

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-71417	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No.	
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		8. Lease Name and Well No. BITTER CREEK 1122-4E	
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43-047-34753	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SW/NW 2519'FNL, 579'FWL At proposed prod. Zone 631098X 4416602Y -109.466677		10. Field and Pool, or Exploratory UNDESIGNATED Bitter Creek	
14. Distance in miles and direction from nearest town or post office* 36.65 +/- MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk, and Survey or Area SEC. 4, T11S, R22E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 579'	16. No. of Acres in lease 1520.00	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 8370'	20. BLM/BIA Bond No. on file BOND NO. WYB000291	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5596'GL	22. Approximate date work will start*	23. Estimated duration	

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 10/25/2007
Title SENIOR LAND ADMIN SPECIALIST		
Approved by Signature 	Name (Printed/Typed) BRADLEY G. HILL	Date 11-07-07
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

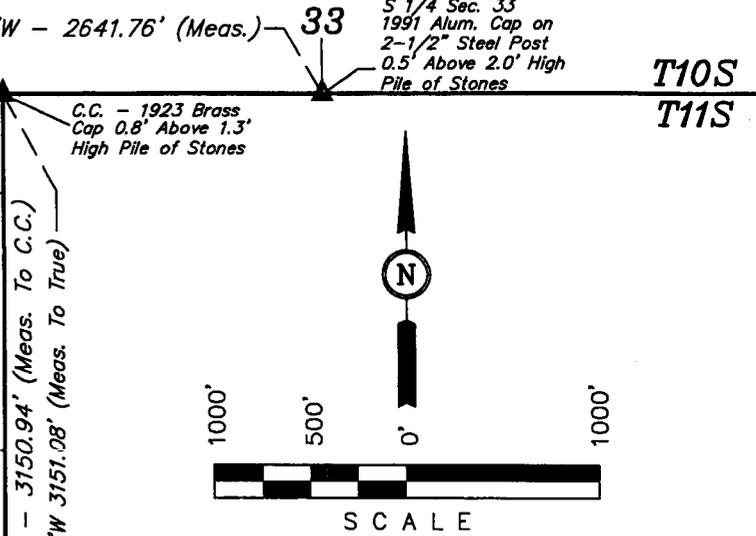
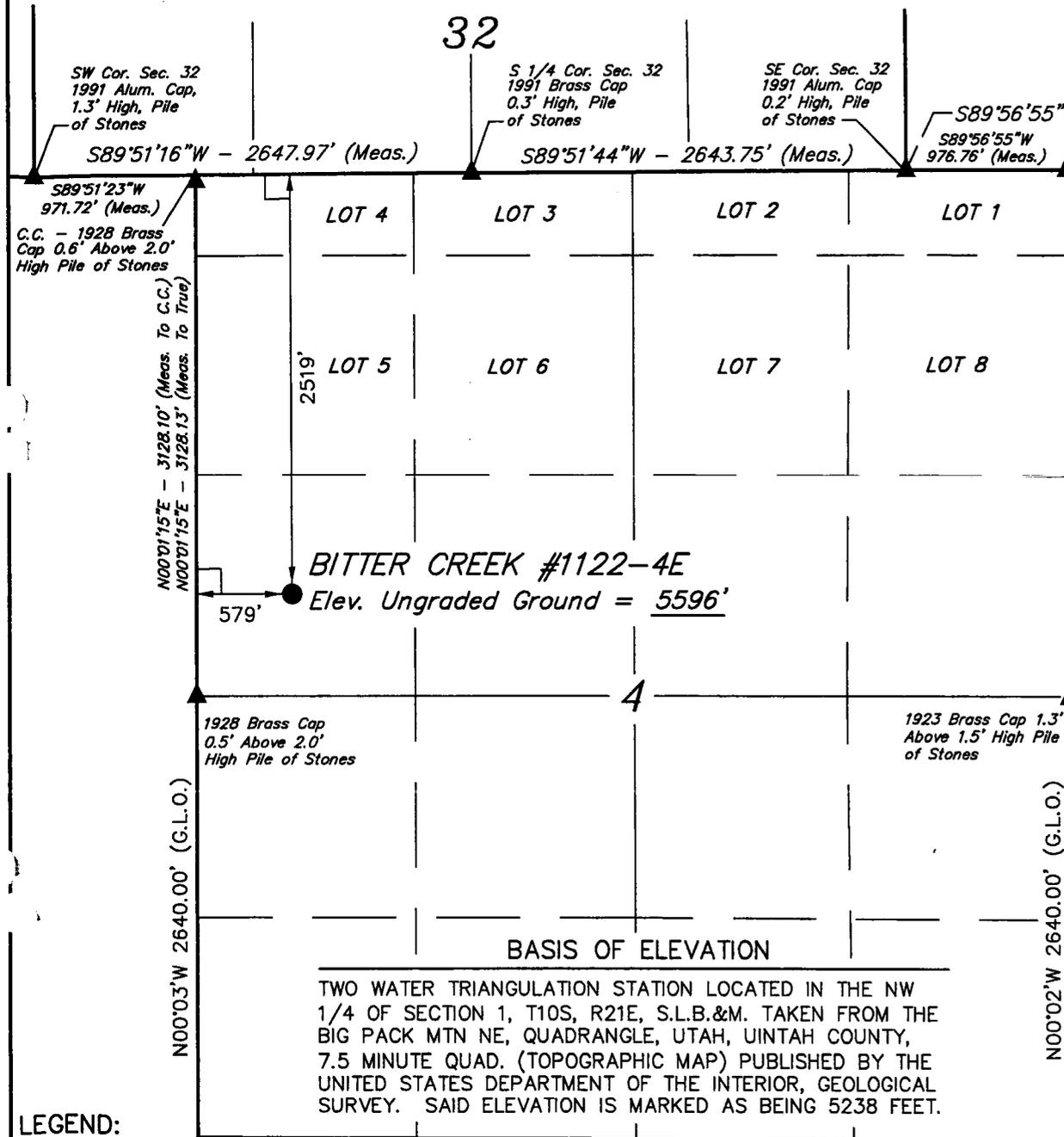
NOV 02 2007

DIV. OF OIL, GAS & MINING

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

Kerr-McGee Oil & Gas Onshore LP

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



CERTIFICATE

THIS IS TO CERTIFY THAT THE SURVEY PLAT PREPARED FROM FIELD NOTES OF ACTUAL SURVEYING MADE BY ME UNDER MY SUPERVISION AND THAT THE MEASUREMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE BELIEF.

REGISTERED LAND SURVEYOR
ROBERT J. L. [Signature]
REGISTRATION NO. 161349
STATE OF UTAH

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

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

N89°50'W 5302.44' (G.L.O.)

BASIS OF BEARINGS

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

SCALE 1" = 1000'	DATE SURVEYED: 06-05-07	DATE DRAWN: 06-14-07
PARTY L.D.K. J.R. L.A.K.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

**BITTER CREEK 1122-4E
SW/NW SEC. 4, T11S, R22E
UINTAH COUNTY, UTAH
UTU-71417**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	933'
Top of Birds Nest Water	1232'
Mahogany	1557'
Wasatch	3951'
Mesaverde	6370'
MVU2	7347'
MVL1	7973'
TD	8370'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	933'
	Top of Birds Nest Water	1232'
	Mahogany	1557'
Gas	Wasatch	3951'
Gas	Mesaverde	6370'
Gas	MVU2	7347'
Gas	MVL1	7973'
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 8370' TD, approximately equals 5189 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3348 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



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

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	7780	1.63	4.99
PRODUCTION	4-1/2"	0 to 8370	11.60	I-80	LTC	2.56	1.30	2.37

- 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 3033 psi

~~Burst Strength low but Csg is much stronger than formation at 2000' EMW @ 2000' for 2270 is 2.10 ppg or 1113 psi~~

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD	
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18	
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18	
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
SURFACE	Option 2	LEAD	NOTE: If well will circulate water to surface, option 2 will be utilized					
		1500	Prem cmt + 16% Gel + 10 pps gilsonite + 25 pps flocele + 3% salt BWOC	170	35%	11.00	3.82	
	TAIL	500	Premium cmt + 2% CaCl + 25 pps flocele	180	35%	15.60	1.18	
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
PRODUCTION	LEAD	3,450'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	380	60%	11.00	3.38	
	TAIL	4,920'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1380	60%	14.30	1.31	

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

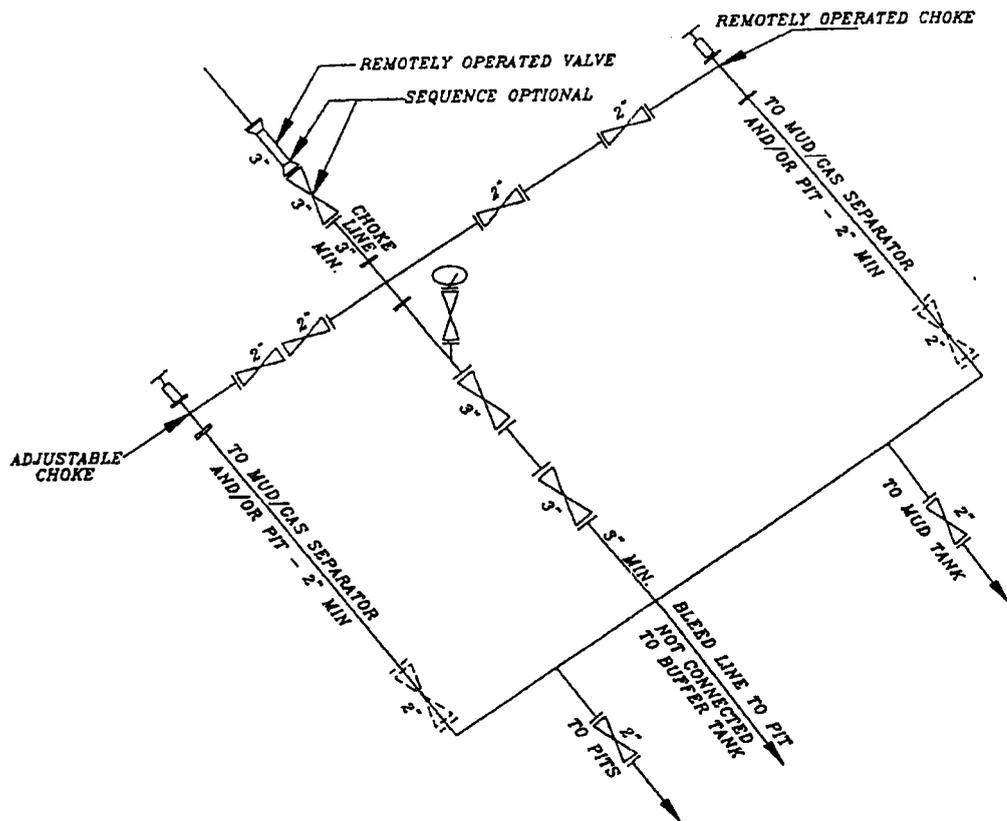
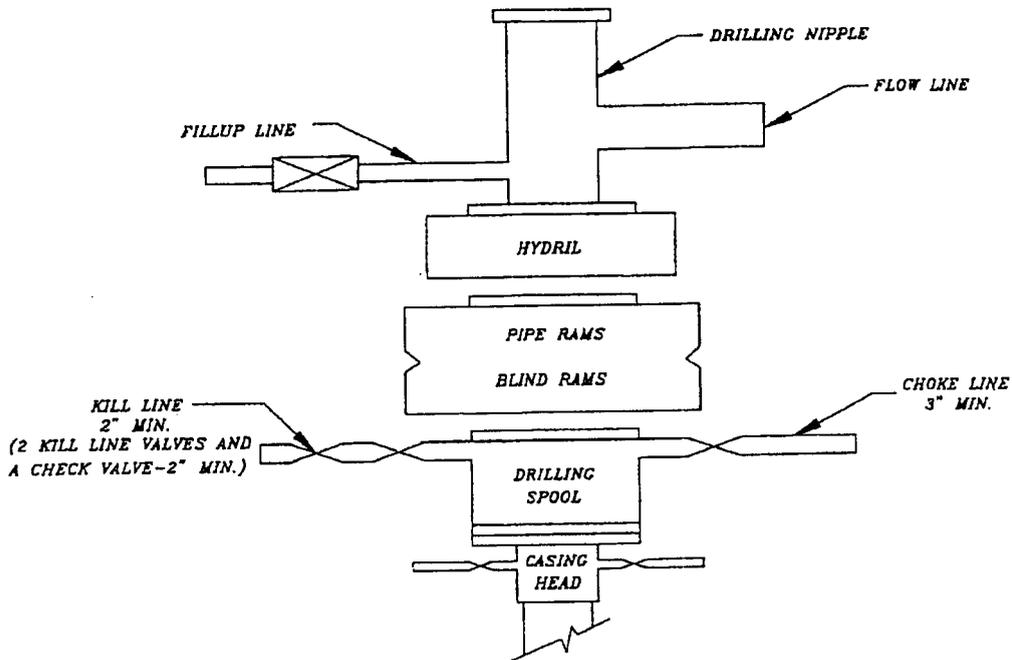
DRILLING ENGINEER: _____
 Brad Laney

DATE: _____

DRILLING SUPERINTENDENT: _____
 Randy Bayne

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BITTER CREEK 1122-4E
SW/NW SEC. 4, T11S, R22E
UINTAH COUNTY, UTAH
UTU-71417**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

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

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

2. Planned Access Roads:

Approximately 0.15 +/- miles of access road is proposed. 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:

Approximately 1700' +/- of 4" and Approximately 2500' +/- of 4 steel pipelines shall be installed 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:

Galletta Grass 15 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:

A Paleontologist to monitor construction, as discussed at the on-site inspection.

WILDLIFE STIPULATIONS:

ANTELOPE: No drilling or construction from May 15th – June 20th.

SAGE GROUSE: No drilling or construction from March 1st – June 30th.

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 #1122-4E
SECTION 4, T11S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 10.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.65 MILES.

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-4E
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 4, T11S, R22E, S.L.B.&M.

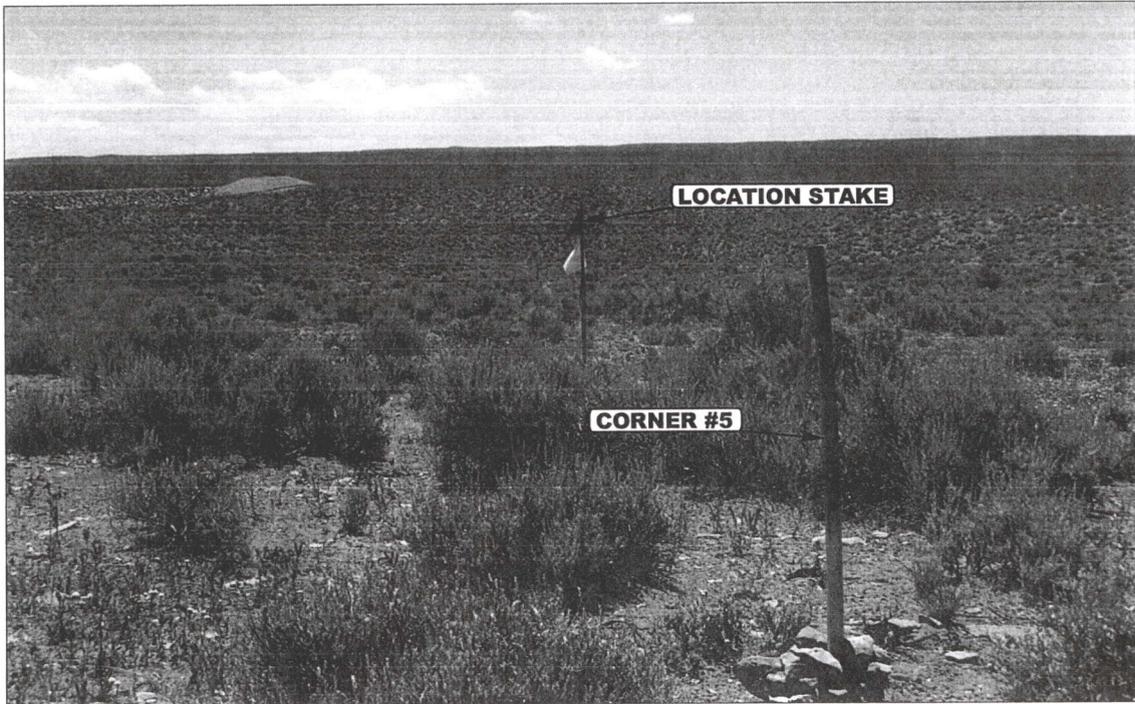


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

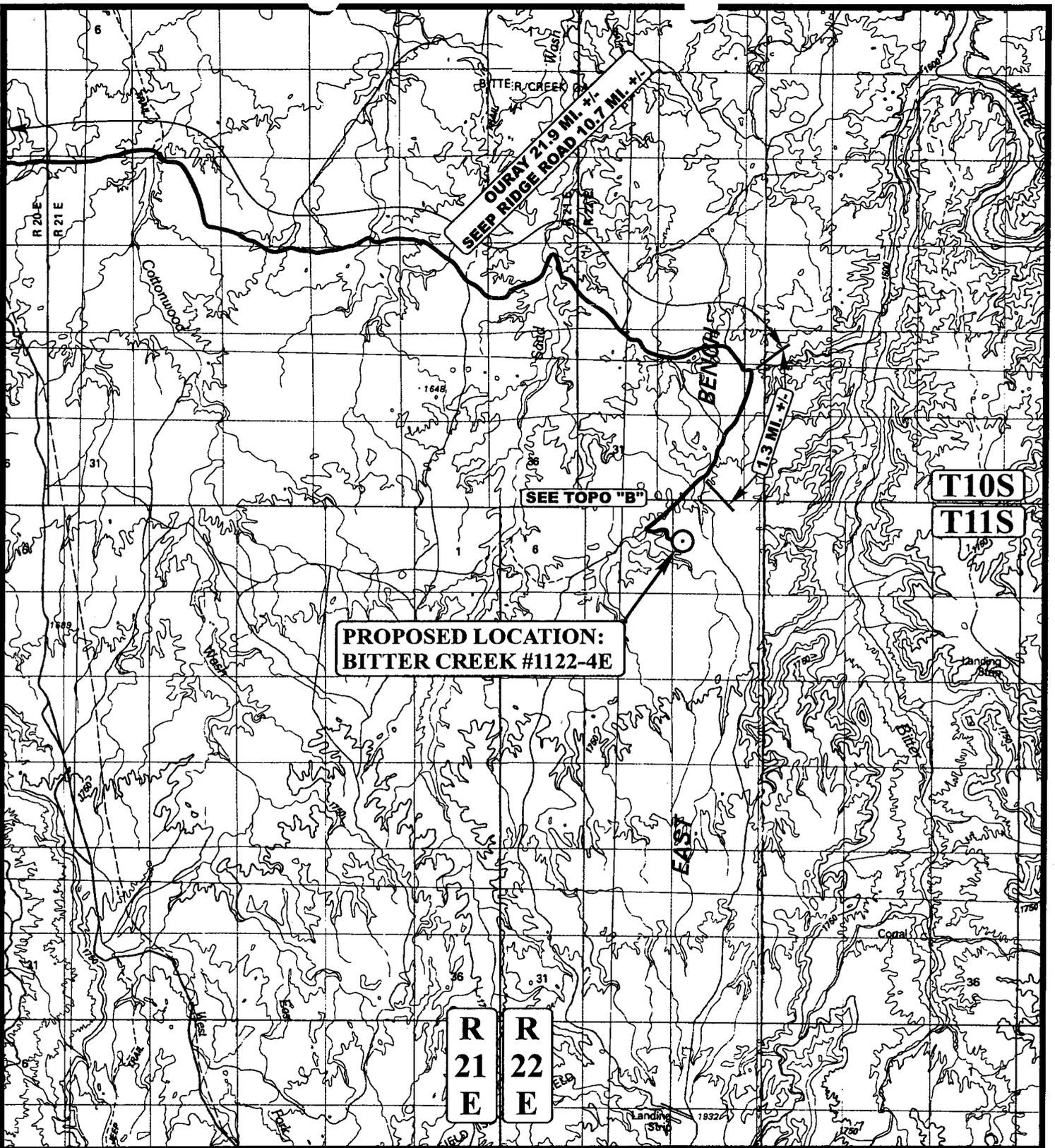
CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS			06	12	07	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: L.K.	DRAWN BY: C.P.	REVISED: 00-00-00				



**PROPOSED LOCATION:
BITTER CREEK #1122-4E**

LEGEND:

○ PROPOSED LOCATION



**Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-4E
SECTION 4, T11S, R22E, S.L.B.&M.
2519' FNL 579' FWL**



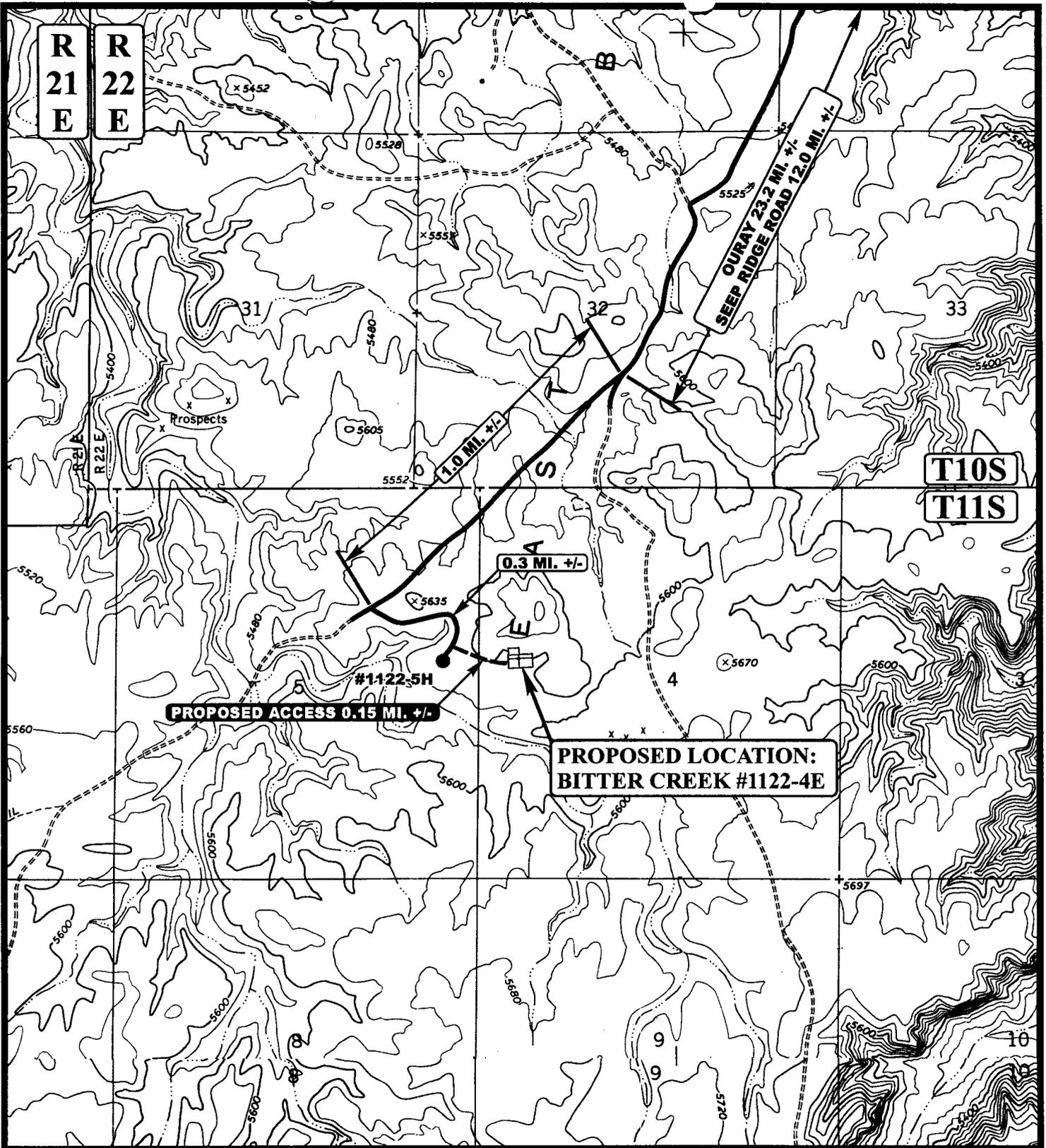
**Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813**

**TOPOGRAPHIC
MAP**

06	12	07
MONTH	DAY	YEAR

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





LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4E
SECTION 4, T11S, R22E, S.L.B.&M.
2519' FNL 579' FWL

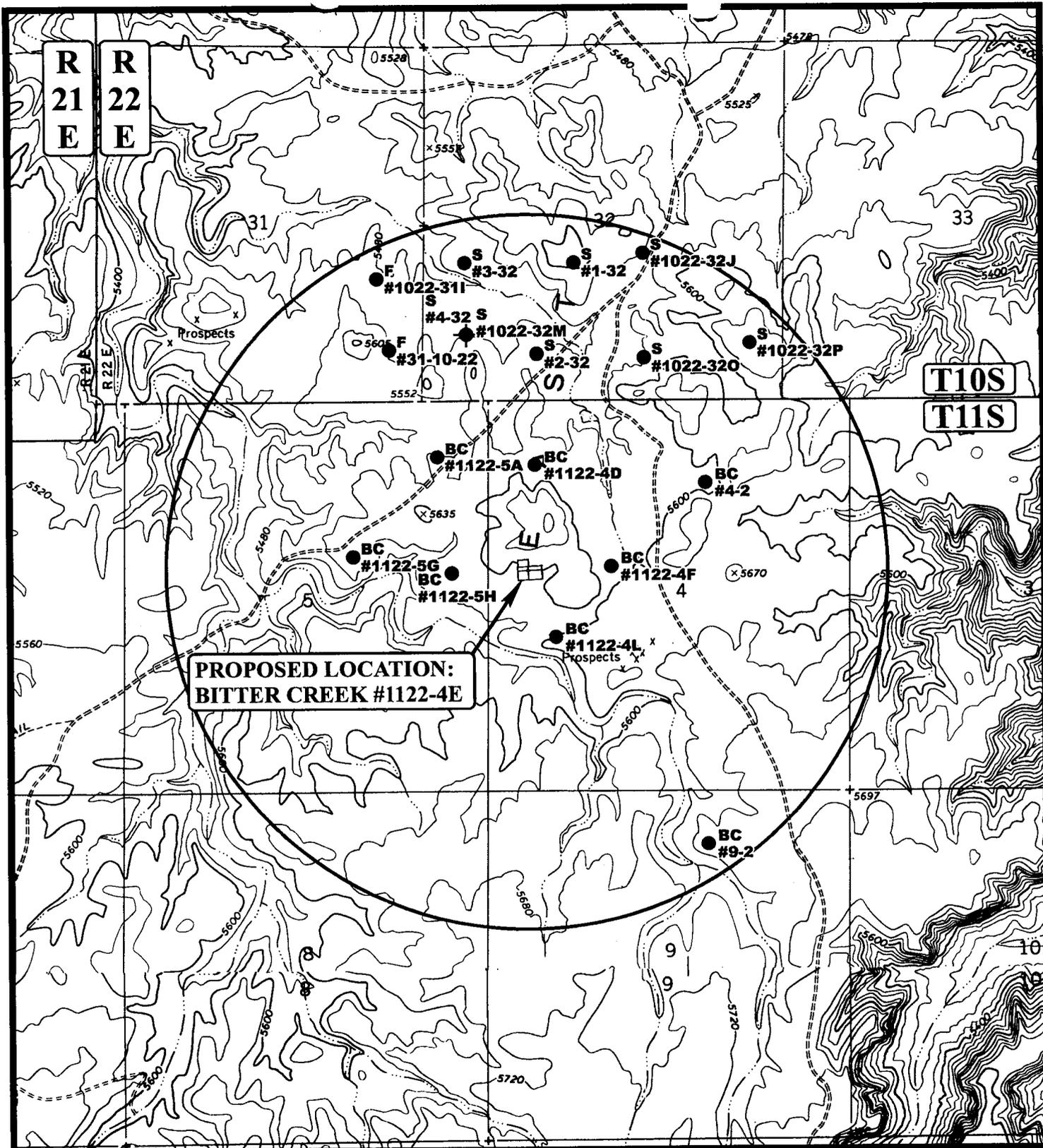


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 06 12 07
MAP MONTH DAY YEAR

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





**PROPOSED LOCATION:
BITTER CREEK #1122-4E**

LEGEND:

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

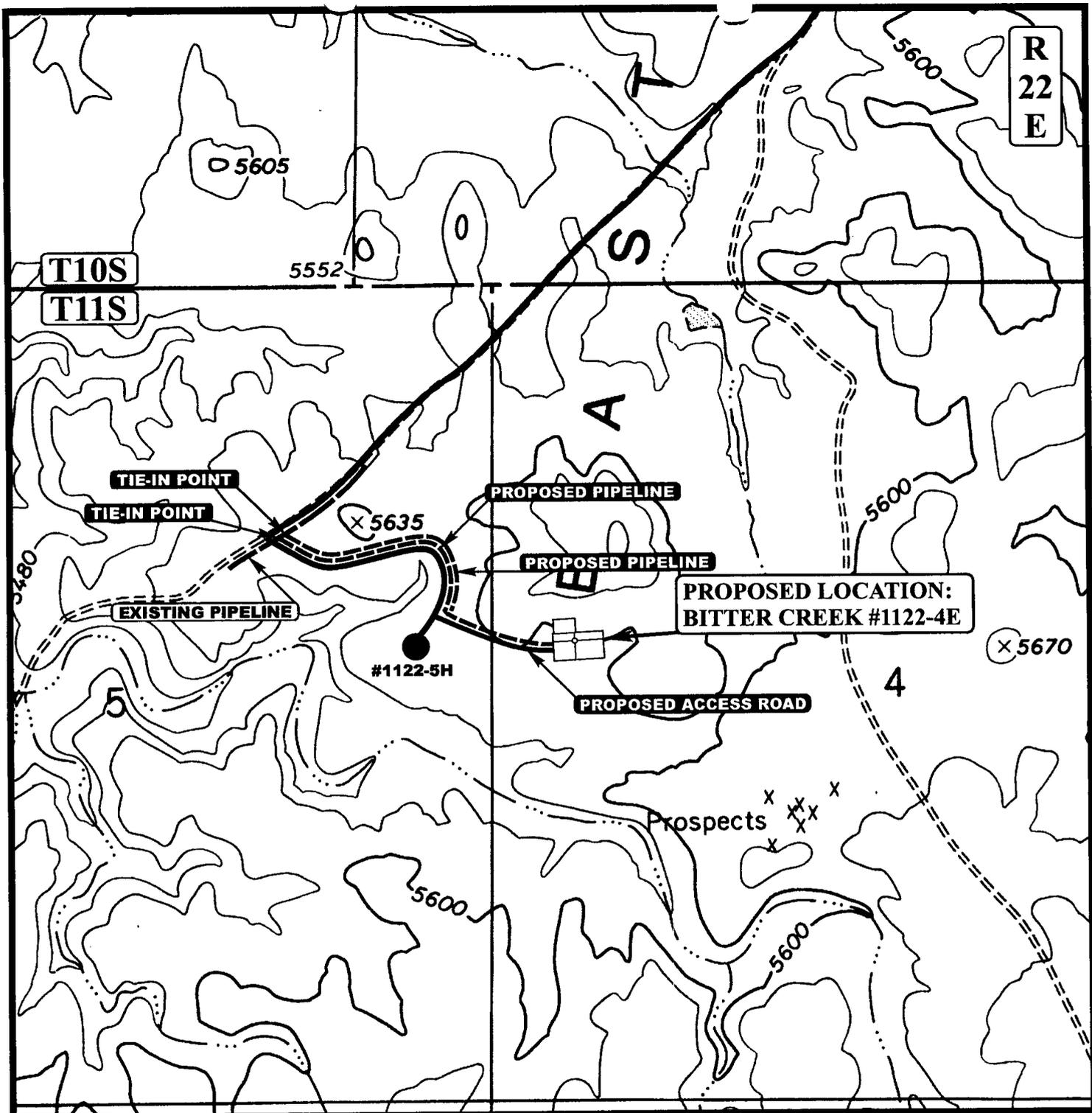


Kerr-McGee Oil & Gas Onshore LP

**BITTER CREEK #1122-4E
SECTION 4, T11S, R22E, S.L.B.&M.
2519' FNL 579' FWL**

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

TOPOGRAPHIC MAP	06	12	07	C TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: C.P.		REVISED: 00-00-00	



APPROXIMATE TOTAL PIPELINE DISTANCE = 1,700' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE = 2,500' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4E
SECTION 4, T11S, R22E, S.L.B.&M.
2519' FNL 579' FWL



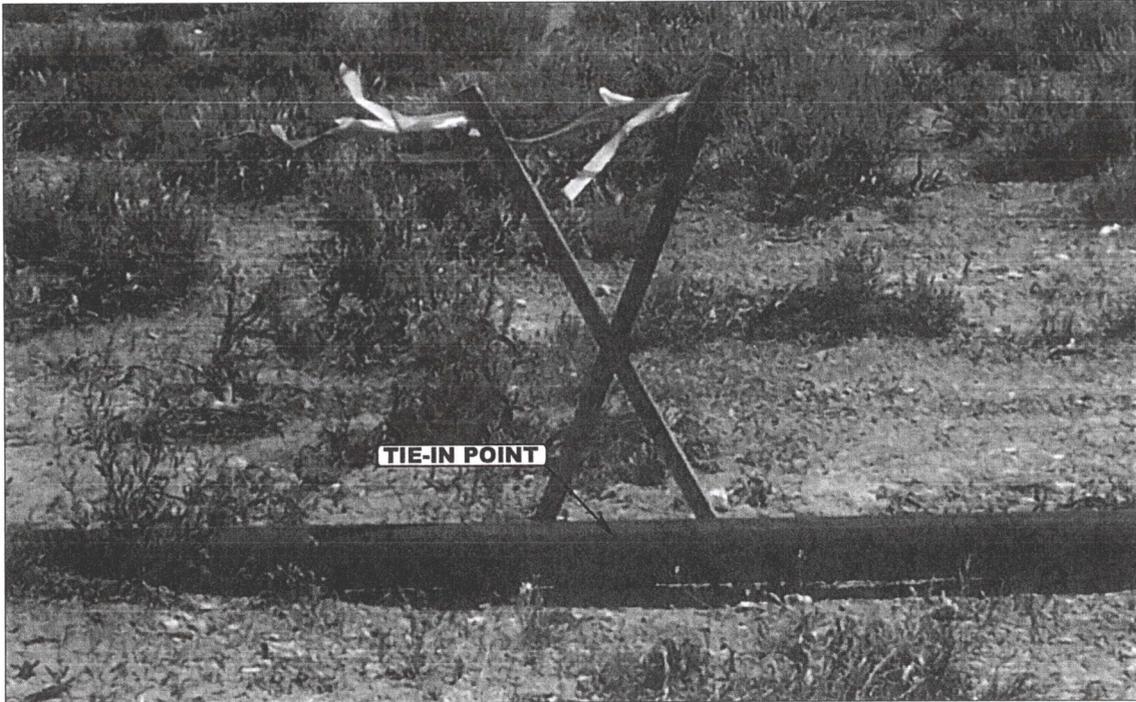
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 06 12 07
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-4E
 PIPELINE ALIGNMENT
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 4, T11S, R22E, S.L.B.&M.



TIE-IN POINT

PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHEASTERLY

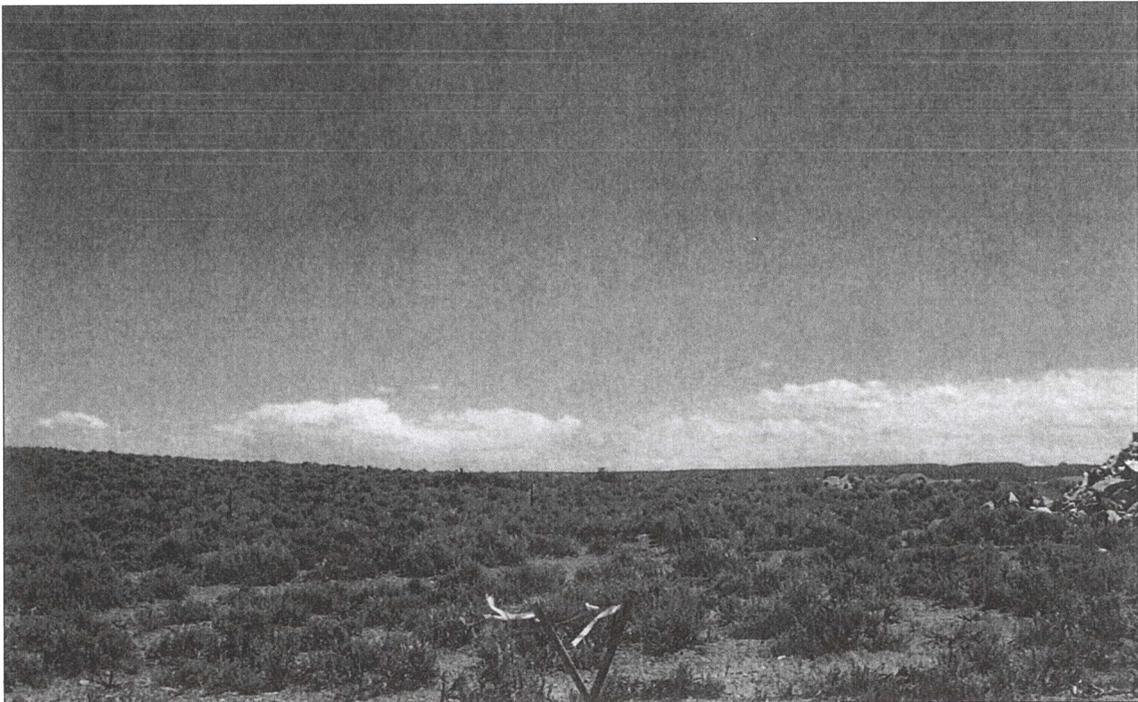


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

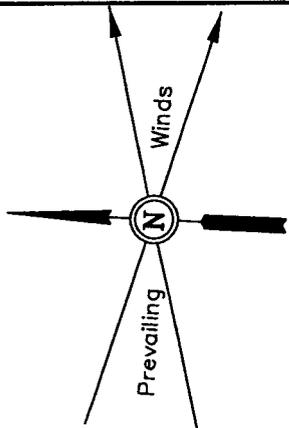
PIPELINE PHOTOS			06	12	07	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: L.K.	DRAWN BY: C.P.	REVISED: 00-00-00				

Kerr-McGee Oil & Gas Onshore LP

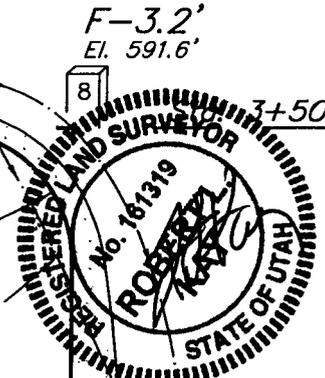
FIGURE #1

LOCATION LAYOUT FOR BITTER CREEK #1122-4E SECTION 4, T11S, R22E, S.L.B.&M.

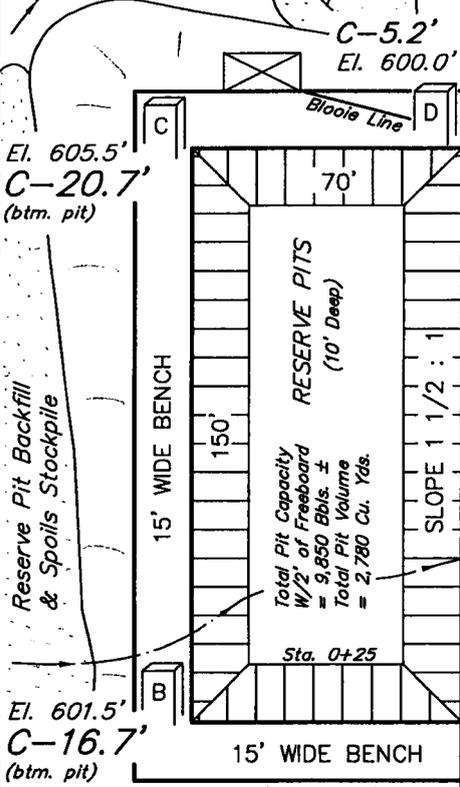
2519' FNL 579' FWL CONSTRUCT DIVERSION DITCH



SCALE: 1" = 50'
DATE: 06-14-07
Drawn By: L.K.



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



CONSTRUCT DIVERSION DITCH

NOTES:

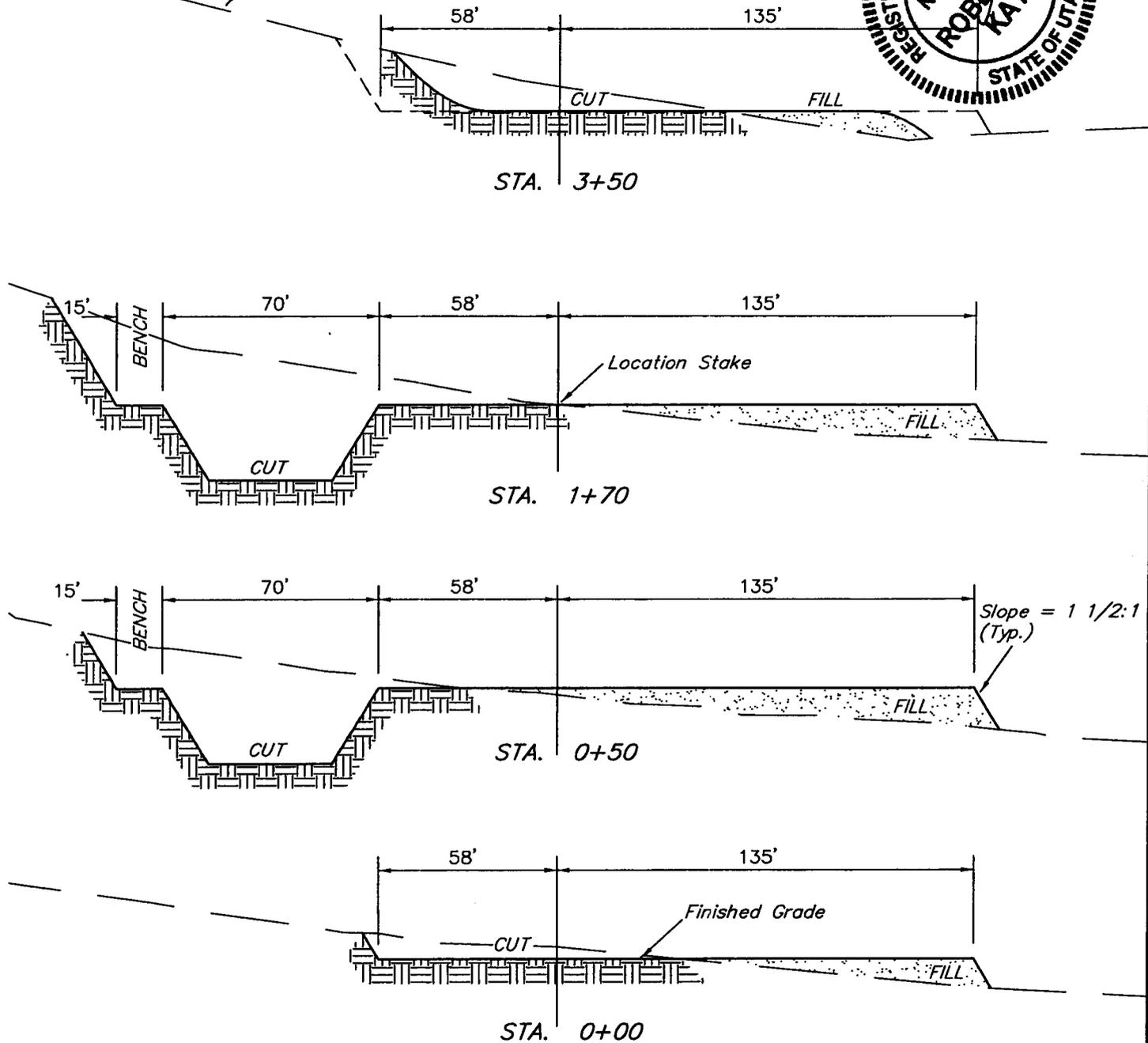
Elev. Ungraded Ground At Loc. Stake = 5596.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 5594.8'



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

TYPICAL CROSS SECTIONS FOR
BITTER CREEK #1122-4E
SECTION 4, T11S, R22E, S.L.B.&M.
Preconstruction 2519' FNL 579' FWL

X-Section Scale
1" = 50'
DATE: 06-14-07
Drawn By: L.K.



APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,810 Cu. Yds.
Remaining Location	=	9,310 Cu. Yds.
TOTAL CUT	=	11,120 CU.YDS.
FILL	=	5,680 CU.YDS.

EXCESS MATERIAL	=	5,440 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,200 Cu. Yds.
EXCESS UNBALANCE (After interim Rehabilitation)	=	2,240 Cu. Yds.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/02/2007

API NO. ASSIGNED: 43-047-39753

WELL NAME: BITTER CREEK 1122-4E
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

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

SWNW 04 110S 220E
 SURFACE: 2519 FNL 0579 FWL
 BOTTOM: 2519 FNL 0579 FWL
 COUNTY: UINTAH
 LATITUDE: 39.89124 LONGITUDE: -109.4667
 UTM SURF EASTINGS: 631098 NORTHINGS: 4416602
 FIELD NAME: BITTER CREEK (547)

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-71417
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

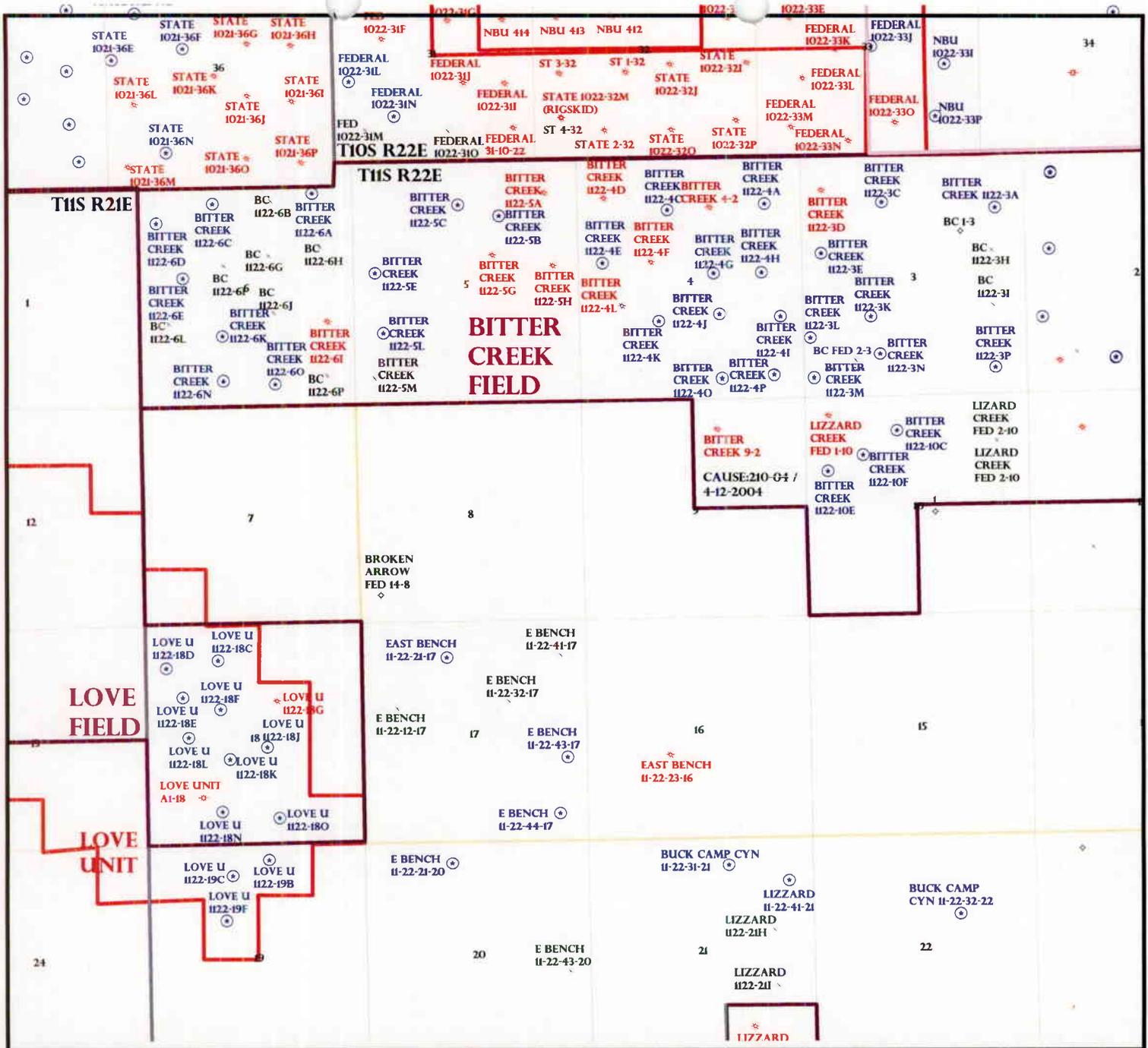
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYB000291)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: 4-12-2004
Siting: 460' from well and 920' from other wells.
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1. See [Signature]



BITTER CREEK FIELD

LOVE FIELD

LOVE UNIT

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



OIL, GAS & MINING



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

November 7, 2007

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

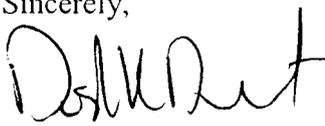
Re: Bitter Creek 1122-4E Well, 2519' FNL, 579' FWL, SW NW, Sec. 4, T. 11 South,
R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39753.

Sincerely,


(for) 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 1122-4E

API Number: 43-047-39753

Lease: UTU-71417

Location: SW NW **Sec. 4** **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.



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

June 5, 2008

Robert L. Bayless, Producer LLC
C. Jay Muñoz
621 17th Street, Suite 2300
Denver, CO 80293

43-047-39753

Re: Request for Consent to Exception Well Location
BITTER CREEK 1122-4E Well
Township 11 South, Range 22 East
Section 4: SWNW
2519' FNL, 579' FWL
Uintah County, Utah

Dear Mrs. Muñoz:

Kerr-McGee Oil & Gas Onshore LP has staked and proposes to drill the Bitter Creek 1122-4E well, an 8,500' Wasatch/Mesaverde formation test, located 2519' FNL, 579' FWL (SWNW) of Section 4-T11S-R22E, SLM, Uintah County, Utah. Enclosed is a copy of the survey plat along with a copy of a topo map depicting the proposed location of the subject well.

The State of Utah Board of Oil, Gas and Mining's Order in Bitter Creek 210-04 provides for termination of 320-acre spacing for Sections 1-17-11S-22E (now under Rule 649-3-2) 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.

The well location is at a legal location within the center quarter-quarter section, but is an exception location due to an irregular section. Since the location of the subject well is not in compliance with this well siting order, Kerr-McGee Oil & Gas Onshore LP will request the Bureau of Land Management'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.

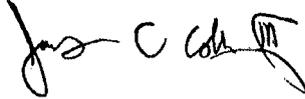
If Robert L. Bayless, Producer LLC has no objections to Kerr-McGee Oil & Gas Onshore LP's drilling the subject well at the above-described exception location, Kerr-McGee Oil & Gas

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 720-929-6698.

Sincerely,

Kerr-McGee Oil & Gas Onshore LP



James C. Colligan III
Landman

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

26th day of June, 2008.

By: 
Name: George R. Coryell
Title: Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
VERNAL FIELD OFFICE
2007 OCT 31 PM 3:23
BUREAU OF LAND MANAGEMENT

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-71417	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No.	
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		8. Lease Name and Well No. BITTER CREEK 1122-4E	
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43 047 39753	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SW/NW 2519'FNL, 579'FWL At proposed prod. Zone		10. Field and Pool, or Exploratory UNDESIGNATED	
14. Distance in miles and direction from nearest town or post office* 36.65 +/- MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area SEC. 4, T11S, R22E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 579'	16. No. of Acres in lease 1520.00	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 8370'	20. BLM/BIA Bond No. on file BOND NO. WYB000291	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5596'GL	22. Approximate date work will start*	23. Estimated duration	

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 10/25/2007
Title SENIOR LAND ADMIN SPECIALIST		
Approved by (Signature) 	Name (Printed/Typed) Jean Kavela	Date 6-24-2008
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

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

CONDITIONS OF APPROVAL ATTACHED

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

*(Instructions on reverse)

UDOGM

NOTICE OF APPROVAL

**RECEIVED
JUN 26 2008**

DIV. OF OIL, GAS & MINING

NOS-06/27/2007
OFPP 2322A



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Kerr-McGee Oil & Gas Onshore, LP	Location:	SWNW, Sec. 4, T11S, R22E
Well No:	Bitter Creek 1122-4E	Lease No:	UTU-71417
API No:	43-047-39753	Agreement:	N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

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

Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

Site Specific COAs:

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

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

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

All pounds are in pure live seed.

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

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

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

Bitter Creek Well 1121 6E Location SWNW Section 6, T 11 S R22 E.

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

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

DOWNHOLE CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- **Communitization Agreement UTU-80666, (S2NE, SE, Lots 1,2,7,8, Section 4, T11S, R22E) was approved to include only production from the WSTC-MSVD formation. Prior to well completion, approval by this office shall be required before production is established from any other formation(s).**
- A surface casing shoe integrity test shall be performed.
- Production casing cement top shall be at a minimum of 200' above the surface casing shoe.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

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

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, L.P.

Well Name: BITTER CREEK 1122-4E

Api No: 43-047-39753 Lease Type: FEDERAL

Section 04 Township 11S Range 22E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # BUCKET

SPUDDED:

Date 08/07/08

Time 7:00 AM

How DRY

Drilling will Commence: _____

Reported by LEW WELDON

Telephone # (435) 828-7035

Date 08/07/08 Signed CHD

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-71417

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BITTER CREEK 1122-4E

9. API Well No.
4304739753

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SW/NW SEC. 4, T11S, R22E 2519'FNL, 579'FWL

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

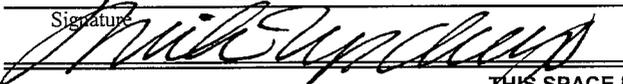
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 <u>WELL SPUD</u>
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

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

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

SPUD WELL LOCATION ON 08/07/2008 AT 0700 HRS.

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

Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature 	Date August 8, 2008

THIS SPACE FOR FEDERAL OR STATE USE

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

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

(Instructions on reverse)

RECEIVED

AUG 11 2008

DIV. OF OIL, GAS & MINING

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
4304739753	BITTER CREEK 1122-4E		SWNW	4	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	99999	<i>17018</i>	8/7/2008		<i>8/14/08</i>		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>W5MVD</i> SPUD WELL LOCATION ON 08/07/2008 AT 0700 HRS.							

Well 2

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

Well 3

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

ACTION CODES:

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

RECEIVED

AUG 11 2008

SHEILA UPCHEGO

Name (Please Print)

Sheila Upchego

Signature

REGULATORY ANALY

8/8/2008

Title

Date

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)
SW/NW SEC. 4, T11S, R22E 2519'FNL, 579'FWL

5. Lease Serial No.
UTU-71417

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BITTER CREEK 1122-4E

9. API Well No.
4304739753

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other <u>SET SURFACE</u> <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <u>CSG</u> <input type="checkbox"/> Final Abandonment Notice <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.

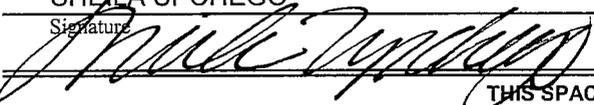
MIRU PROPETRO AIR RIG ON 08/11/2008. DRILLED 12 1/4" SURFACE HOLE TO 1850'. RAN 9 5/8" 36# J-55 SURFACE CSG. LEAD CMT W/150 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/ 200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD RETURNS THROUGH OUT JOB 20 +/- BBLs LEAD CMT TO PIT. RAN 200' OF 1" PIPE. CMT W/125 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" PIPE. GOOD CMT TO SURFACE AND FELL BACK. TOP OUT W/50 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT.

RECEIVED
AUG 19 2008

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

DIV. OF OIL, GAS & MINING

Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature 	Date August 14, 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.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
UTU-71417

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BITTER CREEK 1122-4E

9. API Well No.
4304739753

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

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)
SW/NW SEC. 4, T11S, R22E 2519'FNL, 579'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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other FINAL DRILLING OPERATIONS

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 8480' ON 09/03/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/335 SX PREM LITE II @11.0 PPG 3.38 YIELD. TAILED CMT W/1185 SX 50/50 POZ @ 14.3 PPG 1.31 YIELD. DISPLACE W/129.5 BBLs H2O + ADDITIVES PLUG DOWN W/18 BBL GOOD CMT TO RESERVE PIT FLOATS HELD W/2 BBLs RETURNED TO INVENTORY, SET MANDREL @70K TEST TO 5000 PSI TEST GOOD. CLEAN BOP NIPPLE DOWN CLEAN PITS.

RELEASED ENSIGN RIG 12 ON 09/04/2008 AT 1030 HRS.

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

Name (Printed/Typed)

SHEILA UPCHEGO

Title

REGULATORY ANALYST

Signature



Date

September 5, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

(Instructions on reverse)

RECEIVED

SEP 09 2008

DIVISION OF OIL & GAS

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-71417

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BITTER CREEK 1122-4E

9. API Well No.
4304739753

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)
**2519' FNL, 579' FWL
SWNW, SEC.4 T11S-R22E**

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

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/11/08 AT 11:30 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 SENIOR LAND ADMIN SPECIALIST
Signature <i>Sheila Upchego MK</i>	Date October 14, 2008

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.

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 20 2008
DIV. OF OIL, GAS & MINING

Wins No.: 95722

BITTER CREEK 1122-4E

Well Operations Summary Long

Operator KERR MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 08/07/2008	GL 5,595	KB	ROUTE V45
API 4304739753	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Long/Lat.: 39.89126 / -109.46741		Q-Q/Sect/Town/Range: SWNW / 4 / 11S / 22E		Footages: 2,518.99' FNL 579.00' FWL	

Wellbore: BITTER CREEK 1122-4E

MTD 5,609	TVD 5,607	PBMD 8,430	PBTVD
--------------	--------------	---------------	-------

EVENT INFORMATION:	EVENT ACTIVITY: DRILLING	START DATE: 8/7/2008	AFE NO.: 2007646
	OBJECTIVE: DEVELOPMENT	END DATE: 9/4/2008	
	OBJECTIVE 2: VERTICAL WELL	DATE WELL STARTED PROD.: 8/7/2008	
	REASON: DRILL PROD HOLE	Event End Status: COMPLETE	

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PETE MARTIN DRILLING / UI	08/07/2008	08/07/2008	08/07/2008	08/07/2008	08/07/2008	08/07/2008	08/07/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
8/7/2008	7:00 - 15:00	8.00	DRLCON	02		P	MOVE IN AND RIG UP BUCKET RIG SPUD WELL @ 0700 HR 8/7/08 DRILL AND SET 40' OF SCHEDULE 10 PIPE DRILL RODENT HOLES FOR RIG 12 BLM AND STATE NOTFIED OF SPUD
8/11/2008	20:00 - 0:00	4.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 2000 HR 8/11/08 DA AT REPORT TIME 330'
8/12/2008	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1020' DA
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1350' DA
8/13/2008	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1770'
	12:00 - 15:00	3.00	DRLSUR	02		P	RIG T/D @ 1850' CONDITION HOLE 1 HR
	15:00 - 18:00	3.00	DRLSUR	05		P	TRIP DP OUT OF HOLE
	18:00 - 21:00	3.00	DRLSUR	11		P	RUN 1806' OF 9 5/8 CSG AND 200' OF 1" PIPE RIG DOWN AIR RIG
	21:00 - 22:00	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 THRUOUT JOB + - 20 BBL LEAD CMT TO PIT
	22:00 - 22:30	0.50	DRLSUR	15		P	1ST TOP JOB 125 SKS DOWN 1" PIPE GOOD CMT TO SURFACE AND FELL BACK WOC

	22:00 - 22:30	0.50	DRLSUR	15		P	1ST TOP JOB 125 SKS DOWN 1" PIPE GOOD CMT TO SURFACE AND FELL BACK WOC
	22:30 - 23:30	1.00	DRLSUR	15		P	2ND TOP JOB 50 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE
	23:30 - 23:30	0.00	DRLSUR				
8/23/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR						
	16:00 - 0:00	8.00	RDMO	01	E	P	RD ON NBU 1022-10A2T AND PREPARE TO MOVE RIG WITH JONES TRUCKING.
8/24/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR						
	0:00 - 8:00	8.00	RDMO	01	E	P	PREPARE TO MOVE, WAIT ON DAYLIGHT.
	8:00 - 19:00	11.00	RDMO	01	A	P	RODE RIG FROM THE NBU 11022-10A2T WITH 13 JONES TRUCKS AND START RIGGING UP SAME. RELEASED TRUCKS 19:00 HRS.
	19:00 - 0:00	5.00	RDMO	01	B	P	RURT
8/25/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR						
	0:00 - 7:00	7.00	MIRU	01	B	P	RURT, WAIT ON DAYLIGHT TO RAISE DERRICK. REPLACE EQUILIZER VALVE IN PILL TANK, REPLACE 2" PLUMBING ON STAND PIPE AT FLOOR. REPLACE 2 GUN LINE VALVES.
	7:00 - 0:00	17.00	MIRU	01	B	P	RURT, RAISE DERRICK @ 10:00 AM. CONTINUE RURT. CHANGE OUT ROTATING HEAD. PREPARE TO TEST BOP'S.
8/26/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						
	0:00 - 3:00	3.00	PRSPD	13	A	P	RURT, INSTALL ROTATING HEAD.
	3:00 - 6:30	3.50	PRSPD	13	C	P	TEST BLIND RAMS, PIPE RAMS, FLOOR VALVES, CHOKE AND ALL RELATED VALVES TO 250 AND 5000 PSI. TEST HYDRIL TO 250 AND 2500 PSI. TEST CASING TO 1500 PSI FOR 30 MINUTES.
	6:30 - 7:00	0.50	PRSPD	13	B	P	INSTALL THE WEAR BUSHING.
	7:00 - 9:00	2.00	PRSPD	12	F	Z	WAIT ON ROCKY MOUNTAIN CASING EQUIPMENT
	9:00 - 15:00	6.00	PRSPD	05	A	P	SAFETY MEETING / M.I.R.U. PICK UP EQUIPMENT / PICK UP BHA + DRILL PIPE TO TAG @ 1714' / R.D.M.O. PICK UP EQUIPMENT
	15:00 - 17:00	2.00	PRSPD	02	F	P	KELLY UP / FILL STRING / DRILL CEMENT & FLOAT EQUIPMENT
	17:00 - 18:00	1.00	DRLPRO	02	B	P	DRILL F/ 1850' - T/ 1919' (69' @ 69 fph) 26 vis / 8.3 ppg

17:00 - 18:00	1.00	DRLPRO	02	B	P	DRILL F/ 1850' - T/ 1919' (69' @ 69 fph) 26 vis / 8.3 ppg
18:00 - 18:30	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 1850' - 1.74 degrees
18:30 - 0:00	5.50	DRLPRO	02	B	P	DRILL F/ 1919' - T/ 2312' (393' @ 71.45 fph) 28 vis / 8.8 ppg

8/27/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 1:30	1.50	DRLPRO	02	B	P	DRILL F/ 2312' - T/ 2421' (109' @ 72.66 fph) 29 vis / 8.8 ppg
1:30 - 2:00	0.50	DRLPRO	09	A	Z	SURVEY @ 2345' - TOOL FAILED
2:00 - 3:30	1.50	DRLPRO	02	B	P	DRILL F/ 2421' - T/ 2547' (126' @ 84 fph) 30 vis / 9.0 ppg
3:30 - 4:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
4:00 - 4:30	0.50	DRLPRO	02	B	P	DRILL F/ 2547' - T/ 2578' (31' @ 62 fph) 30 vis / 9.0 ppg
4:30 - 5:00	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 2502' - 1.31 deg
5:00 - 13:00	8.00	DRLPRO	02	A	P	DRILL F/ 2578' - T/ 3207' (629' @ 78.62 fph) 31 vis / 9.3 ppg
13:00 - 13:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
13:30 - 19:30	6.00	DRLPRO	02	B	P	DRILL F/ 3207' - T/ 3585' (378' @ 63.0 fph) 30 vis / 9.5 ppg
19:30 - 20:00	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 3477' - 1.39 deg
20:00 - 0:00	4.00	DRLPRO	02	B	P	DRILL F/ 3585' - T/ 3747' (162' @ 40.5 fph) 32 vis / 9.6 ppg

8/28/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 1:00	1.00	DRLPRO	02	B	P	DRILL F/ 3747' - T/ 3805' (58' @ 58 fph) 32 vis / 9.6 ppg
1:00 - 1:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
1:30 - 12:30	11.00	DRLPRO	02	B	P	DRILL F/ 3805' - T/ 4338' (533' @ 48.45 fph) 50 vis / 9.9 ppg
12:30 - 13:00	0.50	DRLPRO	06	A	P	SERVICE RIG AND EQUIPMENT
13:00 - 0:00	11.00	DRLPRO	02	B	P	DRILL F/ 4338' - T/ 4968' (630' @ 57.27 fph) 46 vis / 10.0 ppg

8/29/2008 SUPERVISOR: KENNETH GATHINGS

0:00 - 2:00	2.00	DRLPRO	02	B	P	DRILL F/ 4968' - T/ 5062' (94' @ 47.0 fph) 46 vis / 10.0 ppg
2:00 - 2:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
2:30 - 13:30	11.00	DRLPRO	02	B	P	DRILL F/ 5062' - T/ 5283' (221 @ 20.09 fph) 50 vis / 10.1 ppg
13:30 - 14:00	0.50	DRLPRO	04	C	P	CIRCULATE HOLE FOR BIT TRIP
14:00 - 18:00	4.00	DRLPRO	05	A	P	PUMP PILL / DROP SURVEY / P.O.O.H. FOR BIT #2 / BREAK BIT & CHECK MOTOR
18:00 - 22:00	4.00	DRLPRO	05	A	P	MAKE UP BIT #2 / T.I.H. / BREAK CIRCULATION AT SELECTED INTERVALS
22:00 - 22:30	0.50	DRLPRO	03	D	P	PRECAUTIONARY REAM F/ 5223' - T/ 5283' W/ 15' OF FILL
22:30 - 0:00	1.50	DRLPRO	02	B	P	DRILL F/ 5283' - T/ 5326' (43' @ 28.6 fph) 55 vis / 10.2 ppg

8/30/2008 SUPERVISOR: KENNETH GATHINGS

0:00 - 0:30	0.50	DRLPRO	02	B	P	DRILL F/ 5326' - T/ 5344' (18' @ 36 fph) 55 vis / 10.1 ppg
0:30 - 1:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
1:00 - 12:30	11.50	DRLPRO	02	B	P	DRILL F/ 5344' - T/ 5940' (596' @ 51.82 fph) 50 vis / 10.3 ppg
12:30 - 13:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
13:00 - 0:00	11.00	DRLPRO	02	B	P	DRILL F/ 5940' - T/ 6367' (427' @ 38.81 fph) 61 vis / 10.3 ppg

8/31/2008 SUPERVISOR: KENNETH GATHINGS

0:00 - 2:00	2.00	DRLPRO	02	B	P	DRILL F/ 6367' - T/ 6475' (108' @ 54.0 fph) 55 vis / 10.3 ppg
2:00 - 2:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
2:30 - 15:00	12.50	DRLPRO	02	B	P	DRILL F/ 6475' - T/ 6851' (376' @ 30.08 fph) 45 vis / 10.4 ppg
15:00 - 15:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
15:30 - 0:00	8.50	DRLPRO	02	B	P	DRILL F/ 6851' - T/ 7212' (361' @ 42.47 fph) 48 vis / 10.5 ppg

	15:30 - 0:00	8.50	DRLPRO	02	B	P	DRILL F/ 6851' - T/ 7212' (361' @ 42.47 fph) 48 vis / 10.5 ppg
9/1/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						
	0:00 - 1:30	1.50	DRLPRO	02	B	P	DRILL F/ 7212' - T/ 7292' (80' @ 53.33 fph) 58 vis / 10.5 ppg
	1:30 - 2:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
	2:00 - 16:00	14.00	DRLPRO	02	B	P	DRILL F/ 7292' - T/ 7796' (504' @ 35.0 fph) 46 vis / 10.8 ppg
	16:00 - 16:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
	16:30 - 17:30	1.00	DRLPRO	02	B	P	DRILL F/ 7796' - T/ 7807' (11' @ 11 fph) 46 vis / 10.8 ppg
	17:30 - 23:00	5.50	DRLPRO	05	A	P	PUMP PILL / DROP SURVEY / P.O.O.H. FOR BIT #3 / CHECK MOTOR / BREAK BIT
	23:00 - 23:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
	23:30 - 0:00	0.50	DRLPRO	05	A	P	MAKE UP BIT #3 / T.I.H. BREAKING CIRCULATION AT SELECTED INTERVALS
9/2/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						
	0:00 - 5:00	5.00	DRLPRO	05	A	P	T.I.H. W/ BIT #3 / NO PROBLEMS
	5:00 - 6:00	1.00	DRLPRO	03	D	P	PERCAUTIONARY REAM F/ 7775' - T/ 7807' - 25' OF FILL
	6:00 - 13:30	7.50	DRLPRO	02	B	P	DRILL F/ 7807' - T/ 8079' (272' @ 36.26 fph) 51 vis / 11.0 ppg
	13:30 - 14:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
	14:00 - 0:00	10.00	DRLPRO	02	B	P	DRILL F/ 8079' - T/ 8463' (384' @ 38.4 fph) 49 vis / 11.0 ppg
9/3/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						
	0:00 - 0:30	0.50	DRLPRO	02	B	P	DRILL F/ 8463' - T/ 8480' (TD) (17' @ 34 fph) 47 vis / 11.0 ppg
	0:30 - 1:30	1.00	EVALPR	04	C	P	CIRCULATE & CONDITION HOLE FOR SHORT TRIP / MIX WEIGHT PILL
	1:30 - 3:30	2.00	EVALPR	05	E	P	PUMP PILL / SHORT TRIP 20 STANDS W/ 4' FILL
	3:30 - 5:30	2.00	EVALPR	04	C	P	CIRCULATE & CONDITION HOLE FOR LAY DOWN, LOGS & CASING

5:30 - 12:30	7.00	EVALPR	05	B	P	SAFETY MEETING / L.D.D.P. / BREAK KELLY / L.D.B.H.A.
12:30 - 13:00	0.50	EVALPR	13	B	P	PULL WEAR BUSHING / R.D.M.O. LAY DOWN EQUIPMENT
13:00 - 17:30	4.50	EVALPR	08	A	P	SAFETY MEETING / M.I.R.U. HALLIBURTON / RUN TRIPLE COMBO LOGS F/ 8477' - T/ SURFACE / R.D.M.O. HALLIBURTON
17:30 - 0:00	6.50	EVALPR	11	B	P	SAFETY MEETING / M.I.R.U. WEATHERFORD / RUN 201 JTS 4.5 #11.6 I-80 LT&C CASING / BREAK CIRC AT SELECTED INTERVALS

9/4/2008

SUPERVISOR: KENNETH GATHINGS

0:00 - 0:30	0.50	CSG	11	B	P	INSTALL ROTATING RUBBER & MANDREL (TAG FILL @ 8468')
0:30 - 2:00	1.50	CSG	04	E	P	CLEAN OUT 7' OF FILL / CIRCULATE & CONDITION HOLE FOR CEMENT
2:00 - 3:00	1.00	CSG	15	A	P	SAFETY MEETING / M.I.R.U. HALLIBURTON EQUIPMENT (HALLIBURTON ON LOCATION @ 1230 HOURS)
3:00 - 5:30	2.50	CSG	15	A	P	TEST PUMPS & LINES TO 6000 PSI / CEMENT W/ 10 BBLS H2O + 20 BBLS MUD FLUSH + 10 BBLS H2O + 20 SX SCAVENGER @ 9.0 ppg (PREM LITE II + ADDITIVES) + 335 sx LEAD @ 11.0 ppg (PREM LITE II + ADDITIVES) + 1185 SX TAIL @ 14.3 ppg (50/50 POZ + ADDITIVES) / DISPLACED W/ 129.5 bbis (131 CALCULATED) H2O + ADDITIVES / PLUG DOWN @ 0530 HOURS W/ 18 bbl GOOD CEMENT TO RESERVE PIT / FLOATS HELD W/ 2 BBLS RETURNED TO INVENTORY
3:00	0.00					
5:30	2.50		15	A	P	TEST PUMPS & LINES TO 6000 PSI / CEMENT W/ 10 BBLS H2O + 20 BBLS MUD FLUSH + 10 BBLS H2O + 20 SX SCAVENGER @ 9.0 ppg (PREM LITE II + ADDITIVES) + 335 sx LEAD @ 11.0 ppg (PREM LITE II + ADDITIVES) + 1185 SX TAIL @ 14.3 ppg (50/50 POZ + ADDITIVES) / DISPLACED W/ 129.5 bbis (131 CALCULATED) H2O + ADDITIVES / PLUG DOWN @ 0530 HOURS W/ 18 bbl GOOD CEMENT TO RESERVE PIT / FLOATS HELD W/ 2 BBLS RETURNED TO INVENTORY
3:00	0.00					
5:30	2.50		15	A	P	TEST PUMPS & LINES TO 6000 PSI / CEMENT W/ 10 BBLS H2O + 20 BBLS MUD FLUSH + 10 BBLS H2O + 20 SX SCAVENGER @ 9.0 ppg (PREM LITE II + ADDITIVES) + 335 sx LEAD @ 11.0 ppg (PREM LITE II + ADDITIVES) + 1185 SX TAIL @ 14.3 ppg (50/50 POZ + ADDITIVES) / DISPLACED W/ 129.5 bbis (131 CALCULATED) H2O + ADDITIVES / PLUG DOWN @ 0530 HOURS W/ 18 bbl GOOD CEMENT TO RESERVE PIT / FLOATS HELD W/ 2 BBLS RETURNED TO INVENTORY
3:00	0.00					
5:30 - 6:30	1.00	CSG	13	B	P	SET MANDREL @ 70 K - TEST TO 5000 PSI - TEST GOOD
6:30 - 10:30	4.00	SUSPEN	13	A	P	CLEAN BOP / NIPPLE DOWN / CLEAN PITS & RELATED EQUIPMENT / RIG RELEASED @ 1030 HOURS 09/04/2008

Wins No.: 95722 BITTER CREEK 1122-4E API No.: 4304739753

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 9/22/2008 AFE NO.: 2007646
 OBJECTIVE: CONSTRUCTION END DATE: 9/22/2008
 OBJECTIVE 2: ORIGINAL DATE WELL STARTED PROD.: 8/7/2008
 REASON: SURFACE FAC Event End Status: COMPLETE

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

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
9/22/2008	SUPERVISOR: Hal Blanchard						

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 10/2/2008 AFE NO.: 2007646
 OBJECTIVE: DEVELOPMENT END DATE: 10/8/2008
 OBJECTIVE 2: ORIGINAL DATE WELL STARTED PROD.: 8/7/2008
 REASON: MV Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location
 MILES-GRAY 1 / 1 10/02/2008 10/09/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
10/2/2008	<u>SUPERVISOR:</u> JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 17:00	9.50	COMP	31		P	RIG UP TALLY & PICK UP 269 JTS 2,3/8 POOH NIPPLE DOWN BOP NIPPLE UP FRAC VALVES SDFN
10/3/2008	<u>SUPERVISOR:</u> JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 17:00	9.50	COMP	37		P	TEST CSG TO 7500# GOOD TEST MIRU CUTTERS RIH W/ 3,3/8 GUNS 23 GM .36 HOLES PERF @ 8222'-27' 3 SPF 8260'-70' 3 SPF NO BLOW RIG DOWN CUTTERS SDFWE
10/4/2008	<u>SUPERVISOR:</u> JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 15:00	7.50	COMP	31		P	ROLL FRAC WATER NO H2S
10/6/2008	<u>SUPERVISOR:</u> JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING
	7:30 - 18:00	10.50	COMP	36		P	MIRU WEATHERFORD & CUTTERS FRAC STAGE #1 BRK PERF @ 4150# INJ RT 51 BPM INJ PSI 4283# ISIP 2380# FG .73 FRAC W/ 60047# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1826 BBL SLICKWATER MP 7038# MR 52.2 BP AP 4224# AR 51.4 BPM ISIP 2734# FG .77 NPI 354# PUMPED 125 BBL SWEEP AT END OF 1.5 RAM STAGE #2 RIH SET 8K CBP @ 8072' PERF @ 7886'-88' 3 SPF 7944'-47' 3 SPF 8016'-20' 3 SPF 8038'-42' 3 SPF BRK @ 4213# INJ RT 52 BPM INJ PSI 4698# ISIP 2923# FG '81 FRAC W/ 53972# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1475# SLICKWATER MP 5904# MR 53.3 BPM AP 4501# AR 52.6 BPM ISIP 2900# FG .81 NPI -23 STAGE #3 RIH SET 8K CBP @ 7815' PERF @ 7780'-85' 3 SPF IFIT TEST BRK PERF @ 4547# @ 4.8 BPM ISIP 2427# FG .76 5 MIN 2312# 10 MIN 2290# 15 MIN 2284# PERF @ 7720'-30' 3 SPF FRAC W/ 136974# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 3723 BBL SLICKWATER MP 4902# MR 53.2 BPM AP 4101# AR 50.6 BPM ISIP 2493# FG .76 NPI 66# PUMP 125 BBL SWEEP AT END OF 1# RAMP PUMPED 250 BBL SWEEP AT END OF 1.5# RAMP STAGE #4 RIH SET 8K CBP @ 7608' PERF @ 7512'-18' 4 SPF 7574'-78' 4 SPF BRK @ 4742# inj rt 55 BPM INJ PSI 5480# ISIP 2582# FG .78 FRAC W/ 49062# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1372 BBL SLICKWATER MP 5914# MR 54.2 BPM AP 4689# AR 52.1 BPM ISIP 2625# FG .79 NPI 33# STAGE #5 RIH SET 8K CBP @ 7477' PERF @ 7373'-76' 4 SPF 7440'-47' 4 SPF BRK PERF @ 3717# INJ RT 51 BPM INJ PSI 4305# ISIP 2308# FG .75 FRAC W/58780# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1373 BBL SLICKWATER MP 4926# MR 51.2 BPM AP 4080# AR 50.8 BPM ISIP 2690# FG .81NPI 382# SDFN
10/7/2008	<u>SUPERVISOR:</u> JD FOREMAN						
	7:00 - 7:30	0.50	COMP	48		P	SAFETY MEETING

7:30 - 18:00 10.50 COMP 36 P

STAGE #6 RIH SET 8K CBP @ 7160' PERF @ 7100-04' 3 SPF IFIT TEST BRK PERF @ 3058# @ 6.3 BPM ISIP 1432# FG .64 5 MIN 1236# 10 MIN 1211# 15 MIN 1177# PERF @ 7123'-30' 3 SPF 7027'-30' 3 SPF FRAC W/ 78566# 30/50 SAND + 5000# RESIN COATED SAND + 2170 BBL SLICKWATER MP 3881# MR 53.6 BPM AP 3659# AR 52.2 BPM ISIP 2489# FG .79 NPI 1053# PUMPED 125 BBL SWEEP AT END OF 1.5 RAMP

STAGE #7 RIH SET 8K CBP @ 6988' PERF @ 6904'-08' 4 SPF 6952'-58' 4 SPF BRK PERF @ 4369# INJ RT 41.5 INJ PSI 4028# ISIP 1718# FG .69 FRAC W/ 67236# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1833 BBL SLICKWATER MP 4916# MR 47.1 BPM AP 3686# AR 42.7 BPM ISIP 2662# FG .83 NPI 944#

STAGE #8 RIH SET 8K CBP @ 5574' PERF @ 5360'-62' 4 SPF 5536'-44' 4 SPF BRK PERF @ 2089# INJ RT 51 BPM INJ PSI 3068# ISIP 1718# FG .76 FRAC W/ 83769# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1780 BBL SLICKWATER MP 3168# MR 51.3 BPM AP 3042# AR 50.9 BPM ISIP 2113# FG .83 NPI 396# RIH SET 8K CBP @ 5310' RIG DOWN WEATHERFORD & CUTTERS NIPPLE DOWN FRAC VALVE'S NIPPLE UP BOP TEST BOP TO 2500# GOOD TEST MAKE UP POBS W/MILL RIH TAG @ 5310' RIG UP DRILG EQUIP SDFN

10/8/2008 SUPERVISOR: JD FOREMAN

7:00 - 7:30 0.50 COMP 48 P SAFETY MEETING
 7:30 - 18:00 10.50 COMP 31 P

BRK CIRC DRILL CBP @ 5310' 100# KICK RIH TAG @ 5544' 30' SAND ON CBP DRILL OUT SAND & CBP @ 5574' 400# KICK RIH TAG @ 6968' 30' SAND ON CBP DRILL OUT SAND & CBP @ 6998' 400# KICK RIH TAG @ 7130' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7160' 400# KICK RIH TAG @ 7449' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7477' 200# KICK RIH TAG @ 7578' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7608' 200# KICK RIH TAG @ 7785' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7815' 300# KICK RIH TAG @ 8042' 30' SAND ON CBP DRILL OUT SAND & CBP @ 8072' 600# KICK CLEAN OUT TO 8430' PULL & LAY DOWN 32 JTS 2,3/8 TBG LAND ON WELL HEAD W/ 250 JTS 2,3/8 J-55 TBG EOT 7842.32' NIPPLE DOWN BOP NIPPLE UP TREE PUMP OFF BIT TRUN WELL TO FLOW BACK CREW SDFN

TBG DETAIL
 KB 14.00
 HANGER .83
 250 JTS 2,3/8 J-55 TBG 7825.29
 XN-NIPPLE 2.20
 EOT 7842.32
 RETURN TO YARD 32 JTS 1001'

10/9/2008 SUPERVISOR: JD FOREMAN

7:00 - 33 A

7 AM FLBK REPORT: CP 1000#, TP 925#, 18/64" CK, 50 BWPH, TRACE SAND, - GAS
 TTL BBLs RECOVERED: 2800
 BBLs LEFT TO RECOVER: 12752

10/10/2008 SUPERVISOR: TUCKER CALDWELL

7:00 - 33 A

7 AM FLBK REPORT: CP 900#, TP 950#, 18/64" CK, 40 BWPH, TRACE SAND, - GAS
 TTL BBLs RECOVERED: 3875
 BBLs LEFT TO RECOVER: 11677

10/11/2008 SUPERVISOR: TUCKER CALDWELL

7:00 - 33 A

7 AM FLBK REPORT: CP 850#, TP 1100#, 18/64" CK, 35 BWPH, TRACE SAND, - GAS
 TTL BBLs RECOVERED: 4789
 BBLs LEFT TO RECOVER: 10763

11:00 - PROD

WELL TURNED TO SALES @ 1130 HR ON 10/11/2008 - FTP 1250#, CP 1050#, CK 22/64", 900 MCFD, 1200 BWPD

10/12/2008 SUPERVISOR: TUCKER CALDWELL

7:00 - 33 A

7 AM FLBK REPORT: CP 1200#, TP 1150#, 22/64" CK, 40 BWPH, TRACE SAND, 0.912 GAS
 TTL BBLs RECOVERED: 5909
 BBLs LEFT TO RECOVER: 9643

10/13/2008 SUPERVISOR: TUCKER CALDWELL

Wins No.: 95722 BITTER CREEK 1122-4E API No.: 4304739753

7:00 -

33 A

7 AM FLBK REPORT: CP 1900#, TP 1200#, 22/64" CK, 35 BWPH,
CLEAN SAND, 1.2 GAS
TTL BBLs RECOVERED: 6824
BBLs LEFT TO RECOVER: 8728

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-71417

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
BITTER CREEK 1122-4E

9. AFI Well No.
4304739753

10. Field and Pool or Exploratory
UNDESIGNATED

11. Sec., T., R., M., on Block and Survey or Area SEC. 4, T11S, R22E

12. County or Parish
UINTAH, COUNTY

13. State
UT

14. Date Spudded
08/07/2008

15. Date T.D. Reached
09/03/2008

16. Date Completed 10/11/2008
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
5596'GL

18. Total Depth: MD 8480/OP TVD
19. Plug Back T.D.: MD 8430/OP TVD

20. Depth Bridge Plug Set: MD TVD

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

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

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14" STEEL	36.7#		40'		28 SX			
12 1/4"	9 5/8 J-55	36#		1850'		525 SX			
7 7/8"	4 1/2" I-80	11.6#		8480'		1520 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	7842'				

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5360'	5544'	5360'-5544'	0.36	40	OPEN
B) MESAVERDE	6904'	8270'	6904'-8270'	0.36	217	OPEN
C)						
D)						

26. Perforation Record

Depth Interval	Amount and Type of Material
5360'-5544'	PMP 1780 BBLs SLICK H2O & 88,769# 30/50 SD
6904'-8270'	PMP 13,772 BBLs SLICK H2O & 530,637# 30/50 SD

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

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/11/08	10/23/08	24	→	0	1773	360			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
22/64	448#	1259#	→	0	1773	360		PRODUCING GAS WELL	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/11/08	10/23/08	24	→	0	1773	360			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
22/64	448#	1259#	→	0	1773	360		PRODUCING GAS WELL	

RECEIVED
DEC 08 2008

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

28b. Production - Interval C

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

28c. Production - Interval D

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

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

SOLD

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GREEN RIVER	943'				
MAHOGANY	1635'				
WASATCH	3964'	6214'			
MESAVERDE	6341'	8333'			

32. Additional remarks (include plugging procedure):

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

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

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

Name (please print) SHEILA UPCHEGO Title REGULATORY ANALYST
 Signature  Date 11/24/2008

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-71417	
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		8. WELL NAME and NUMBER: BITTER CREEK 1122-4E	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. API NUMBER: 43047397530000	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2519 FNL 0579 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 04 Township: 11.0S Range: 22.0E Meridian: S		9. FIELD and POOL or WILDCAT: BITTER CREEK	
		COUNTY: UINTAH	
		STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/10/2016 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
The BITTER CREEK 1122-4E well was returned to production on 10/10/2016.			
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 30, 2016			
NAME (PLEASE PRINT) Candice Barber		PHONE NUMBER 435 781-9749	
SIGNATURE N/A		TITLE HSE Representative	
		DATE 12/20/2016	