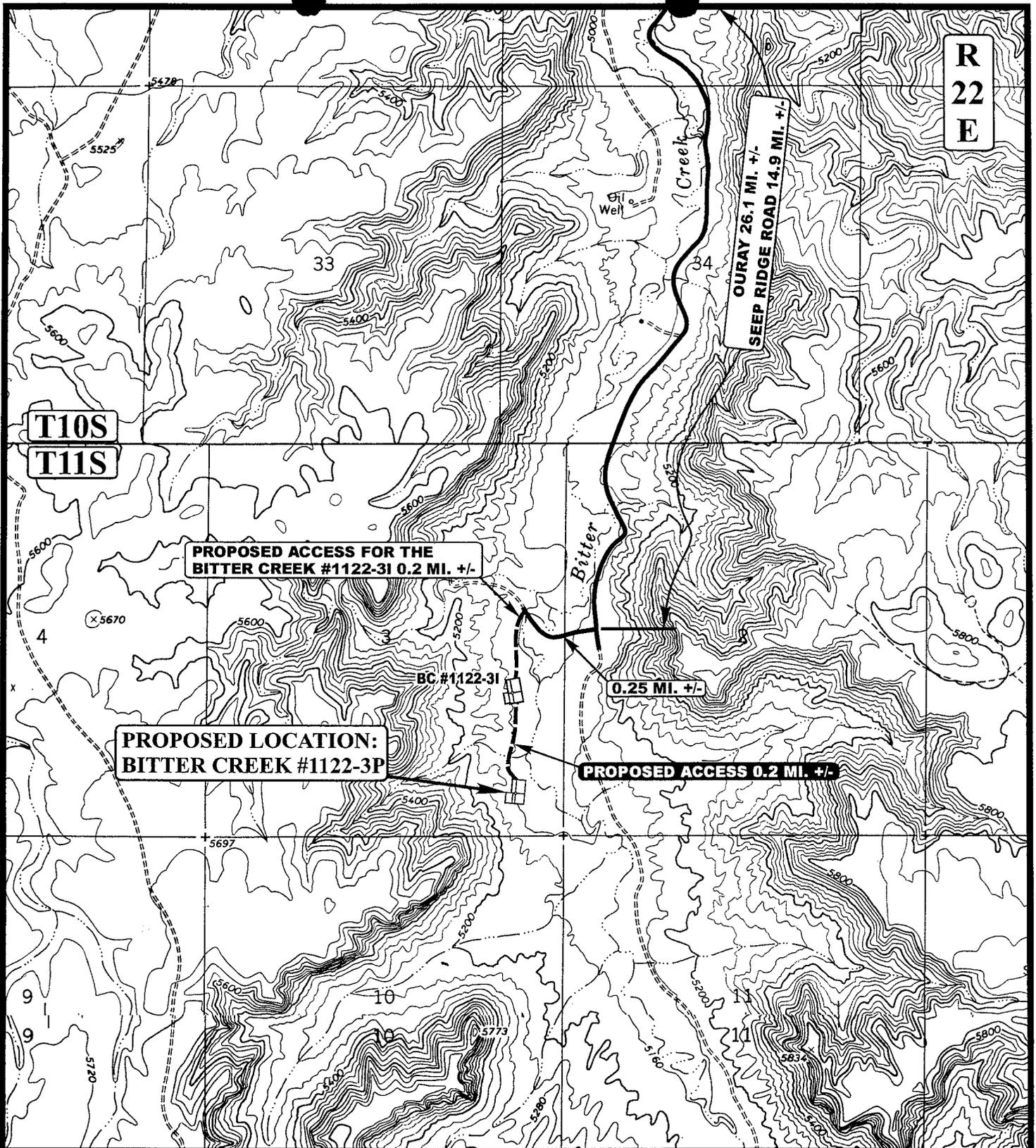
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

08	24	06
MONTH	DAY	YEAR

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





R
22
E

T10S

T11S

PROPOSED ACCESS FOR THE
BITTER CREEK #1122-31 0.2 MI. +/-

BC #1122-31

0.25 MI. +/-

PROPOSED LOCATION:
BITTER CREEK #1122-3P

PROPOSED ACCESS 0.2 MI. +/-

LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3P
SECTION 3, T11S, R22E, S.L.B.&M.
636' FSL 731' FEL



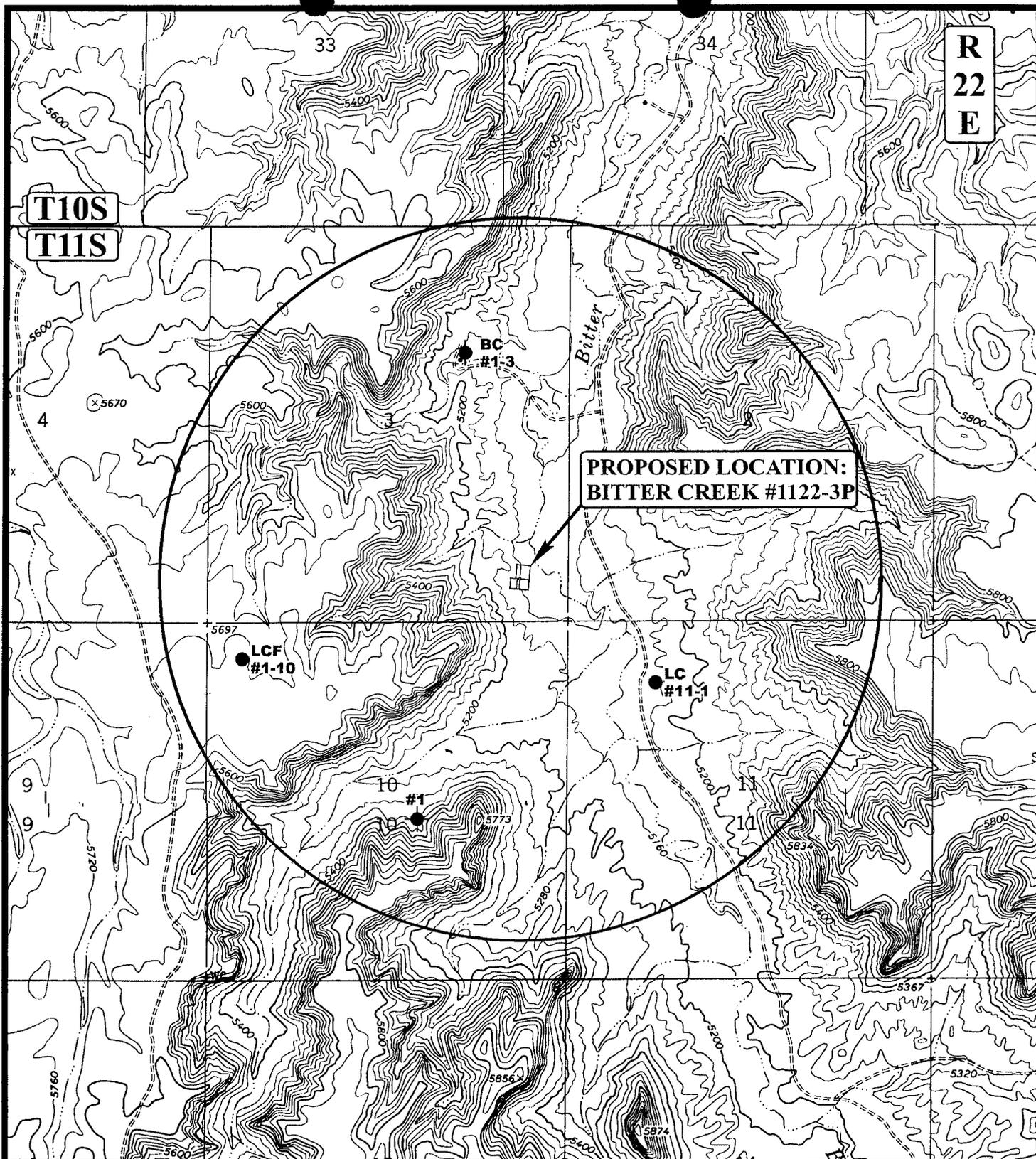
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

08	24	06
MONTH	DAY	YEAR

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

B
TOPO



LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3P
SECTION 3, T11S, R22E, S.L.B.&M.
636' FSL 731' FEL

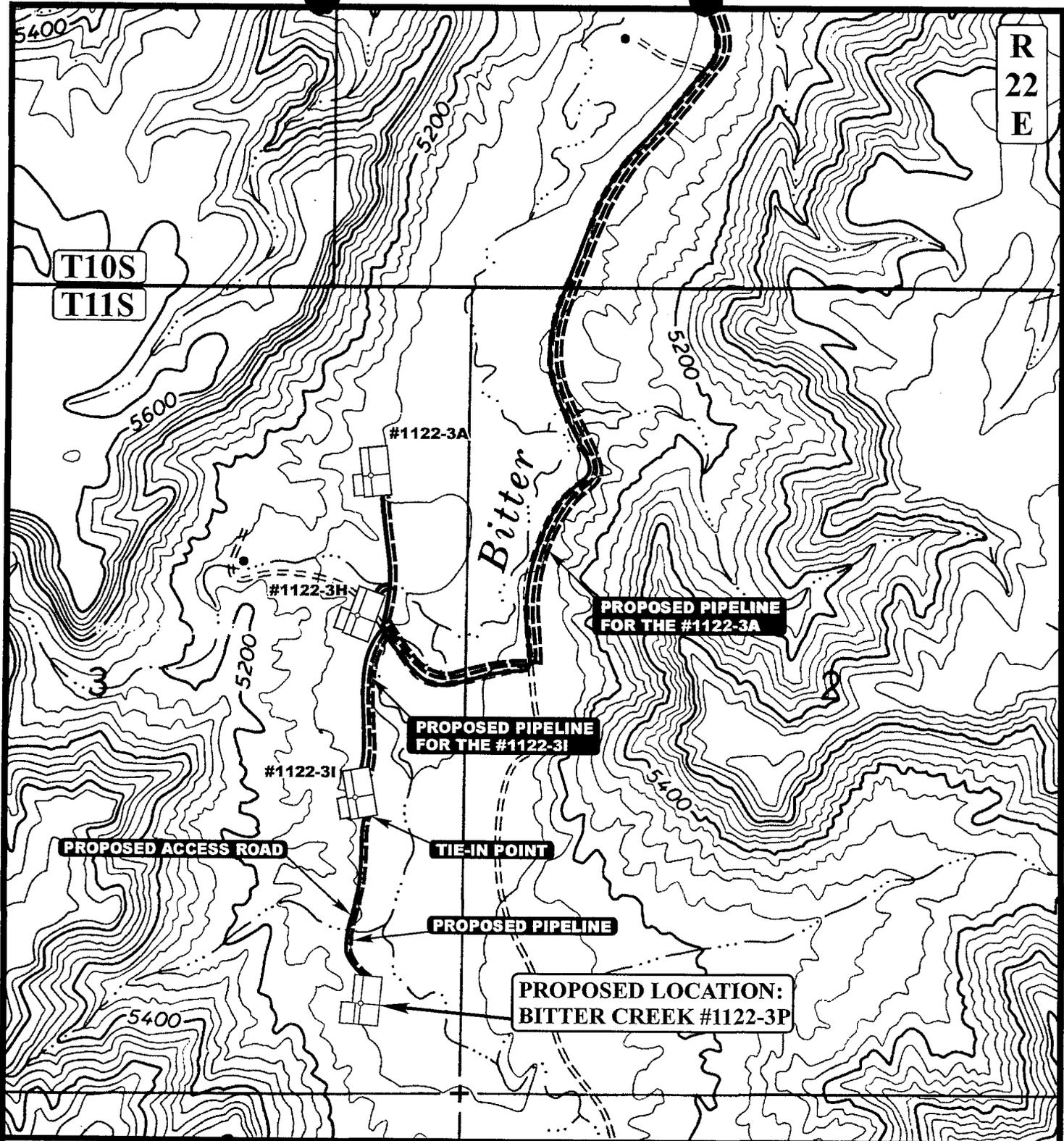


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 08 24 06
MAP MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,225' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3P
SECTION 3, T11S, R22E, S.L.B.&M.
636' FSL 731' FEL



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

TOPOGRAPHIC			08	24	06
MAP			MONTH	DAY	YEAR
SCALE: 1" = 2000'		DRAWN BY: A.A.		REVISED: 00-00-00	



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

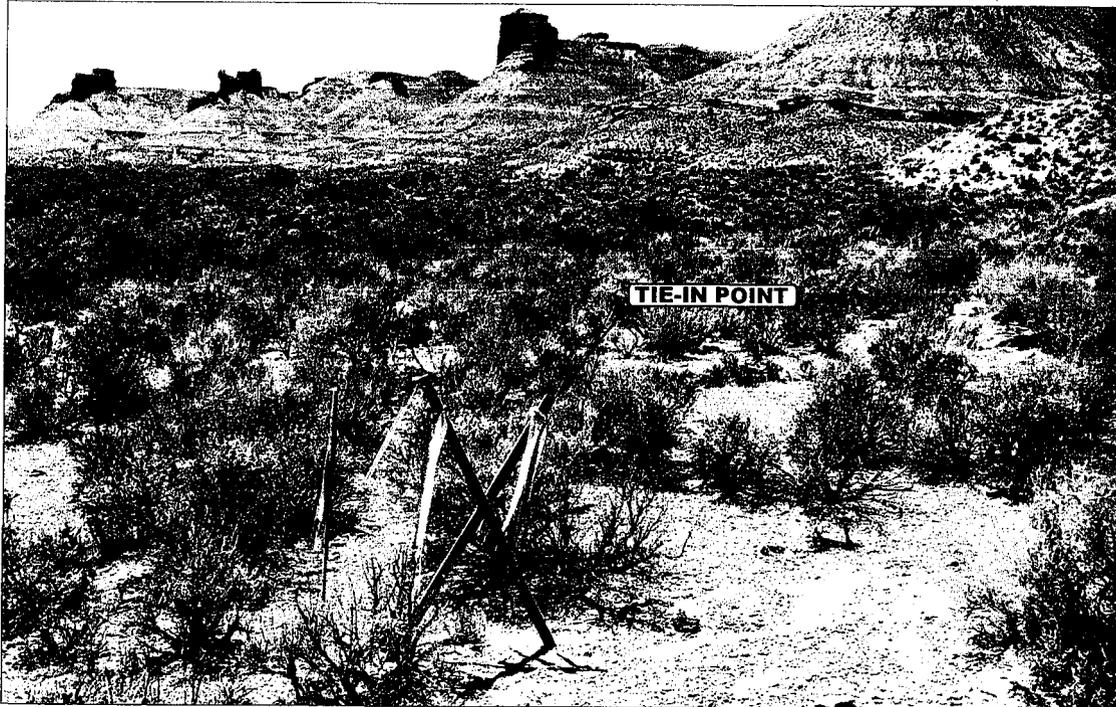


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: SOUTHERLY

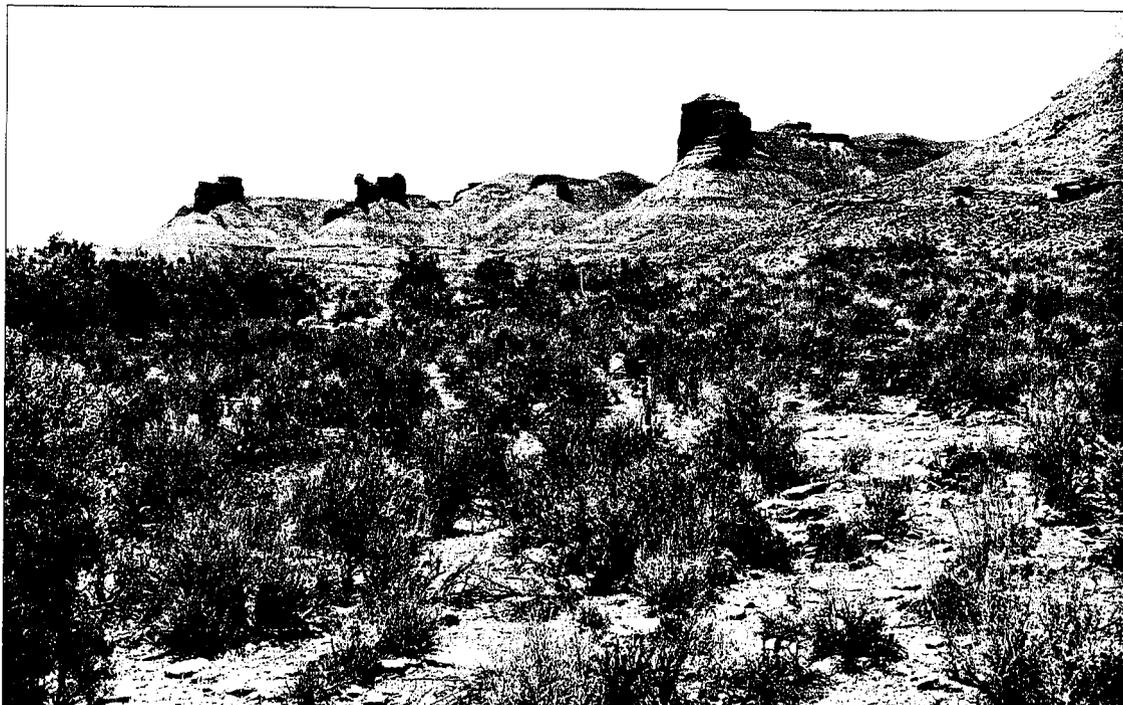


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHERLY



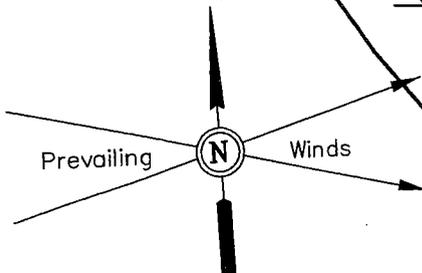
- Since 1964 -

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

PIPELINE PHOTOS			08	24	06	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: A.A.	REVISED: 00-00-00				

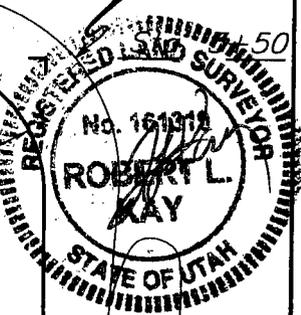
Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR
BITTER CREEK #1122-3P
SECTION 3, T11S, R22E, S.L.B.&M.
636' FSL 731' FEL



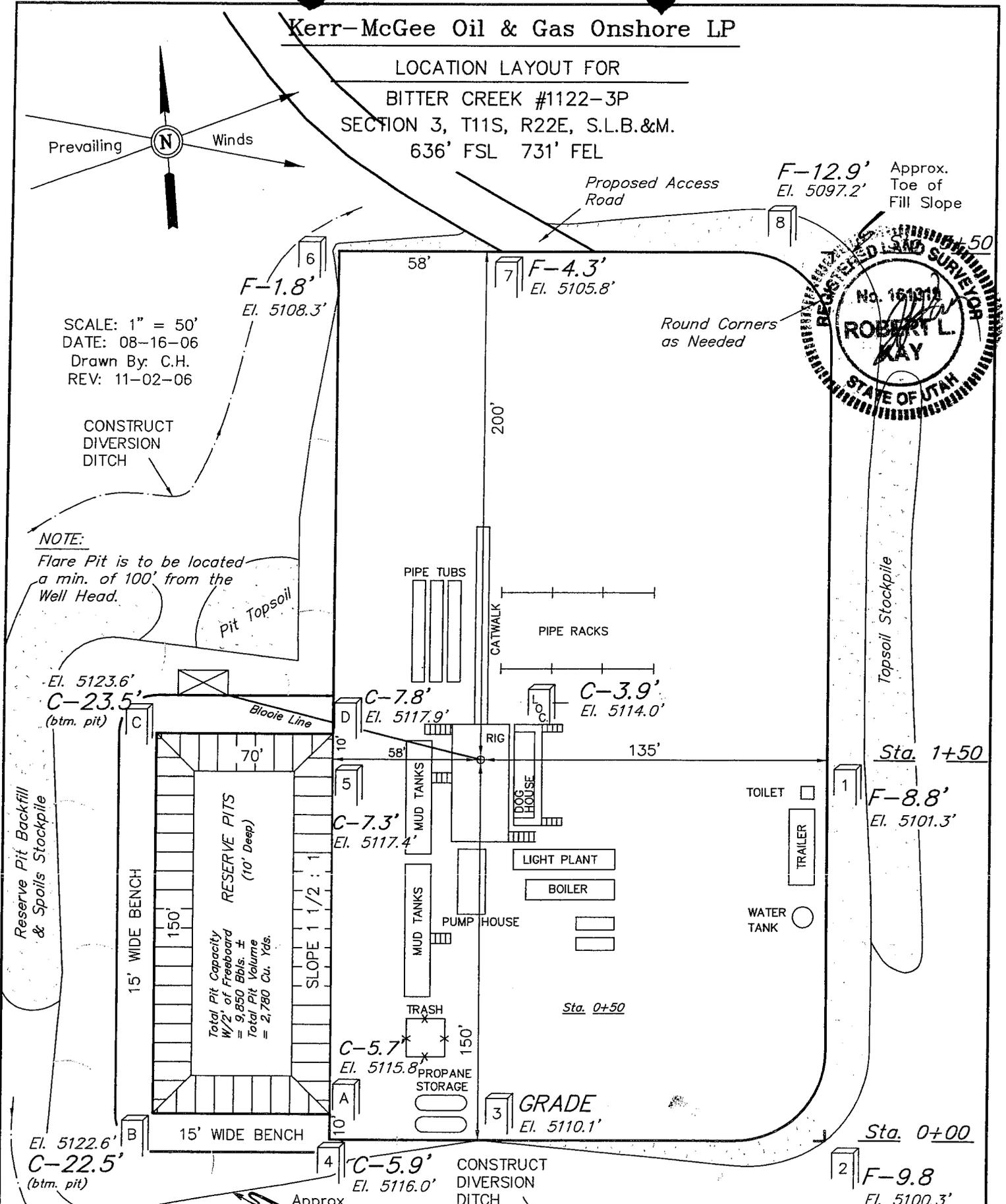
F-12.9' Approx. Toe of Fill Slope
El. 5097.2'

SCALE: 1" = 50'
DATE: 08-16-06
Drawn By: C.H.
REV: 11-02-06



CONSTRUCT DIVERSION DITCH

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



NOTES:
Elev. Ungraded Ground At Loc. Stake = 5114.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 5110.1'

FIGURE #1

Kerr-McGee Oil & Gas Onshore LP

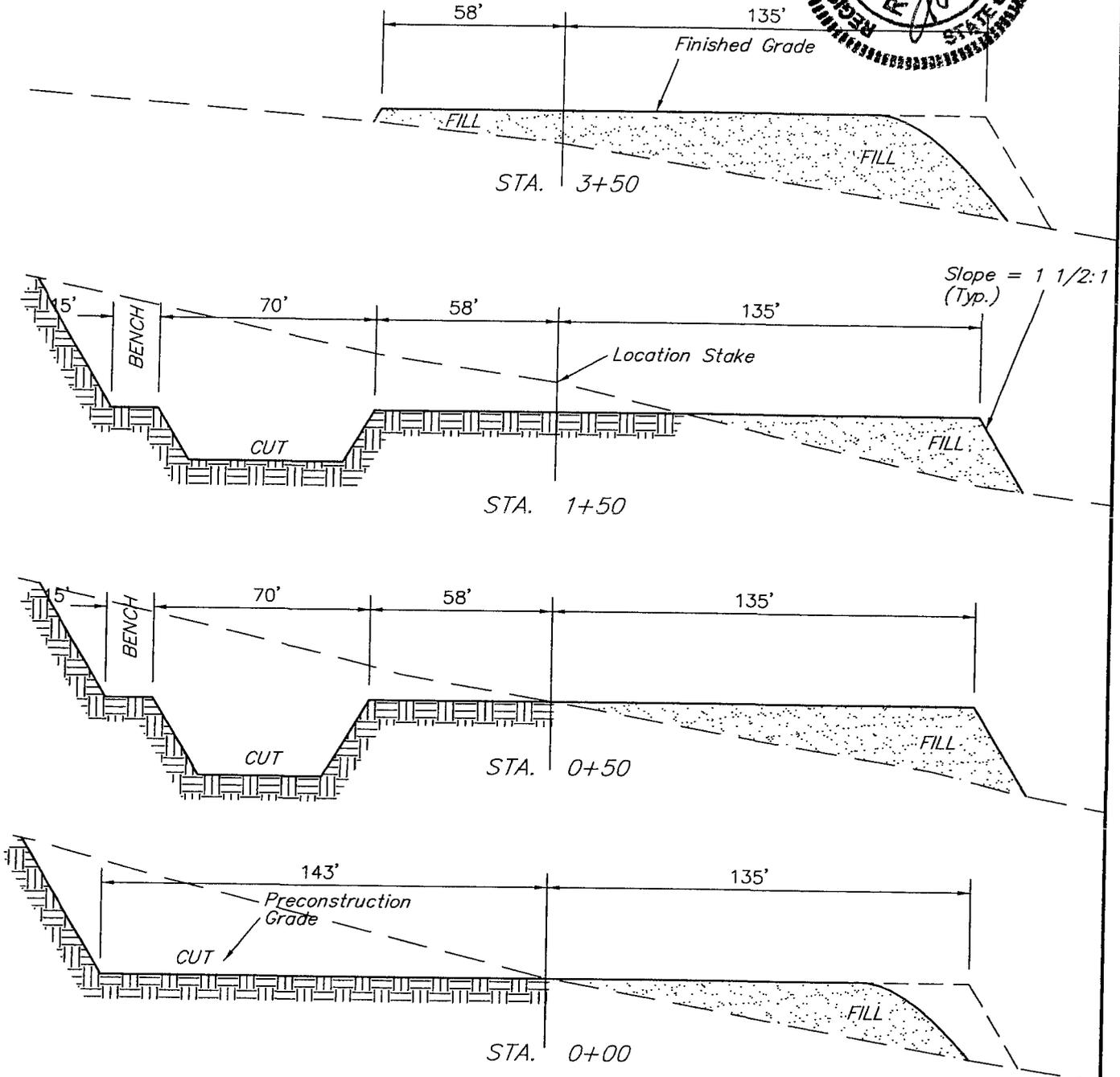
FIGURE #2

TYPICAL CROSS SECTIONS FOR
BITTER CREEK #1122-3P
SECTION 3, T11S, R22E, S.L.B.&M.
636' FSL 731' FEL



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

DATE: 08-16-06
Drawn By: C.H.



APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,960 Cu. Yds.
Remaining Location	= 12,170 Cu. Yds.
TOTAL CUT	= 14,130 CU.YDS.
FILL	= 10,780 CU.YDS.

EXCESS MATERIAL	= 3,350 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,350 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/11/2006

API NO. ASSIGNED: 43-047-38927

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

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:
 SESE 03 110S 220E
 SURFACE: 0636 FSL 0731 FEL
 BOTTOM: 0636 FSL 0731 FEL
 COUNTY: UINTAH
 LATITUDE: 39.88406 LONGITUDE: -109.4337
 UTM SURF EASTINGS: 633936 NORTHINGS: 4415853
 FIELD NAME: BITTER CREEK (547)

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

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

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[1] Ind[] Sta[] Fee[]
 (No. 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: _____

____ R649-3-2. General
 Siting: 460 From Qtr/Qtr & 920' Between Wells

____ R649-3-3. Exception

Drilling Unit
 Board Cause No: 210-04
 Eff Date: 4-12-2004
 Siting: 460' from next dir well & 920' fr other wells.

____ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval

BUTTES FIELD

STATE
1022-32P

FEDERAL
1022-33M

FEDERAL
1022-33O

NBU
1022-33P

FEDERAL
1022-33N

T11S R22E

BITTER CREEK FIELD

ARCHY BENCH II-22-21-2
ARCHY BENCH II-22-11-2

BITTER
CREEK
1122-4A

BITTER CREEK
1122-3D

BITTER
CREEK
1122-3C

BITTER
CREEK
1122-3A

BITTER
CREEK 1-3

BITTER
CREEK
1122-3E

CAUSE: 210-04 / 4-12-2004

BITTER
CREEK
1122-3H

ARCHY BENCH II-22-12-2
ARCHY BENCH II-22-22-2

BITTER
CREEK
1122-3I

ARCHY
BENCH
II-22-13-2

BITTER
CREEK
FED 2-3

BITTER
CREEK
1122-3P

ARCHY
BENCH
II-22-14-2

ARCHY
BENCH
ST 2-2

LIZZARD
CREEK
FED 1-10

LIZZARD
CREEK
FED 2-10

OPERATOR: KERR MCGEE O&G (N2995)

SEC: 3 T.11S R. 22E

FIELD: BITTER CREEK (547)

COUNTY: UINTAH

CAUSE: 210-04 / 4-12-2004

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

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

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



PREPARED BY: DIANA MASON
DATE: 14-DECEMBER-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

December 14, 2006

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

Re: Bitter Creek 1122-3P Well, 636' FSL, 731' FEL, SE SE, Sec. 3, T. 11 South,
R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38927.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal District Office

Operator: Kerr-McGee Oil & Gas Onshore LP

Well Name & Number Bitter Creek 1122-3P

API Number: 43-047-38927

Lease: UTU-29797

Location: SE SE Sec. 3 T. 11 South R. 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-29797

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.
43-047-38927

10. Field and Pool, or Exploratory Area
BITTER CREEK

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 & GAS ONSHORE LP

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

3b. Phone No. (include area code)
720-929-6666

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**636' FSL, 731' FEL
SESE, SECTION 3, T11S, R22E SLB&M**

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

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

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION. SO T THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON DECEMBER 14, 2006.

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 12/15/2007
Initials: [Signature]

Date: 12-04-07
By: [Signature]

RECEIVED
DEC 03 2007

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) RALEEN WHITE	Title SR. REGULATORY ANALYST
Signature <u>Raleen White</u>	Date November 26, 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.

RESET

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

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

API: 4304738927
Well Name: BITTER CREEK 1122-3P
Location: SESE, SECTION 3, T11S, R22E SLB&M
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE LP
Date Original Permit Issued: 12/14/2006

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

Raleen White
Signature

11/26/07
Date

Title: Sr. Regulatory Analyst

Representing: Kerr-McGee Oil & Gas Onshore LP

RECEIVED

DEC 03 2007

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

DEC 12 2006

BLM

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-29797
6. If Indian, Allottee or Tribe Name

1a. Type of Work: DRILL REENTER
b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

7. If Unit or CA Agreement, Name and No.
8. Lease Name and Well No.
BITTER CREEK 1122-3P

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

9. API Well No.
43 047 38927
10. Field and Pool, or Exploratory
BITTER CREEK

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **SESE 636'FSL, 731'FEL**
At proposed prod. Zone

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

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

12. County or Parish
UINTAH
13. State
UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
636'

16. No. of Acres in lease
701.24

17. Spacing Unit dedicated to this well
40.00

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

19. Proposed Depth
7510'

20. BLM/BIA Bond No. on file
BOND NO. ~~WY-2357~~ WYB000291

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5114' UNGRADED 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 12/5/2006
Title REGULATORY ANALYST		

Approved by (Signature) 	Name (Printed/Typed) Jerry Kavelka	Date 6-24-2008
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 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)

UDOGM

NOTICE OF APPROVAL

RECEIVED

JUN 26 2008

DIV. OF OIL, GAS & MINING

06PP0509A
NOS 9/7/06



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Kerr-McGee Oil & Gas Onshore, LP	Location:	SESE, Sec. 3, T11S, R22E
Well No:	Bitter Creek 1122-3P	Lease No:	UTU-29797
API No:	43-047-38927	Agreement:	N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
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)***

Surface 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.

Site Specific COAs:

- Adhere to Executive Order 5327 of April 15, 1930, stipulations for lands in oil shale withdrawal.
- All applicable local, state, and/or federal laws, regulations, and/or statutes will be complied with.
- All traffic related to this action will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The access roads will be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- All secondary drainages shall be rerouted around the location, as needed.
- Low-water crossings will be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines will be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit will be lined with a 16 ml or greater liner and doubled felted prior to spudding.
- The liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.

- When the reserve pit contains fluids or toxic substances, the operator must ensure animals do not ingest or become entrapped in pit fluids.
- If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- The interim seed mix for this location shall be:

Galleta grass	Hilaria jamesii	10 lbs. acre
Indian rice grass	Oryzopsis hymenoides	10 lbs. acre
Needle & Thread grass	Stipa comata	10 lbs. acre

All pounds are in pure live seed.

- Rates are set for drill seeding; double the rate if broadcasting.
 - Reseeding may be required if initial seeding is not successful.
- The operator will be responsible for treatment and control of invasive and noxious weeds following the operator submitted PUP plan provided the BLM before this project construction begins.
 - The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit and posted/marked topsoil. When the reserve pit is closed, it shall be contoured and the topsoil spread, and the area shall be seeded in the same manner as the location topsoil to comply with natural topography.
 - Once the location is plugged and abandoned, it shall be contoured to natural topography, topsoil shall be spread, and the entire location shall be seeded with a seed mix recommended by the AO (preferably of native origin). Seed application will follow all guidelines in the interim seed mix bullet statement above. Seeding guidelines will be provided by the BLM to the operator with prescribed seeding recommendations.
 - The authorized officer may prohibit surface disturbing activities during severe winter conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
 - The authorized officer may prohibit surface disturbing activities during wet or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
 - All well facilities not regulated by OSHA will be painted Carlsbad Canyon.
 - All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, will be stockpiled for use during final reclamation.
 - The habitat will be protected (no or little development) within 2 miles (3.2 km) of active leks.

- a. All human disturbances will be minimized within sight or 0.3 mile (0.5 km) of active leks during breeding season during early morning or evening when birds are likely to be found on the leks; and
 - a. Avoid constructing above ground powerlines, or other tall structures within two (2) miles of seasonal habitat.
- Well pads will be located out of the line of sight/hearing at the leks by considering topographical or vegetative screening features as well as centralized tank batteries, use of low profile tanks, and pointing exhaust from heater-treater to the north and northeast at proposed locations.
 - a. Proper placement of well locations can reduce the impact out of hearing >10 dBA above natural ambient noise.
- Construction, drilling, completion and workover activities will not be allowed within two miles of active leks from March 1 through June 15.
- Other structures such as fences, poles, utilities, will not be constructed within the two mile buffer of active leks, unless the proposed project is reviewed by BLM and UDWR and a waiver issued for this measure on an approved design.
- Operational activities (trucks driving to well locations, well, road, pipeline surveys, pipeline maintenance etc.) will be minimized March 1 through June 15 one hour prior to sunrise to three hours after sunrise.
- No construction, drilling, completion activities will be allowed from May 15-June 20 to help protect pronghorn kidding in the area.
- Golden eagle nesting a timing restriction from February 1 through July 30 will be applied to the following well locations:

Bitter Creek Well 1121 6K Location NESW Section 6, T 11 S R22 E.
Bitter Creek Well 1121 6E Location SWNW Section 6, T 11 S R22 E.
Bitter Creek Well 1121 6D Location NWNW Section 6, T 11 S R22 E.

- Notify the Authorized Officer 48 hours prior to surface disturbing activities.

DOWNHOLE CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

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

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Wellogs@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: **BITTER CREEK 1122-3P**

Api No: **43-047-38927** Lease Type: **FEDERAL**

Section **03** Township **11S** Range **22E** County **UINTAH**

Drilling Contractor **PETE MARTIN DRLG** RIG # **BUCKET**

SPUDDED:

Date **08/21/08**

Time **10:00 AM**

How **DRY**

Drilling will Commence:

Reported by **LEW WELDON**

Telephone # **(435) 828-7035**

Date **08/21/08** Signed **CHD**

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738927	BITTER CREEK 1122-3P		SESE	3	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>A</i>	99999	<i>17035</i>	8/21/2008			<i>8/25/08</i>	
Comments: <i>MIRU PETE MARTIN BUCKET RIG. WSMVD</i> SPUD WELL LOCATION ON 08/21/2008 AT 10:00 AM							

Well 2

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

Well 3

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

ACTION CODES:

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

SHEILA UPCHEGO

Name (Please Print)

Signature

REGULATORY ANALYST

Title

8/21/2008

Date

RECEIVED

AUG 21 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-29797

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.
4304738927

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)
SE/SE SEC. 3, T11S, R22E 636'FSL, 731'FEL

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

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

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 80'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/62 SX READY MIX.

SPUD WELL LOCATION ON 08/21/2008 AT 10:00 AM.

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

Name (Printed/Typed)

SHEILA UPCHEGO

Signature



Title

REGULATORY ANALYST

Date

August 21, 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

RECEIVED

AUG 25 2008

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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5. Lease Serial No.

UTU-29797

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

BITTER CREEK 1122-3P

9. API Well No.

4304738927

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)

SE/SE SEC. 3, T11S, R22E 636'FSL, 731'FEL

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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PROPETRO AIR RIG ON 08/30/2008. DRILLED 12 1/4" SURFACE HOLE TO 1350'. RAN 9 5/8" 36# J-55 SURFACE CSG. CMT W/450 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD RETURNS TO PIT 18 +/- CMT TO PIT. CMT STAYED AT SURFACE.

WORT.

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

Name (Printed/Typed)

SHEILA UPCHEGO

Title

REGULATORY ANALYST

Signature

Date

September 3, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

RECEIVED

(Instructions on reverse)

SEP 09 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. 3, T11S, R22E 636'FSL, 731'FEL

5. Lease Serial No.
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6. If Indian, Allottee or Tribe Name

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

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BITTER CREEK 1122-3P

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10. Field and Pool, or Exploratory Area
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11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

FINISHED DRILLING FROM 1350' TO 7568' ON 09/26/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/315 SX PREM LITE II @12.0 PPG 2.32 YIELD. TAILED CMT W/1070 SX 50/50 POZ @ 14.3 PPG 1.31 YIELD. DISPLACE W/117 BBLS WATER PLUG HELD. FLOATS HELD W/1.25 BBLS RETURNED TO INVENTORY. STRING WT @80K PRIOR TO LOWERING MANDREL WOULD NOT SET DUE TO LOSS OF WEIGHT OF CSG STRING. NIPPLE DOWN LIFT BOP FOR SLIPS ATTEMPT TO SET MANDREL W/80K ORIGINAL STRING WT .

RELEASED ENSIGN RIG 12 ON 09/28/2008 AT 0550 HRS.

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

Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature 	Date September 29, 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-29797

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.
4304738927

10. Field and Pool, or Exploratory Area
BITTER CREEK

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)
**636' FSL, 731' FEL
SESE, SEC.3, T11S-R22E**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/17/2008 AT 0915 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 me</i>	Date October 20, 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 27 2008
DIV. OF OIL, GAS & MINING

Wins No.: 95711

BITTER CREEK 1122-3P

Well Operations Summary Long

Operator KERR-MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 08/30/2008	GL 5.114	KB 5125	ROUTE V46
API 4304738927	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Long/Lat.: 39.90721 / 109.42389	Q-Q/Sect/Town/Range: SESE / 3 / 11S / 22E		Footages: 636.00' FSL 731.00' FEL		

Wellbore: BITTER CREEK 1122-3P

MTD 7,568	TVD 9,811	PBMD 7,513	PBTVD
EVENT INFORMATION:	EVENT ACTIVITY: DRILLING	START DATE: 8/21/2008	AFE NO.: 2012037
	OBJECTIVE: DEVELOPMENT	END DATE: 9/28/2008	
	OBJECTIVE 2: VERTICAL WELL	DATE WELL STARTED PROD.: 8/30/2008	
	REASON: DRILL PROD HOLE	Event End Status: COMPLETE	

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / UI	08/15/2008	08/15/2008	08/15/2008	08/15/2008	08/15/2008	08/15/2008	08/15/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
8/21/2008	10:00 - 23:00	13.00	DRLCON	02		P	MOVE IN AND RIG UP BUCKET RIG SPUD WELL @ 1000 HR 8/21/08 DRILL AND SET 80' OF SCHEDULE 10 PIPE DRILL RODENT HOLES FOR RIG 12 BLM AND STATE NOTIFIED OF SPUD
8/30/2008	17:00 - 0:00	7.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 1700 HR 8/30/08 HIT TRONA WATER @ 640' DA AT REPORT TIME 960'
8/31/2008	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD CIRCULATING WITH SKID PUMP NO RETURNS 1090'
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG T/D @ 1350' CONDITION HOLE 1 HR @ REPORT TIME
9/1/2008	0:00 - 3:00	3.00	DRLSUR	05		P	TRIP DP OUT OF HOLE
	3:00 - 6:00	3.00	DRLSUR	11		P	RUN 1307' OF 9 5/8 CSG AND RIG DOWN AIR RIG
	6:00 - 16:00	10.00	DRLSUR	12	E	X	MOVING CREW RAN OFF ROAD AND BLOCKED ROAD WAS UNABLE TO GET CMT CREW ON LOCATION OR GET RIG CREWS OFF LOCATION WAIT ON CRANE
	16:00 - 17:00	1.00	DRLSUR	15		P	CEMENT 1ST STAGE WITH 450 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK GOOD RETURNS TO PIT + - 18 BBL TAIL CMT TO PIT
	17:00 - 18:00	1.00	DRLSUR	15		P	

Wins No.: 95711

BITTER CREEK 1122-3P

API No.: 4304738927

9/17/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR							
	0:00 - 19:00	19.00	RDMO	01	E	P	RDRT, LOWER DERRICK, PREPARE THE RIG TO MOVE.	
	19:00 - 0:00	5.00	RDMO	01	E	P	WAIT ON DAYLIGHT, PREPARE RIG FOR MOVE. PERFORM GENERAL RIG MAINTENANCE.	
9/18/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR							
	0:00 - 8:00	8.00	RDMO	01	E	P	WAIT ON DAYLIGHT, PREPARE TO MOVE THE RIG.	
	8:00 - 19:30	11.50	RDMO	01	A	P	HELD DRIVERS SAFETY MEETING. MOVE RIG WITH JONES TRUCKING. RELEASED TRUCKS @ 19:30 HRS.	
	19:30 - 0:00	4.50	RDMO	01	B	P	RURT. 100% MOVED, 40% RIGGED UP.	
9/19/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR							
	0:00 - 8:00	8.00	MIRU	01	B	P	RURT.	
	8:00 - 18:30	10.50	MIRU	01	B	P	RAISE DERRICK @ 08:00 HRS. CONTINUE RURT AND PREPARE TO TEST BOP'S.	
	18:30 - 23:30	5.00	MIRU	13	C	P	HELD SAFETY MEETING, TEST BLIND RAMS, PIPE RAMS, FLOOR VALVES, CHOKE AND ALL RELATED VALVES TO 250 AND 5000 PSI. TEST HYDRIL TO 250 AND 2500 PSI. TEST CASING TO 1500 PSI FOR 30 MIN.	
	23:30 - 0:00	0.50	MIRU	13	B	P	INSTALL WEAR BUSHING.	
9/20/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR							
	0:00 - 4:00	4.00	PRSPD	05	A	P	HELD SAFETY MEETIN, RU AND PU BHA WITH WEATHERFORD. RD LD MACHINE.	
	4:00 - 6:00	2.00	PRSPD	02	F	P	DRILL SHOE TRACK.	
	6:00 - 7:00	1.00	DRLPRO	02	B	P	DRILL 1361'-1443' (82') 82'/HR.	
	7:00 - 7:30	0.50	DRLPRO	09	A	P	SURVEY @ 1367' - 1.75 DEG.	
	7:30 - 13:00	5.50	DRLPRO	02	B	P	DRILL 1443'-1915' (472) 85.5'/HR. 16K WOB, 110 BIT RPM. START MUD UP WITH LIQUID MUD.	
	13:00 - 15:30	2.50	DRLPRO	04	B	X	WELL FLOWING @ 55 TO 60 BPH, APPEARS TO HAVE STARTED @ 1510' AND CUT MW FROM 9.5 PPG TO 9.1 PPG. CIRCULATE AND RAISE MW TO 9.7 PPG, FLOW CHECK, WELL FLOWING 1/2 TO 1 BPM. RAISE MW TO 9.9 PPG. FLOW CHECK, FLOWING 1/2 TO 3/4 BPM. RAISE MW TO 10.1 PPG. FLOW CHECK, VERY SLIGHT FLOW.	

Wins No.: 95711

BITTER CREEK 1122-3P

API No.: 4304738927

13:00 - 15:30	2.50	DRLPRO	04	B	X	WELL FLOWING @ 55 TO 60 BPH, APPEARS TO HAVE STARTED @ 1510' AND CUT MW FROM 9.5 PPG TO 9.1 PPG. CIRCULATE AND RAISE MW TO 9.7 PPG, FLOW CHECK, WELL FLOWING 1/2 TO 1 BPM. RAISE MW TO 9.9 PPG. FLOW CHECK, FLOWING 1/2 TO 3/4 BPM. RAISE MW TO 10.1 PPG. FLOW CHECK, VERY SLIGHT FLOW.
15:30 - 16:00	0.50	DRLPRO	06	A	P	SERVICE RIG, FUNCTION PIPE RAMS.
16:00 - 22:30	6.50	DRLPRO	02	B	P	DRILL 1915'-2448' (533') 82'/HR. 16K WOB, 110 BIT RPM.
22:30 - 23:00	0.50	DRLPRO	09	A	P	SURVEY @ 2320' - 4.5 DEG.
23:00 - 0:00	1.00	DRLPRO	02	B	P	DRILL 2448'-2514' (66') 8-10K WOB, 110 BIT RPM.

9/21/2008

SUPERVISOR: BRUCE TAYLOR

0:00 - 5:00	5.00	DRLPRO	02	B	P	DRILL 2514'-2951' (437') 87.4'/HR. 8-10K WOB, M 110 BIT RPM, 10.3/42
5:00 - 5:30	0.50	DRLPRO	09	A	P	SURVEY @ 2873' - 2.5 DEG.
5:30 - 10:00	4.50	DRLPRO	02	B	P	DILL 2951'-3235' (284') 63.1'/HR. 10/16K WOB, 110 BIT RPM, 10.3/44
10:00 - 10:30	0.50	DRLPRO	06	A	P	SERVICE RIG, FUNCTION HCR. CHECK COM.
10:30 - 13:00	2.50	DRLPRO	02	B	P	DRILL 3235'-3453' (218') 87.2'/HR. 16-18K WOB, 110 BIT RPM, 10.3/44
13:00 - 13:30	0.50	DRLPRO	09	A	P	SURVEY @ 3377' - 2.2 DEG.
13:30 - 0:00	10.50	DRLPRO	02	B	P	DRILL 3453'-4185' (732') 69.7'/HR. (16-18K WOB, 110 BIT RPM, 10.4/45

9/22/2008

SUPERVISOR: BRUCE TAYLOR

0:00 - 6:00	6.00	DRLPRO	02	B	P	DRILL 4185'-4522' (337') 56.1'/HR. 16-18K WOB, 110 BIT RPM, 10.4/45
6:00 - 6:30	0.50	DRLPRO	09	A	P	SURVEY @ 4440' - 2.98 DEG.
6:30 - 14:00	7.50	DRLPRO	02	B	P	DRILL 4522'-4897' (375') 50'/HR. 16-18K WOB, 110 BIT RPM, 10.5/45
14:00 - 14:30	0.50	DRLPRO	06	A	P	SERVICE RIG, FUNCTION ANNULAR, CHECK COM.
14:30 - 0:00	9.50	DRLPRO	02	B	P	DRILL 4897'-5265' (368') 38.7'/HR. 18-20K WOB, 110 BIT RPM, 10.4/44

Wins No.: 95711

BITTER CREEK 1122-3P

API No.: 4304738927

Start Time	End Time	Rate	Job Type	Count	Code	Priority	Description
14:30	0:00	9.50	DRLPRO	02	B	P	DRILL 4897'-5265' (368') 38.7'/HR. 18-20K WOB, 110 BIT RPM, 10.4/44
9/23/2008 SUPERVISOR: BRUCE TAYLOR							
0:00	7:30	7.50	DRLPRO	02	B	P	DRILL 5265'-5618' (35') 47'/HR. 18-20K WOB, 110 BIT RPM, 10.5/44
7:30	8:00	0.50	DRLPRO	09	A	P	SURVEY @ 5454' - 5.19 DEG.
8:00	14:00	6.00	DRLPRO	02	B	P	DRILL 5618'-5808' (190') 31.6'/HR. 14-16K WOB, 110 BIT RPM, 10.5/44
14:00	14:30	0.50	DRLPRO	06	A	P	SERVICE RIG, FUNCTION PIPE RAMS, CHECK COM
14:30	21:00	6.50	DRLPRO	02	B	P	DRILL 5808'-6117' (309') 47.5'/HR. 14-16K WOB, 110 BIT RPM, 10.7/43
21:00	21:30	0.50	DRLPRO	09	A	P	SURVEY @ 6004' - 5.09 DEG.
21:30	0:00	2.50	DRLPRO	02	B	P	DRILL 6117'-6212' (95') 38'/HR. 14-16K WOB, 110 BIT RPM, 10.9/41
9/24/2008 SUPERVISOR: KENNETH GATHINGS							
0:00	3:30	3.50	DRLPRO	02	B	P	DRILL 6212'-6312' (100') 28.5'/HR. 14-16K WOB, 110 BIT RPM, 11.0/42
3:30	4:00	0.50	DRLPRO	06	A	P	SERVICE RIG, CHECK COM.
4:00	12:30	8.50	DRLPRO	02	B	P	DRILL F/ 6312' - 6594' (282' @ 33.17 fph) 45 vis / 11.1 ppq
12:30	13:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT / FUNCTION PIPE RAMS
13:00	21:00	8.00	DRLPRO	02	B	P	DRILL F/ 6594' - T/ 6786' (192' @ 24.0 fph) 43 vis / 11.3 ppq
21:00	22:00	1.00	DRLPRO	04	C	P	CIRCULATE & CONDITION HOLE FOR BIT TRIP
22:00	0:00	2.00	DRLPRO	05	A	P	PUMP PILL / DROP SURVEY TOOL / P.O.O.H. W/ BIT #1
9/25/2008 SUPERVISOR: KENNETH GATHINGS							
0:00	3:00	3.00	DRLPRO	05	A	P	P.O.O.H. W/ BIT #1
3:00	3:30	0.50	DRLPRO	05	A	P	BREAK BIT / RECOVER SURVEY TOOL / CHANGE OUT MUD MOTORS (LOOSE & OIL LEAKING FROM SEALS)
3:30	4:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT

BITTER CREEK 1122-3P

API No.: 4304738927

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3:30 - 4:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
4:00 - 8:30	4.50	DRLPRO	06	A	P	T.I.H. W/ BIT #2 / BREAK CIRCULATION AS NEEDED
8:30 - 9:00	0.50	DRLPRO	03	D	P	PRECAUTIONARY REAM F/ 6750' - T/ 6786 W/ 3' OF FILL
9:00 - 14:30	5.50	DRLPRO	02	B	P	DRILL F/ 6786' - T/ 7133' (347' @ 63.09 fph) 48 50 vis / 11.3 ppq
14:30 - 15:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
15:00 - 0:00	9.00	DRLPRO	02	B	P	DRILL F/ 7133' - T/ 7529' (396' @ 44.0 fph) 43 vis / 12.1 ppq

9/26/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 1:00	1.00	DRLPRO	02	B	P	DRILL F/ 7529' - T/ 7568' (39' @ 39 fph) 43 vis / 12.1 ppq
1:00 - 2:00	1.00	EVALPR	04	C	P	CIRCULATE & CONDITION HOLE FOR SHORT TRIP
2:00 - 3:00	1.00	EVALPR	05	E	P	SHORT TRIP 10 STANDS W/ NO PROBLEMS & NO FILL
3:00 - 4:30	1.50	EVALPR	04	C	P	CIRCULATE & CONDITION HOLE FOR LOGS
4:30 - 10:30	6.00	EVALPR	05	B	P	P.O.O.H. / L.D. MUD MOTOR / MAKE UP TRI-CONE BIT & BIT SUB TO B.H.A.
10:30 - 11:00	0.50	EVALPR	08	A	P	SAFETY MEETING / M.I.R.U. EXISTING HALLIBURTON EQUIPMENT - DID NOT HAVE SONIC TOOLS FOR TRUCK ON LOCATION
11:00 - 11:30	0.50	EVALPR	12	E	Z	WAIT ON HALLIBURTON TRUCK W/ SONIC TOOLS
11:30 - 17:00	5.50	EVALPR	08	A	P	FINISH RIGGING UP TOOLS / RUN QUAD COMBO LOGS FROM 7558' TO SURFACE.
17:00 - 21:30	4.50	CSG	05	F	P	T.I.H. W/ TRI-CONE BIT / CLEAN UP FOR LAY DOWN & CASING RUN
21:30 - 22:00	0.50	CSG	03	E	P	WASH AND REAM F/ 7543' - T/ 7568' (12' OF HARD FILL)
22:00 - 23:30	1.50	CSG	04	C	P	CIRCULATE & CONDITION HOLE FOR LDDP & CASING
23:30 - 0:00	0.50	CSG	05	D	P	L.D.D.P.

9/27/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 7:30	7.50	CSG	05	D	P	L.D.D.P. / BREAK KELLY + RELATED TOOLS / L.D.B.H.A.
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10/20/2008

10:41:49AM

Wins No.: 95711

BITTER CREEK 1122-3P

API No.: 4304738927

0:00 - 7:30	7.50	CSG	05	D	P	L.D.D.P. / BREAK KELLY + RELATED TOOLS / L.D.B.H.A.
8:00 - 9:00	1.00	CSG	11	A	P	SAFETY MEETING / M.I.R.U. CASING EQUIPMENT
9:00 - 16:00	7.00	CSG	11	B	P	RUN 182 JOINTS OF 4.5 @ 11.6 - I-80 LT&C CASING + RELATED TOOLS / BREAK CIRCULATION AT SELECTED INTERVALS / CASING SET @ 7558'
16:00 - 16:30	0.50	CSG	11	B	P	TAG BOTTOM @ 7562' / INSTALL MANDREL & ROTATING RUBBER
16:30 - 17:00	0.50	CSG	04	E	P	CIRCULATE & CONDITION HOLE FOR CEMENT / R.D.M.O. CASING EQUIPMENT
17:00 - 18:00	1.00	CSG	04	E	P	SAFETY MEETING / M.I.R.U. HALLIBURTON EQUIPMENT (CIRCULATE HOLE)
18:00 - 20:30	2.50	CSG	15	A	P	TEST PUMPS & LINES TO 3000 PSI / PUMP 10 bbls H2O + 20 bbls MUD CLEAN + 10 bbls H2O + 20 sx SCAVENGER (PREM LITE II) @ 9.0 ppg + 315 sx LEAD (PREM LITE II) @ 12.0 ppg + 1070 sx TAIL (50/50 POZ) @ 14.3 ppg + 117 bbls H2O + ADDITIVES / PLUG DOWN @ 2030 HRS / HELD 2774 PSI @ 5 MINS / FLOATS HELD W/ 1.25 bbls RETURNED TO INVENTORY / R.D.M.O. HALLIBURTON EQUIPMENT.
20:30 - 0:00	3.50	CSG	11	B	X	(STRING WT. @ 80K PRIOR TO LOWERING) MANDREL WOULD NOT SET DUE TO LOSS OF WEIGHT OF CASING STRING / NIPPLE DOWN, LIFT BOP FOR SLIPS
9/28/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS					
0:00 - 1:30	1.50	CSG	11	B	X	ATTEMPT TO SET MANDREL WITH 80K ORIGINAL STRING WEIGHT / SLACK OFF TO 20K PRIOR TO MANDREL SEAT / NIPPLE DOWN TO SET SLIPS & CASING SETTLED IN HOLE GIVING 60K ON MANDREL SEAT / TESTED TO 5K / F.M.C. TECH PRESENT TO WITNESS & TEST MANDREL SEAT
1:30 - 5:30	4.00	RDMO	13	A	P	NIPPLE DOWN REMAINING BOP EQUIPMENT / CLEAN PITS / RELEASE RIG @ 05:50 09/28/2008

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 10/10/2008 AFE NO.: 2012037
 OBJECTIVE: DEVELOPMENT END DATE: 10/14/2008
 OBJECTIVE 2: ORIGINAL DATE WELL STARTED PROD.: 8/30/2008
 REASON: Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location
 10/10/2008 10/14/2008

MILES-GRAY 1 / 1 Operation

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
10/9/2008	SUPERVISOR: JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 17:00	9.50	COMP	31		P	ROAD RIG TO LOC SPOT IN EQUIP RIG UP NIPPLE BOP TALLY & PICK UP 234 JTS 2,3/8 TBG POOH SDFN
10/10/2008	SUPERVISOR: JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	37		P	TEST CSG & FRAC VALVES TO 7500# GOOD TEST RIG UP CUTTERS RIH W/ 3,3/8 GUNS 23 GM .36 HOLE PERF @ 7354'-56' 3 SPF 7390'-96' 4 SPF 7406'10' 3 SPF NO BLOW SDFWE
10/11/2008	SUPERVISOR: JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	31		P	ROLL FRAC TK CHECK F/ H2S NO H2S
10/13/2008	SUPERVISOR: JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 17:00	9.50	COMP	36		P	MIRU WEATHERFORD & CUTTERS FRAC STAGE #1 BRK PERF @ 3290# INJ RT 40 BPM INJ PSI 3845# ISIP 2581# FG .79 FRAC W/ 90072# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 2502 BBL SLICKWATER MP 5870# MR 40.5 BPM AP 3732# AR 40.2 BPM ISIP 2803# FG .82 NPI 222# PUMPED 125 BBL SWEEP AT END OF 1.5# RAMP STAGE #2 RIH SET 8K CBP @ 7128' PERF @ 6990'-95' 4 SPF 7093'-98' 4 SPF BRK PERF @3559# INJ RT 40 BPM INJ PSI 4330# ISIP 2997# FG .84 FRAAC W/ 104189# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 2844 BBL SLICKWATER MP 6847# MR 44.1 BPM AP 4250# AR 40.7 BPM ISIP 3156# FG .89 NPI 255# PUMPED 125 BBL SWEEP IN 1.5 RAMP STAGE #3 RIH SET 8K CBP @ 6936' PERF @ 6864'-70' 3 SPF 6881'-86' 3 SPF 6903'-06' 3 SPF BRK PERF @ 4294' INJ RT 50 BPM INJ PSI 4788# ISIP 2838# FG .84 FRAC 54851# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1414 BBL SLICKWATER MP 5833# MR 51.8 BPM AP 4620# AR 51.6 BPM ISIP 3093# FG .88 NPI 255# RIH SET 8K CBP @ 6814' RIG DOWN WEATHERFORD & CUTTERS SDFN
10/14/2008	SUPERVISOR: JD FOREMAN						
	7:00 - 8:02	1.03	COMP	48		P	SAFETY MEETING
	8:02 - 17:00	8.97	COMP	31		P	NIPPLE DOWN FRAC VALVES NIPPLE UP BOP TEST BOP TO 2500# GOOD TEST MAKE UP POBS-BIT RIH TAG @6814' RIG UP DRILLING EQUIP DRILL OUT CBP 400# KICK RIH TAG @6935' 30' SAND ON CBP DRILL OUT SAND & CBP @ 6936' 300# KICK RIH TAG @ 7100' 28' SAND ON CBP DRILL OUT SAND & CBP @ 7128' 500# KICK RIH TAG@ 7430' CLEAN OUT FILL TO 7513' PULL & LAY DOWN 16 JTS 2,3/8 LAND ON WELL HEAD W/ 222 JTS 2,3/8 J-55 TBG EOT 6945.31' NIPPLE DOWN BOP NIPPLE UP TREE PUMP OFF BIT TRUN WELL TO FLOWBACK CREW TBG DETAIL KB HANGER 222 JTS 2,3/8 J-55 TBG XN-NIPPLE EOT 46 JTS BACK TO YADR
10/15/2008	SUPERVISOR: -						
	7:00 -				33	A	7 AM FLBK REPORT: CP 1900#, 1P 1100#, 2U04" CK, 55 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 2710 BBLs LEFT TO RECOVER: 4050

Wins No.: 95711		BITTER CREEK 1122-3P		API No.: 4304738927	
10/16/2008	<u>SUPERVISOR:</u> - 7:00 -	33	A	7 AM FLBK REPORT: CP 2100#, TP 1200#, 20/64" CK, 30 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 3615 BBLS LEFT TO RECOVER: 3145	
10/17/2008	<u>SUPERVISOR:</u> FRANK CADY 9:15 -		PROD	WELL TURNED TO SALES @ 0915 HR ON 10/17/2008 - FTP 710#, CP 1500#, CK 26/64", 1130 MCFD, 720 BWPD	
10/17/2008	<u>SUPERVISOR:</u> FRANK CADY 7:00 -	33	A	7 AM FLBK REPORT: CP 1450#, TP 650#, 28/64" CK, 45 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 4800 BBLS LEFT TO RECOVER: 1960	
10/18/2008	<u>SUPERVISOR:</u> FRANK CADY 7:00 -	33	A	7 AM FLBK REPORT: CP 1150#, TP 500#, 28/64" CK, 20 BWPH, TRACE SAND, 1.2 GAS TTL BBLS RECOVERED: 5505 BBLS LEFT TO RECOVER: 1255	
10/19/2008	<u>SUPERVISOR:</u> FRANK CADY 7:00 -	33	A	7 AM FLBK REPORT: CP 1075#, TP 450#, 28/64" CK, 16 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 5955 BBLS LEFT TO RECOVER: 805	
10/20/2008	<u>SUPERVISOR:</u> FRANK CADY 7:00 -	33	A	7 AM FLBK REPORT: CP 1050#, TP 425#, 28/64" CK, 10 BWPH, CLEAN SAND, - GAS TTL BBLS RECOVERED: 6271 BBLS LEFT TO RECOVER: 489	

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.
UTU29797

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

2. Name of Operator: KERR-MCGEE OIL & GAS ONSHORE
 Contact: SHEILA UPCHEGO
 Mail: sheila.upchegeo@anadarko.com

3. Address: 1368 SOUTH 1200 EAST
 VERNAL, UT 84078
 3a. Phone No. (include area code)
 Ph: 435-781-7024

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface SESE 636FSL 731FEL
 At top prod interval reported below SESE 636FSL 731FEL
 At total depth SESE 636FSL 731FEL

6. If Indian, Allottee or Tribe Name
 7. Unit or CA Agreement Name and No.
 8. Lease Name and Well No.
 BITTER CREEK 1122-3P
 9. API Well No.
 43-047-38927
 10. Field and Pool, or Exploratory
 UNDESIGNATED
 11. Sec., T., R., M., or Block and Survey
 or Area Sec 3 T11S R22E Mer SLB
 12. County or Parish
 UINTAH
 13. State
 UT
 14. Date Spudded
 08/21/2008
 15. Date T.D. Reached
 09/26/2008
 16. Date Completed
 D & A Ready to Prod.
 10/17/2008
 17. Elevations (DF, KB, RT, GL)*
 5114 GL

18. Total Depth: MD 7568 TVD
 19. Plug Back T.D.: MD 7513 TVD
 20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
 CBL-CCL-GR, BCS, SD, DSN, ACTR

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit analysis)
 Directional Survey? No 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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STEEL	36.7		40		28			
12.250	9.625 J-55	36.0		1350		450			
7.875	4.500 I-80	11.6		7568		1385			

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	6945							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6864	7410	6864 TO 7410	0.360	94	OPEN
B)						
C)						
D)						

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	6864	7410	6864 TO 7410	0.360	94	OPEN

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

Depth Interval	Amount and Type of Material
6864 TO 7410	PMP 6760 BBLs SLICK H2O & 264,112# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/17/2008	10/19/2008	24	▶	80.0	1191.0	304.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
26/64	SI	450	▶	80	1191	304		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	
	SI		▶						

(See Instructions and spaces for additional data on reverse side)
 ELECTRONIC SUBMISSION #65565 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
 ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **
 RECEIVED
 DEC 18 2003

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	302				
MAHOGANY	990				
WASATCH	3259	4725			
MESAVERDE	5518	7480			

32. Additional remarks (include plugging procedure):

RECEIVED
DEC 18 2008

DIV. OF OIL, GAS & MINING

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 #65565 Verified by the BLM Well Information System.
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name (please print) SHEILA UPCHEGO Title OPERATIONS

Signature  (Electronic Submission) Date 12/12/2008

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.

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-29797
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BITTER CREEK 1122-3P
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047389270000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6515 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0636 FSL 0731 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 03 Township: 11.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: BITTER CREEK 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: 10/7/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> 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: RECOMPLETE-SAME

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 The Operator requests approval to recomplete the subject well. The Operator proposes to recomplete the Mesaverde formation. Please see the attached procedure. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: 10/12/2011

By: *Derek Quist*

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 10/6/2011	

Greater Natural Buttes Unit



BITTER CREEK 1122-3P
RE-COMPLETIONS PROCEDURE

DATE:8/16/2011
AFE#:2063720
API#:4304738927
USER ID:rachappe (Frac Invoices Only)

COMPLETIONS ENGINEER: Rachael Hill, Denver, CO
(720)-929-6599 (Office)
(303)-907-9167 (Cell)

SIGNATURE:

ENGINEERING MANAGER: JEFF DUFRESNE

SIGNATURE:

REMEMBER SAFETY FIRST!

Name: BITTER CREEK 1122-3P
Location: SE SE SEC 3 T11S R22E
LAT: 39.907206 **LONG:** -109.423886 **COORDINATE:** NAD83
 Uintah County, UT
Date: 8/10/11

ELEVATIONS: 5114' GL 5125' KB *Frac Registry TVD: 7561*

TOTAL DEPTH: 7568' **PBTD:** 7514'
SURFACE CASING: 9 5/8", 36# J-55 ST&C @ 1333'
PRODUCTION CASING: 4 1/2", 11.6#, I-80 LT&C @ 7557'
 Marker Joint **3224-3246'**

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:

283' Green River Top
 608' Bird's Nest Top
 985' Mahogany Top
 3259' Wasatch Top
 5496' Mesaverde Top

BOTTOMS:

5496' Wasatch Bottom
 7568' Mesaverde Bottom (TD)

T.O.C. @ 700'

GENERAL:

- A minimum of **6** 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 9/26/2008
- **3** fracturing stages required for coverage.
- Procedure calls for **4** 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)**
- Tubing Currently Landed @~6880
- Originally completed on 10/14/2008

Existing Perforations:

Stage	Zones	Perforations		SPF	Holes	Fracture Coverage		
		Top, ft	Bottom, ft					
1	MESAVERDE	7354	7356	3	6	7283	to	7286
	MESAVERDE	7390	7396	4	24	7288.5	to	7296
	MESAVERDE	7406	7410	3	12	7330.5	to	7331
2	MESAVERDE	6990	6995	4	20	6982.5	to	6984.5
	MESAVERDE	7093	7098	4	20	6989.5	to	6996
3	MESAVERDE	6864	6870	3	18	6810	to	6810.5
	MESAVERDE	6881	6886	3	15	6811.5	to	6812.5
	MESAVERDE	6903	6906	3	9	6827	to	6828

Relevant History:

WINS No.: 95711		BITTER CREEK 1122-3P				Start Date: 7/6/2011	
AFE No.: 19571100		Operation Summary Report				End Date: 7/6/2011	
Operator KERR-MCGEE OIL & GAS ONSHORE LP		FIELD NAME NATURAL BUTTES	SPUD CONDUCTOR 8/21/2008	SPUD DATE 8/30/08	GL 5,114	KB 5125	ROUTE V45
API 4304738927	STATE UTAH	COUNTY UINTAH		DIVISION US ROCKIES REGION			
Lat./Long.: Lat./Long.: 39.90721 / 109.42389		Q-Q/Seot/Town/Range: SESE / / 3 / 119 / 22E		Footages: 636.00' FSL 731.00' FEL			
MTD 7568	TVD 7561	LOG MD	PBMD 7492	PBTVD			
EVENT INFORMATION:		EVENT ACTIVITY: WELL WORK EXPENSE		REASON: SLICKLINE WORK		AFE NO.: 19571100	
		OBJECTIVE: DEVELOPMENT		DATE WELL STARTED/RESUMED: 8/30/2008			
		OBJECTIVE2: SLICKLINE		EVENT END COMPLETE			
		STATUS:					
RIG OPERATIONS:		Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release
Rig Off Location							
Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
7/6/2011	<u>SUPERVISOR:</u> 7:00 -	DALE JENKINS	PROD	35	G	P	<p><u>DWC:</u> \$780.00 <u>CWC:</u> \$780.00 <u>MD:</u></p> <p>Travel to location rig up run in hole to pull plunger stack out at 6830 could not latch anything pooh run in hole with sample baller pooh with sample run in hole with wire scratcher stack out at 6830 beat down to 6839 pooh blow well to tank for half hour run in hole with wire scratcher stack out at 6839 beat down to 6851 pooh blow well to tank run in hole with wire scratcher stack out at 6851 beat down to 6873 pooh blow well to tank run in hole to try and latch plunger still could not latch pooh run in hole with wire scratcher stack out at 6873 beat down to 6879 pooh rig down head to shop</p> <p>FLUID LEVEL 6000 SEAT NIPPLE DEPTH SN TYPE X TD (Max Depth) 6879</p> <p>JOB DETAILS SPRING AND/OR PRODUCTION TOOL DETAIL Spring Out None Spring In None Stuck Spring Yes, stuck-unable to latch Corosion on Spring Drop Down Menu Balled Acid Drop Down Menu Broken Spring Drop Down Menu Scale on Spring Drop Down Menu Production Tools Drop Down Menu Depth of Tool Other Hardware Drop Down Menu PLUNGER DETAIL Stuck Plunger Yes, stuck-unable to latch Corosion on Plunger Drop Down Menu Broken Plunger Drop Down Menu Scale on Plunger Drop Down Menu SOLIDS DETAIL Tight Spots Drop Down Menu Severity of Trash Heavy Solid sample to turn in Drop Down Menu Solid Sample Source Drop Down Menu Speculated Type of Solid Iron Sulfide Speculated Depth of Solid LOST SLICKLINE TOOLS Slickline Tools Lost Drop Down Menu Depth of Tool</p>
7/7/2011	<u>SUPERVISOR:</u>	DALE JENKINS					<p><u>DWC:</u> \$520.00 <u>CWC:</u> \$1,300.00 <u>MD:</u></p>

Wins No.: 95711		BITTER CREEK 1122-3P				API No.: 4304738927	
EVENT INFORMATION:		EVENT ACTIVITY: WELL WORK EXPENSE		REASON: SLICKLINE WORK		AFE NO.: 19571100	
		OBJECTIVE: DEVELOPMENT		DATE WELL STARTED/RESUMED: 8/30/2008			
		OBJECTIVE2: SLICKLINE		EVENT END COMPLETE			
				STATUS:			
RIG OPERATIONS:		Begin Mobilization		Rig On Location		Rig Charges	
		Rig Operation Start		Finish Drilling		Rig Release	
		Rig Off Location					
Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
	7:00 -		PROD	35	G	P	Travel to location rig up blow well to tank run in hole with wire scratcher stack out at 6881 beat down to 6892 pooh blow well to tank run in hole with jdc to try and latch plunger stack out at 6892 could not get latched pooh rig down move to next location FLUID LEVEL 6000 SEAT NIPPLE DEPTH SN TYPE X TD (Max Depth) 6892 JOB DETAILS SPRING AND/OR PRODUCTION TOOL DETAIL Spring Out None Spring In None Stuck Spring Yes, stuck-unable to latch Corrosion on Spring Drop Down Menu Balled Acid Drop Down Menu Broken Spring Drop Down Menu Scale on Spring Drop Down Menu Production Tools Drop Down Menu Depth of Tool Other Hardware Drop Down Menu PLUNGER DETAIL Stuck Plunger Yes, stuck-unable to latch Corrosion on Plunger Drop Down Menu Broken Plunger Drop Down Menu Scale on Plunger Drop Down Menu SOLIDS DETAIL Tight Spots Drop Down Menu Severity of Trash Heavy Solid sample to turn in Drop Down Menu Solid Sample Source Drop Down Menu Speculated Type of Solid Iron Sulfide Speculated Depth of Solid LOST SLICKLINE TOOLS Slickline Tools Lost Drop Down Menu Depth of Tool

H2S History:

Currently on a yearly sampling schedule and is typically low H2S. Last reading 3ppm, prior readings typically 0-15ppm.

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, TOO H with 2-3/8", 4.7#, J-55 (or N-80) tubing (currently landed at ~6880'). Visually inspect for scale and consider replacing if needed. If the tubing is above the proposed CBP depth, RIH with tubing and tag for fill before TOO H.
3. If tbg looks ok consider running a gauge ring to 6620' (50' below proposed CBP). Otherwise P/U a mill and C/O to 6620' (50' below proposed CBP).
4. Set 8000 psi CBP at ~ 6570'. 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 9-5/8" 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	6442	6444	4	8
MESAVERDE	6530	6532	4	8
MESAVERDE	6538	6540	4	8
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 ~6442' and trickle 250gal 15%HCL w/ scale inhibitor in flush .
7. Set 8000 psi CBP at ~6216'. Perf the following 3-3/8" gun, 23 gm, 0.36"hole:

Zone	From	To	spf	# of shots
MESAVERDE	6041	6043	4	8
MESAVERDE	6076	6078	4	8
MESAVERDE	6184	6186	4	8
8. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~6041' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
9. Set 8000 psi CBP at ~5974'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	5938	5944	4	24
10. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~5938' flush only with recycled water.
11. Set 8000 psi CBP at~5888'.
12. ND Frac Valves, NU and Test BOPs.
13. TIH with 3 7/8" mill, pump open sub, XN nipple and tubing
14. Mill 3 plugs clean out to a depth of 6550'. THE WELL WILL BE COMMINGLED AT THIS TIME.
15. Land tubing at 5903', drop ball and pump open sub. Flow back completion load. RDMO
16. MIRU, POOH tbg and mill. TIH with POBS and mill
17. Mill last plug @ 6570' clean out to PBSD at 7514'. Land tubing at ±6880' pump off bit and bit sub . This well will be commingled at this time.
18. Clean out well with foam and/or swabbing unit until steady flow has been established from recompletion.

19. **Leave surface casing valve open.** Monitor and report any flow from surface casing. RDMO

**For design questions, please call
Rachael Hill, Denver, CO
(720)-929-6599 (Office)
(303)-907-9167 (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.

<u>Service Company Supplied Chemicals - Job Totals</u>					
Friction Reducer	50	gals @	0.5	GPT	
Surfactant	101	gals @	1.0	GPT	
Clay Stabilizer	101	gals @	1.0	GPT	
15% Hcl	0	gals @	250	gal/stg	
Iron Control for acid	0	gals @	5.0	GPT of acid	
Surfactant for acid	0	gals @	1.0	GPT of acid	
Corrosion Inhibitor for acid	0	gals @	2.0	GPT of acid	

Third Party Supplied Chemicals Job Totals - Include Pumping Charge if Applicable

Scale Inhibitor	235	gals pumped per schedule above		
Biocide	50	gals @	0.5	GPT

Name BITTER CREEK 1122-3P
Perforation and CBP Summary

Stage	Zones	Perforations		SPF	Holes	Fracture Coverage		
		Top, ft	Bottom, ft					
1	MESAVERDE	6442	6444	4	8	6426	to	6456
	MESAVERDE	6530	6532	4	8	6523.5	to	6543
	MESAVERDE	6538	6540	4	8	6523.5	to	6543
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	# of Perfs/stage				24	CBP DEPTH	6,216	
2	MESAVERDE	6041	6043	4	8	6019.5	to	6054
	MESAVERDE	6076	6078	4	8	6064	to	6086
	MESAVERDE	6184	6186	4	8	6178	to	6194.5
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
# of Perfs/stage				24	CBP DEPTH	5,974		
3	MESAVERDE	5938	5944	4	24	5932.5	to	5976
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
	MESAVERDE							
# of Perfs/stage				24	CBP DEPTH	5,888		
Totals				72				

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 BBLs 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 BBLs 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 BBLs 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

Rachael Hill: 303-907-9167, 720-929-6599

Production Engineer

Travis Hansell: 435-790-6903, 435-781-7052

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

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME	
b. TYPE OF WORK: NEW WELL <input type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER RECOMPLETION		8. WELL NAME and NUMBER: BITTER CREEK 1122-3P	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE, L.P.		9. API NUMBER: 4304738927	
3. ADDRESS OF OPERATOR: P.O.BOX 173779 CITY DENVER STATE CO ZIP 80217		10 FIELD AND POOL, OR WLD CAT NATURAL BUTTES	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: SESE 636 FSL 731 FEL S3,T11S,R22E AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 3 11S 22E S	
		12. COUNTY UINTAH	13. STATE UTAH

14. DATE SPUDDED: 8/21/2008	15. DATE T.D. REACHED: 9/26/2008	16. DATE COMPLETED: 12/3/2011	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 5114 GL
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18. TOTAL DEPTH: MD 7,568 TVD	19. PLUG BACK T.D.: MD TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *	21. DEPTH BRIDGE MD PLUG SET: TVD
---	-------------------------------	--	--------------------------------------

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL/CCL/GR-BCS-SD/DSN/ACTR	23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)
--	---

24. CASING AND LINER RECORD (Report all strings set in well)									
HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#	0	40		28			
12 1/4"	9 5/8" J-55	36#	0	1,350		450			
7 7/8"	4 1/2" I-80	11.6#	0	7,568		1,385			

25. TUBING RECORD									
SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2 3/8"	5,909								

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) MESAVERDE	5,938	6,540			5,938 6,540	0.36	72	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.	
DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5938-6540	PUMP 2,676 BBLs SLICK H2O & 52,305 LBS 30/50 OTTAWA SAND 3 STAGES

RECEIVED
JAN 24 2012

29. ENCLOSED ATTACHMENTS: <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION	<input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS	<input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____	<input type="checkbox"/> DIRECTIONAL SURVEY	30. WELL STATUS: PROD
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31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 12/3/2011		TEST DATE: 12/6/2011		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 434	WATER - BBL: 285	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 140	CSG. PRESS. 682	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 434	WATER - BBL: 285	INTERVAL STATUS: PROD	

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. 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.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				GREEN RIVER	283
				BIRD'S NEST	608
				MAHOGANY	985
				WASATCH	3,259
				MESAVERDE	5,496

36. ADDITIONAL REMARKS (Include plugging procedure)

Attached is the recompletion history and perforation report. Original perforations in Mesaverde were from 6864-7410. New perforations are in Mesaverde from 5938-6540.

Test information is from all perforations. During completion operations two casing leaks were discovered between 2914' and 2955', and two casing patches were installed.

The first patch is between 2914' and 2934' and the second patch is between 2935' and 2955'.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) JAIME SCHARNOWSKE TITLE REGULATORY ANALYST

SIGNATURE *Jaime Scharnowske* DATE 1/19/2012

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
Fax: 801-359-3940

**US ROCKIES REGION
Operation Summary Report**

Well: BITTER CREEK 1122-3P		Spud Conductor: 8/21/2008	Spud Date: 8/30/2008
Project: UTAH-UINTAH		Site: BITTER CREEK 1122-3P	Rig Name No: MILES 2/2
Event: RECOMPL/RESEREVEADD		Start Date: 11/16/2011	End Date:
Active Datum: RKB @5,125.00usft (above Mean Sea Level)		UWI: BITTER CREEK 1122-3P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
11/17/2011	7:00 - 11:00	4.00	COMP	35		P		Travel to location rig up run in hole and pull plunger from 6884 pooh run in hole to pull spring could not get latched pooh leave plunger out for w/o rig down move to next location
11/21/2011	7:00 - 7:30	0.50	COMP	48		P		PERF
	7:30 - 20:00	12.50	COMP	37		P		MIRU, KILL WELL, 20 BBLS TBG, 20 BBLS CSG, NDWH, NU BOP'S, TEST BOP'S, SCAN TBG OOH, RU J-W, TIH GAUGE RING TO 6620', POOH, PU 8K CBP, TIH TO 6570', SET CBP, RD J-W, ND BOP'S, NU FRAC VALVE, RU B&C, PRESSURE TEST 1000#,3500#, 6200#, FAILED 6200# TEST, DROPE 1000# IN 10 SEC, RU J-W PU 10K CBP, TIH SET PLUG AT 6555', RETEST WITH B&C, 1000#, 3500#, 6200#, FAILED, ORDERED OUT PACKER TO FIND LEAK. SWIFN
11/22/2011	7:00 - 7:30	0.50	COMP	48		P		TEST CSG
	7:30 - 15:00	7.50	COMP	33		P		PU PACKER TIH TO 942', SET, TEST ANNULUS, 3500#, 6000#, OK, SET 1687', TEST ANNULUS, 3500#, 6000#, OK, SET 2995, TEST ANNULUS, FAILED, TEST DWN TBG BELOW PACKER, 3500#, 6000#, OK, SET 2433' TEST ANNULUS 3500#,6000#, OK, SET PACKER AT 2750', TEST ANNULUS 3500#, 6000#, TEST OK, SET AT 2876', TEST ANNULUS 3500#, 6000#, TEST OK, SET AT 2938', TEST ANNULUS, FAILED, SET AT 2918', TEST 3500# 6000#, TEST OK, COLLAR AT 2928' SUSPECT.WITH IN 20' SPAN.POOH LD PACKER, WEATHERFORD WILL BE HERE IN AM TO SET CSG PATCH. SWIFN
11/23/2011	7:00 - 7:30	0.50	COMP	48		P		CSG PATCH
	7:30 - 7:30	0.00	COMP	33		P		RU WEATHERFORD , PU GAUGE FOR PATCH,, WILL NOT CLEAR CSG HANGER, RU CUTTERS, TIH SET 8K CBP ,RD CUTTERS,PU SHOE, WASH PIPE, TIH TO 2973', TAG CBP, POOH, PU 20' PATCH, BHA, TRY TO TIH, HARD TO GET PAST CSG HANGER, SUBS WILL NOT CLEAR, POOH, LD CSG PATCH, SWIFWE HSM. HIGH PSI LINES.
11/28/2011	6:45 - 7:00	0.25	COMP	48		P		

US ROCKIES REGION

Operation Summary Report

Well: BITTER CREEK 1122-3P		Spud Conductor: 8/21/2008	Spud Date: 8/30/2008
Project: UTAH-UINTAH		Site: BITTER CREEK 1122-3P	Rig Name No: MILES 2/2
Event: RECOMPL/RESEREVEADD		Start Date: 11/16/2011	End Date:
Active Datum: RKB @5,125.00usft (above Mean Sea Level)		UWI: BITTER CREEK 1122-3P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:00 - 18:00	11.00	COMP	31	C	P		<p>OPEN WELL 0 PSI.</p> <p>PU WEATHERFORD 4 1/2 X 20' CSG PATCH. RIH W/ 94 JTS 2 3/8 J-55 TBG. TAG CBP @ 2972'. (BY TBG TALLY.)</p> <p>POOH LD 1JTS TBG. PU 14' OF PUP JTS. RIH 14'. BTM OF PATCH @ 2955'. TOP OF PATCH @ 2935'. (THIS IS A 20' PATCH.)</p> <p>MIRU B & C QUICK TEST T/ TBG.</p> <p>PSI UP T/ 4272 PSI. HOLD FOR 5 MIN. (PATCH TOOL WILL STROKE 5' WHILE PSI COMES UP.)</p> <p>BLEED PSI OFF.</p> <p>PUMP PSI BACK UP T/ 5482 PSI FOR 5 MIN. BLEED PSI OFF.</p> <p>PU ON TBG 15' T/ FINISH SETTING THE REST OF THE PATCH.</p> <p>WORK PIPE THROUGH PATCH 1 MORE TIME. POOH W/ TBG. LD PATCH SETTING TOOL. SWMFN. (LET PATCH SET OVER NIGHT.)</p>
11/29/2011	6:45 - 7:00	0.25	COMP	48		P		HSM. HIGH PSI LINES.
	7:00 - 18:00	11.00	COMP	44	C	P		<p>OPEN WELL 0 PSI.</p> <p>FILL SURFACE CSG. MIRU B&C QUICK TEST.</p> <p>PSI TEST T/ 1100 PSI. HELD FOR 15 MIN LOST 40 PSI.</p> <p>1ST PSI TEST T/ 3518 PSI. HELD FOR 15 MIN LOST 692 PSI. (PSI TEST FAILED)</p> <p>2ND PSI TEST T/ 3532 PSI. HELD FOR 15 MIN, LOST 674 PSI. (PSI TEST FAILED)</p> <p>BLEED OFF PSI. RDMO B & C QUICK TEST.</p> <p>ND FRAC VALVES. NU BOP.</p> <p>CALL FOR WEATHERFORD HD PKR.</p> <p>PU 4 1/2 HD PKR. RIH W/ 94 JTS TBG. TAG TOP OF PATCH @ 2939'.</p> <p>- PULL UP 2' T/ 2937'. SET PKR. PSI TEST T/ 3000 PSI DOWN CSG.</p> <p>HELD FOR 15 MIN, LOST 400 PSI. BLEED OFF PSI.</p> <p>- PSI TEST T/ 3000 PSI, DOWN TBG. LOST 0 PSI.</p> <p>BLEED OFF PSI. UNSET PKR, PULL UP HOLE 15'. SET PKR @ 2923'.</p> <p>- PSI TEST T/ 3000 PSI DOWN CSG. HOLD PSI FOR 15 MIN. LOST 0 PSI.</p> <p>BLEED OFF PSI. UNSET PKR. MOVE DOWN 6'. SET PKR @ 2929'</p> <p>- PSI TEST T/ 3000 PSI, DOWN CSG. LOST 0 PSI.</p> <p>BLEED OFF PSI. UNSET PKR. RIH 3'. SET PKR @ 2932'.</p> <p>- PSI TEST T/ 3000 PSI, DOWN CSG. HOLD FOR 15 MIN LOST 350 PSI.</p> <p>BLEED OFF PSI. POOH W/ TBG & HD PKR. SWMFN.</p> <p>LEAK IS BETWEEN 2928' & 2932'.</p> <p>CSG COLLAR @ 2929'.</p> <p>HSM. HIGH PSI LINES.</p>
11/30/2011	6:45 - 7:00	0.25	COMP	48		P		HSM. HIGH PSI LINES.

US ROCKIES REGION

Operation Summary Report

Well: BITTER CREEK 1122-3P		Spud Conductor: 8/21/2008		Spud Date: 8/30/2008	
Project: UTAH-UINTAH		Site: BITTER CREEK 1122-3P		Rig Name No: MILES 2/2	
Event: RECOMPL/RESEREVEADD		Start Date: 11/16/2011		End Date:	
Active Datum: RKB @5,125.00usft (above Mean Sea Level)			UWI: BITTER CREEK 1122-3P		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:00 - 18:00	11.00	COMP	31	C	P		<p>OPEN WELL 0 PSI.</p> <p>PU CSG PATCH EXPANDER TOOL. RIH W/ 94 JTS 2 3/8 TBG. TAG TOP OF PATCH @ 2935' W/ CSG PATCH EXPANDER. CORRELATE TOP OF PATCH W/ TBG TALLY.</p> <p>POOH W/ TBG. LD CSG PATCH EXPANDER TOOL. PU 4 1/2 x 20' CSG PATCH & SETTING TOOL. RIH W/ 92 JTS TBG + 10' + 8' + 8' PUP JTS. TAG TOP OF 1ST PATCH @ 2935', PULL UP 10" SET 2ND PATCH F/ 2934'- 2914'.</p> <p>RU B&C QUICK TEST T/ TBG.</p> <p>1ST -PSI UP T/ 4500 PSI T/ STROKE PATCH EXPANDING TOOL 5'. HOLD FOR 5 MIN. BLEED OFF PSI.</p> <p>2ND - PSI T/ 4500 PSI T/ STROKE TOOL AGAIN. HOLD FOR 5 MIN. BLEED OFF PSI. RD B&C.</p> <p>PULL UP ON TBG T/ WORK EXPANDING TOOL THROUGH THE LAST 15' OF PATCH. RUN BACK THROUGH 2 TIMES. POOH W/ TBG. LD CSG PATCH SETTING TOOL.</p> <p>PU 3 5/8 BIT + BIT SUB + XN-NIPPLE. RIH W/ 92 JTS TBG. EOT @ 2870'. SWIFN.</p> <p>TOP OF 1ST PATCH @ 2914'. BTM OF 1ST PATCH @ 2934'.</p> <p>TOP OF 2ND PATCH @ 2935'. TOP OF 2ND PATCH @ 2955'</p> <p>HSM. HAND RAIL & FALL PROTECTION.</p> <p>OPEN WELL 0 PSI.</p> <p>CONT RIH F/ 2870'. TAG CBP @ 2971'. RU DRL EQUIP. BRK CONV CIRC.</p> <p>DRL OUT CBP @ 2971' IN 10 MIN. 0 PSI INCR. CIRC WELL CLEAN. CONT RIH T/ PUSH CBP T/ THE TOP OF CBP @ 6555'.</p> <p>POOH W/ TBG. LD XN-NIPPLE + BIT SUB + 3 5/8 BIT. FILL CSG W/ RIG PUMP.</p> <p>ND BOP. NU FRAC VALVES.</p> <p>MIRU B&C QUICK TEST.</p> <p>FILL SURFACE CSG. MIRU B&C QUICK TEST.</p> <p>PSI TEST T/ 1000 PSI. HELD FOR 15 MIN LOST 9 PSI.</p> <p>PSI TEST T/ 3500 PSI. HELD FOR 15 MIN LOST 20 PSI.</p> <p>PSI TEST T/ 6200 PSI. HELD FOR 30 MIN LOST 53 PSI.</p> <p>BLEED OFF PSI. RDMO B&C QUICK TEST. SWIFN.</p> <p>WAIT FOR FRAC CREW.</p> <p>RUN PRODUCTION TUBING, TUBING/CASING SIZE 2.387 in, MD TOP (null) to MD LANDED usft</p> <p>HSM. WIRE LINE AWAIRNESS, HIGH PSI LINES.</p>
12/1/2011	6:45 - 7:00	0.25	COMP	48		P		
	7:00 - 18:00	11.00	COMP	44	C	P		
12/2/2011	-							
	6:45 - 7:00	0.25	COMP	48		P		

US ROCKIES REGION
Operation Summary Report

Well: BITTER CREEK 1122-3P		Spud Conductor: 8/21/2008	Spud Date: 8/30/2008
Project: UTAH-UINTAH		Site: BITTER CREEK 1122-3P	Rig Name No: MILES 2/2
Event: RECOMPL/RESEREVEADD		Start Date: 11/16/2011	End Date:
Active Datum: RKB @5,125.00usft (above Mean Sea Level)		UWI: BITTER CREEK 1122-3P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:00 - 18:00	11.00	COMP	36	B	P		<p>CLMIRU JW WIRE LINE & SUPERIOR FRAC SERV. PERF STG 1)PU 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH PERF AS PER DESIGN. POOH. X-OVER FOR FRAC CREW.</p> <p>FRAC STG 1)WHP 162 PSI, BRK 4476 PSI @ 4.9 BPM. ISIP 2117 PSI, FG .76. CALC PERFS OPEN @ 41.9 BPM @ 4967 PSI = 67% HOLES OPEN. ISIP 2349 PSI, FG .80, NPI 232 PSI. MP 5951 PSI, MR 51.1 BPM, AP 5023 PSI, AR 49.9 BPM, PUMPED 30/50 OTTAWA SAND.</p> <p>PERF STG 2)PU 4 1/2 10K BAKER CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 6216' P/U PERF AS PER PROCEDURE. X-OVER FOR FRAC CREW.</p> <p>FRAC STG 2)WHP 1882 PSI, BRK 3433 PSI @ 4.1 BPM. ISIP 1776 PSI, FG .73. CALC PERFS OPEN @ 44.9 BPM @ 5437 PSI = 62% HOLES OPEN. ISIP 2663 PSI, FG .87, NPI 887 PSI. MP 5689 PSI, MR 51 BPM, AP 4908 PSI, AR 49.6 BPM, PUMPED 30/50 OTTAWA SAND IN THIS STG. X-OVER FOR WL.</p> <p>PERF STG 3)PU 4 1/2 10K BAKER CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 5974' P/U PERF AS PER PROCEDURE. POOH. X-OVER FOR FRAC CREW.</p> <p>FRAC STG 3)WHP 2419 PSI, BRK 4234 PSI @ 3.5 BPM. ISIP 2447 PSI, FG .85. CALC PERFS OPEN @ 50.2 BPM @ 5492 PSI = 80% HOLES OPEN. ISIP 2725 PSI, FG .90, NPI 278 PSI. MP 5769 PSI, MR 50.7 BPM, AP 5053 PSI, AR 47.3 BPM. PUMPED 30/50 OWATTA SAND IN THIS STG. X-OVER FOR WL.</p> <p>PU 4 1/2 10K BAKER CBP. RIH SET CBP @ 5888'. POOH. RDMO SUPERIOR FRAC SERV & J-W WIRE LINE. SWMFN.</p> <p>TOTAL SAND = 52,305 LBS TOTAL CLFL = 2676 BBLs HSM. STAY AWAY F/ POWER SWMVEL WHEN IT IS TURNING.</p>
12/3/2011	6:45 - 7:00	0.25	COMP	48		P		

US ROCKIES REGION

Operation Summary Report

Well: BITTER CREEK 1122-3P		Spud Conductor: 8/21/2008	Spud Date: 8/30/2008
Project: UTAH-UINTAH		Site: BITTER CREEK 1122-3P	Rig Name No: MILES 2/2
Event: RECOMPL/RESEREVEADD		Start Date: 11/16/2011	End Date:
Active Datum: RKB @5,125.00usft (above Mean Sea Level)		UWI: BITTER CREEK 1122-3P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:00 - 18:00	11.00	COMP	44	C	P		<p>OPEN WELL 0 PSI. ND FRAC VALVES. NU BOP. RU RIG FLOOR & TBG EQUIP. PU 3 5/8 ROCK BIT + POBS + XN-NIPPLE. RIH W/ TBG TAG KILL PLUG @ 5868'. RU DRL EQUIP. BRK CONV CIRC. CBP # 1)TAG SAND @ 5868' = 20' SAND. DRL OUT CBP @ 5888' IN 8 MIN. 500 PSI INCR. CONT RIH. CBP # 2)TAG SAND @ 5954' = 20' SAND. DRL OUT CBP @ 5974' IN 5 MIN. 500 PSI INCR. CONT RIH. CBP # 3)TAG SAND @ 6186' = 30' SAND. DRL OUT CBP @ 6216' IN 5 MIN. 200 PSI INCR. CONT RIH. C/O 20' SAND DOWN T/ ISOLATION PLUG @ 6555' CIRC WELL. RD DRL EQUIP. POOH. LD 22 JTS EXESS TBG. PU 4 1/16 TBG HNGR. LAND TBG ON HNGR W/</p> <p>KB = 11.00 4 1/16 TBG HNGR = .83 189 JTS 2 3/8 J-55 TBG = 5895.31 PUMP OPEN BIT SUB = 2.20 EOT @ 5909.34.</p> <p>ND BOP. NU WELL HEAD. DROP BALL. PUMP BIT OPEN W/ 600 PSI. OPEN WELL T/ FLOW BACK TANK. FTP = 50 PSI. SICP = 600 PSI.</p> <p>TOTAL LOAD T/ RECOVER = 2676 BBLs RIG RECOVERD = 780 BBLs LEFT RECOVER = 1896 BBLs</p>

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	BITTER CREEK 1122-3P	Wellbore No.	OH
Well Name	BITTER CREEK 1122-3P	Wellbore Name	BITTER CREEK 1122-3P
Report No.	1	Report Date	11/16/2011
Project	UTAH-UINTAH	Site	BITTER CREEK 1122-3P
Rig Name/No.	MILES 2/2	Event	RECOMPL/RESERVEADD
Start Date	11/16/2011	End Date	
Spud Date	8/30/2008	Active Datum	RKB @5,125.00usft (above Mean Sea Level)
UWI	BITTER CREEK 1122-3P		

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	5,938.0 (usft)-6,540.0 (usft)	Start Date/Time	11/16/2011 12:00AM
No. of Intervals	7	End Date/Time	11/16/2011 12:00AM
Total Shots	72	Net Perforation Interval	18.00 (usft)
Avg Shot Density	4.00 (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
11/16/2011 12:00AM	MESAVERDE/1			5,938.0	5,944.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTION	
														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
11/16/201 1 12:00AM	MESAVERDE/			6,041.0	6,043.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/16/201 1 12:00AM	MESAVERDE/			6,076.0	6,078.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/16/201 1 12:00AM	MESAVERDE/			6,184.0	6,186.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/16/201 1 12:00AM	MESAVERDE/			6,442.0	6,444.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/16/201 1 12:00AM	MESAVERDE/			6,530.0	6,532.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
11/16/201 1 12:00AM	MESAVERDE/			6,538.0	6,540.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	

3 Plots

3.1 Wellbore Schematic