

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 1122-3L**

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

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

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

9. API Well No.  
**43647-39751**

10. Field and Pool, or Exploratory  
~~UNDESIGNATED~~ **Bitter Creek**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **NW/SW 1419'FSL, 184'FWL** *632599X 39.886165*  
At proposed prod. Zone *4416064Y -109.449231*

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\*  
**37.15 +/- 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)  
**184'**

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  
**8200'**

20. BLM/BIA Bond No. on file  
**BOND NO. WYB000291**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**5660'GL**

22. Approximate date work will start\*

23. Estimated duration

24. Attachments

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

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

25. Signature *Sheila Upchego* Name (Printed/Typed) **SHEILA UPCHEGO** Date **10/25/2007**

Title **SENIOR LAND ADMIN SPECIALIST**

Approved by (Signature) *Bradley G. Hill* Name (Printed/Typed) **BRADLEY G. HILL** Date **10-24-08**

Title **ENVIRONMENTAL MANAGER**

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

Conditions of approval, if any, are attached.

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

\*(Instructions on reverse)

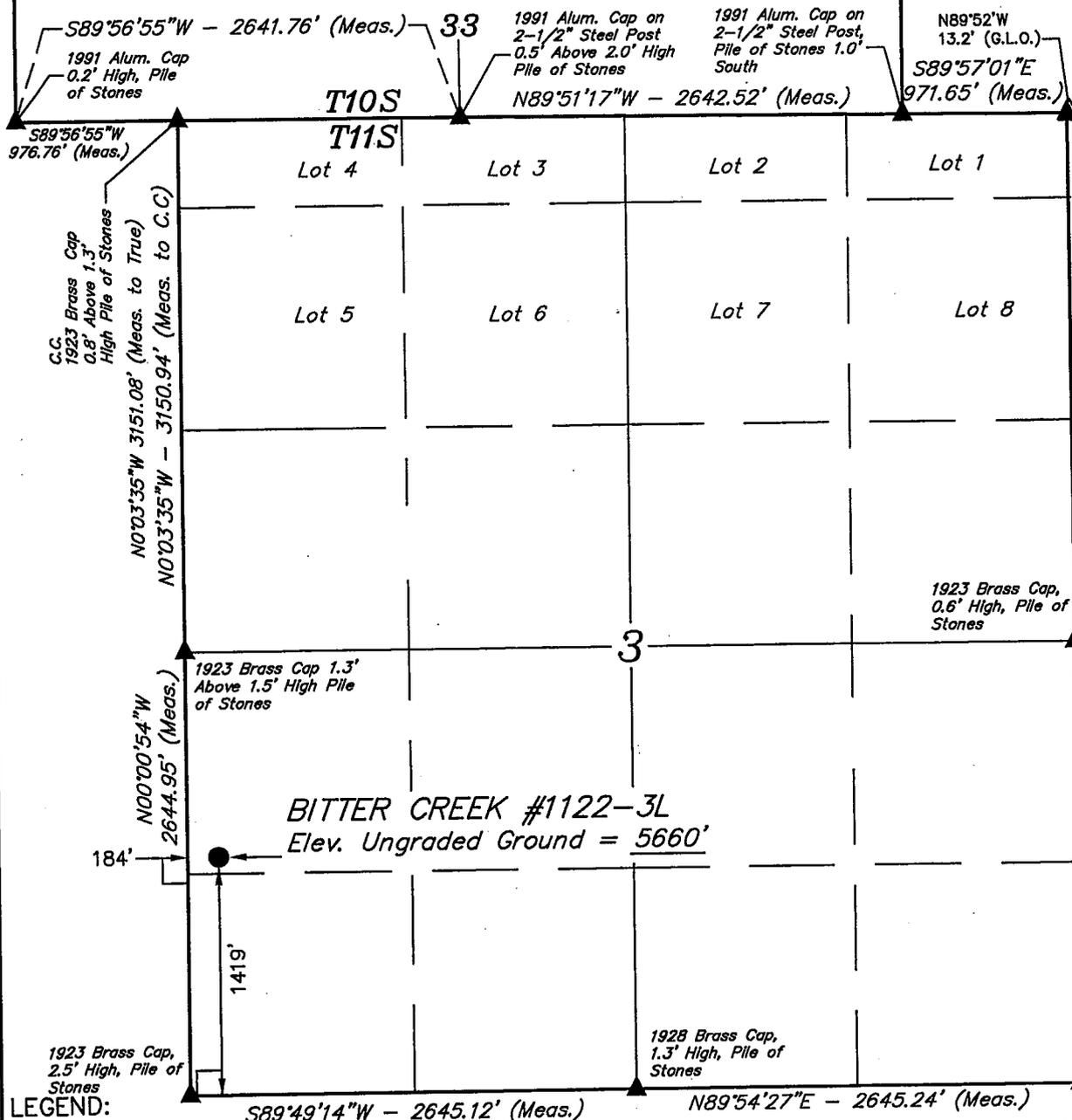
Federal Approval of this  
Action is Necessary

**RECEIVED**  
**NOV 02 2007**  
DIV. OF OIL, GAS & MINING

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

Kerr-McGee Oil & Gas Onshore LP

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

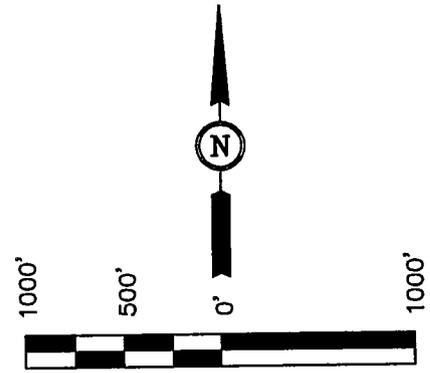


BASIS OF ELEVATION

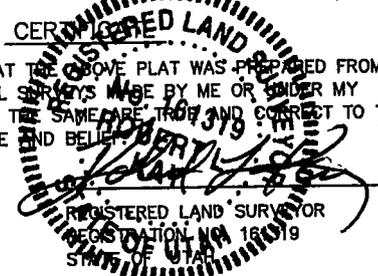
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING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

BASIS OF BEARINGS

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



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



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°53'10.26" (39.886183)  
LONGITUDE = 109°26'59.74" (109.449928)  
(NAD 27)  
LATITUDE = 39°53'10.38" (39.886217)  
LONGITUDE = 109°26'57.29" (109.449247)

1923 Brass Cap, 0.2' High, Pile of Stones

SCALE 1" = 1000'	DATE SURVEYED: 06-18-07	DATE DRAWN: 06-27-07
PARTY D.K. P.J. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	



Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1200  
Denver, CO 80202

March 13, 2008

Ms. Diana Mason  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-6100

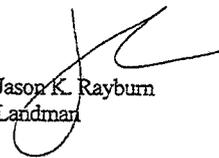
RE: Bitter Creek 1122-3L  
T11S-R22E  
Section 3: NWSW  
1419' FSL, 184' FWL  
Uintah County, Utah  
Bitter Creek

Dear Ms. Mason,

Kerr-McGee Oil & Gas Onshore LP, formerly known as Westport Oil and Gas Company, L.P. has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to Statewide Spacing Rule 649-3-2. The well location was moved for topographic reasons. Kerr-McGee and Robert L. Bayless, Producer LLC own 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location. Enclosed for your reference is Robert L. Bayless' signed consent to the exception well location.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-929-6262. Thank you for your assistance.

Sincerely,

  
Jason K. Rayburn  
Landman

encl



Kerr-McGee Oil & Gas Onshore LP  
1999 Broadway, Suite 3700  
Denver, CO 80205

January 31, 2008

Robert L. Bayless, Producer LLC  
Ms. C. Jay Munoz  
621 17<sup>th</sup> Street, Suite 2300  
Denver, CO 80293

Re: Request for Consent to Exception Well Location  
Bitter Creek 1122-3L Well  
Township 11 South, Range 22 East  
Section 3: NWSW  
1419' FSL, 184' FWL  
Uintah County, Utah  
Bitter Creek

Dear Ms. Munoz:

Kerr-McGee Oil & Gas Onshore LP has staked and proposes to drill the Bitter Creek 1122-3L well, an 8270' Wasatch/Mesaverde formation test, located 1419' FSL, 184' FWL of Section 3-T11S-R22E, SLM, Uintah County, Utah. Enclosed is a copy of the survey plat along with a copy of a topographic map depicting the proposed location of the subject well.

The State of Utah Board of Oil, Gas and Mining's Order 210-04 established 40-acre drilling units for the development and production of gas and associated hydrocarbons from the Wasatch/Mesaverde formation and prescribes that the location of the permitted well in each drilling unit shall not be less than 460' from the exterior boundary of such drilling unit.

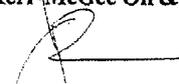
Since the location of the subject well is not in compliance with this spacing order, Kerr-McGee Oil & Gas Onshore LP will request the State of Utah Division of Oil, Gas and Mining's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. This rule requires Kerr-McGee Oil & Gas Onshore LP to obtain written consent from all owners of directly or diagonally offsetting drilling units.

If Robert L. Bayless, Producer LLC has no objections to Kerr-McGee Oil & Gas Onshore LP's drilling the subject well at the above-described exception location, Kerr-McGee Oil & Gas Onshore LP respectfully requests you indicate your approval by executing in the space provided below and returning two (2) originally executed copies to my attention.

If you have any questions or require any additional information, please do not hesitate to call the undersigned at 720-929-6262.

Sincerely,

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

  
\_\_\_\_\_  
Jason K. Rayburn  
Landman

Robert L. Bayless, Producer LLC consents to the above described exception location this

5<sup>th</sup> day of March, 2008.

By:   
Name: GEORGE F. CORYELL  
Title: GEOLOGIST

**BITTER CREEK 1122-3L  
NW/SW SEC. 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	889'
Top of Birds Nest Water	1209'
Mahogany	1527'
Wasatch	3879'
Mesaverde	6193'
MVU2	7160'
MVL1	7742'
TD	8200'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	889'
	Top of Birds Nest Water	1209'
	Mahogany	1527'
Gas	Wasatch	3879'
	Mesaverde	6193'
Gas	MVU2	7160'
Gas	MVL1	7742'
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 8200' TD, approximately equals 5084 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3280 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

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*Please refer to the attached Drilling Program.*

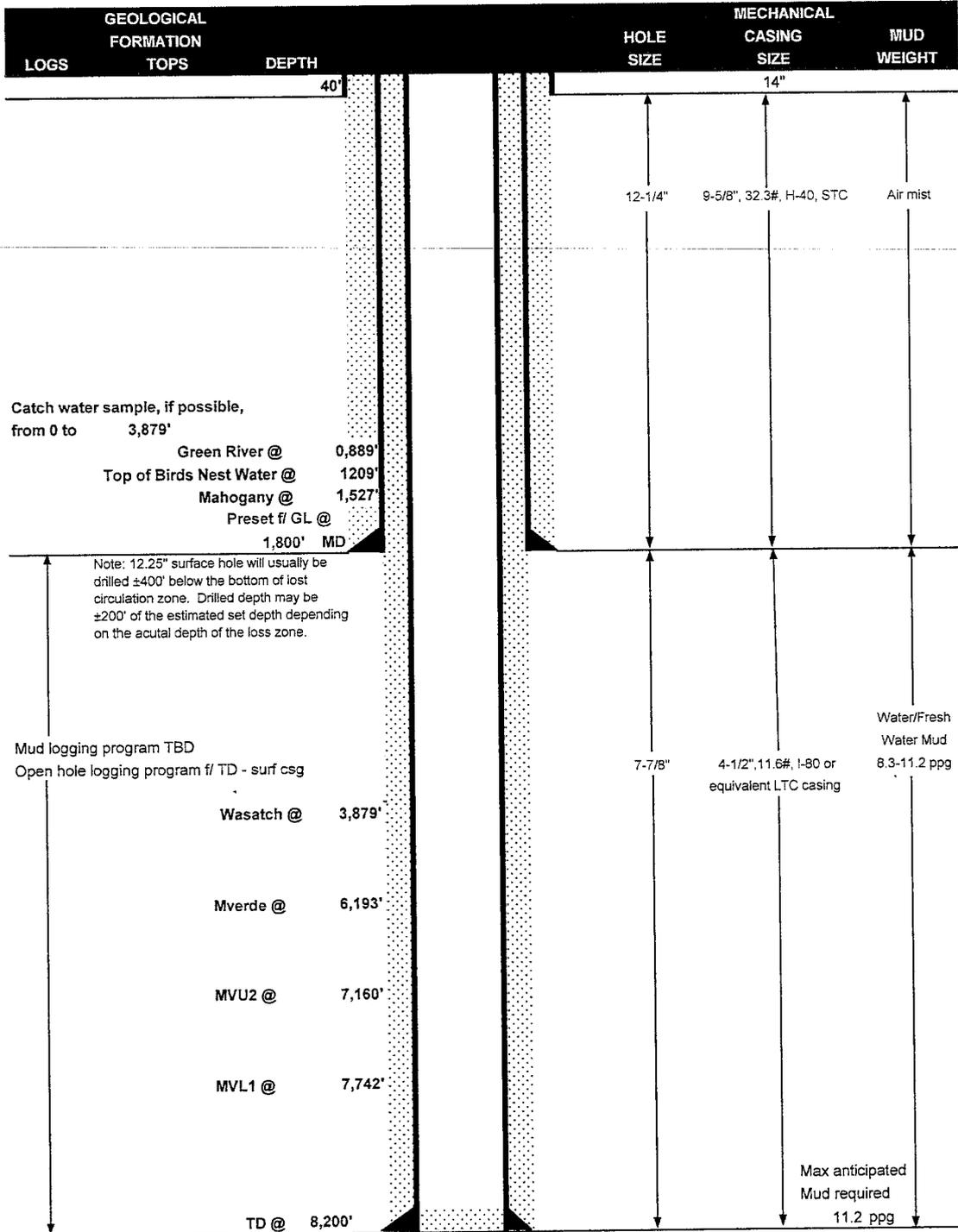
10. **Other Information:**

*Please refer to the attached Drilling Program.*



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE October 25, 2007  
 WELL NAME BITTER CREEK 1122-3L TD 8,200' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,654' GL KB 5,669'  
 SURFACE LOCATION NW/SW SEC. 3, T11S, R22E 1419'FSL, 184'FWL BHL Straight Hole  
 Latitude: 39.886183 Longitude: 109.449928  
 OBJECTIVE ZONE(S) Wasatch/Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDGOM, Tri-County Health Dept.





**KERR-McGEE OIL & GAS ONSHORE LP  
DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1800	32.30	H-40	STC	0.76*****	1.63	4.99
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 8200	11.60	I-80	LTC	2.62	1.33	2.42

- 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 = 11.2 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 2972 psi

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

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl +.25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl - .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,370'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	4,830'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1350	60%	14.30	1.31

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

**FLOAT EQUIPMENT & CENTRALIZERS**

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

**ADDITIONAL INFORMATION**

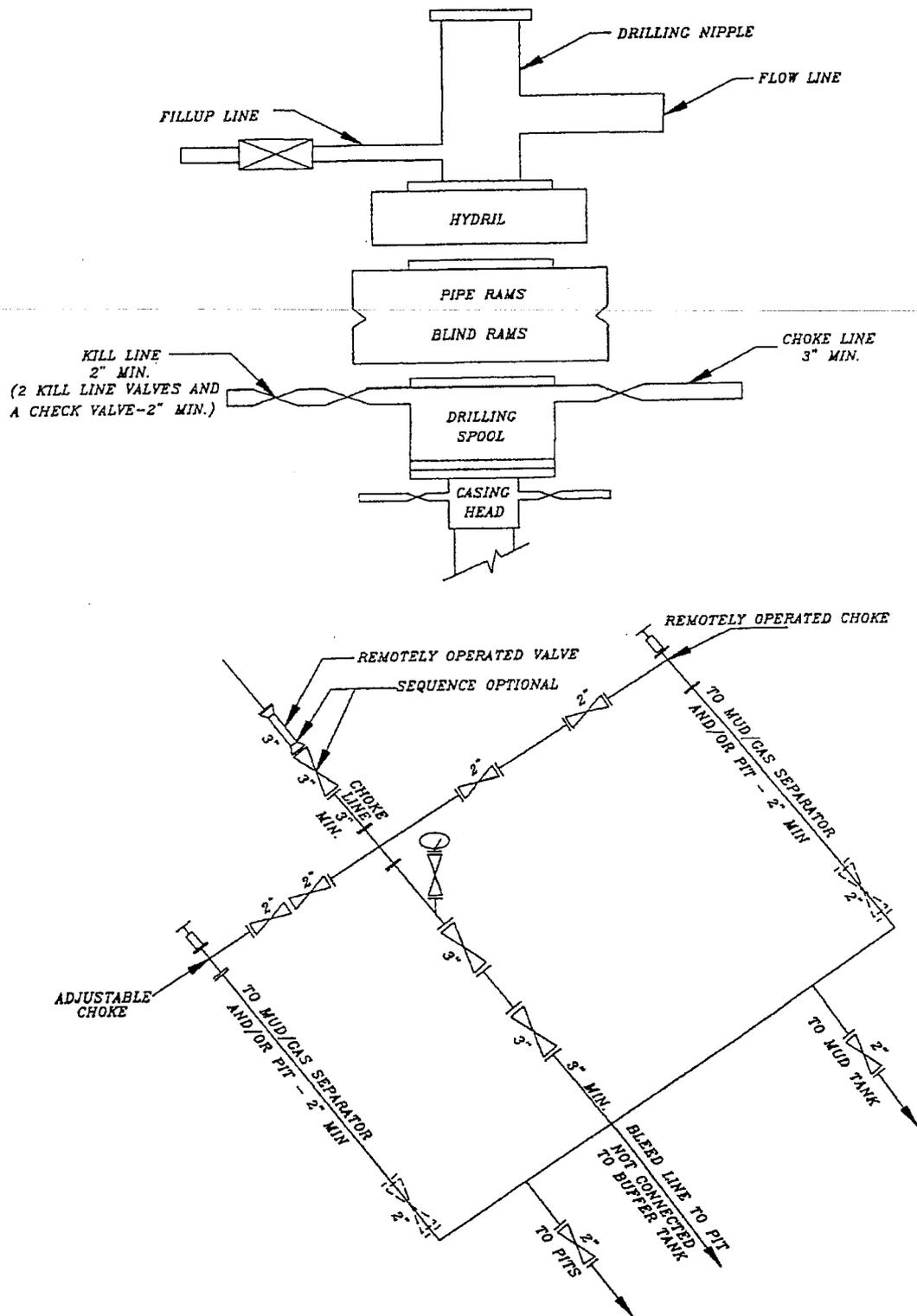
Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.  
 Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: \_\_\_\_\_  
 Brad Laney

DRILLING SUPERINTENDENT: \_\_\_\_\_  
 Randy Bayne

DATE: \_\_\_\_\_  
 DATE: \_\_\_\_\_

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BITTER CREEK 1122-3L  
NW/SW SEC. 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:**

A 30' of Rights-of-Way will be required for approximately 0.15 +/- miles of access road is proposed. From the proposed Bitter Creek 1122-4P (Lease #UTU-71417), well location to the proposed location. Refer to Topo Map B for the access road.

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' Rights-of-Way will be required for approximately 1854' +/- of 4" steel pipeline shall be installed from the proposed Bitter Creek 1122-4P (Lease #UTU-71417), well location to the proposed location. Refer to Topo Map D.

The pipeline will be butt-welded together. The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

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

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

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

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

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

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

Any gravel will be obtained from a commercial source.

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

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

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

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

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

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

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

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

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

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

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

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

8. **Ancillary Facilities:**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

*Producing Location:*

**Interim Surface Reclamation Plan:**

When the pit is backfilled within 180 days of well completion, the operator shall spread the top soil pile on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The operator will reseed the area using the BLM recommended seed mixture and reclamation methods.

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:

Needle and Thread Gras	15 lbs.
Shadscale	10 lbs.

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

11. **Surface Ownership:**

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

12. **STIPULATIONS:**

**WILDLIFE STIPULATIONS:**

**ANTELOPE:** No drilling or construction from May 15<sup>th</sup> – June 20<sup>th</sup>.

**SAGE GROUSE:** No drilling or construction from March 1<sup>st</sup> – June 30<sup>th</sup>.

**13. Other Information:**

A Class III Archaeological Survey has been performed the report will be submitted when the report becomes available.

The Paleontological Reconnaissance Survey has been performed will be submitted when report becomes available.

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

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

Sheila Upchego  
Senior Land Admin Specialist  
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

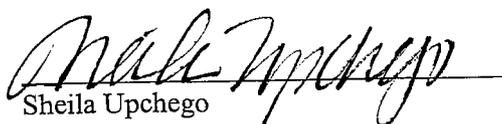
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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 #WYB000291.

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

October 25, 2007  
Date

Kerr-McGee Oil & Gas Onshore LP  
BITTER CREEK #1122-3L  
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 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1122-4P TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 290' TO THE PROPOSED #1122-4P AND THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1122-3M TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 260' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

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

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

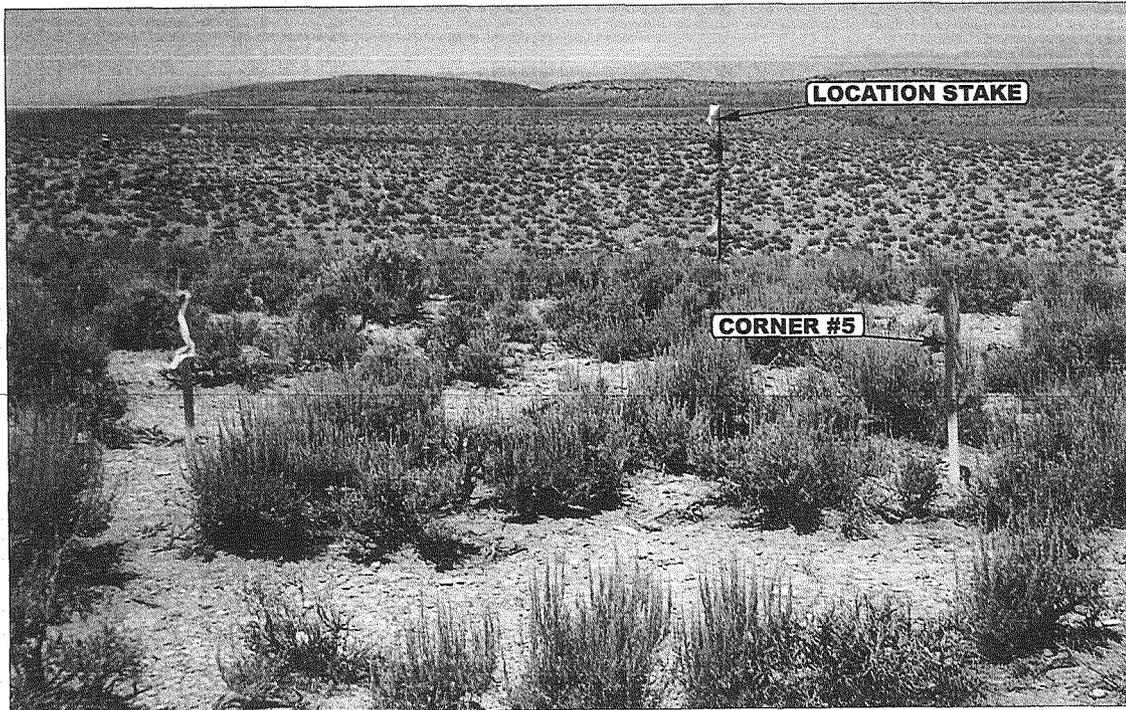


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

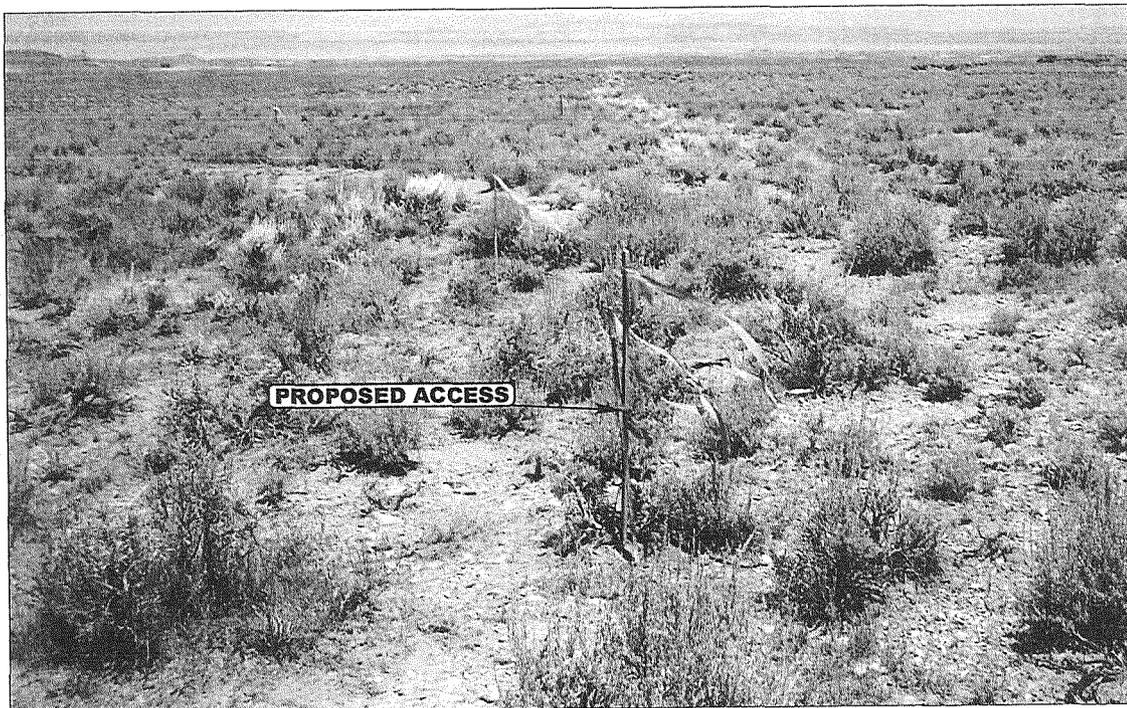


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

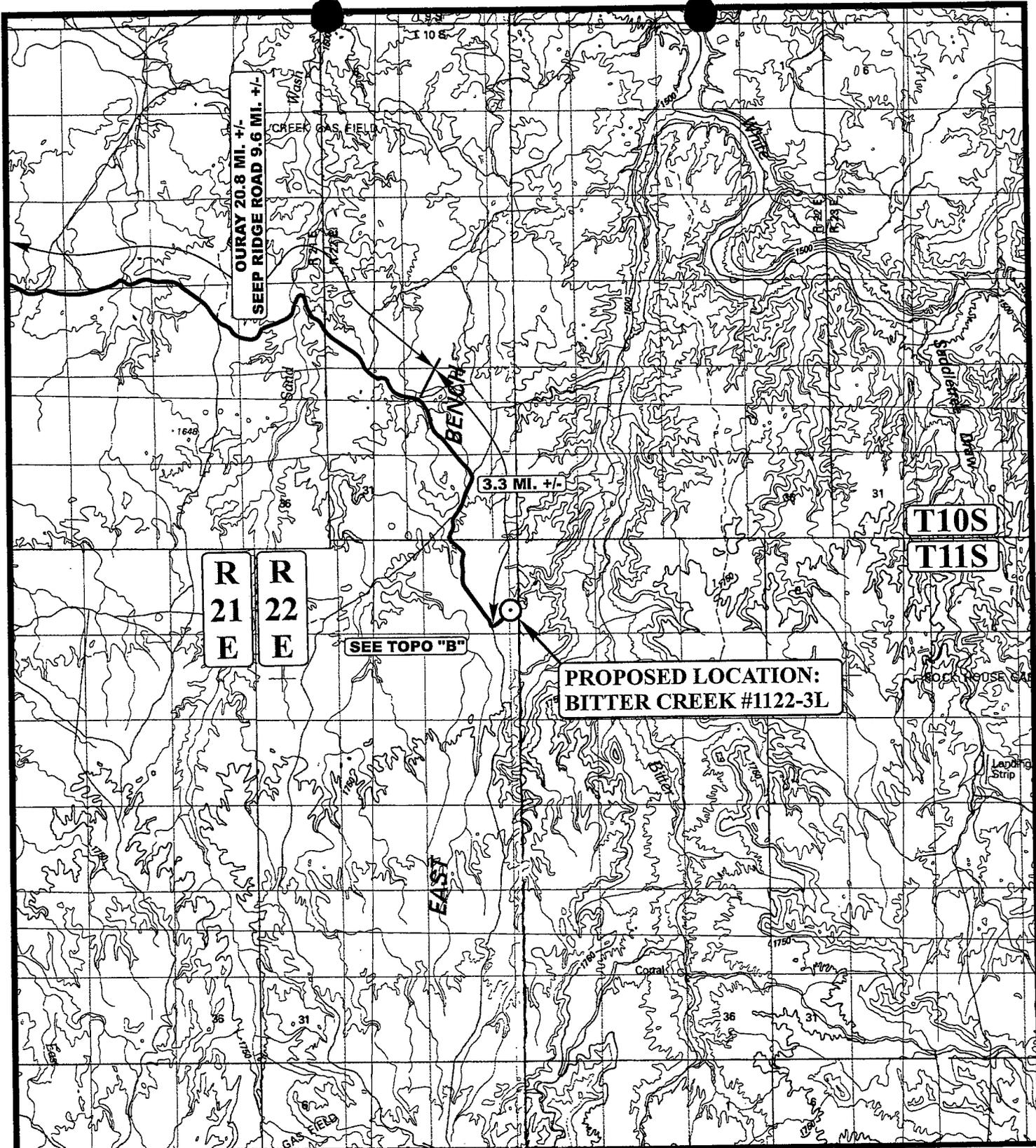
06 19 07  
 MONTH DAY YEAR

PHOTO

TAKEN BY: J.M.

DRAWN BY: C.P.

REVISED: 00-00-00



R  
21  
E

R  
22  
E

T10S

T11S

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

**LEGEND:**

○ PROPOSED LOCATION



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

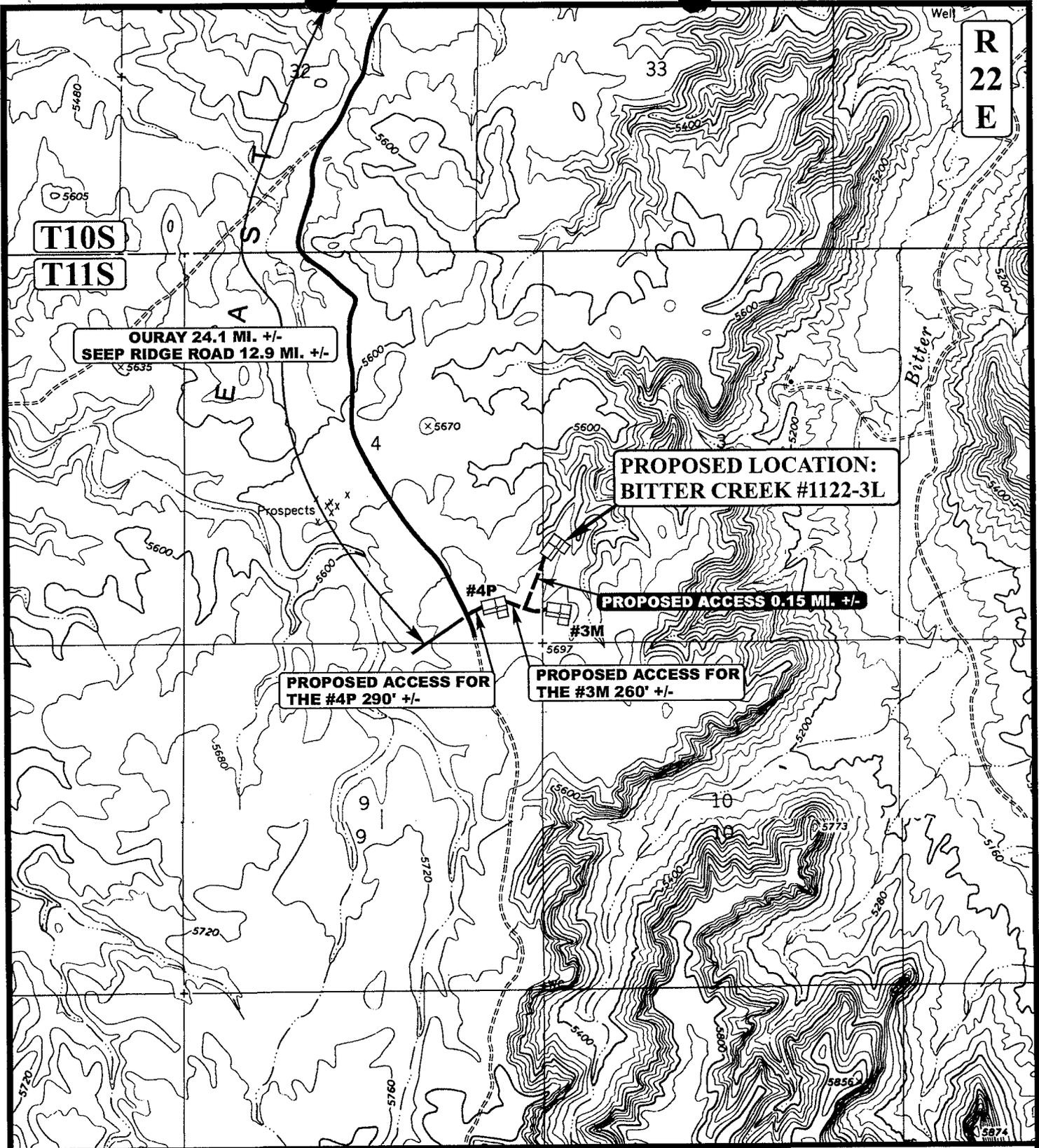
**BITTER CREEK #1122-3L  
SECTION 3, T11S, R22E, S.L.B.&M.  
1419' FSL 184' FWL**



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

**TOPOGRAPHIC** 06 19 07  
MAP MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





R  
22  
E

T10S  
T11S

OURAY 24.1 MI. +/-  
SEEP RIDGE ROAD 12.9 MI. +/-

PROPOSED LOCATION:  
BITTER CREEK #1122-3L

PROPOSED ACCESS 0.15 MI. +/-

PROPOSED ACCESS FOR  
THE #4P 290' +/-

PROPOSED ACCESS FOR  
THE #3M 260' +/-

**LEGEND:**

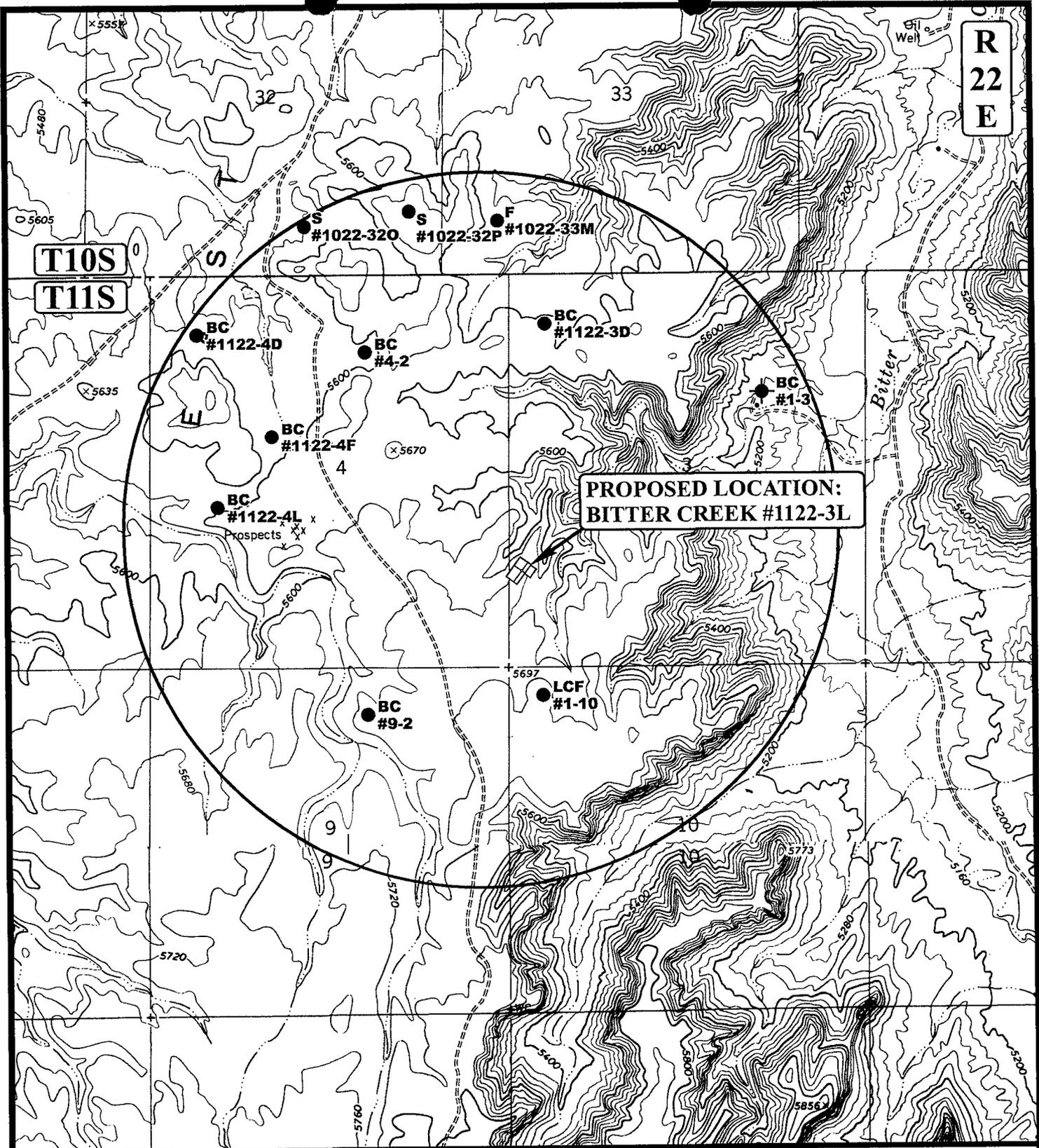
- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP  
BITTER CREEK #1122-3L  
SECTION 3, T11S, R22E, S.L.B.&M.  
1419' FSL 184' FWL

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

**TOPOGRAPHIC** 06 19 07  
**MAP** MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **B TOPO**



R  
22  
E

T10S  
T11S

PROPOSED LOCATION:  
BITTER CREEK #1122-3L

**LEGEND:**

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



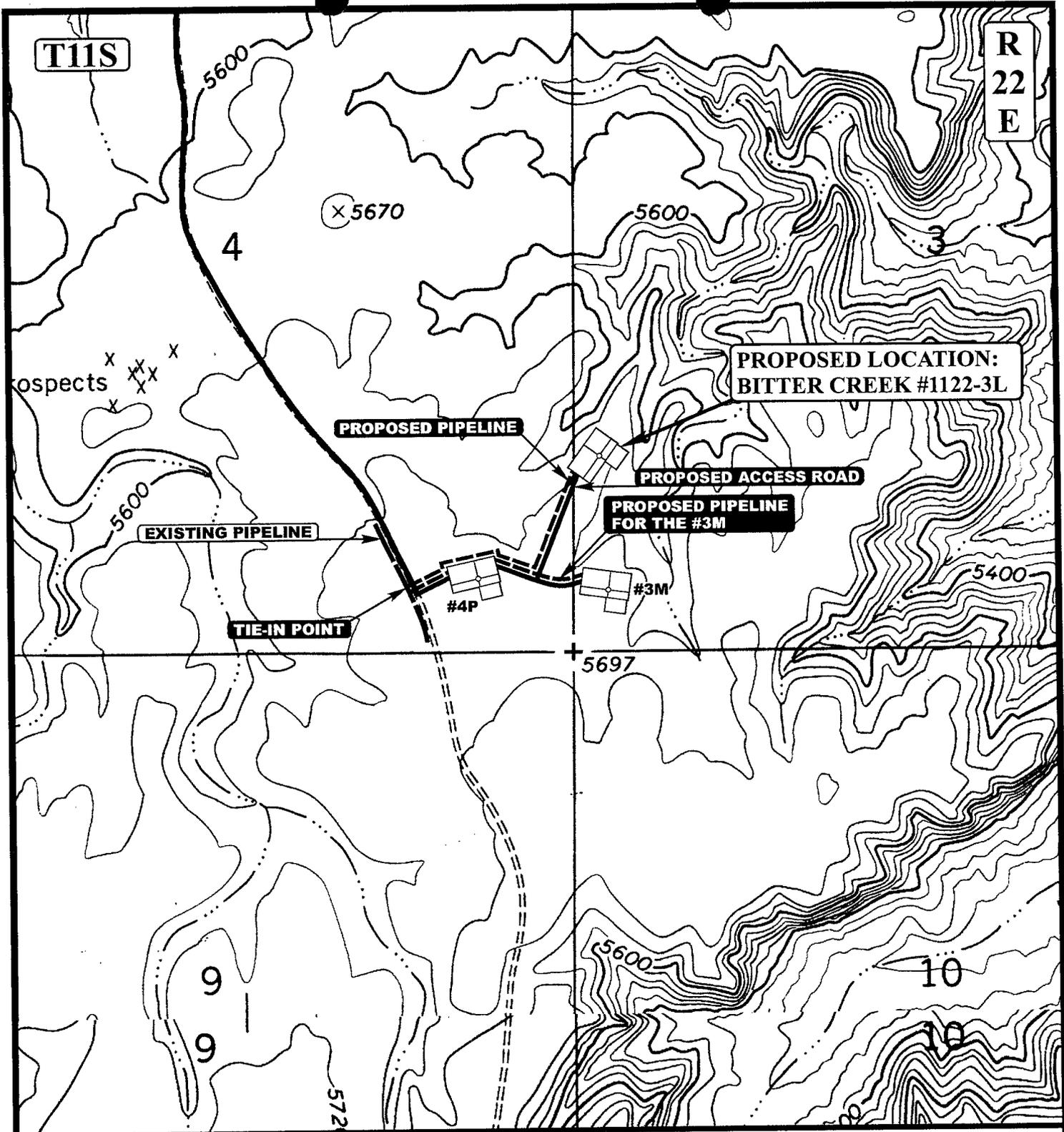
**Kerr-McGee Oil & Gas Onshore LP**  
**BITTER CREEK #1122-3L**  
**SECTION 3, T11S, R22E, S.L.B.&M.**  
**1419' FSL 184' FWL**



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

**TOPOGRAPHIC** 06 19 07  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





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

**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,854' +/-**

**LEGEND:**

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



**Kerr-McGee Oil & Gas Onshore LP**  
**BITTER CREEK #1122-3L**  
**SECTION 3, T11S, R22E, S.L.B.&M.**  
**1419' FSL 184' FWL**



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

**TOPOGRAPHIC** **06 19 07**  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



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

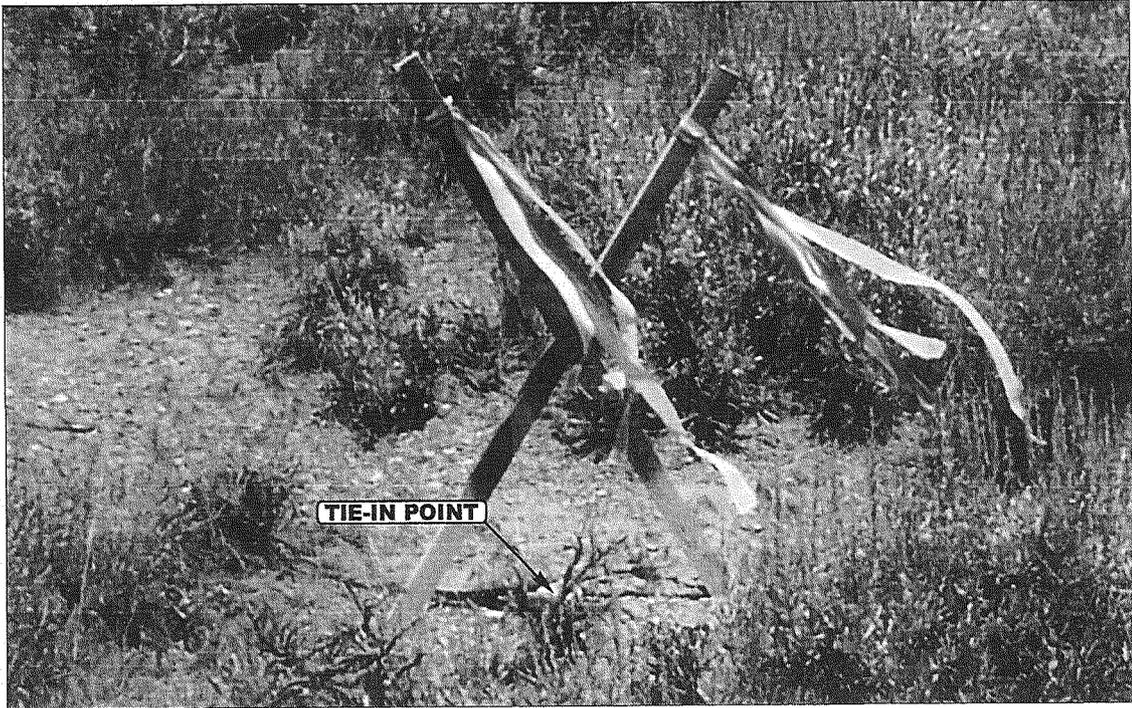


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY

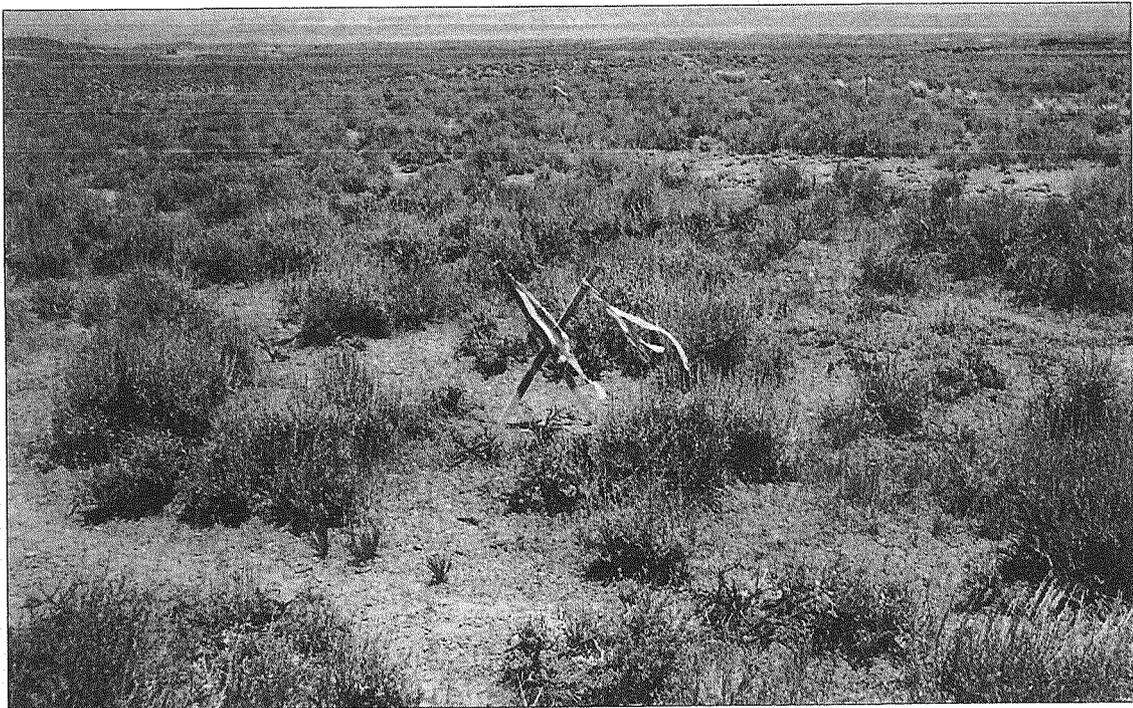


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



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

PIPELINE PHOTOS

06	19	07
MONTH	DAY	YEAR

PHOTO

TAKEN BY: J.M.

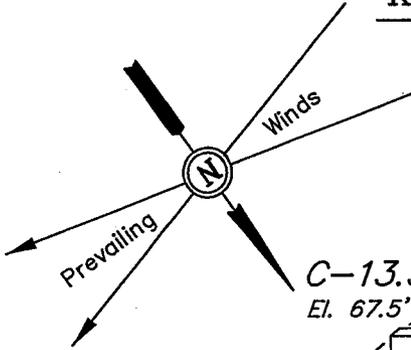
DRAWN BY: C.P.

REVISED: 00-00-00

- Since 1964 -

# Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR  
 BITTER CREEK #1122-3L  
 SECTION 3, T11S, R22E, S.L.B.&M.  
 1419' FSL 184' FWL

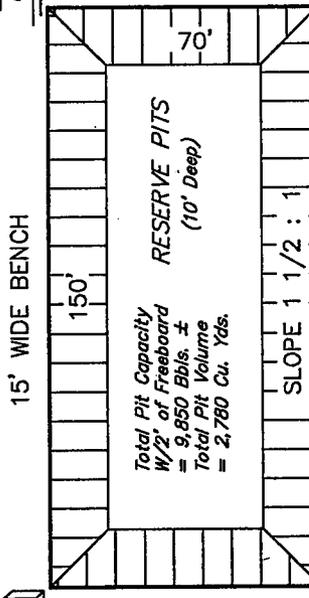


SCALE: 1" = 50'  
 DATE: 06-27-07  
 Drawn By: C.H.

**NOTE:**

Flare Pit is to be located a min. of 100' from the Well Head.  
 Reserve Pit Backfill & Spoils Stockpile  
 FLARE PIT

El. 60.0'  
 C-15.9'  
 (btm. pit)

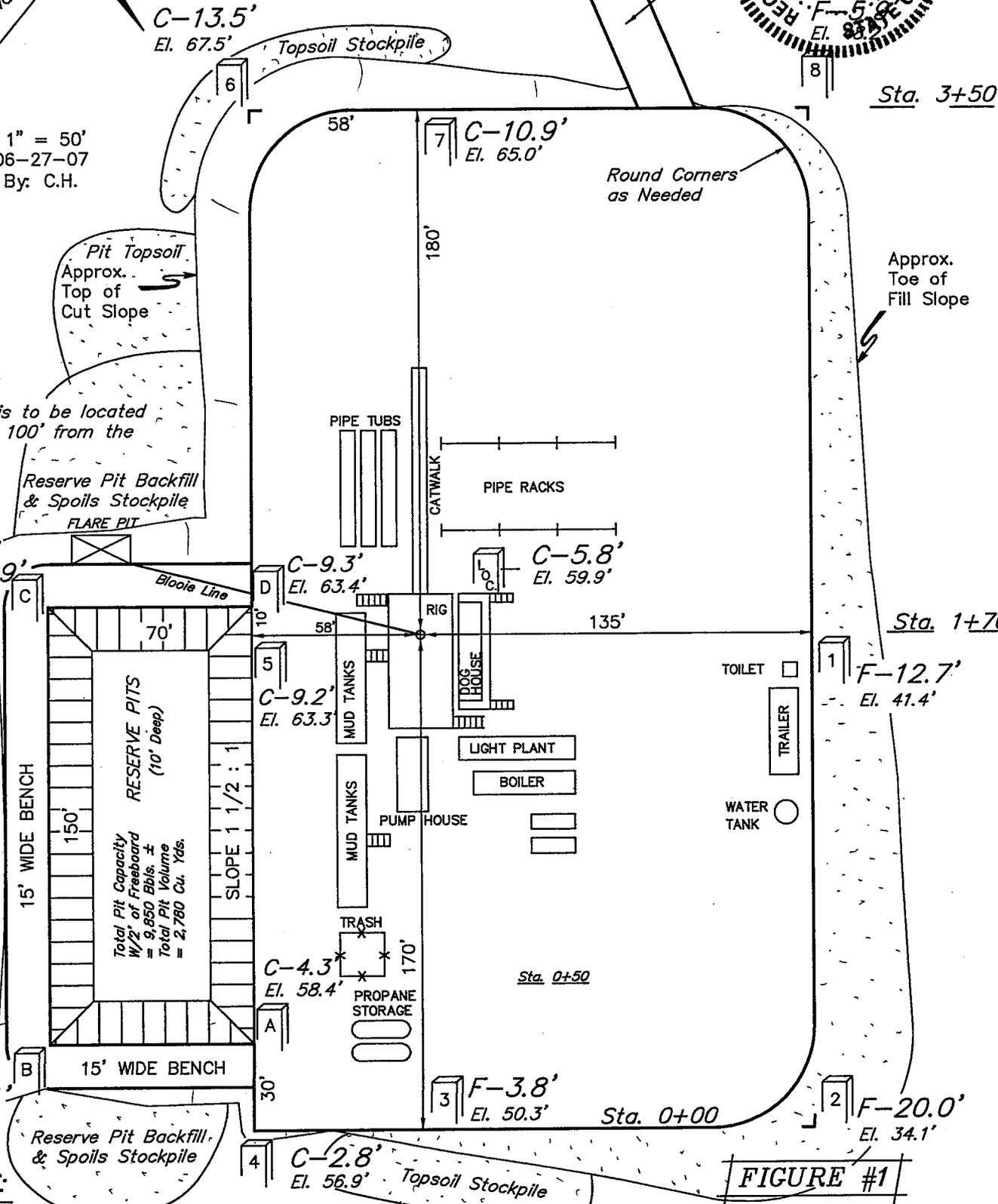


Reserve Pit Backfill & Spoils Stockpile

El. 55.2'  
 C-11.1'  
 (btm. pit)

**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5659.9'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5654.1'



**FIGURE #1**

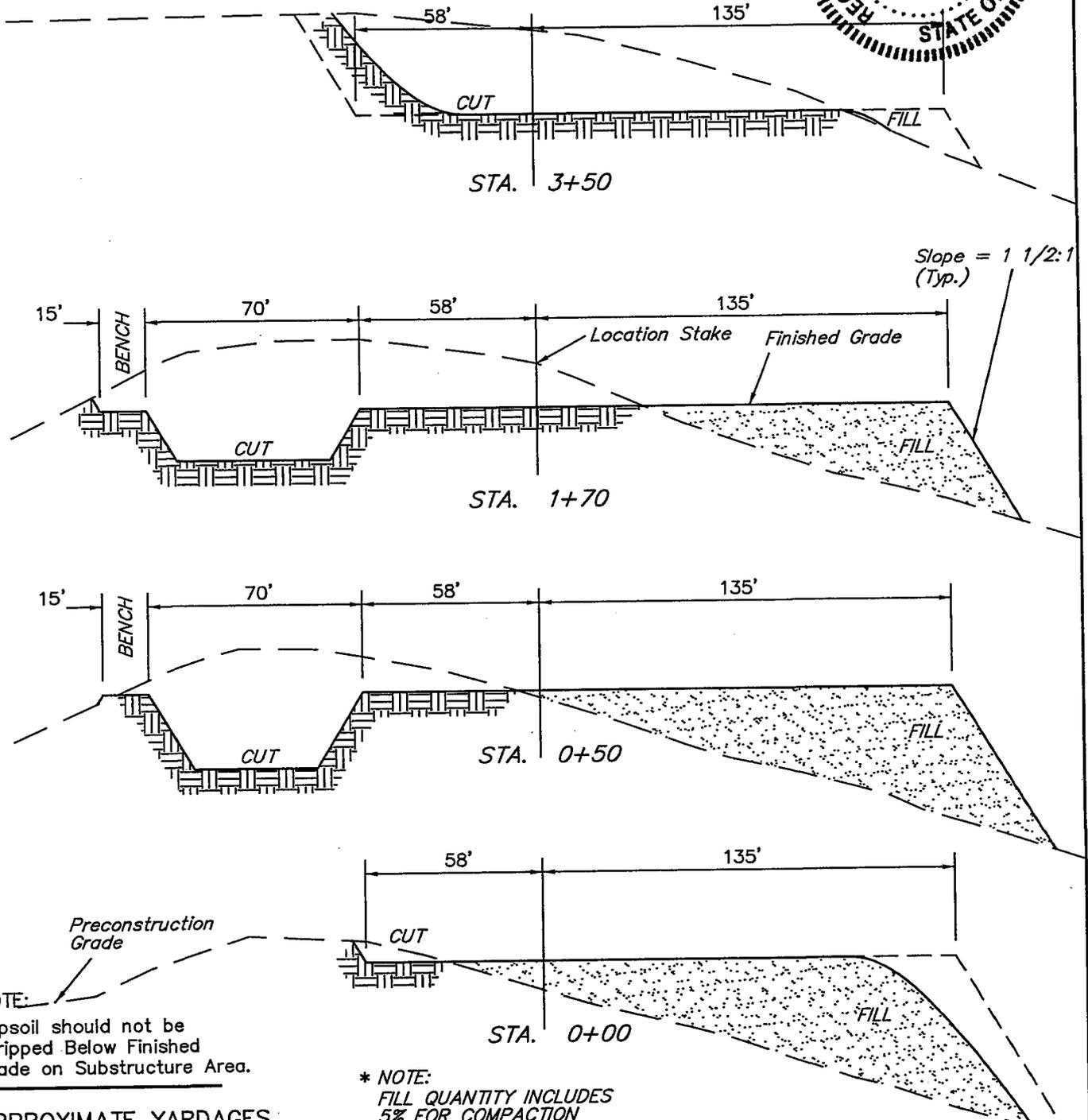
# Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
BITTER CREEK #1122-3L  
SECTION 3, T11S, R22E, S.L.B.&M.  
1419' FSL 184' FWL

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

DATE: 06-27-07  
Drawn By: C.H.



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

\* NOTE: FILL QUANTITY INCLUDES 5% FOR COMPACTION

**APPROXIMATE YARDAGES**

CUT		
(6") Topsoil Stripping	=	1,940 Cu. Yds.
Remaining Location	=	14,370 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>16,310 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>12,980 CU.YDS.</b>

EXCESS MATERIAL	=	3,330 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,330 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/02/2007

API NO. ASSIGNED: 43-047-39751

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

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NWSW 03 110S 220E  
 SURFACE: 1419 FSL 0184 FWL  
 BOTTOM: 1419 FSL 0184 FWL  
 COUNTY: UINTAH  
 LATITUDE: 39.88617 LONGITUDE: -109.4492  
 UTM SURF EASTINGS: 632599 NORTHINGS: 4416064  
 FIELD NAME: BITTER CREEK ( 547 )

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

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

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

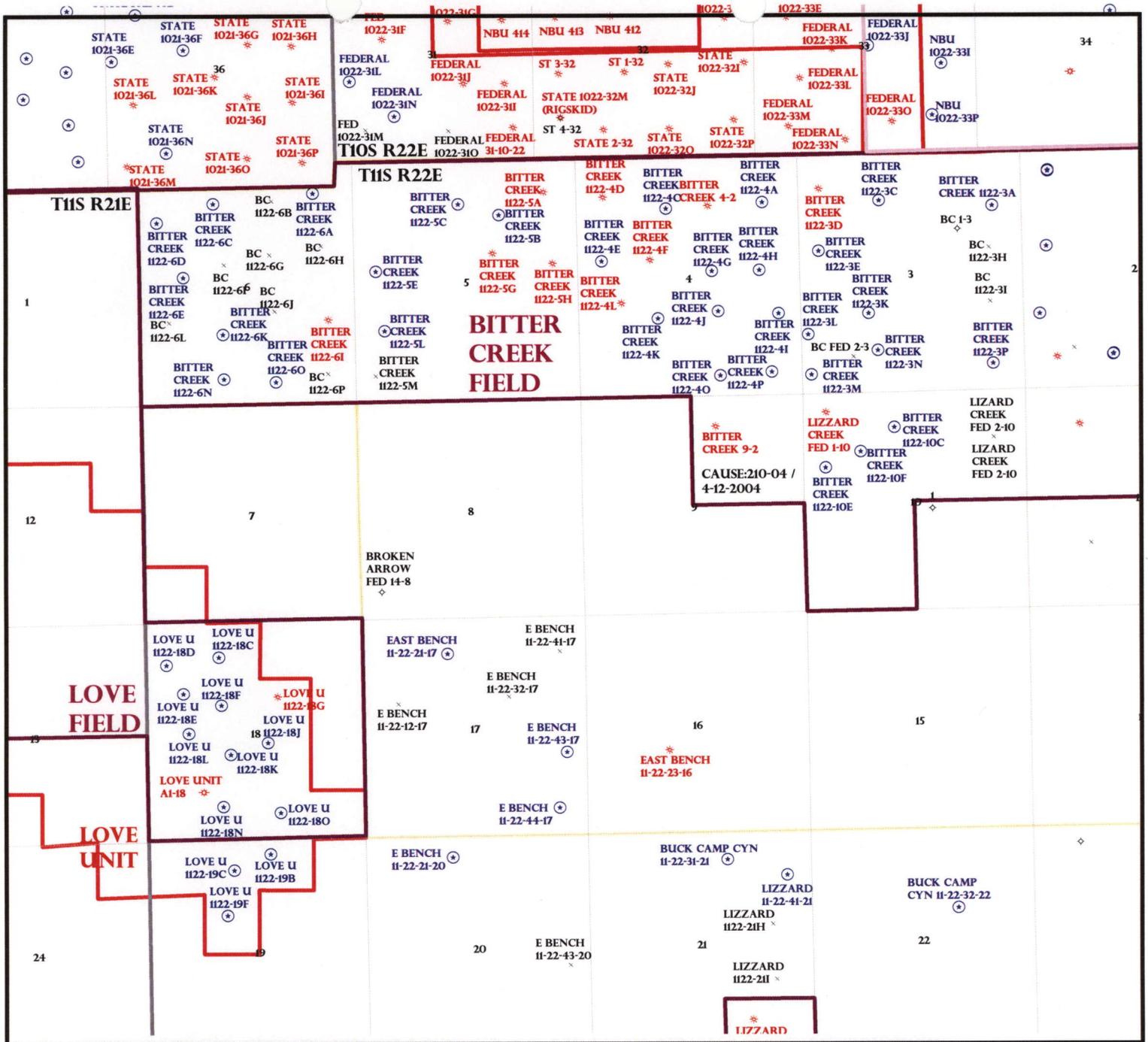
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. WYB000291 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: 210.04
- Eff Date: 4-12-04
- Siting: 460' front of 110' burg & 920' to 2100' west
- R649-3-11. Directional Drill

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

STIPULATIONS: 1-Section Approval



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 3,4,6,10 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



PREPARED BY: DIANA MASON  
DATE: 07-NOVEMBER-2007



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 24, 2008

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

Re: Bitter Creek 1122-3L Well, 1419' FSL, 184' FWL, NW SW, 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-39751.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

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

**Well Name & Number** Bitter Creek 1122-3L

**API Number:** 43-047-39751

**Lease:** UTU-29797

**Location:** NW SW                      **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 Dustin Doucet at (801) 538-5281    (801) 733-0983 home

**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.**

RECEIVED  
VERNAL FIELD OFFICE

OCT 31 PM 3:24

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>UTU-29797</b>
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		7. If Unit or CA Agreement, Name and No.
3A. Address <b>1368 SOUTH 1200 EAST VERNAL, UT 84078</b>	3b. Phone No. (include area code) <b>(435) 781-7024</b>	8. Lease Name and Well No. <b>BITTER CREEK 1122-3L</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>NW/SW 1419'FSL, 184'FWL</b> At proposed prod. Zone		9. API Well No. <b>43-047-39751</b>
14. Distance in miles and direction from nearest town or post office* <b>37.15 +/- MILES SOUTHEAST OF OURAY, UTAH</b>		10. Field and Pool, or Exploratory <b>UNDESIGNATED</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>184'</b>	16. No. of Acres in lease <b>701.24</b>	11. Sec., T., R., M., or Blk, and Survey or Area <b>SEC. 3, T11S, R22E</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>REFER TO TOPO C</b>	19. Proposed Depth <b>8200'</b>	12. County or Parish <b>UINTAH</b>
20. BLM/BIA Bond No. on file <b>BOND NO. WYB000291</b>	13. State <b>UTAH</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5660'GL</b>	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.                                                                                                | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).   |
| 2. A Drilling Plan.                                                                                                                             | 5. Operator certification.                                                                        |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Date <b>10/25/2007</b>
Title <b>SENIOR LAND ADMIN SPECIALIST</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>Jean Kovacs</b>	Date <b>7-2-2008</b>
Title <b>Assistant Field Manager Lands &amp; Mineral Resources</b>	Office <b>VERNAL FIELD OFFICE</b>	

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

**CONDITIONS OF APPROVAL ATTACHED**

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)

**NOTICE OF APPROVAL**

RECEIVED  
JUL 16 2008  
DIV. OF OIL, GAS & MINING

NOS: OF 27-2007  
OFF DP 2540A

**UDOGM**



**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  
**Well No:** Bitter Creek 1122-3L  
**API No:** 43-047-39751

**Location:** NWSW, Sec. 3, T11S, R22E  
**Lease No:** UTU-29797  
**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)**

- 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.
- 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 paleontologic or cultural materials are uncovered during construction, the operator shall immediately stop work that might further disturb or move such materials and contact the Authorized Officer (AO) within 48 hours. A determination will be made by the AO as to necessary mitigation for the discovered paleontologic/cultural material.

- 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	10lbs/acre
Indian rice grass	Oryzopsis hymenoides	10lbs/acre
Needle & Thread grass	Stipa comata	10lbs/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
    - b. Avoid constructing above ground powerlines, or other tall structures within 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 PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**SITE SPECIFIC DOWNHOLE COAs:**

- A mist system is approved in lieu of deduster equipment. All other equipment for air/gas drilling shall meet specifications in Onshore Order #2, III. Requirements, E. Special Drilling Operations.
- A formation integrity test shall be performed at the surface casing shoe before drilling more than twenty feet.
- Logging program: Gamma Ray shall be run from TD to surface.
- The conductor pipe shall be set and cemented in a competent formation.
- The top of the production casing cement shall extend a minimum of 200 feet 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.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to [UT\\_VN\\_Welllogs@BLM.gov](mailto:UT_VN_Welllogs@BLM.gov). This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

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

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

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



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

FORM 6

**ENTITY ACTION FORM**

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740116	NBU 922-3201T		SWSE	32	9S,	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>B</i>	99999	<i>2900</i>	9/22/2008			<i>9/30/08</i>	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>W57MVD</i> SPUD WELL LOCATION ON 09/22/2008 AT 9:00 AM.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304739751	BITTER CREEK 1122-3L		NWSW	3	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>A</i>	99999	<i>17109</i>	9/24/2008			<i>9/30/08</i>	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>W57MVD</i> SPUD WELL LOCATION ON 09/24/2008 AT 8:00 AM.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738981	BITTER CREEK 1122-3K		NESW	3	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>A</i>	99999	<i>17110</i>	9/23/2008			<i>9/30/08</i>	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>W57MVD</i> SPUD WELL LOCATION ON 09/23/2008 AT 8:00 PM							

**ACTION CODES:**

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

SHEILA UPCHEGO

Name (Please Print)

Signature

REGULATORY ANALYST

Title

*[Signature]*

9/25/2008

Date

**RECEIVED**

**SEP 25 2008**

(5/2000)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE – Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**NW/SW SEC. 3, T11S, R22E 1419'FSL, 184'FWL**

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 1122-3L**

9. API Well No.  
**4304739751**

10. Field and Pool, or Exploratory Area  
**UNDESIGNATED**

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>SET SURFACE</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>CSG</b>
	<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 PROPETRO AIR RIG ON 09/24/2008. DRILLED 12 1/4" SURFACE HOLE TO 1850'. RAN 9 5/8" 36# J-55 SURFACE CSG. LEAD CMT W/150 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/ 200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD RETURNS THROUGH OUT JOB 21 +/- BBL LEAD CMT TO PIT. RAN 200' OF 1" PIPE. CMT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" PIPE. GOOD CMT TO SURFACE AND FELL BACK. TOP OUT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. 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 30, 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.

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 1122-3L**

9. API Well No.  
**4304739751**

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)  
**NW/SW SEC. 3, T11S, R22E 1419'FSL, 184'FWL**

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

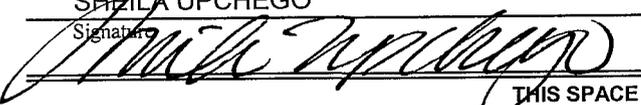
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/>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

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

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

**SPUD WELL LOCATION ON 09/24/2008 AT 8:00 AM**

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

Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Title <b>REGULATORY ANALYST</b>
Signature 	Date <b>September 25, 2008</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

(Instructions on reverse)

**RECEIVED**  
**OCT 06 2008**

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 1122-3L**

9. API Well No.  
**4304739751**

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)  
**1419' FSL, 184' FWL  
NWSW, SEC.3, T11S-R22E**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>FINAL DRILLING OPERATIONS</b>
	<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 1850' TO 8335' ON 11/7/2008 . RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/ 150 SX PREM LITE II @11.3 PPG 3.02 YIELD. TAILED CMT W/ 200 SX 50/50 POZ @ 14.3 PPG 1.34 YIELD. BUMP PLUG 500 PSI OVER FLOATS HELD. 1 BBLs BACK TO PIT. LAND CSG TEST NIPPLE DOWN BOPE CLEAN TANKS.**

**RELEASED PIONEER RIG 69 ON 11/7/2008 AT 1000 HRS**

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

Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Title <b>REGULATORY ANALYST</b>
<i>Sheila Upchego</i>	Date <b>November 10, 2008</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

(Instructions on reverse)

**RECEIVED**

**NOV 12 2008**

DIV. OF OIL, GAS & MINING

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.

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

1. Type of Well

Oil Well     Gas Well     Other

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

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

9. API Well No.  
4304739751

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

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)

NW/SW SEC. 3, T11S, R22E 1419'FSL, 184'FWL

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 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>PRODUCTION</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>START-UP</u>
	<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 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 must 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 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 SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 11/27/2008 AT 1200 AM.

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 REGULATORY ANALYST

Signature



Date 12/02/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE 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**

**DEC 08 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.

(Instructions on page 2)

Wins No.: 9925

**BITTER CREEK 1122-3L**

**Well Operations Summary Long**

Operator KERR MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 09/26/2008	GL 5,660	KB 5678	ROUTE
API 4304739751	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Long/Lat.: 44.16064 / -109.44923		Q-Q/Sect/Town/Range: NWSW / 3 / 11S / 22E	Footages: 1,419.00' FSL 184.00' FWL		

**Wellbore: BITTER CREEK 1122-3L**

MTD	TVD	PBMD 5,678	PBTVD 5,678
EVENT INFORMATION:		EVENT ACTIVITY: DRILLING	START DATE: 9/26/2008
		OBJECTIVE: DEVELOPMENT	END DATE: 11/7/2008
		OBJECTIVE 2: VERTICAL WELL	DATE WELL STARTED PROD.:
		REASON: MV, WAS	Event End Status: COMPLETE
			AFE NO.: 2011020

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PIONEER 69 / 69	10/26/2008	10/27/2008	10/26/2008		11/06/2008	11/07/2008	11/08/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation	MD:
9/26/2008	SUPERVISOR: LEW WELDON							108
	23:00 - 0:00	1.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 2300 HR 9/26/08 DA AT REPORT TIME 90'	
9/27/2008	SUPERVISOR: LEW WELDON							1,488
	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 990'	
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1470'	
9/28/2008	SUPERVISOR: LEW WELDON							1,868
	0:00 - 11:00	11.00	DRLSUR	02		P	RIG T/D @ 1850' CONDITION HOLE 1 HR	
	11:00 - 14:00	3.00	DRLSUR	05		P	TRIP DP OUT OF HOLE	
	14:00 - 17:00	3.00	DRLSUR	11		P	RUN 1800' OF 9 5/8 CSG AND 200' OF 1" PIPE RIG DOWN AIR RIG	
	17:00 - 18:00	1.00	DRLSUR	15		P	CEMENT 1ST STAGE WITH 150 SKS LEAD @ 11# 3.82 23 GAL/SK AND 200 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK GOOD RETURNS THRU OUT JOB + - 21 BBL LEAD CMT TO PIT	
	18:00 - 18:30	0.50	DRLSUR	15		P	1ST TOP JOB 100 SKS DOWN 1" PIPE GOOD CMT TO SURFACE AND FELL BACK WOC	
	18:30 - 19:30	1.00	DRLSUR	15		P	2ND TOP JOB 100 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE	
	19:30 - 19:30	0.00	DRLSUR				NO VISIBLE LEAKS PIT HAD 3 FEET IN IT WORT	
10/26/2008	SUPERVISOR: TIM HEINS							1,868
	6:00 - 8:00	2.00	DRLPRO	01	E	P	RDRT	
	8:00 - 0:00	16.00	DRLPRO	01	A	P	MIRU ON THE BC 1122-3L 30% MOVE	
10/27/2008	SUPERVISOR: TIM HEINS							1,868
	0:00 - 6:00	6.00	DRLPRO	01	G	P	R/U HELP WELDERS ON SUB	
	6:00 - 16:30	10.50	DRLPRO	01	A	P	MIRU , TRUCKS OFF LOC 2 1100 crane @ 1730	





Wins No.:	BITTER CREEK 1122-3L						API No.:	4304739751
16:00 - 16:30	0.50	DRLPRO	06	A	P	LUBRICATE RIG		
16:30 - 0:00	7.50	DRLPRO	02	B	P	DRLG F/ 7873' TO 8103' = 230' - 31' HR MUD WT = 11.8 VIS = 48		
11/6/2008	<u>SUPERVISOR:</u>						<u>MD:</u> 8,335	
0:00 - 9:00	9.00	DRLPRO	02	B	P	DRLG F/ 8103' TO 8335' T.D. = 232' - 28' HR MUD WT = 11.8 VIS = 48		
9:00 - 10:30	1.50	DRLPRO	04	C	P	CIRC F/ SHORT TRIP		
10:30 - 12:00	1.50	DRLPRO	05	E	P	SHORT TRIP TO 6100' ( NO PROBLEMS )		
12:00 - 12:30	0.50	DRLPRO	06	A	P	LUBRICATE RIG		
12:30 - 15:00	2.50	DRLPRO	04	C	P	CIRC TO L.D.D.P.		
15:00 - 22:30	7.50	DRLPRO	05	B	P	HELD SAFETY MTNG W/ TESCO AND RIG CREW R/U SAME , L.D.D.P - BHA ( BREAK KELLY AND VALVES, PULL WEAR BUSHING )		
22:30 - 0:00	1.50	DRLPRO	10	C	P	HELD SAFETY MTNG W/ LOGGERS AND RIG CREW R/U AND RUN TRIPLE COMBO LOGS		
11/7/2008	<u>SUPERVISOR:</u>						<u>MD:</u> 8,335	
0:00 - 4:00	4.00	DRLPRO	10	C	P	RUN TRIPL COMBO LOGS DEPTH = 8332'		
4:00 - 6:00	2.00	DRLPRO	11	A	P	HELD SAFETY MTNG W/ CASERS AND RIG CREW R/U SAME		
6:00 - 12:00	6.00	DRLPRO	11	B	P	RUN 197 JOINTS 4 1/2 R/D CASERS		
12:00 - 13:30	1.50	DRLPRO	04	A	P	CIRC F/ CMNT		
13:30 - 17:00	3.50	DRLPRO	15	A	P	CMNT 4 1/2 20 SCAV, LEAD = 302SX PL+10%GEL+3%KCL+5#KOL+0.5%SMS+0.25#CF TAIL = 1150SX 50/50 POS+10%Nacl+0.2%r-3+0.05#SF+0.002FP-6L BUMP PLUG FLOATS HELD 1 BBL TO PIT		
17:00 - 0:00	7.00	DRLPRO	13	A	P	NIPPLE DOWN CLEAN MUD TANKS RELEASE RIG AT 0000 11/7/08		

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 11/20/2008 AFE NO.: 2011020  
 OBJECTIVE: DEVELOPMENT END DATE:  
 OBJECTIVE 2: ORIGINAL DATE WELL STARTED PROD.:  
 REASON: MV, WAS Event End Status:

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

MILES-GRAY 1 / 1

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
11/20/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	31		P	ROAD RIG TO LOC SPOT IN EQUIP RIG UP NIPPLE UP BOP TALLY & PICK UP 2,3/8 TBG POOH SDFN
11/21/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	37		P	TEST CSG & FRAC VALVES W/ B & C QUICK TEST TO 7500# GOOD TEST MIRU CUTTERS RIH W/ 2,3/8 GUNS 23 GM .36 HOLES PERF @ 8140'-43' 4 SPF 8158'-62' 4 SPF 8170'-74' 4 SPF NO BLOW SDFWE
11/24/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 19:00	11.50	COMP	36		P	MIRU WEATHERFORD & CUTTERS & FRAC STAGE #1 BRK PERF @ 3039# INJ RT 56 BPM INJ PSI 4400# ISIP 2423# FG .74 FRAC W/ 56616# 30/50 SAND + 5000# RESIN COATED SAND + 1615 BBL SLICKWATER MP 6526# MR 57 BPM AP 4276# AR 56.7 BPM ISIP 2590# FG .76 NPI 167#
							STAGE #2 RIH SET 8K CBP @ 7904' PERF @ 7858'-64' 4 SPF 7870'-74' 4 SPF BRK @ 4089# INJ RT 49.4 INJ PSI 4500# ISIP 2577# FG .77 FRAC W/ 41119# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1207 BBL SLICKWATER MP 4993# MR 53.3 BPM AP 4441# AR 52.9 BPM ISIP 2733# FG .79 NPI 156#
							STAGE #3 RIH SET 8K CBP @ 7759' PERF @ 7640'-44' 2 SPF 7655'-58' 3 SPF 7669'-71' 4 SPF 7725'-29' 4 SPF BRK PERF @ 4767# INJ RT 50.6 BPM INJ PSI 5175# ISIP 2624# FG .78 FRAC W/ 109966# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 2877 BBL SLICKWATER MP 6298# MR 51.3 BPM AP 4577# AR 40.9 BPM ISIP 2650# FG .79 NPI 26#
							STAGE #4 RIH SET 8K CBP #7570' PERF @ 7422'-26' 4 SPF 7429'-33' 4 SPF 7537'-40' 4 SPF BRK PERF @ 4930# INJ RT 51 BPM INJ PSI 5400# ISIP 2015# FG .71 FRAC W/ 31034# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 951 BBL SLICKWATER MP 6838# MR 52.7 BPM AP 4426# AR 51.3 BPM ISIP 2337# FG .76 NPI 322#
							STAGE #5 RIH SET 8K CBP @ 7312' PERF @ 7196'-7200' 3 SPF 7226'-28' 3 SPF 7240'-42' 3 SPF 7277'-82' 4 SPF BRK PERF @ 3677# INJ RT 40 BPM INJ PSI 4000# ISIP 2290# FG.76 FRAC W/ 34205# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1018 BBL SLICKWATER MP 5833# MR 41.6 BPM AP 3305# AR 40.3 BPM ISIP 2162# FG .74 NPI -128#
							STAGE #6 RIH SET 8K CBP @ 6998' PERF @ 6842'-45' 3 SPF 6932'-38' 3 SPF 6964'-68' 4 SPF BRK PERF @ 7600# INJ RT 33BPM 6500# ISIP 2564# FG .81 FRAC W/ 7646# 30/50 SAND + 702 BBL SLICK WATER MP SCREEN OUT 7600# MR 38.6 BPM AP 6562# AR 29.2 ISIP 2449# NPI -115
							STAGE #7 RIH SET 8KCBP @ 5316' PERF @ 5224'-30' 4 SPF 5237'-39' 4 SPF 5284'-86' 4 SPF BRK PERF @ 2142# INJ RT 50.6 BPM INJ PSI 3300# ISIP 1791# FG .78 FRAC W/ 36016# 30/50 SAND + 5000# 20/40 RESIN COATED SAND MP 4300# MR 51 BPM AP 3118# AR 50.6 BPM ISIP 1964# FG .82 NPI 173# RIH SET 8K CBP @ 5174' RIG DOWN CUTTERS & WEATHERFORD SDFN
11/25/2008	SUPERVISOR: JD FOREMAN						MD:
	7:00 - 7:30	0.50	COMP	48		P	SEFATY MEET

	7:30 - 18:00	10.50	COMP	31	P	NIPPLE DOWN FRAC VALVES NIPPLE UP BOP TEST BOP TO 2500# GOOD TEST MAKE UP 3,7/8 MILL POBS RIH TAG CBP RIG UP DRILLING EQUIP & DRILL OUT CBPN @ 5175' 700# KICK RIH TAG @ 5285' 30' SAND ON CBP DRILL OUT SAND & CBP @ 5316' 200# KICK RIH TAG @ 6998' NO SAND DRILL OUT CBP 6998' 300# KICK RIH TAG @ 7280' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7212' 300# KICK RIH TAG @ 7540' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7570' 400# KICK RIH TAG @ 7722' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7759' 700# KICK RIH TAG @ 7875' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7904' 400# KICK RIH TAG @ 8200' CLEAN OUT SAND TO PB @ 8282' LAY DOWN 13 JTS 2,3/8 LAND ON WELL HEAD W/250 JT 2,3/8 J-55 TBG EOT 7820.21' NIPPLE DOWN BOP NIPPLE UP TREE PUMP OFF BIT TRUN WELL TO FLOWBACK CREW SDFN
						TBG DETAIL KB 18.00 TBG BHANGER .83 250 JTS 2,3/8 J-55 TBG 7799.18 XN-NIPPLE 2.20 EOT 7820.21 23 JTS BACK TO YARD
11/26/2008	<u>SUPERVISOR:</u> JD FOREMAN					<u>MD:</u>
	7:00 - 7:30	0.50	COMP	48	P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	31	P	RDMO
11/26/2008	<u>SUPERVISOR:</u> JD FOREMAN					<u>MD:</u>
	7:00 -			33	A	7 AM FLBK REPORT: CP 1000#, TP 950#, 20/64" CK, 50 BWPB, TRACE SAND, - GAS TTL BBLs RECOVERED: 2214 BBLs LEFT TO RECOVER: 7200
11/27/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>
	7:00 -			33	A	7 AM FLBK REPORT: CP 1025#, TP 1175#, 20/64" CK, 45 BWPB, TRACE SAND, - GAS TTL BBLs RECOVERED: 3294 BBLs LEFT TO RECOVER: 6120
11/28/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>
	7:00 -			33	A	7 AM FLBK REPORT: CP 1350#, TP 1350#, 24/64" CK, 40 BWPB, TRACE SAND, - GAS TTL BBLs RECOVERED: 4269 BBLs LEFT TO RECOVER: 5145
11/29/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>
	7:00 -			33	A	7 AM FLBK REPORT: CP 1800#, TP 1000#, 26/64" CK, 30 BWPB, TRACE SAND, - GAS TTL BBLs RECOVERED: 5159 BBLs LEFT TO RECOVER: 4255
11/30/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>
	7:00 -			33	A	7 AM FLBK REPORT: CP 1800#, TP 1200#, 20/64" CK, 17 BWPB, TRACE SAND, - GAS TTL BBLs RECOVERED: 5598 BBLs LEFT TO RECOVER: 3816
12/1/2008	<u>SUPERVISOR:</u> TUCKER CALDWELL					<u>MD:</u>
	7:00 -			33	A	7 AM FLBK REPORT: CP 1750#, TP 1100#, 20/64" CK, 15 BWPB, TRACE SAND, - GAS TTL BBLs RECOVERED: 5976 BBLs LEFT TO RECOVER: 3438

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
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.  
UTU29797

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

9. API Well No.  
43-047-39751

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

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

10. Field and Pool, or Exploratory  
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 3 T11S R22E NWSW 1419FSL 184FWL

11. County or Parish, and State  
UINTAH COUNTY, UT

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

THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE SUBJECT WELL. THE OPERATOR HAS PERFORMED A COMPLETION OF THE WASATCH AND MESAVERDE FORMATIONS. THE OPERATOR HAS COMMINGLED THE WASATCH AND MESAVERDE INTERVALS. THE OPERATOR HAS PLACED THE SUBJECT WELL ON PRODUCTION ON 11/27/2008 AT 12:00 AM.

**COPY SENT TO OPERATOR**

Date: 1.8.2009

Initials: KS

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #65939 verified by the BLM Well Information System For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal**

Name (Printed/Typed) SHEILA UPCHEGO	Title OPERATIONS
Signature <i>[Signature]</i>	Date 12/30/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>[Signature]</i>	Title <u>Pet Eng</u>	Date <u>1/6/09</u>
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.		Federal Approval Of This Action Is Necessary
Office <u>DOG</u>		

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

**RECEIVED**

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED **JAN 05 2009**

*A Cause 210-04*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU29797

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface NWSW 1419FSL 184FWL  
 At top prod interval reported below NWSW 1419FSL 184FWL  
 At total depth NWSW 1419FSL 184FWL

6. If Indian, Allottee or Tribe Name  
 7. Unit or CA Agreement Name and No.  
 8. Lease Name and Well No.  
 BITTER CREEK 1122-3L  
 9. API Well No.  
 43-047-39751  
 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  
 09/24/2008  
 15. Date T.D. Reached  
 11/06/2008  
 16. Date Completed  
 D & A  Ready to Prod.  
 11/27/2008  
 17. Elevations (DF, KB, RT, GL)\*  
 5660 GL  
 18. Total Depth: MD 8335 TVD  
 19. Plug Back T.D.: MD 8282 TVD  
 20. Depth Bridge Plug Set: MD TVD  
 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
 CBL-CCL-GR, Comp 2, CN, Cal, HDI  
 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		1850		550			
7.875	4.500 I-80	11.6		8335		1452			

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	7820							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5224	5286	5224 TO 5286	0.360	40	OPEN
B) MESAVERDE	6842	8174	6842 TO 8174	0.360	225	OPEN
C)						
D)						

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

Depth Interval	Amount and Type of Material
5224 TO 5286	PMP 1044 BBLs SLICK H2O & 41,016# 30/50 SD
6842 TO 8174	PMP 8370 BBLs SLICK H2O & 305,586# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/27/2008	12/04/2008	24	→	0.0	1855.0	360.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	SI 650	1100.0	→	0	1855	360		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
11/27/2008	12/04/2008	24	→	0.0	1855.0	360.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	SI 650	1100.0	→	0	1855	360		PGW	

**RECEIVED**

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

ELECTRONIC SUBMISSION #65931 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* JAN 05 2009

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	897				
MAHOGANY	1594				
WASATCH	6211	6191			
MESAVERDE	6257	8279			

32. Additional remarks (include plugging procedure):

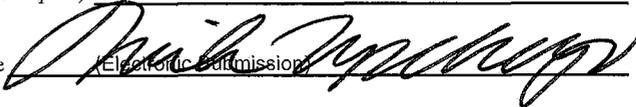
33. Circle enclosed attachments:

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

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 #65931 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 12/30/2008

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
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.  
UTU29797

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. BITTER CREEK 1122-3L
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE Contact: SHEILA UPCHEGO Email: sheila.upchego@anadarko.com		9. API Well No. 43-047-39751
3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435-781-7024	10. Field and Pool, or Exploratory UNDESIGNATED
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T11S R22E NWSW 1419FSL 184FWL		11. County or Parish, and State JUNTAH COUNTY, UT

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 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE SUBJECT WELL. THE OPERATOR HAS PERFORMED A COMPLETION OF THE WASATCH AND MESAVERDE FORMATIONS. THE OPERATOR HAS COMMINGLED THE WASATCH AND MESAVERDE INTERVALS. THE OPERATOR HAS PLACED THE SUBJECT WELL ON PRODUCTION ON 11/27/2008 AT 12:00 AM.

**COPY SENT TO OPERATOR**

Date: 1.27.2009

Initials: KS

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

**Electronic Submission #65939 verified by the BLM Well Information System  
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal**

Name (Printed/Typed) SHEILA UPCHEGO	Title OPERATIONS
Signature (Electronic Submission)	Date 12/30/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By 	Title Ref. Eng.	Date 1/22/09
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.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED RECEIVED**

*\* Case 210-04*

**JAN 05 2009**

STATE OF UTAH )

) ss

COUNTY OF UINTAH )

AFFIDAVIT

Jason Rayburn, of lawful age, and being first duly sworn upon oath, deposes and says:

He is a Landman of Kerr-McGee Oil & Gas Onshore LP, of Denver, Colorado. Kerr-McGee Oil & Gas Onshore LP is the operator of the following described well:

**BITTER CREEK 1122-3L  
1419' FSL, 184' FWL (NWSW)  
SECTION 3, T11S- R22E  
UINTAH COUNTY, UTAH**

Kerr-McGee Oil & Gas Onshore LP, and Robert L. Bayless, Producer LLC are the only owners in the well and/or of all the contiguous oil and gas leases or drilling units overlying the pool.

On the 2nd day of January, 2009, he placed in the United States mail, with postage prepaid, copies of the attached Application for Commingling into two or more pools (formations) in one wellbore for the subject well.

Said envelopes which contained these instruments were addressed to the Utah Division of Oil, Gas & Mining and Robert L. Bayless, Producer, LLC.

Further affiant saith not.

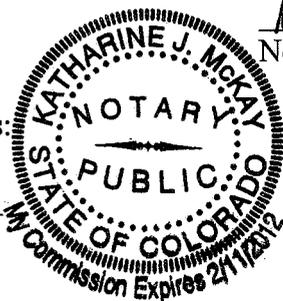
\_\_\_\_\_  
Jason Rayburn, Affiant

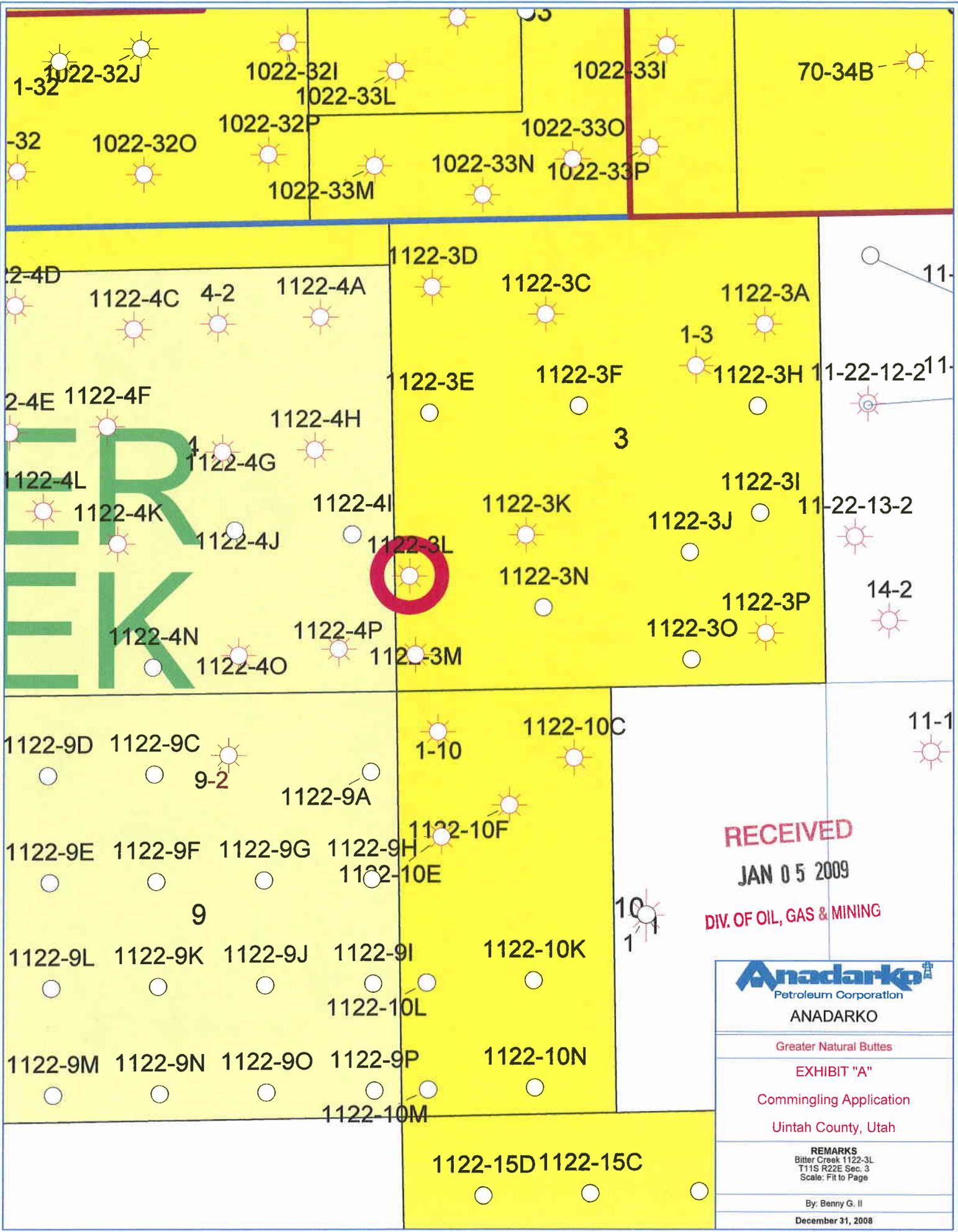
Subscribed and sworn before me this 2nd day of January, 2009.

*Katharine J. McKay*  
\_\_\_\_\_  
Notary Public

My Commission Expires:

2/11/2012







Kerr-McGee Oil & Gas Onshore LP  
PO Box 173779  
DENVER, CO 80217-3779

January 2, 2009

Mr. Dustin Doucet  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Notice of Commingling  
Bitter Creek 1122-3L  
Section 3: NWSW T11S-R22E  
API Number: 4304739751  
Uintah County, Utah

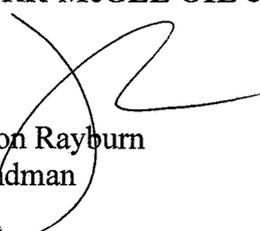
Dear Dustin,

In accordance with R649-3-22, "Completion Into Two or More Pools", please be advised that notices were sent to all contiguous owners on January 2, 2009. Also, enclosed is an affidavit regarding the mailing of the notices together with the plat showing the location of the Bitter Creek 1122-3L well. Kerr-McGee Oil & Gas Onshore LP and Robert L. Bayless, Producer LLC hold interest in sections contiguous to the subject well section location.

Please let me know if anything further is required in order to approve the sundry previously submitted to you regarding the recompletion of the Bitter Creek 1122-3L. I have enclosed a copy of the sundry notice.

Thank you for your attention to our request.

Sincerely,  
**KERR-McGEE OIL & GAS ONSHORE LP**

  
Jason Rayburn  
Landman

enclosures

**RECEIVED**  
**JAN 05 2009**  
DIV. OF OIL, GAS & MINING