

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

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 1122-3A

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

9. API Well No.
43-047-38928

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.)* **39.894465**
At surface **NENE LOT 8, 1347'FNL, 688'FEL 633929X**
At proposed prod. Zone **4417009Y -109.433489**

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*
41.45 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)
688'

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
7620'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5069' 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:

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

25. Signature 	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.

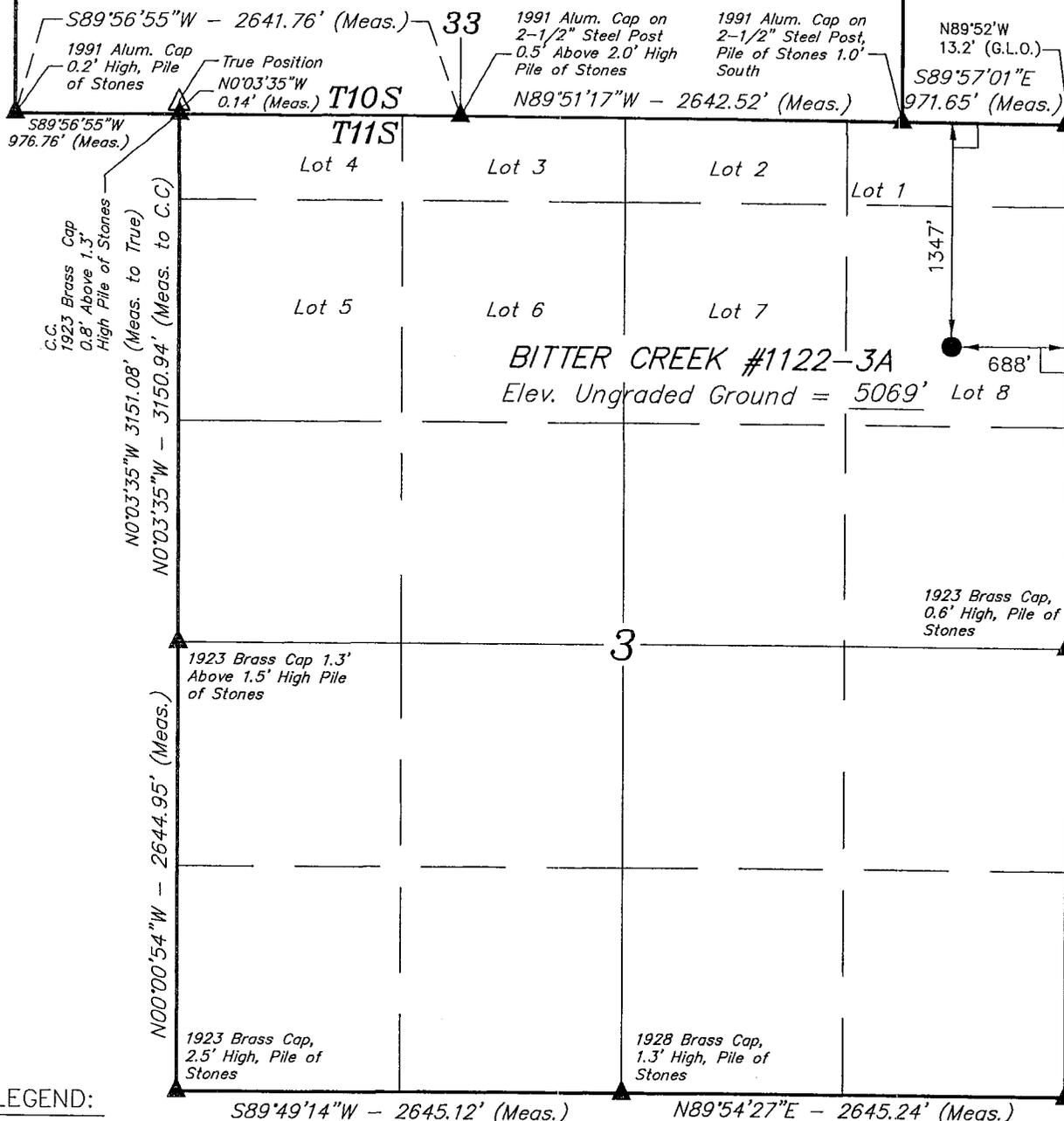
*(Instructions on reverse)

**Federal Approval of this
Action Is Necessary**

RECEIVED
DEC 11 2006
DIV. OF OIL, GAS & MINING

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

Kerr-McGee Oil & Gas Onshore LP



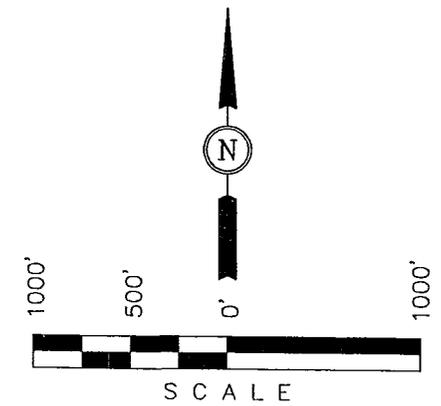
Well location, BITTER CREEK #1122-3A, located as shown in Lot 8 of Section 3, T11S, R22E, S.L.B.&M. Uintah County, Utah.

W.C.C.
1991 Alum. Cap,
Pile of Stones
—True Position

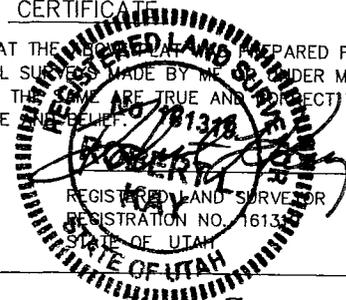
BASIS OF ELEVATION

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 SURVEY PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME 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 = $39^{\circ}53'40.13''$ (39.894481)
LONGITUDE = $109^{\circ}26'03.08''$ (109.434189)
(NAD 27)
LATITUDE = $39^{\circ}53'40.25''$ (39.894514)
LONGITUDE = $109^{\circ}26'00.63''$ (109.433508)

1923 Brass Cap,
0.2' High, Pile of Stones

SCALE 1" = 1000'	DATE SURVEYED: 08-14-06	DATE DRAWN: 08-18-06
PARTY D.K. P.J. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

BITTER CREEK 1122-3A
NE/NE 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	374'
Top of Birds Nest Water	664'
Mahogany	1161'
Wasatch	3337'
Mesaverde	5627'
MVU2	6599'
MVL1	7204'
TD	7620'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	374'
	Top of Birds Nest Water	664'
	Mahogany	1161'
Gas	Wasatch	3337'
Gas	Mesaverde	5627'
Gas	MVU2	6599'
Gas	MVL1	7204'
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 7620' TD, approximately equals 4724 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3048 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE December 4, 2006
 WELL NAME BITTER CREEK 1122-3A TD 7,620' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,069' GL KB 5,084'
 SURFACE LOCATION NENE LOT 8, SEC. 3, T11S, R22E 1347'FNL, 683'FEL BHL Straight Hole
 Latitude: 39.894481 Longitude: 109.434189
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 3,337' Green River @ 0,374' Top of Birds Nest Water @ 664' Mahogany @ 1,161' Preset fl GL @ 1,220' 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 fl 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 @	3,337'			
	Mverde @	5,627'			
	MVU2 @	6,599'			
	MVL1 @	7,204'			
	TD @	7,620'			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'						
SURFACE	9-5/8"	0 to 1220	32.30	H-40	STC	2270 0.85*****	1370 2.40	254000 7.36
PRODUCTION	4-1/2"	0 to 7620	11.60	I-80	LTC	7780 2.90	6350 1.46	201000 2.61

- 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 2682 psi

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

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE	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	2,830'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	310	60%	11.00	3.38
	TAIL	4,790'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1340	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

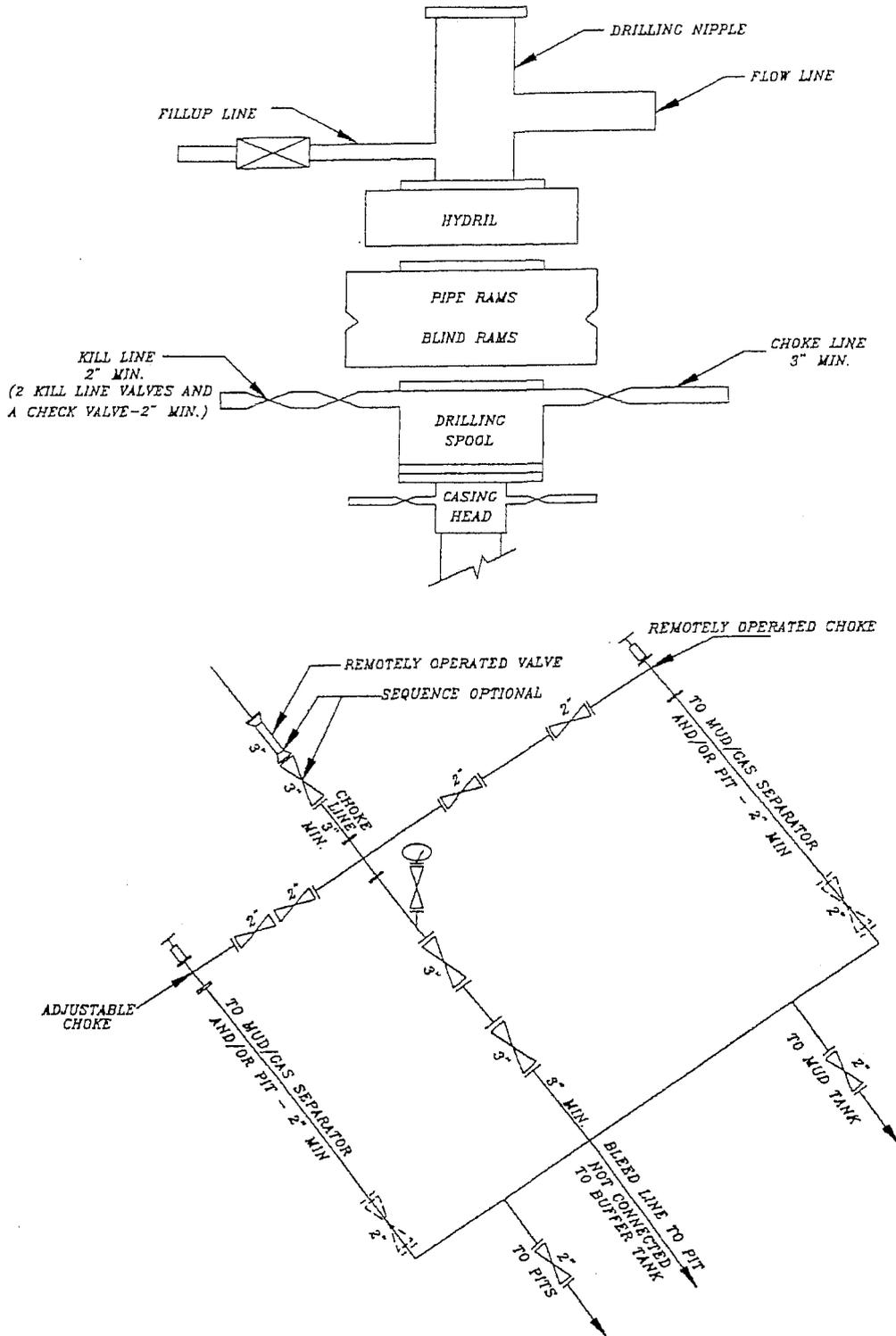
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

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: _____ DATE: _____
 Brad Laney
 DRILLING SUPERINTENDENT: _____ DATE: _____
 Randy Bayne
 BC1122-3A DHD.xls

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BITTER CREEK 1122-3A
NE/NE 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.

Variations to Best Management Practices (BMP) Requests:

A 30' of rights-of-way will be required for approximately 6580' +/- of 6" and Approximately 8790' +/- of 4" steel pipelines shall run from the proposed well location to travel into State of the NW/2, in Sec. 2, T11S, R22E (Lease # ML-22348-A), going North into Federal Sec. 34, T10S, R22E (Lease #UTU-037167) to tie-in the 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.
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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).

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 #1122-3A

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 TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 57.55 MILES.

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

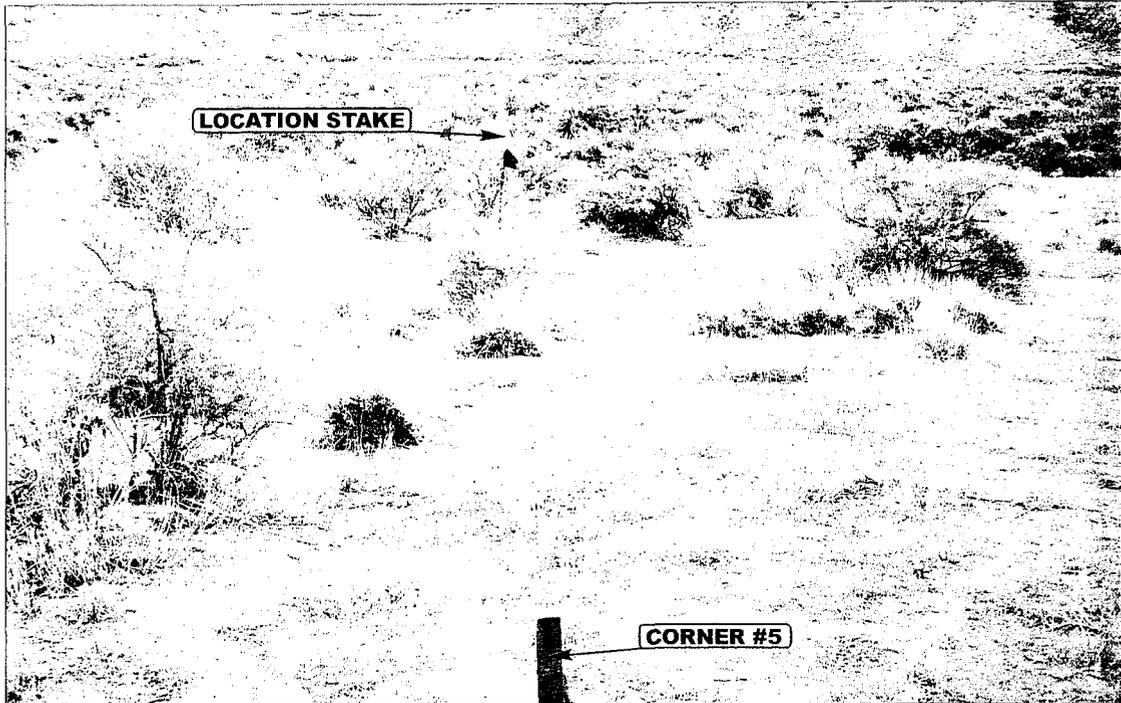


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY

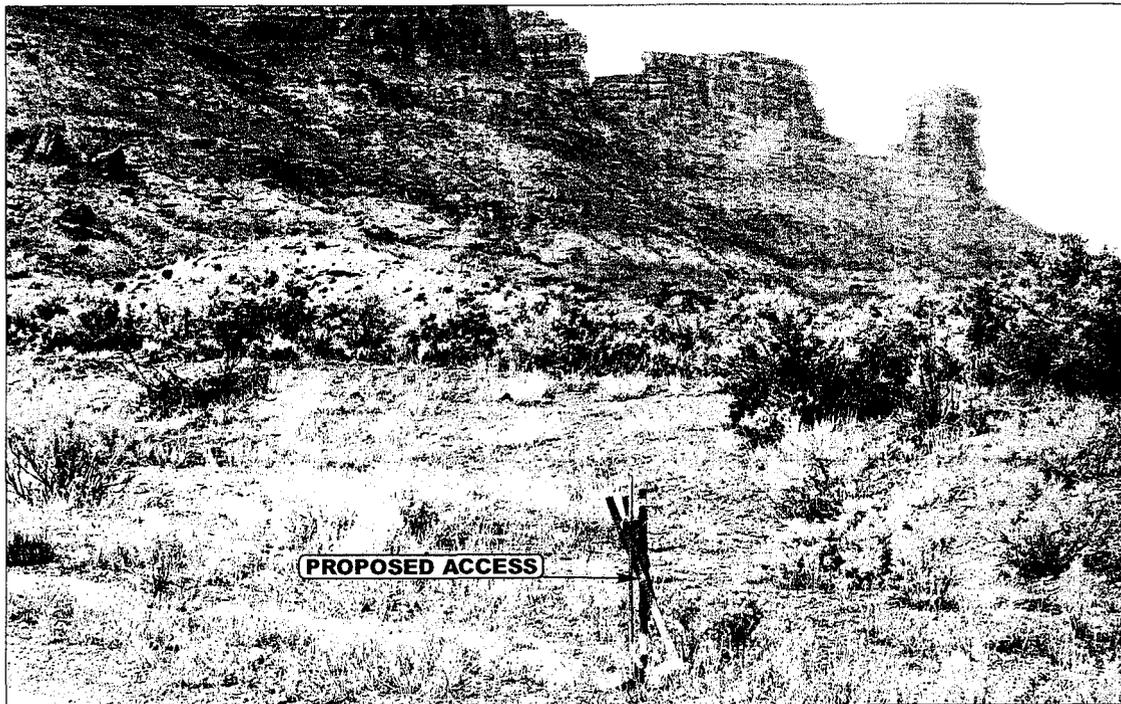


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

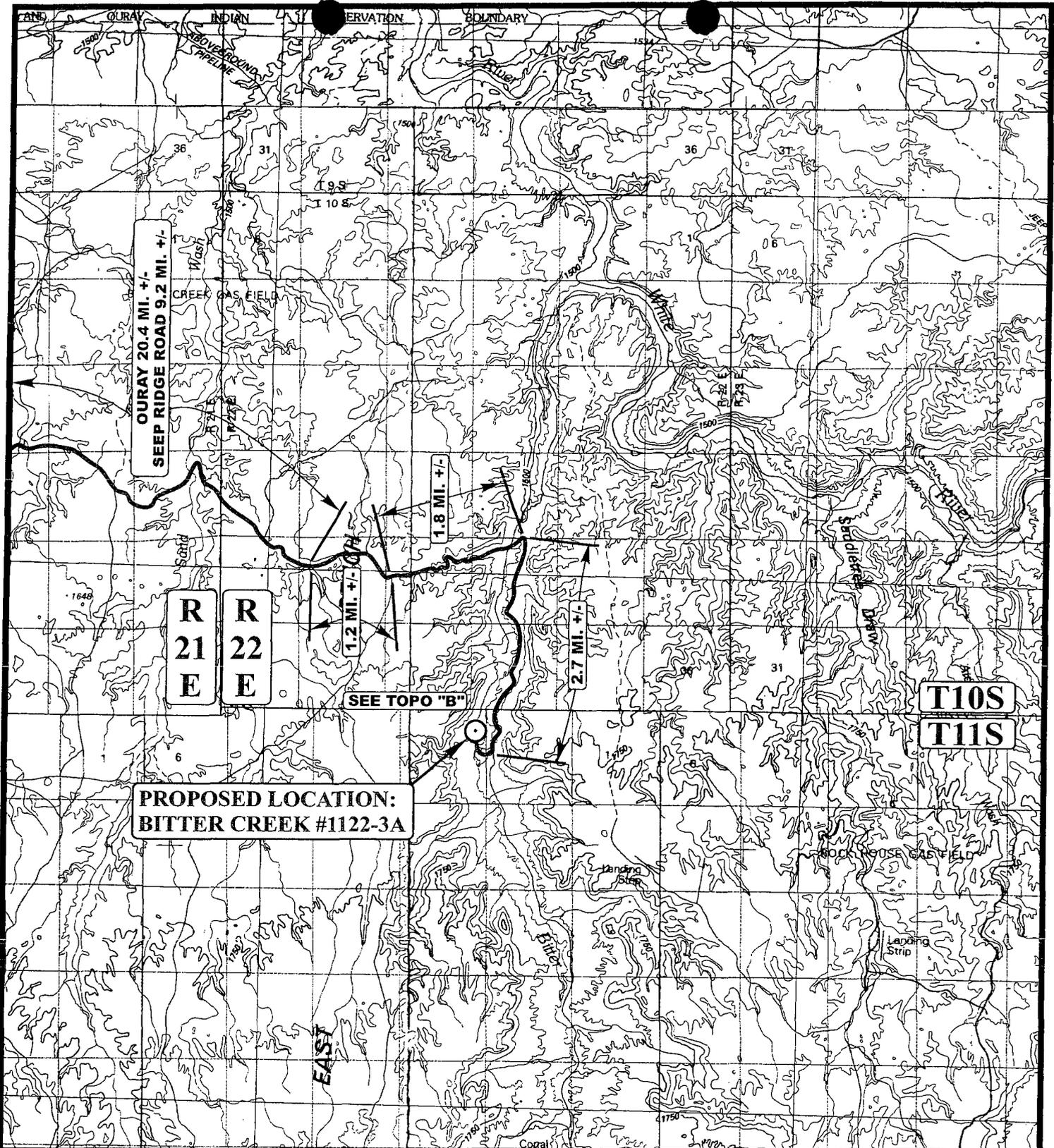
CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

LOCATION PHOTOS	08	18	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: C.P.		REVISED: 00-00-00	



LEGEND:

○ PROPOSED LOCATION

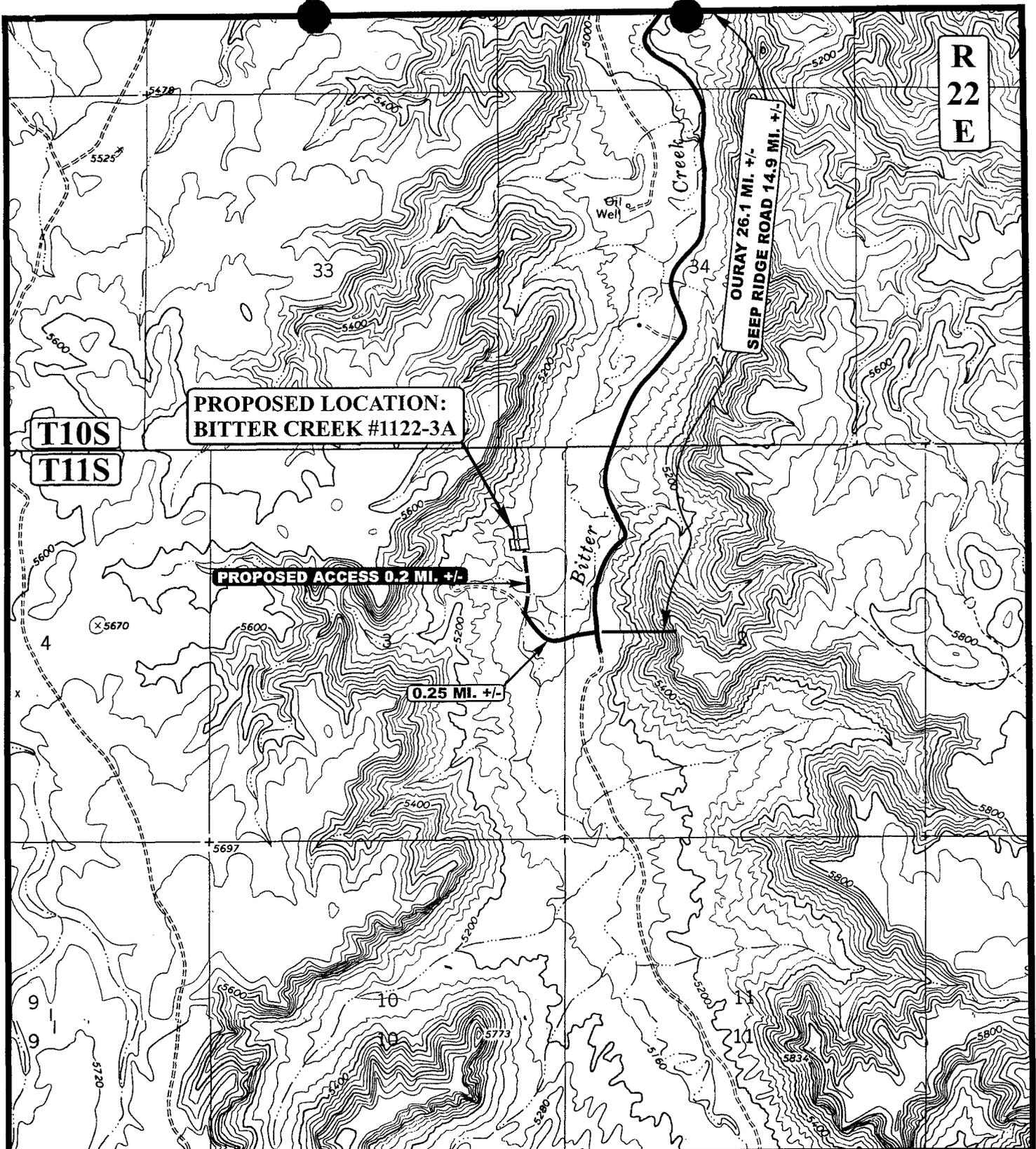


Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3A
SECTION 3, T11S, R22E, S.L.B.&M.
1347' FNL 688' FEL

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

TOPOGRAPHIC	08	18	06	A TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1:100,000	DRAWN BY: C.P.		REVISED: 00-00-00	



R
22
E

T10S
T11S

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

PROPOSED ACCESS 0.2 MI. +/-

0.25 MI. +/-

**URAY 26.1 MI. +/-
SEEP RIDGE ROAD 14.9 MI. +/-**

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

**BITTER CREEK #1122-3A
SECTION 3, T11S, R22E, S.L.B.&M.
1347' FNL 688' FEL**

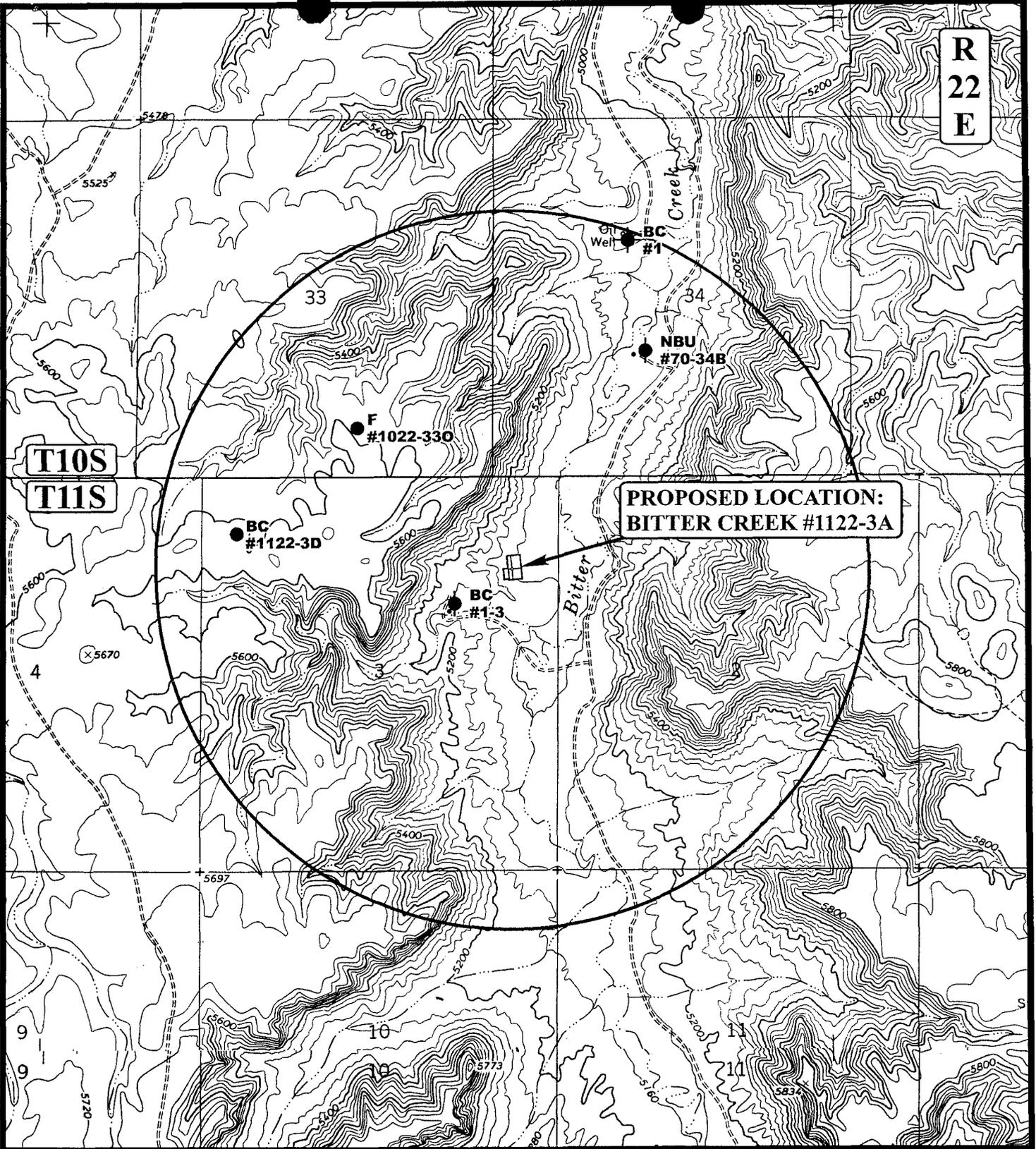


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 08 18 06
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00



R
22
E



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

T10S

T11S

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

**BITTER CREEK #1122-3A
SECTION 3, T11S, R22E, S.L.B.&M.
1347' FNL 688' FEL**

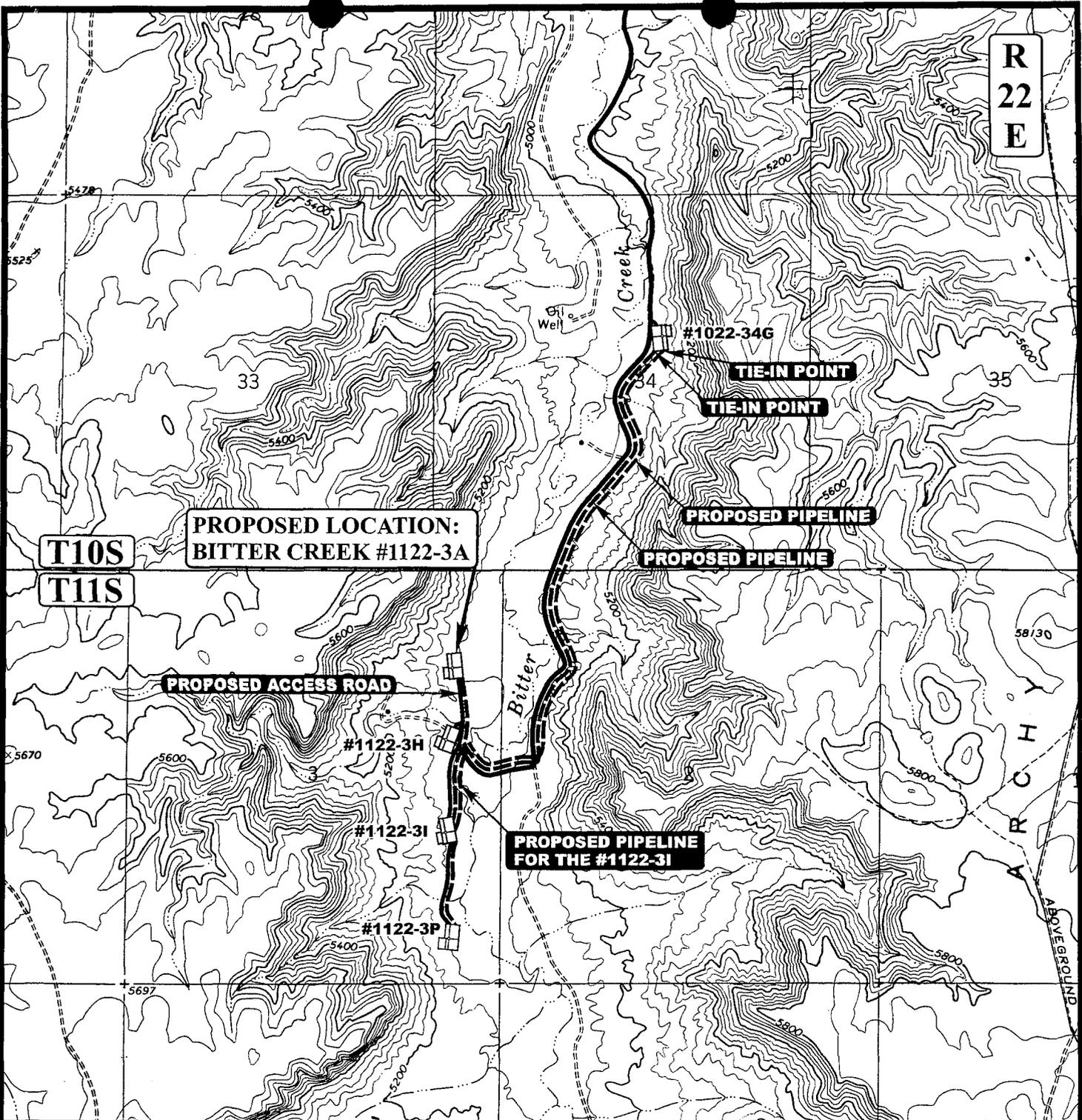


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 08 18 06
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00



R
22
E



APPROXIMATE TOTAL 6" PIPELINE DISTANCE = 6,580' +/-

APPROXIMATE TOTAL 4" PIPELINE DISTANCE = 8,790' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  4" PROPOSED PIPELINE
-  6" PROPOSED PIPELINE
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3A
SECTION 3, T11S, R22E, S.L.B.&M.
1347' FNL 688' FEL



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

TOPOGRAPHIC 08 18 06
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00



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



PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: SOUTHWESTERLY

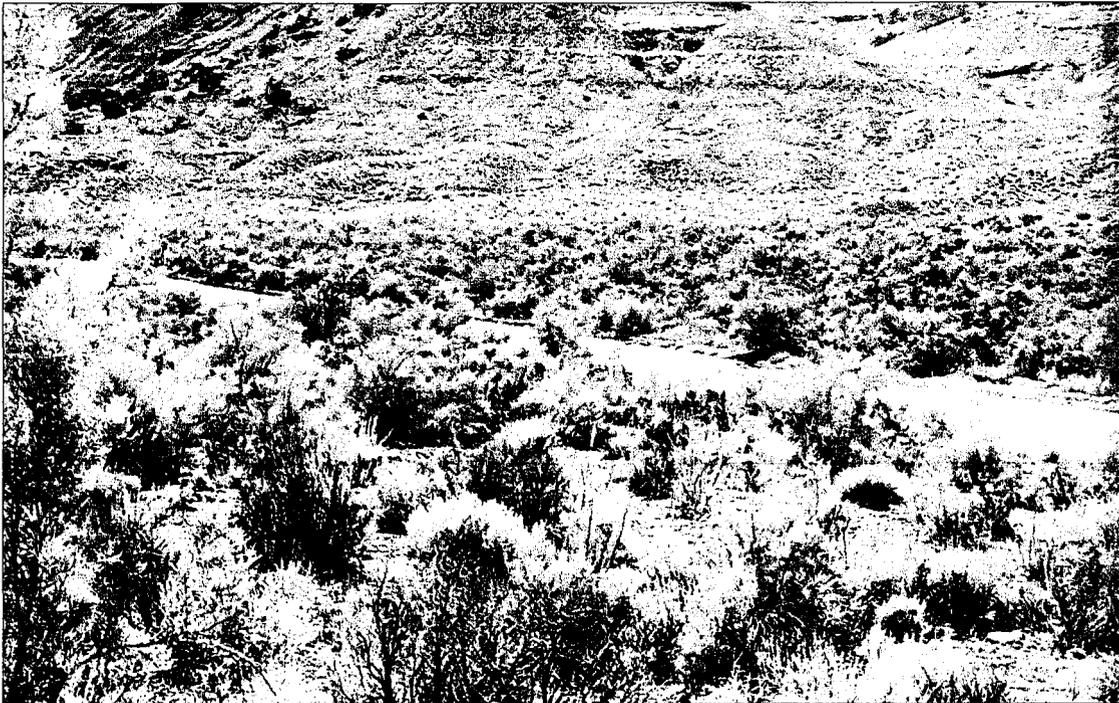


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHWESTERLY



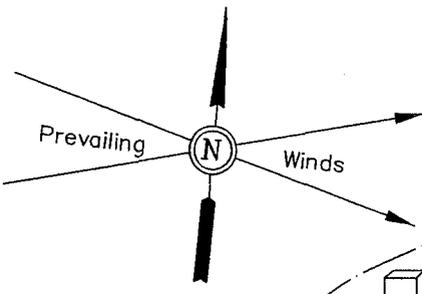
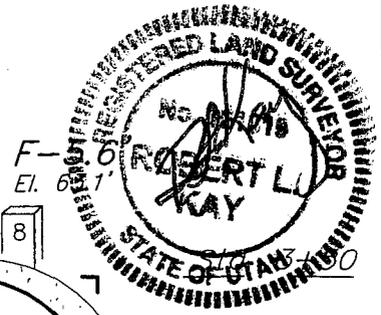
- Since 1964 -

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

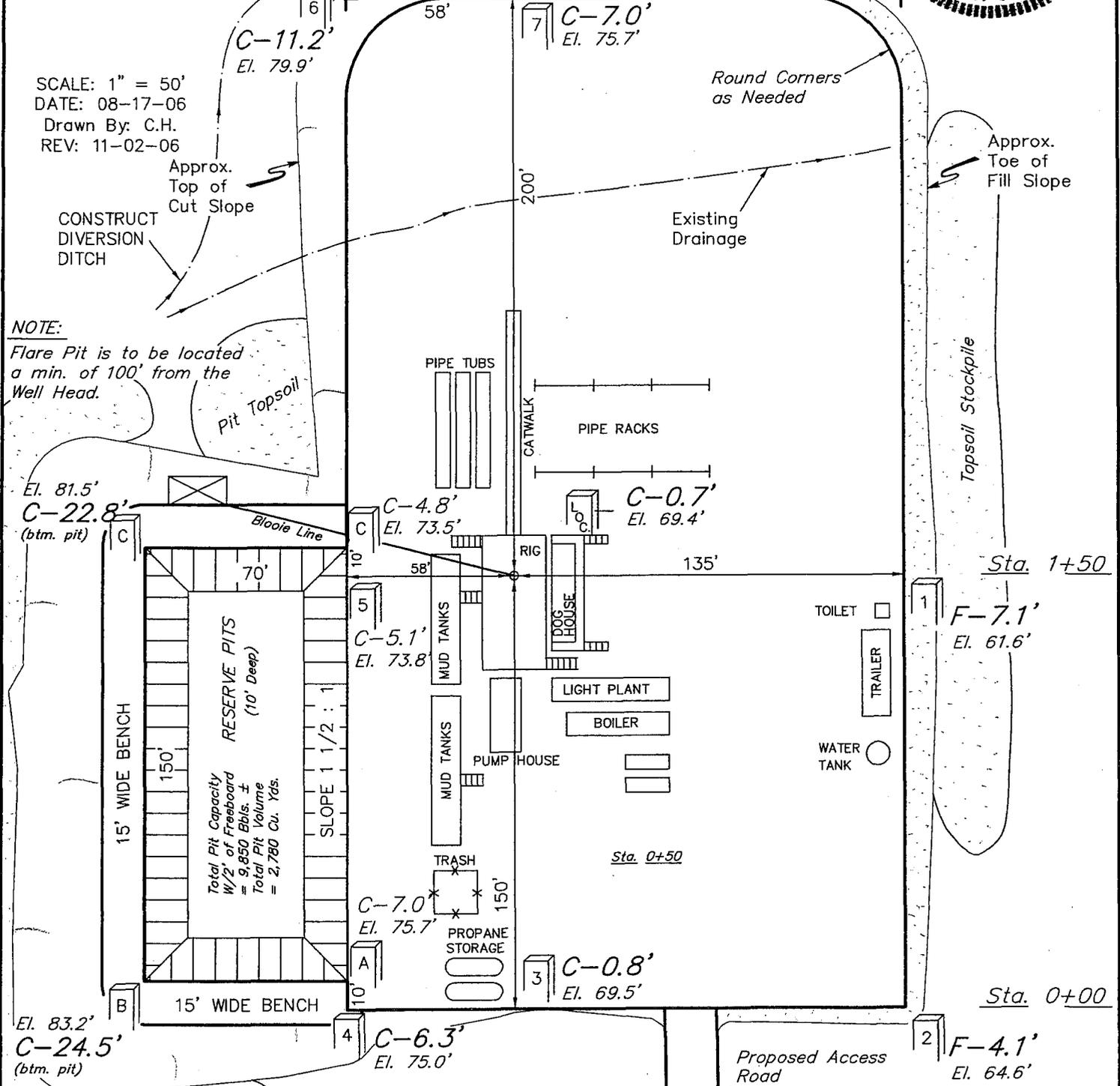
PIPELINE PHOTOS	08	18	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: C.P.		REVISED: 00-00-00	

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR
BITTER CREEK #1122-3A
SECTION 3, T11S, R22E, S.L.B.&M.
1347' FNL 688' FEL



SCALE: 1" = 50'
DATE: 08-17-06
Drawn By: C.H.
REV: 11-02-06



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

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

El. 83.2'
C-24.5'
(btm. pit)

NOTES:
Elev. Ungraded Ground At Loc. Stake = 5069.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 5068.7'

FIGURE #1

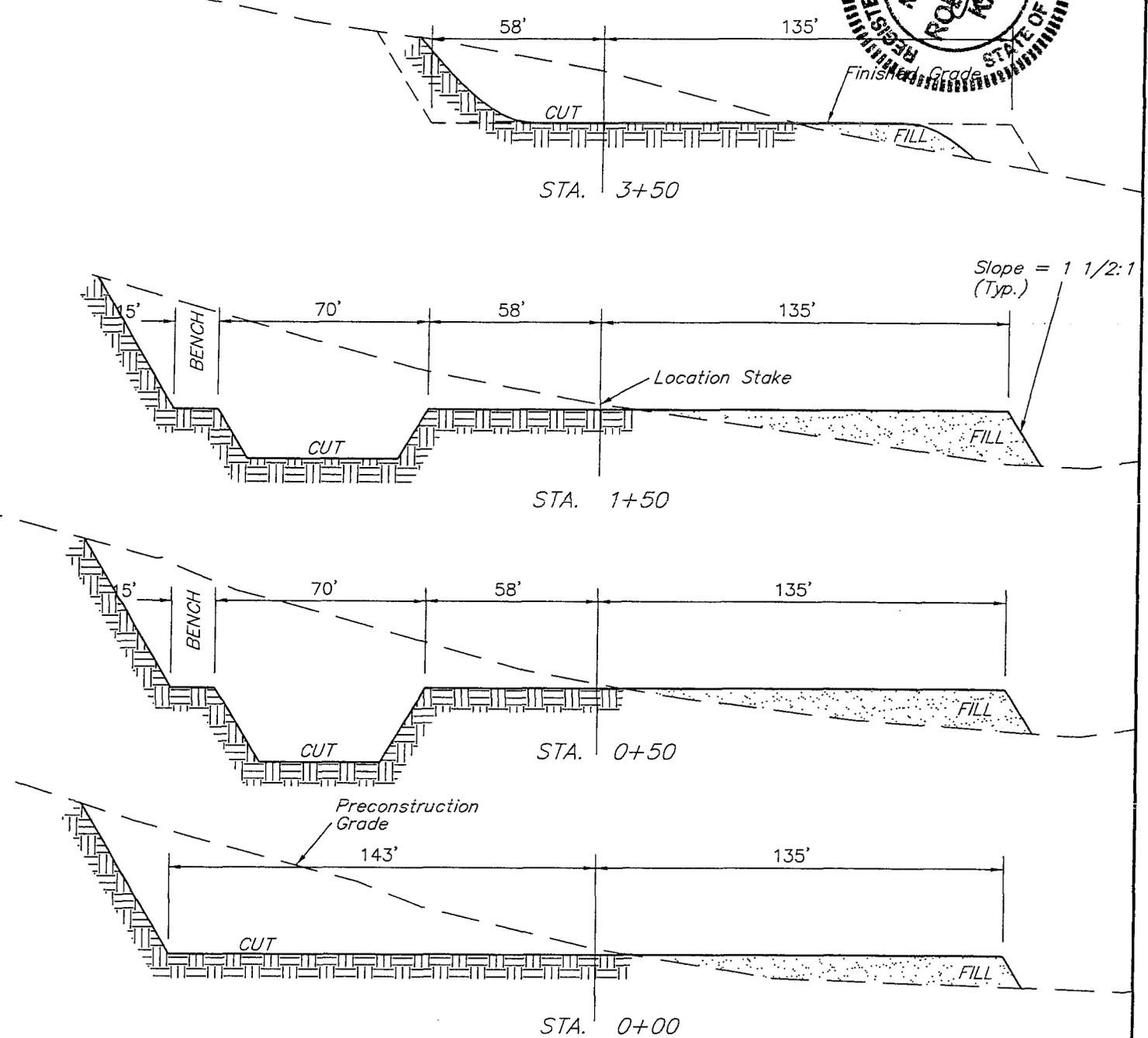
Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR
BITTER CREEK #1122-3A
SECTION 3, T11S, R22E, S.L.B.&M.
1347' FNL 688' FEL

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

DATE: 08-17-06
Drawn By: C.H.



APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,930 Cu. Yds.
Remaining Location	= 15,530 Cu. Yds.
TOTAL CUT	= 17,460 CU.YDS.
FILL	= 5,240 CU.YDS.

EXCESS MATERIAL	= 12,220 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,320 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 8,900 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: 43-047-38928

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

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

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

NENE 03 110S 220E
 SURFACE: 1347 FNL 0688 FEL
 BOTTOM: 1347 FNL 0688 FEL
 COUNTY: UINTAH
 LATITUDE: 39.89447 LONGITUDE: -109.4335
 UTM SURF EASTINGS: 633929 NORTHINGS: 4417009
 FIELD NAME: BITTER CREEK (547)

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: 400' fr ext dkt u bdr 8-9920' fr other wells
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: Federal Approval

BUTTES FIELD

STATE
1022-32P

FEDERAL
1022-33M

FEDERAL
1022-33N

FEDERAL
1022-33O

NBU
1022-33P

T11S R22E

BITTER CREEK FIELD

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

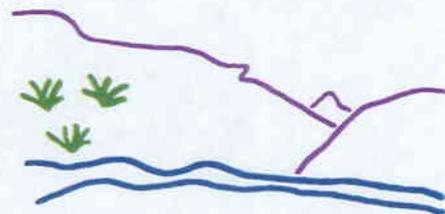
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

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



Utah Oil Gas and Mining



PREPARED BY: DIANA 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 1122-3A Well, 1347' FNL, 688' FEL, NE NE, 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 43-047-38928.

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 1122-3A

API Number: 43-047-38928

Lease: UTU-29797

Location: NE NE 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 1122-3A

9. API Well No.
43-047-38928

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
1999 BROADWAY, STE 3700, DENVER, CO 80202

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1347' FNL, 688' FEL
NENE, 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	DOGDM
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

THE 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: 12/5/2007
Initials: [Signature]

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

RECEIVED
DEC 03 2007

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

DIV. OF OIL, GAS & MINING

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: 4304738928
Well Name: BITTER CREEK 1122-3A
Location: NENE, 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

Phaleen 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

DEC 12 2006

FORM APPROVED

OMB No. 1004-0136

Expires November 30, 2000

RECEIVED

DEC 13 2006

BLM

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-29797

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.
43 047 38928

10. Field and Pool, or Exploratory
BITTER CREEK

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

12. County or Parish
UINTAH

13. State
UTAH

1a. Type of Work: DRILL REENTER

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

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

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

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

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **NENE LOT 8, 1347'FNL, 688'FEL**

At proposed prod. Zone

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

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
688'

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
7620'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5069' UNGRADED GL

22. Approximate date work will start*

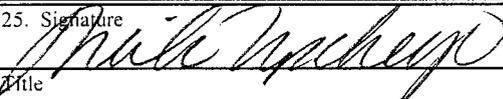
23. Estimated duration

24. Attachments

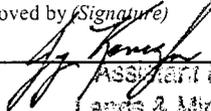
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 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.

- 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) **TERRY KENZKA** Date **7-3-2008**

Title **Assistant Field Manager** Office **VERNAL FIELD OFFICE**

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

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

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

*(Instructions on reverse)

UDOGM

NOTICE OF APPROVAL

RECEIVED

JUL 07 2008

DIV. OF OIL, GAS & MINING

06PP0511A
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:	Lot 8, Sec. 3, T11S, R22E
Well No:	Bitter Creek 1122-3A	Lease No:	UTU-29797
API No:	43-047-38928	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_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ($\frac{1}{4}$ / $\frac{1}{4}$, 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.

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

BITTER

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738928	BITER CREEK 1122-3A		NENE	3	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	99999	<i>17036</i>	8/15/2008		<i>8/25/08</i>		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 08/15/2008 AT 0930 HRS							

CONFIDENTIAL

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]

Signature

REGULATORY ANALYST

8/18/2008

Title

Date

RECEIVED

AUG 18 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 1122-3A

9. API Well No.

4304738928

10. Field and Pool, or Exploratory Area

UNDESIGNATED

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

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

NE/NE LOT. 8, SEC. 3, T11S, R22E 1347'FNL, 688'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 <u>WELL SPUD</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

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

SPUD WELL LOCATION ON 08/15/2008 AT 0930 HRS.

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

Name (Printed/Typed)

SHEILA UPCHEGO

Title

REGULATORY ANALYST

Signature

Date

August 18, 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

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.

AUG 20 2008

(Instructions on reverse)

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 1122-3A

9. API Well No.
4304738928

10. Field and Pool, or Exploratory Area
UNDESIGNATED

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE/NE LOT 1, SEC. 3, T11S, R22E 1347'FNL, 688'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 SET SURFACE
			CSG

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 PROPETRO AIR RIG ON 08/28/2008. DRILLED 12 1/4" SURFACE HOLE TO 1330'. RAN 9 5/8" 36# J-55 SURFACE CSG. CMT W/275 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT +/- 220 PSI LIFT TOP OUT W/175 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 2ND TOP OUT W/85 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT.

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

Name (Printed/Typed) SHEILA UPCHEGO	Title 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.

(Instructions on reverse)

RECEIVED
SEP 09 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 1122-3A

9. API Well No.
4304738928

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)
**1347' FNL, 688' FEL
NENE, SEC.3, T11S-R22E LOT 8**

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

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

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

FINISHED DRILLING FROM 7612' TO 7660' ON 10/10/08. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. TAILED CMT W/275 SX 50/50 POZ @14.3 PPG 1.31 YIELD. BUMP PLUG 2500 PSI OVER FLOATS HELD. 15 BBLS BACK TO PIT. LAND CSG TEST NIPPLE DOWN BOPE CLEAN TANKS.

RELEASED ENSIGN RIG 12 ON 10/10/08 AT 1700 HRS

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

Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature <i>Sheila Upchego MR</i>	Date October 13, 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)

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OCT 14 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 1122-3A

9. API Well No.
4304738928

10. Field and Pool, or Exploratory Area
UNDESIGNATED

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1347' FNL, 688' FEL
NE/NE, SEC.3, T11S-R22E LOT 1**

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

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 11/3/2008 AT 1000 HRS.
PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

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

Name (Printed/Typed) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
Signature <i>Sheila Upchego</i>	Date November 12, 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)

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NOV 17 2008

DIV. OF OIL, GAS & MINING

Wins No.: 95714

BITTER CREEK 1122-3A

Well Operations Summary Long

Operator KERR-MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 08/28/2008	GL 5,069	KB 5083	ROUTE V44
API 4304738928	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Long/Lat.: 39.89448 / 109.43419		Q-Q/Sect/Town/Range: NENE / 3 / 11S / 22E		Footages: 1,347.00' FNL 688.00' FEL	

Wellbore: BITTER CREEK 1122-3A

MTD 7,660	TVD 7,649	PBMD 7,587	PBTVD 7,587
EVENT INFORMATION:		EVENT ACTIVITY: DRILLING	START DATE: 8/15/2008
		OBJECTIVE: DEVELOPMENT	END DATE: 10/10/2008
		OBJECTIVE 2: VERTICAL WELL	DATE WELL STARTED PROD.: 8/28/2008
		REASON: DRILL PROD HOLE	Event End Status: COMPLETE
		AFE NO.: 2012073	

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
8/15/2008	SUPERVISOR: LEW WELDON						
	9:30 - 17:00	7.50	DRLCON	02		P	MOVE IN AND RIG UP BUCKET RIG SPUD WELL @ 0930 HR 8/15/08 DRILL AND SET 40' OF SCHEDULE 10 PIPE DRILL RODENT HOLES FOR RIG 12 BLM AND STATE NOTIFIED OF SPUD
8/28/2008	SUPERVISOR: LEW WELDON						
	11:00 - 0:00	13.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 1100 HR 8/28/08 HIT TRONA WATER @ 660' DA AT REPORT TIME
8/29/2008	SUPERVISOR: LEW WELDON						
	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD CIRCULATING WITH SKID PUMP NO RETURNS TO PIT 990'
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD CIRCULATING WITH SKID PUMP NO RETURNS TO PIT 1200'
8/30/2008	SUPERVISOR: LEW WELDON						
	0:00 - 3:00	3.00	DRLSUR	02		P	RIG T/D @ 1330' CONDITION HOLE 2 HR
	3:00 - 7:00	4.00	DRLSUR	05		P	TRIP DP OUT OF HOLE
	7:00 - 12:00	5.00	DRLSUR	11		P	RUN 1302' OF 9 5/8 CSG AND RIG DOWN AIR RIG
	12:00 - 13:00	1.00	DRLSUR	15		P	CEMENT 1ST STAGE WITH 275 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK NO RETURNS TO PIT +- 220 PSI LIFT
	13:00 - 13:30	0.50	DRLSUR	15		P	1ST TOP JOB 175 SKS DOWN BS WOC

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11/10/2008 11:55:32AM

NOV 17 2008

DIV. OF OIL, GAS & MINING

	13:30 - 15:00	1.50	DRLSUR	15		P	2ND TOP JOB 85 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE
	15:00 - 15:00	0.00	DRLSUR				NO VISIBLE LEAKS PIT HAD 3 FEET IN IT WORT
9/28/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						
	5:30 - 0:00	18.50	RDMO	01	E	P	RIG DOWN EQUIPMENT TO MOVE
9/29/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						
	0:00 - 7:00	7.00	RDMO	01	E	P	RIG DOWN EQUIPMENT TO MOVE
	7:00 - 14:30	7.50	RDMO	01	A	P	R.W.JONES ON LOCATION W/ 8 TRUCKS, 2 FORKLIFTS & 1 SUPERVISOR - MOVE EQUIPMENT TO NEW LOCATION - RIG MOVERS LEFT LOCATION @ 1430 HOURS
	14:30 - 0:00	9.50	MIRU	01	B	P	RIG UP EQUIPMENT
9/30/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						
	0:00 - 7:00	7.00	MIRU	01	B	P	RIG UP EQUIPMENT
	7:00 - 10:00	3.00	PRPSPD	13	A	P	NIPPLE UP BOP EQUIPMENT / FLOW LINE / FLARE LINES / GAS BUSTER
	10:00 - 14:00	4.00	PRPSPD	13	C	P	PRESSURE TEST UPPER LOWER KELLY VALVES, FLOOR VALVE & DART VALVE, BLIND RAMS; PIPE RAMS, INNER & OUTER BOP VALVES, KILL LINE & KILL LINE VALVES, CHOKE LINE + INNER - OUTER CHOKE VALVES AND CASING GUAGE TO 250 PSI LOW @ 5 MINS & 5000 PSI HIGH @ 10 MINS / TEST ANNULAR TO 250 PSI LOW @ 5 MINS & 2500 PSI HIHG @ 10 MINS / TEST SUPER CHOKE TO 1000 PSI / TEST CASING TO 1500 PSI @ 40 MINS. / FUNCTION TEST CLOSING UNIT / REAPIR LEAKS AS NEEDED
	14:00 - 14:30	0.50	PRPSPD	13	B	P	INSTALL WEAR BUSHING IN WELLHEAD
	14:30 - 19:00	4.50	PRPSPD	05	A	P	PICK UP B.H.A. + DRILL PIPE TO TAG @ 1220'
	19:00 - 19:30	0.50	PRPSPD	08	E	P	PRE-SPUD INSPECTION ON EQUIPMENT
	19:30 - 21:30	2.00	PRPSPD	02	F	P	DRILL CEMENT + FLOAT EQUIPMENT
	21:30 - 22:00	0.50	PRPSPD	09	A	P	WIRELINE SURVEY @ 1242' - .90*
	22:00 - 23:00	1.00	DRLPRO	02	B	P	DRILL F/ 1330 - T/ 1443' (113' @ 113' fph) 43 viS / 10.0 ppg

	23:00 - 23:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 1367' - 1.33*
	23:30 - 0:00	0.50	DRLPRO	02	B	P	DRILL F/ 1443' - T/ 1521' (78' @ 156 fph) 41 vis / 10.0 ppg
10/1/2008	SUPERVISOR: KENNETH GATHINGS						
	0:00 - 6:00	6.00	DRLPRO	02	B	P	DRILL F/ 1521' - T/ 1947' (426' @ 71.0 fph) 36 vis / 10 ppg / 55 rpm - 14K-16K wob / BACK-REAMING ON CONNECTIONS
	6:00 - 6:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 1871' - 3.01*
	6:30 - 13:00	6.50	DRLPRO	02	B	P	DRILL F/ 1947' - T/ 2292' (345' @ 53.07 fph) 38 vis / 10.0 ppg / 55 rpm - 13K-14K wob / BACK-REAMING ON CONNECTIONS
	13:00 - 13:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
	13:30 - 16:30	3.00	DRLPRO	02	B	P	DRILL F/ 2292' - T/ 2480' (188' @ 62.6 fph) 41 vis / 10.0 ppg / 55 rpm - 12K-13K wob / BACK-REAMING ON CONNECTIONS
	16:30 - 17:00	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 2401 - 4.87*
	17:00 - 0:00	7.00	DRLPRO	02	B	P	DRILL F/ 2480' - T/ 2792' (312' @ 44.57 fph) 43 vis / 10.0 ppg / 55 rpm - 10K wob / BACK-REAMING ON CONNECTIONS
10/2/2008	SUPERVISOR: KENNETH GATHINGS						
	0:00 - 0:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 2716' - 5.08*
	0:30 - 1:00	0.50	DRLPRO	02	B	P	DRILL F/ 2792' - T/ 2824' (32' @ 64' fph) 43 vis / 10.0 ppg / 55 rpm - 10K wob / MIX WEIGHT PILL
	1:00 - 3:00	2.00	DRLPRO	05	A	P	PUMP PILL / P.O.O.H. W/ BIT #1 FOR DROPPING BIT
	3:00 - 3:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
	3:30 - 5:00	1.50	DRLPRO	05	A	P	MAKE UP BIT #2 W/ NO PROBLEMS
	5:00 - 12:30	7.50	DRLPRO	02	B	P	CUT NEW BIT PATTERN / DRILL F/ 2824' - T/ 3104' (280' @ 37.3 FPH) 43 vis / 10.0 ppg / 55 rpm - 14K-16K wob
	12:30 - 13:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
	13:00 - 13:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 3030' - 4.39*

13:30 - 14:00	0.50	DRLPRO	02	B	P	DRILL F/ 3104' - 3135' (31' @ 62 fph) 44 vis / 10.0 ppg / 55 rpm - 11K-14K wob
14:00 - 15:00	1.00	DRLPRO	07	A	Z	RIG REAIR ON KELLY SPINNER MOTOR
15:00 - 16:00	1.00	DRLPRO	02	B	P	DRILL F/ 3135' - T/ 3167' (32' @ 32 fph) 44 vis / 10.0 ppg / 53 rpm - 13K-15K wob
16:00 - 16:30	0.50	DRLPRO	07	A	Z	RIG REPAIR ON KELLY SPINNER MOTOR - NEW SPINNER MOTOR FAILED
16:30 - 0:00	7.50	DRLPRO	02	B	P	DRILL F/ 3167' - T/ 3419' (252' @ 33.6 fph) 46 vis / 10.0 ppg / 51 rpm - 16K-17K wob

10/3/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 9:00	9.00	DRLPRO	02	B	P	DRILL F/ 3419' - T/ 3606' (187' @ 20.77 fph) 43 vis / 10.0 ppg / 55 rpm - 18K wob
9:00 - 9:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 3525' - 2.97*
9:30 - 10:00	0.50	DRLPRO	04	C	P	CIRCULATE & CONDITION HOLE FOR TRIP / MIX WEIGHT PILL
10:00 - 11:30	1.50	DRLPRO	05	A	P	P.O.O.H. TO LAY DOWN DROPPING BIT / WELL STARTED FLOWING W/ BIT @ 650'
11:30 - 13:30	2.00	DRLPRO	04	B	X	T.I.H. T/ 1445' / CIRCULATE GAS OUT / MIX & SPOT WEIGHT PILL @ 12.0 ppg IN HOLE (MUD APPEARED TO BE SLIGHTLY GAS & WATER CUT WHEN GAS WAS CIRCULATED OUT)
13:30 - 14:30	1.00	DRLPRO	05	A	P	P.O.O.H. W/ NO FLOW / FUNCTION PIPE & BLIND RAMS
14:30 - 17:00	2.50	DRLPRO	05	A	P	T.I.H. W/ BIT #3
17:00 - 19:00	2.00	DRLPRO	02	B	P	CUT NEW BIT PATTERN / DRILL F/ 3606' - T/ 3669' (63' @ 31.5 fph) 46 vis / 10.5 ppg / 55 rpm / 14K-16K wob
19:00 - 19:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
19:30 - 0:00	4.50	DRLPRO	02	B	P	DRILL F/ 3669' - T/ 4015' (346' @ 76.8 fph) 46 vis / 10.5 ppg / 55 rpm - 14K-16K wob

.9

10/4/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 1:30	1.50	DRLPRO	02	B	P	DRILL F/ 4015' - T/ 4109' (94' @ 62.6 fph) 45 vis / 10.0 ppg / 55 rpm - 15K-16K wob
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1:30 - 2:00	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 4033' - 2.86*
2:00 - 14:00	12.00	DRLPRO	02	B	P	DRILL F/ 4109' - T/ 4707' (598' @ 49.8 fph) 45 vis / 10.7 ppg / 14K-16K wob
14:00 - 14:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
14:30 - 23:00	8.50	DRLPRO	02	B	P	DRILL F/ 4707' - T/ 5021' (314' @ 36.9 fph) 48 vis / 10.7 ppg / 15K-17K wob
23:00 - 23:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 4945' - 3.44*
23:30 - 0:00	0.50	DRLPRO	02	B	P	DRILL F/ 5021' - T/ 5029' (8' @ 16 fph) 48 vis / 10.7 ppg / 53 rpm - 15K-17K wob

10/5/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 16:30	16.50	DRLPRO	02	B	P	DRILL F/ 5029' - T/ 5398' (369' @ 22.36 fph) 45 vis / 10.7 ppg / 55 rpm - 15K-17K wob
16:30 - 17:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
17:00 - 0:00	7.00	DRLPRO	02	B	P	DRILL F/ 5398' - T/ 5590' (192' @ 27.42 fph) 45 vis / 10.7 ppg / 55 rpm - 15K-17K wob

10/6/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 1:30	1.50	DRLPRO	02	B	P	DRILL F/ 5590' - T/ 5649' (59' @ 39.3 fph) 45 vis / 10.7 ppg / 55 rpm - 15K-17K wob
1:30 - 2:00	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 5573 - 3.05*
2:00 - 13:30	11.50	DRLPRO	02	B	P	DRILL F/ 5649' - T/ 6058' (409' @ 35.56 fph) 48 vis / 10.7 ppg / 55 rpm - 16K-18K wob
13:30 - 14:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
14:00 - 0:00	10.00	DRLPRO	02	B	P	DRILL F/ 6058' - T/ 6405' (347' @ 34.7 fph) 47 vis / 10.7 ppg / 50 rpm - 16K-18K wob

10/7/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 15:00	15.00	DRLPRO	02	B	P	DRILL F/ 6405' - T/ 7062' (657' @ 43.8 fph) 45 vis / 11.4 ppg / 55 rpm - 15K-17K wob
15:00 - 15:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT

	15:30 - 0:00	8.50	DRLPRO	02	B	P	DRILL F/ 7062' - T/ 7233' (171' @ 20.11 fph) 45 vis / 11.6 ppg / 52 rpm - 16K-22K wob
10/8/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR						
	0:00 - 0:30	0.50	DRLPRO	02	B	P	FRILL F/ 7233' - T/ 7237' (4' @ 8 fph) 45 vis / 11.6 ppg / 45 rpm - 19K-22K wob
	0:30 - 1:00	0.50	DRLPRO	04	C	P	CIRCULATE / MIX WEIGHT PILL
	1:00 - 7:30	6.50	DRLPRO	05	A	P	PUMP PILL / P.O.O.H. FOR BIT #4 / BREAK BIT OFF
	7:30 - 8:00	0.50	DRLPRO	05	A	P	SWAP OUT MUD MOTORS
	8:00 - 13:30	5.50	DRLPRO	05	A	P	MAKE UP BIT BIT #4 / TIH / BREAK CIRC AS NEEDED
	13:30 - 16:00	2.50	DRLPRO	02	B	P	DRILL 7237'-7316' (79') 31.6'/HR. 16K WOB, 110 BIT RPM, 11.7/45
	16:00 - 16:30	0.50	DRLPRO	06	A	P	SERVICE RIG,
	16:30 - 0:00	7.50	DRLPRO	02	B	P	DRILL 7316'-7612' (296') 39.4'/HR. 16K WOB, 110 BIT RPM, 11.8/45
10/9/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR						
	0:00 - 1:00	1.00	DRLPRO	02	B	P	DRILL 7612'-7660' (48') 48'/HR. 16K WOB, 110 BIT RPM, 11.8/45
	1:00 - 2:00	1.00	DRLPRO	04	C	P	C/C MUD
	2:00 - 4:00	2.00	DRLPRO	05	E	P	SHORT TRIP 15 STANDS.
	4:00 - 6:00	2.00	DRLPRO	04	C	P	C/C MUD, HELD SAFETY MEETING WITH WEATHERFORD LD CREW. RU SAME.
	6:00 - 14:30	8.50	DRLPRO	05	B	P	POOH LDDS, BREAK KELLY, LD BHA. PULL WEAR BUSHING.
	14:30 - 20:00	5.50	DRLPRO	08	A	P	HELD SAFETY MEETING WITH HALLIBURTON LOGGERS. RU SAME. RIH WITH TRIPLE COMBO TO TIGHT HOLE AT 7284'. PULLED TO 4000# OVER LINE SEVERAL TIMES AND UNABLE TO GET BELOW. LOG OUT 7274' TO 1313' WITH TRIPLE COMBO. RUN GR TO SURFACE. RDMO.
	20:00 - 21:00	1.00	DRLPRO	11	A	P	HELD SAFETY MEETING, RU WEATHERFORD CASING CREW.
	21:00 - 0:00	3.00	DRLPRO	11	B	P	START RUNNING PROD. CSG.

	Time	Rate	Activity	Count	Code	Priority	Description
	21:00 - 0:00	3.00	DRLPRO	11	B	P	START RUNNING PROD. CSG.
10/10/2008	SUPERVISOR: BRUCE TAYLOR						
	0:00 - 3:30	3.50	CSG	11	B	P	RUN CSG. AS FOLLOWS: FLOAT SHOE, 1 JT. CSG. FLOAT COLLAR, 102 JTS. CSG. 1 MARKER JTS. SET AT 3352', 79 JTS. 4 1/2" 11.6 PPF I-80 CSG. OVER ALL LENGTH 7650.73 SET AT 7651'. CENTRALIZED WITH 15 BOW SPRINGS, 1 ON FIRST 3 JTS. THEN EVERY 3RD JT. SPACE OUT, INSTALL HANGER JOINT AND PLUG RETAINER.
	3:30 - 4:30	1.00	CSG	04	E	P	CIRCULATE BOTTOMS UP WITH RIG PUMP.
	4:30 - 9:00	4.50	CSG	12	E	Z	CIRCULATE WHILE WAITING ON HALLIBURTON IRON FROM VERNAL TO HOOK UP THE BULK TRUCK TO THE PUMP TRUCK.
	9:00 - 12:00	3.00	CSG	15	A	P	HELD SAFETY MEETING: SWITCH TO HOWCO, TEST LINES TO 4000 PSI AND CEMENT 4 1/2" AS FOLLOWS: 10 BBLS WATER, 20 BBLS MUD FLUSH @ 8.4 PPG, 20 SKS PL2 SCAVENGER MIXED @ 9.5 PPG, LEAD W/ 335 SKS PL2 MIXED @ 11.8 PPG, TAIL W/ 1000 SKS 50:50 POZ MIXED @ 14.3 PPG, WASH LINES, DROP PLUG & DISPLACE W/118 BBLS WATER W/ CLAYSTAY & MAGNACIDE TO BUMP PLUG W/ 2500 PSI. RELEASE PSI AND FLOATS HELD. HAD 15 BBLS OF CEMENT CIRCULATED TO THE SURFACE.
	12:00 - 13:00	1.00	CSG	13	A	P	WASH STACK, LAND CASING WITH 48K, TEST HEAD TO 5000 PSI.
	13:00 - 17:00	4.00	CSG	13	A	P	ND BOP'S, CLEAN MUD TANKS AND RELEASE RIG @ 17:00 HRS. ON 10-10-08

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 10/27/2008 AFE NO.: 2012073
 OBJECTIVE: DEVELOPMENT END DATE: 10/31/2008
 OBJECTIVE 2: ORIGINAL DATE WELL STARTED PROD.: 8/28/2008
 REASON: MV / WAS Event End Status: COMPLETE

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

GWS 1 / 1 10/27/2008 10/31/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
10/27/2008	SUPERVISOR: DAVID DANIELS						
	7:00 - 7:30	0.50	COMP	48	I	P	HSM.
	7:30 - 17:00	9.50	COMP	31	I	P	MIRU RIG. OPEN WELL 0#. ND WH, NUBOP. PREP & TALLY 276 JTS, 2 3/8, J-55 TBG. PU 3 7/8 BIT + BIT SUB. RIH W/ 242 JTS & TAG @ 7582'. RIG PUMP T/ CSG. PUMP 50 BBLS 2% KCL. RD PUMP. POOH, LD 32 JTS & SB 210 JTS. LD BHA. RD TBG EQUIP. PREP T/ PSI TEST CSG & BOTH FRAC VALVES IN THE :AM. SWI, SDFN.
10/28/2008	SUPERVISOR: DAVID DANIELS						
	7:00 - 7:30	0.50	COMP	48		P	HSM.
	7:30 - 15:00	7.50	COMP	37	B	P	OPEN WELL 0#. ND BOP, NU FRAC VALVES. FILL CSG W/ 20 BBLS 2% KCL. MIRU B & C QUICK TEST. PSI TEST T/ 7500#. GOOD TEST. BLEED OFF PSI. RDMO B & C QUICK TEST. MIRU CUTTERS W.L.. PU 3 3/8 EXP GUN, 23 GM, .36 HOLE. 90 & 120 DEG PHASING. RIH PERF F/ 7547'-52', 4 SPF, 20 HOLES. 7533'-40', 3 SPF, 21 HOLES. POOH, SWI, SDFN. PREP T/ FRAC IN THE :AM.
10/29/2008	SUPERVISOR: DAVID DANIELS						
	7:00 - 7:30	0.50	COMP	48		P	HSM. HIGH PSI LINES.

7:30 - 18:00 10.50 COMP 36 B P

MIRU CUTTERS W.L. & WEATHERFORD FRAC SERV. OPEN WELL 1150#.

STG 1) BEG PUMP, BRK @ 3553# @ 2.8 BPM, SD ISIP 2531#, FG .78. BEG FRAC PUMP 19,626#, 30/50 & 5000#, 20/40 TLC. SD ISIP 2613#, FG .79. X-OVER FOR W.L..

STG 2) PU 4 1/2, 8K BAKER CBP & 3 3/8 EXP GUN, 23 GM, .36 HOLE. 120 DEG PHASING. RIH SET CBP @ 7390', P/U PERF F/ 7356'-60', 3 SPF, 12 HOLES.
7305'-12', 3 SPF, 21 HOLES.
7231'-34', 3 SPF, 9 HOLES.

POOH, X-OVER FOR FRAC CREW. OPEN WELL 400#. BEG PUMP, BRK @ 3408# @ 2.8 BPM. SD ISIP 2440#, FG .78. BEG FRAC, PUMP 82,222#, 30/50 OWATTA & 20/40 TLC. SD ISIP 2741#, FG .82. X-OVER FOR W.L.

STG 3) PU 4 1/2, 8K BAKER CBP & 3 3/8 EXP GUN, 23 GM, .36 HOLE. 90 & 120 DEG PHASING. RIH SET 8K, CBP @ 7178', P/U PERF F/

7148'-52', 4 SPF, 16 HOLES.
7092'-96', 3 SPF, 12 HOLES.
7078'-82', 3 SPF, 12 HOLES.

POOH, X-OVER T/ FRAC CREW. OPEN WELL 350#. BEG PUMP, BRK @ 3803# @ 2.9 BPM. SD ISIP 2658#, FG .81. BEG FRAC, PUMP 67,776#, 30/50 & 5,000# TLC. SD ISIP 2719#, FG .82. X-OVER FOR W.L..

STG 4) PU 4 1/2, 8K BAKER CBP & 3 3/8 EXP GUN, 23 GM, .36 HOLE. 120 DEG PHASING. RIH SET CBP @ 6964', P/U PERF F/ 6920'-34'. 3 SPF, 42 HOLES.

POOH, X-OVER FOR FRAC CREW. OPEN WELL 0#. BEG PUMP, BRK @ 3803# @ 2.9 BPM. SD ISIP 2658#, FG .81. BEG FRAC, PUMP 54,994#, 30/50 OWATTA & 5,000# TLC. SD ISIP 2796#, FG .84. X-OVER FOR W.L.

STG 5) PU 4 1/2, 8K BAKER CBP & 3 3/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 & 120 DEG PHASING. RIH SET CBP @ 6886', P/U PERF F/

6857'-60', 3 SPF, 9 HOLES.
6840'-44', 3 SPF, 12 HOLES.
6824'-27', 4 SPF, 12 HOLES.
6773'-76', 3 SPF, 9 HOLES.

POOH, X-OVER FOR FRAC CREW. OPEN WELL 0#. BEG PUMP, BRK @ 4579# @ 3.1 BPM. SD ISIP 2801#, FG .85. BEG FRAC, PUMP 82,252#, 30/50 & TAIL IN W/ 5,000# TLC. SD ISIP 2310#, FG .78. X-OVER FOR W.L..

STG 6) PU 4 1/2, 8K BAKER CBP & 3 3/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 6245', P/U PERF F/

6212'-15', 4 SPF, 12 HOLES.
6205'-10', 4 SPF, 20 HOLES.
6183'-85', 4 SPF, 8 HOLES.

POOH, X-OVER FOR FRAC CREW. OPEN WELL 0#. BEG PUMP, BRK @ 4927# @ 2.8 BPM. SD ISIP 1949#, FG .75. BEG FRAC, PUMP 46,376# 30/50, TAIL IN W/ 5,000# TLC. SD ISIP 2852#, FG .90. X-OVER FOR W.L.. SWI, SDFN.

10/30/2008

SUPERVISOR: DAVID DANIELS

7:00 - 7:30 0.50 COMP 48 P HSM.

7:30 - 15:00

7.50

COMP

36

B

P

OPEN WELL 400#.

STG 7) PU 4 1/2, 8K BAKER CBP & 3 3/8 EXP GUN, 23 GM, .36
HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 5142', P/U PERF
F/

5098'-12', 3 SPF, 42 HOLES.

POOH, X-OVER FOR FRAC CREW. OPEN WELL 600#. BRK @
3183# @ 2.7 BPM. SD ISIP 1252#, FG .69. BEG FRAC, PUMP
33,472#, 30/50 & TAIL IN W/ 5,000#, 20/50 TLC. SD ISIP 2186#, FG .
87. X-OVER FOR W.L..STG 8) PU 4 1/2, 8K BAKER CBP & 3 3/8 EXP GUN. 23 GM, .36
HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 4942', P/U PERF
F/

4902'-12', 3 SPF, 30 HOLES.

4877'-81', 3 SPF, 12 HOLES.

POOH, X-OVER FOR FRAC CREW. OPEN WELL 2000#. BEG
PUMP, BRK @ 3998# @ 3.1 BPM. SD ISIP 1748#, FG .80. BEG
FRAC, PUMP 50,731#, 30/50 & TAIL IN W/ 5,000#, 20/40 TLC. SD
ISIP 2145#, FG .88. X-OVER FOR W.L.. PU 4 1/2, 8K BAKER CBP.
RIH SET CBP @ 4852'. POOH, RDMO CUTTERS W.L. &
WEATHERFORD FRAC CREW. ND FRAC VALVES, NUBOP, PU 3
7/8 BIT+X-DART+POBS+XN-NIPPLE, RIH W/ TBG, TAG K.P.. RU
DRL EQUIP P/U. EOT @ 4822'. SWI, SDFN.

10/31/2008

SUPERVISOR: DAVID DANIELS

7:00 - 7:30

0.50

COMP

48

P

HSM.

7:30 - 18:00

10.50

COMP

44

C

P

OPEN WELL 0#. RU PUMP & LINES. BRK CONV CIRC.

CBP 1)TAG FILL @ 4842'=10 FILL. DRL OUT CBP @ 4852' IN 8
MIN, 1000# INCR. CONT RIH.CBP 2)TAG FILL @ 4912'=30' FILL. DRL OUT CBP @ 4942' IN 7
MIN, 300# INCR. CONT RIH.CBP 3)TAG FILL @ 5112'=30FILL. DRL OUT CBP @ 5142' IN 8 MIN,
200# INCR. CONT RIH.CBP 4)TAG FILL @ 6215'=30' FILL. DRL OUT CBP @ 6245' IN 20
MIN, 150# INCR. CONT RIH.CBP 5)TAG FILL @ 6876'=10' FILL. DRL OUT CBP @ 6886' IN 8
MIN, 500# INCR. CONT RIH.CBP 6)TAG FILL @ 6934'=30' FILL. DRL OUT CBP @ 6964' IN 11
MIN. 300# INCR. CONT RIH.CBP 7)TAG FILL @ 7148'=30' FILL. DRL OUT CBP @ 7178' IN 8
MIN, 1000# INCR. CONT RIH.CBP 8)TAG FILL @ 7360'=30' FILL. DRL OUT CBP @ 7390' IN 8
MIN, 300# INCR. CONT RIH. TAG FILL @ 7567'=20' FILL. C/O T/
P/BD @ 7587'. CIRC WELL W/ 20 BBLS. RD DRL EQUIP. POOH,
LD 12 JTS 2 3/8, J-55 TBG ON TBG FLOAT & 79 JTS 2 3/8, J-55
TBG ON GROUND. FOR AFTER PROD LOG. PU 4 1/16 TBG HNGR
& LAND TBG W/

KB

HNGR

150 JTS 2 3/8, J-55

BHA

EOT

RD TBG EQUIP. NDBOP, NU WH. DROP BALL PUMP BIT OFF W/
20 BBLS TRW. WAIT 30 MIN. OPEN WELL T/ PIT, TURN WELL
OVER T/ FBC. FTP 50#, SICP 1450#. RACK OUT RIG EQUIP. RD
MO RIG.

11/1/2008

SUPERVISOR: FRANK

7:00 -

33

A

7 AM FLBK REPORT: CP 2050#, TP 1250#, 22/64" CK, 46 BWPB,
MEDIUM SAND, - GAS
TTL BBLS RECOVERED: 840
BBLS LEFT TO RECOVER: 121

11/2/2008

SUPERVISOR: FRANK

Wins No.: 95714		BITTER CREEK 1122-3A		API No.: 4304738928
7:00 -		33	A	7 AM FLBK REPORT: CP 2300#, TP 1400#, 20/64" CK, 40 BWPH, MEDIUM SAND, - GAS TTL BBLS RECOVERED: 1812 BBLS LEFT TO RECOVER: 11163
11/3/2008	<u>SUPERVISOR:</u> FRANK			
7:00 -		33	A	7 AM FLBK REPORT: CP 2100#, TP 1500#, 20/64" CK, 38 BWPH, MEDIUM SAND, - GAS TTL BBLS RECOVERED: 2740 BBLS LEFT TO RECOVER: 10235
10:00 -	PROD			WELL TURNED TO SALES @ 1000 HR ON 11/03/2008 - FTP 1575#, CP 2150#, CK 20/64", 1000 MCFD, 912 BWPD
11/6/2008	<u>SUPERVISOR:</u> FRANK			
7:00 -		33	A	7 AM FLBK REPORT: CP 1600#, TP 1100#, 24/64" CK, 20 BWPH, L TRACE SAND, - GAS TTL BBLS RECOVERED: 556 BBLS LEFT TO RECOVER: -556
11/7/2008	<u>SUPERVISOR:</u> FRANK			
7:00 -		33	A	7 AM FLBK REPORT: CP 1500#, TP 1000#, 24/64" CK, 14 BWPH, CLEAN SAND, - GAS TTL BBLS RECOVERED: 1279 BBLS LEFT TO RECOVER: -1279

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
 Email: sheila.upchego@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 **NENE Lot 8 1347FNL 688FEL**
 At top prod interval reported below **NENE Lot 8 1347FNL 688FEL**
 At total depth **NENE Lot 8 1347FNL 688FEL**

6. If Indian, Allottee or Tribe Name _____
 7. Unit or CA Agreement Name and No. _____

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

9. API Well No.
43-047-38928

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
08/15/2008 15. Date T.D. Reached
10/09/2008 16. Date Completed
 D & A Ready to Prod.
11/03/2008

17. Elevations (DF, KB, RT, GL)*
5096 GL

18. Total Depth: **MD 7660** 19. Plug Back T.D.: **MD 7587** 20. Depth Bridge Plug Set: **MD TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR, SD, PDSN, 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 Sk. & 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		1330		535			
7.875	4.500 I-80	11.6		7660		1335			

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	4715							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	4877	5112	4877 TO 5112	0.360	84	OPEN
B) MESAVERDE	6183	7552	6183 TO 7552	0.360	247	OPEN
C)						
D)						

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

Depth Interval	Amount and Type of Material
4877 TO 5112	PMP 2548 BBLs SLICK H2O & 94,203# 30/50 OTTOWA SD
6183 TO 7552	PMP 10,426 BBLs SLICK H2O & 383,246# 30/50 OTTOWA SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/03/2008	11/11/2008	22	→	0.0	2180.0	385.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
24/64	SI 808	1110.0	→	0	2180	385		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
11/03/2008	11/11/2008	22	→	0.0	2180.0	385.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
24/64	SI 808	1110.0	→	0	2180	385		PGW	

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

ELECTRONIC SUBMISSION #6534 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

RECEIVED

DEC 18 2008

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	341				
MAHOGANY	1070				
WASATCH	3331	5111			
MESAVERDE	5610	7552			

32. Additional remarks (include plugging procedure):

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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 #65534 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  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 ****

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP	8. Well Name and No. BITTER CREEK 1122-3A
3a. Address 1368 SOUTH 1200 EAST VERNAL, UTAH 84078	9. API Well No. 4304738928
3b. Phone No. (include area code) 435.781.7024	10. Field and Pool or Exploratory Area UNDESIGNATED
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NE/NE LOT 1, SEC. 3, T11S, R22E 1347FNL, 688FEL	11. Country or Parish, State UINTAH COUNTY, UTAH

12. CHECK THE 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 <u>COMMINGLE</u>
	<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 Operation: 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 TO COMMINGLE THE SUBJECT WELL LOCATION. THE OPERATOR HAS COMMINGLED THE WASATCH AND MESAVERDE FORMATIONS. THE OPERATOR HAS PLACED THE SUBJECT WELL LOCATION ON 11/03/2008 AT 1000 HRS.

COPY SENT TO OPERATOR

Date: 1.8.2009
Initials: KS

RECEIVED
DEC 18 2008
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature	Date 12/11/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title Pet-Eng	Date 1/6/09
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 DOGm	Federal Approval Of This Action Is Necessary

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 page 2) * Cause 210-04

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-29797
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		8. WELL NAME and NUMBER: BITTER CREEK 1122-3A
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. API NUMBER: 43047389280000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1347 FNL 0688 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE 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 type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/28/2016 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER
		<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
The Bitter Creek 1122-3A well was returned to production on 11/28/2016.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 06, 2016		
NAME (PLEASE PRINT) Candice Barber	PHONE NUMBER 435 781-9749	TITLE HSE Representative
SIGNATURE N/A	DATE 12/2/2016	