

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | |
|--|---|
| 5. Lease Serial No. UTU-80940 | |
| 6. If Indian, Allottee or Tribe Name N/A | |
| 7. If Unit or CA Agreement, Name and No. N/A | |
| 8. Lease Name and Well No. Hatch 923-24E | |
| 9. API Well No. 43-047-40123 | |
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | |
| 1b. Type of Well: <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zones | |
| 2. Name of Operator Kerr-McGee Oil & Gas Onshore, LP | |
| 3a. Address P.O. Box 173779 Denver, CO 80217-3779 | 3b. Phone No. (include area code) 720.929.6226 |
| 10. Field and Pool, or Exploratory Natural Buttes Field | |
| 4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 2128 1003 SW NW Lat. 40.022908 Long. -109.280483 FNL FWL 646739X 40.022909 -109.280452 At proposed prod. zone N/A 44315064 NAD 27 | |
| 11. Sec., T., R., M., or Blk. and Survey or Area Sec 24 T 9S R 23E | |
| 14. Distance in miles and direction from the nearest town or post office* 28.4 miles southeast of Ouray, Utah | |
| 12. Cou State Utah | |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 1003' | 16. No. of acres in lease 1280 |
| 17. Spacing Unit dedicated to this well 40 | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000' | 19. Proposed Depth 8300' |
| 20. BLM/ BIA Bond No. on file WYW000291 | |
| 21. Elevations (Show whether DF, RT, GR, etc.) 5166 GR | 22. Aproximate date work will start* ASAP |
| | Esti mat 10 days |

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Land SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by existing bond on file (see item 20 above).
- Operator certification.
- Such other site specific information and/ or plans as may be required by authorized officer.

| | |
|-----------------------------|--|
| 25. Signature | Name (Printed/ Typed) Kevin McIntyre |
| Title Regulatory Analyst | |
| Approved By (Signature) | Name (Printed/ Typed) BRADLEY G. HILL |
| Title | Office ENVIRONMENTAL MANAGER |

06-16-08

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 who knowingly and willfully make to any department or agency of the States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

Federal Approval of this
Action is Necessary

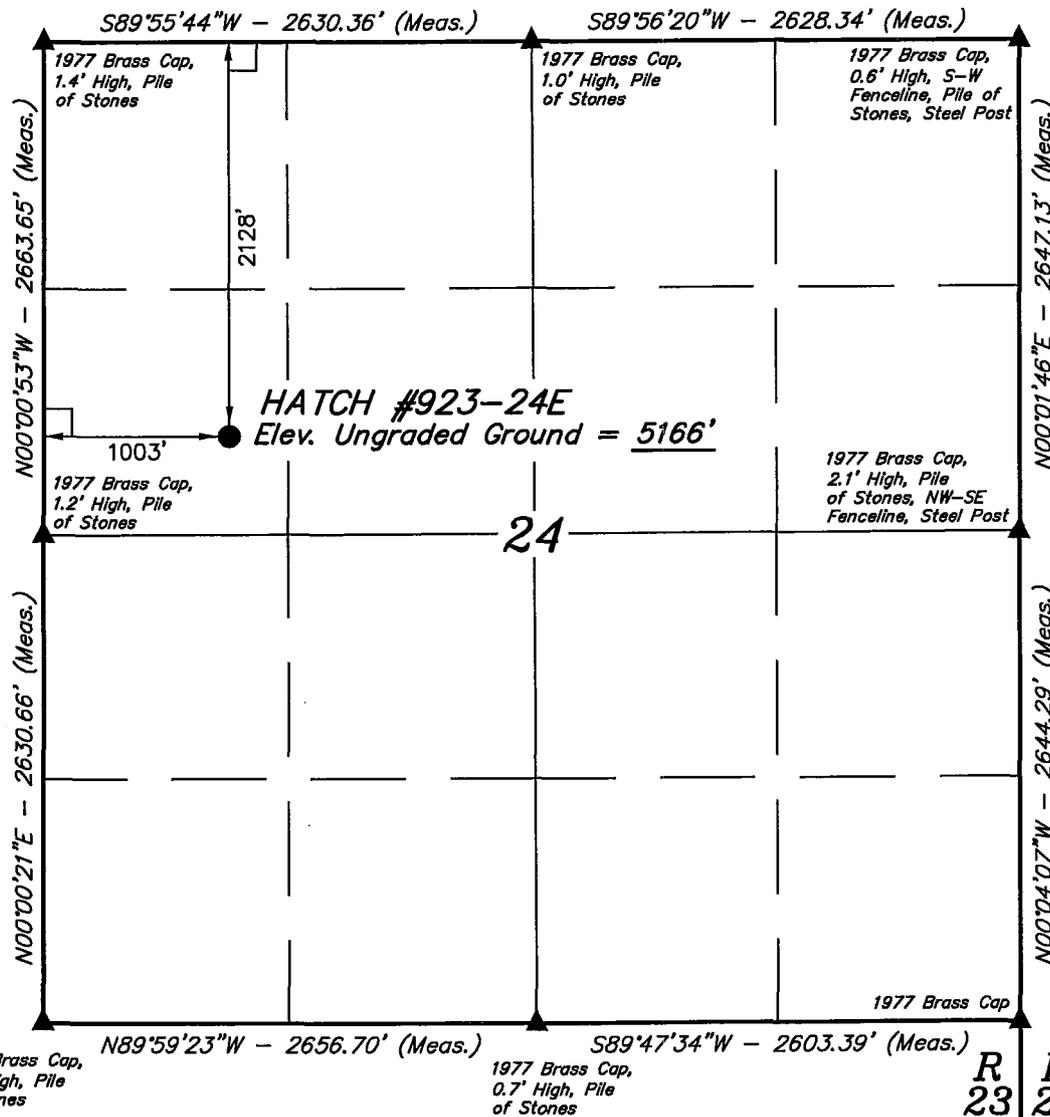
JUN 09 2008

*(Instructions on page 2)

DIV. OF OIL, GAS & MINING

RECEIVED

T9S, R23E, S.L.B.&M.



Kerr-McGee Oil & Gas Onshore LP

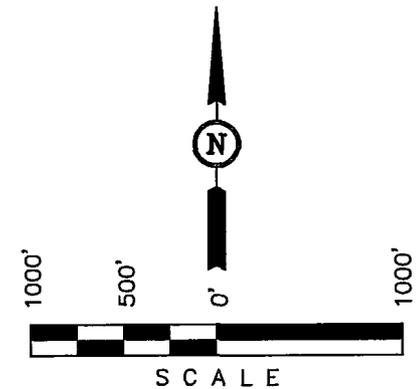
Well location, HATCH #923-24E, located as shown in the SW 1/4 NW 1/4 of Section 24, T9S, R23E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

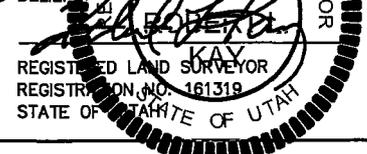
BASIS OF BEARINGS

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



CERTIFICATE

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



REVISED 04-29-08 S.L.

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

LEGEND:

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

(NAD 83)
 LATITUDE = 40°01'22.35" (40.022875)
 LONGITUDE = 109°16'52.18" (109.281161)
 (NAD 27)
 LATITUDE = 40°01'22.47" (40.022908)
 LONGITUDE = 109°16'49.74" (109.280483)

R
23
E

R
24
E

| | | |
|-------------------------------|---|---------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 11-06-07 | DATE DRAWN: 11-27-07 |
| PARTY D.A. A.F. C.H. | | REFERENCES G.L.O. PLAT |
| WEATHER COOL | FILE Kerr-McGee Oil & Gas Onshore LP | |

Hatch 923-24E
SWNW Sec. 24,T9S,R23E
UINTAH COUNTY, UTAH
UTU-80940

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the Hatch 923-24E on 4/22/2008, for the subject well.

1. Existing Roads:

Refer to the attached location directions.

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

2. Planned Access Roads:

Approximately 0.4 miles of new access road is proposed. Refer to Topo Map B.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Approximately 2157' of 4" steel pipeline will be installed to Hatch 923-24M. Refer to Topo Map D for the location of the proposed pipelines.

Variances to Best Management Practices (BMPs) Requested:

Approximately 2157' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

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

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 Brown (2.5Y 6/2), a non-reflective earthtone.

Interim Surface Reclamation Plan:

This exception is requested due to the current twin and multi-well program. If determined that this well will not be a candidate for either twinning &/or multi-well the operator shall spread the topsoil 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.

5. Location and Type of Water Supply:

Please see the Natural Buttes SOP.

6. Source of Construction Materials:

Please see the Natural Buttes SOP.

7. Methods of Handling Waste Materials:

Please see the Natural Buttes SOP.

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 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, Pipeline Facility Sec. 36, T9S, R20E, Goat Pasture Evaporation Pond SW/4 Sec. 16, T10S, R22E, Bonanza Evaporation Pond Sec. 2, T10S, R23E (*Request is in lieu of filing Form 3160-5, after initial production*).

8. Ancillary Facilities:

Please see the Natural Buttes SOP.

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.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

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

Please see the Natural Buttes SOP.

upon reclamation of the pit the following seed mixture will be used. 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* seed are:

Crested Wheat Grass 12 lbs.

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

11. **Surface Ownership:**

The well pad, access road, pipeline and mineral ownership are listed below:

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

12. **Stipulations:**

Wildlife Stipulations:

Antelope Stipulations:

No construction from May 15 through June 20.

Critical Soils Stipulations:

No construction when wet.

13. **Other Information:**

A Class III archaeological survey and a paleontological survey have been performed and are attached.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operator's Representative & Certification:

Kevin McIntyre
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779
720.929.6226

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7018

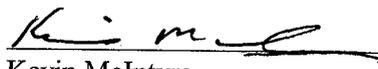
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

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.

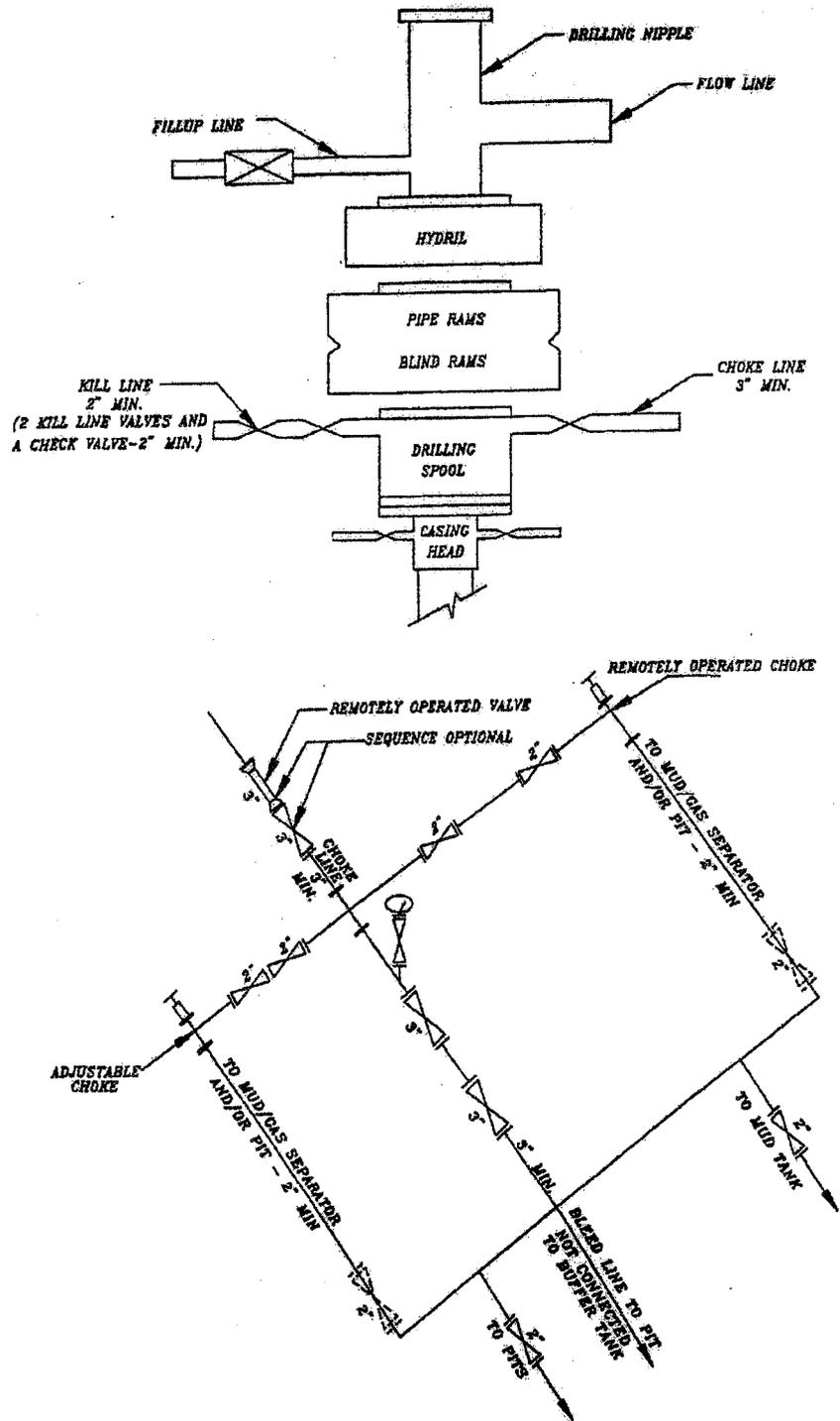
Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, 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.


Kevin McIntyre

6/6/2008
Date

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**Hatch 923-24E
SWNW Sec. 24, T9S, R23E
UINTAH COUNTY, UTAH
UTU-80940**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta | 0- Surface |
| Green River | 1491' |
| Bird's Nest | 1694' |
| Mahogany | 2063' |
| Wasatch | 4358' |
| Mesaverde | 6188' |
| MVU2 | 7014' |
| MVL1 | 7472' |
| TD | 8300' |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| | Green River | 1491' |
| | Bird's Nest | 1694' |
| | Mahogany | 2063' |
| Gas | Wasatch | 4358' |
| Gas | Mesaverde | 6188' |
| Gas | MVU2 | 7014' |
| Gas | MVL1 | 7472' |
| Water | N/A | |
| Other Minerals | N/A | |

3. Pressure Control Equipment (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8300' TD, approximately equals 5146 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3320 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

Please see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE June 6, 2008
 WELL NAME Hatch 923-24E TD 8,300' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,166' GL KB 5,181'
 SURFACE LOCATION SWNW 2128' FNL & 1003' FWL Sec. 24, T 9S R 23E BHL Straight Hole
 Latitude: 40.022908 Longitude: -109.280483 NAD 27
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.

| GEOLOGICAL FORMATION | | | MECHANICAL | | |
|--|-----------|--------|------------|--|---------------------------------------|
| LOGS | TOPS | DEPTH | HOLE SIZE | CASING SIZE | MUD WEIGHT |
| | | 40' | | 14" | |
| | | | 12-1/4" | 9-5/8", 36#, J-55, LTC | Air mist |
| Catch water sample, if possible, from 0 to 4,358' Green River @ 1,491' Top of Birds Nest Water @ 1,694' Mahogany @ 2,063' Preset f/ GL @ 2,200' MD | | | | | |
| Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone. | | | | | |
| Mud logging program TBD Open hole logging program f/ TD - surf csg | | | 7-7/8" | 4-1/2", 11.6#, I-80 or equivalent LTC casing | Water/Fresh Water Mud 8.3-11.5 ppg |
| | Wasatch @ | 4,358' | | | |
| | Mverde @ | 6,188' | | | |
| | MVU2 @ | 7,014' | | | |
| | MVL1 @ | 7,472' | | | |
| | TD @ | 8,300' | | | Max anticipated Mud required 11.3 ppg |



CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|------------|--------|-------------|-------|------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | | | |
| SURFACE | 9-5/8" | 0 to 2,200' | 36.00 | J-55 | LTC | 3520 | 2020 | 453000 |
| | | | | | | 1.15 | 1.96 | 6.53 |
| PRODUCTION | 4-1/2" | 0 to 8300 | 11.60 | I-80 | LTC | 7780 | 6350 | 201000 |
| | | | | | | 2.55 | 1.30 | 2.39 |

- 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 = 11.3 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 3320 psi

CEMENT PROGRAM

| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | YIELD |
|---------------------|---|-------------|--|---------|--------|--------|-------|
| SURFACE Option 1 | LEAD | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 215 | 60% | 15.60 | 1.18 |
| | TOP OUT CMT (1) | 250 | 20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele | 100 | | 15.60 | 1.18 |
| | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| SURFACE Option 2 | NOTE: If well will circulate water to surface, option 2 will be utilized | | | | | | |
| | LEAD | 2000 | Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC | 230 | 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 | 3,850' | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 420 | 60% | 11.00 | 3.38 |
| | TAIL | 4,450' | 50/50 Poz/G + 10% salt + 2% gel + .1% R-3 | 1250 | 60% | 14.30 | 1.31 |

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

DRILLING ENGINEER: _____
Brad Laney

DRILLING SUPERINTENDENT: _____
Randy Bayne Hatch 923-24E.xls

DATE: _____
DATE: _____

Kerr-McGee Oil & Gas Onshore LP
HATCH #923-24E
SECTION 24, T9S, R23E, 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 DIRECTION APPROXIMATELY 0.3 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 DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 4.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #923-24M TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 60' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 59.4 MILES.

Kerr-McGee Oil & Gas Onshore LP

HATCH #923-24E

LOCATED IN UINTAH COUNTY, UTAH
SECTION 24, T9S, R23E, S.L.B.&M.

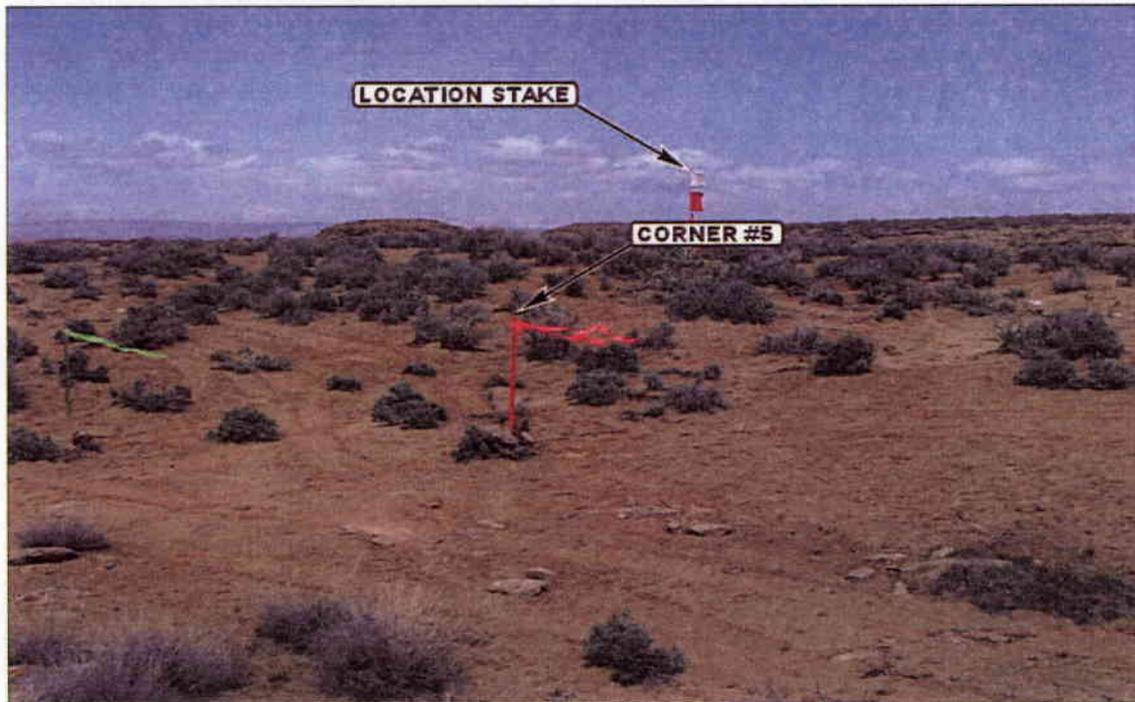


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS

11 07 07
MONTH DAY YEAR

PHOTO

TAKEN BY: A.F.

DRAWN BY: C.C.

REV: 5-1-08 G.L.

Kerr-McGee Oil & Gas Onshore LP

HATCH #923-24E

PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH

SECTION 24, T9S, R23E, S.L.B.&M.



PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHEASTERLY



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

PIPELINE PHOTOS

11 07 07
MONTH DAY YEAR

PHOTO

TAKEN BY: A.F.

DRAWN BY: C.C.

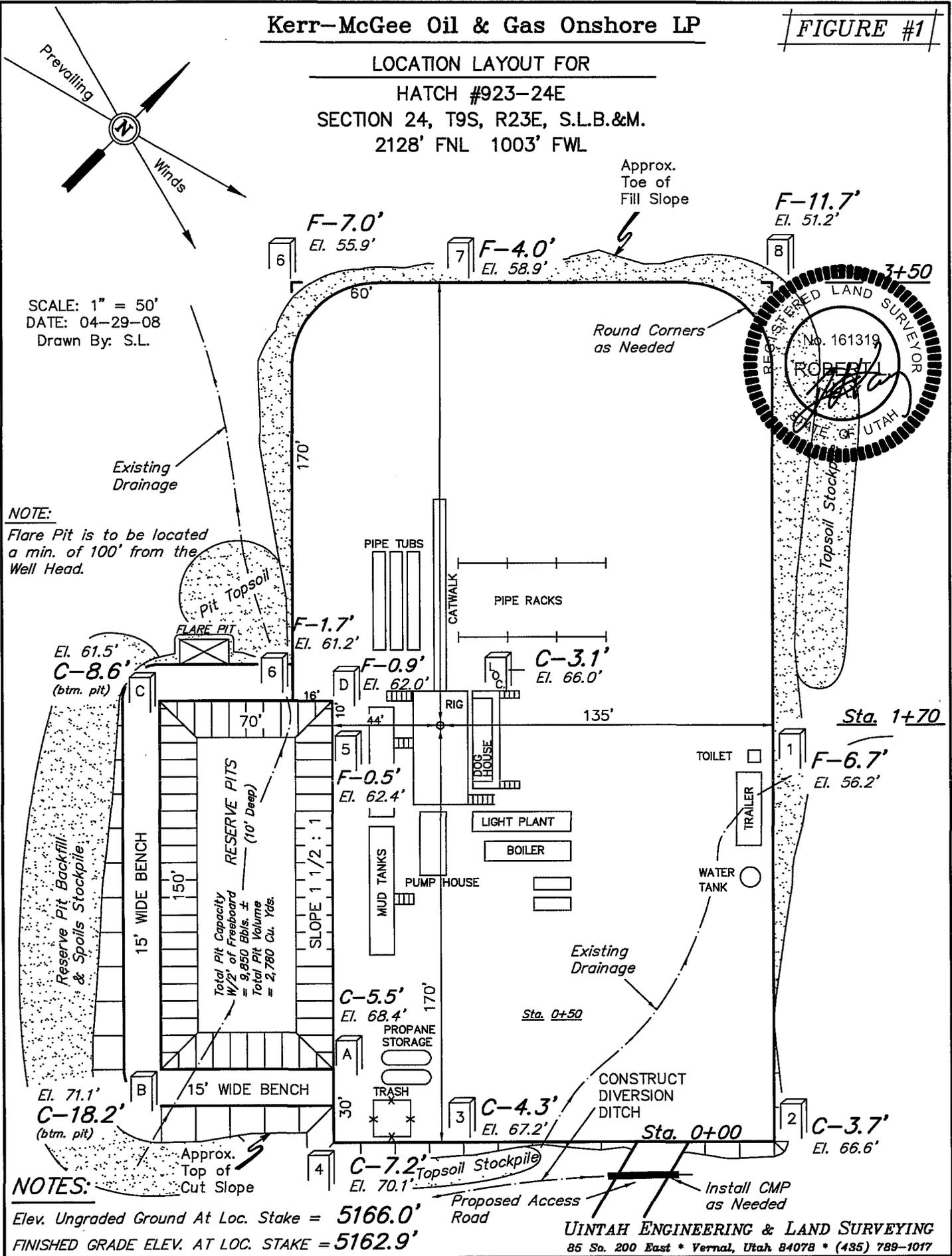
REV: 5-1-08 GL.

- Since 1964 -

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR
HATCH #923-24E
SECTION 24, T9S, R23E, S.L.B.&M.
2128' FNL 1003' FWL



SCALE: 1" = 50'
DATE: 04-29-08
Drawn By: S.L.

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

NOTES:
Elev. Ungraded Ground At Loc. Stake = 5166.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 5162.9'

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

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

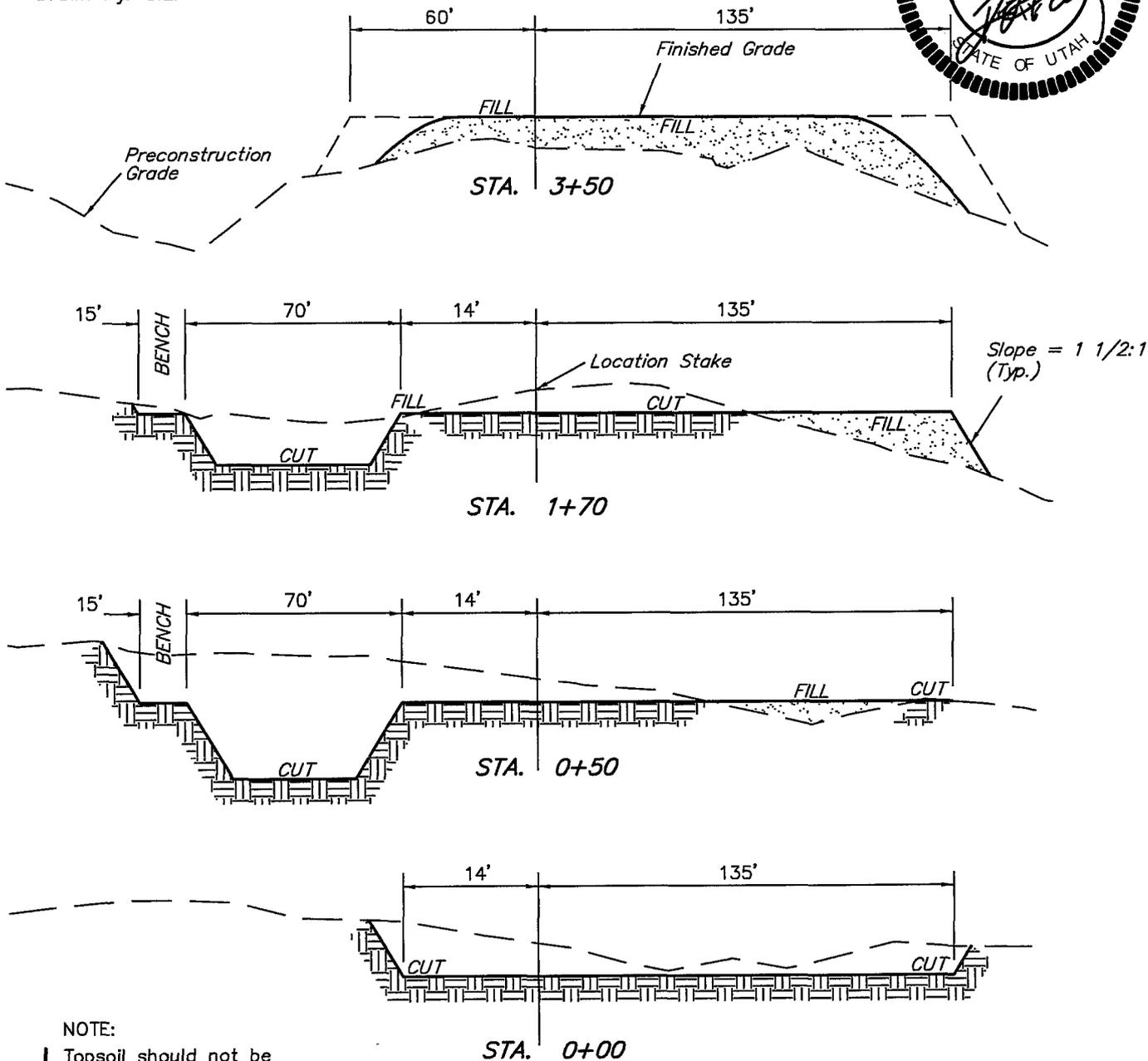
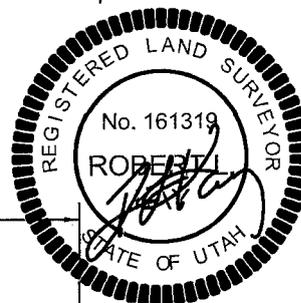
TYPICAL CROSS SECTIONS FOR

HATCH #923-24E

SECTION 24, T9S, R23E, S.L.B.&M.

2128' FNL 1003' FWL

1" = 20'
X-Section Scale
1" = 50'
DATE: 04-29-08
Drawn By: S.L.



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

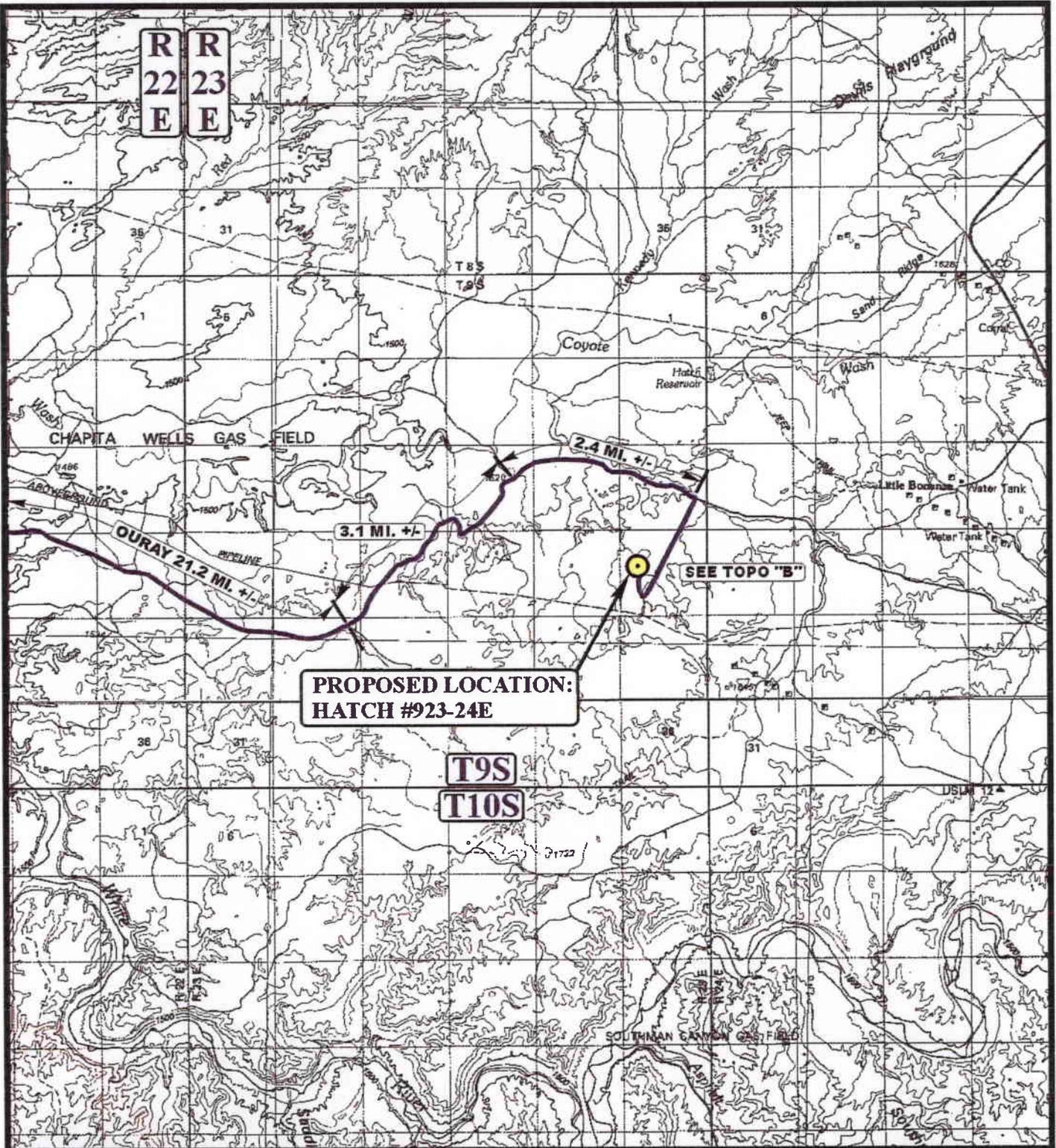
* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,740 Cu. Yds. |
| Remaining Location | = 6,700 Cu. Yds. |
| TOTAL CUT | = 8,440 CU.YDS. |
| FILL | = 5,310 CU.YDS. |

| | |
|---|------------------|
| EXCESS MATERIAL | = 3,130 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,130 Cu. Yds. |
| EXCESS UNBALANCE (After Interim Rehabilitation) | = 0 Cu. Yds. |

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



LEGEND:

● PROPOSED LOCATION

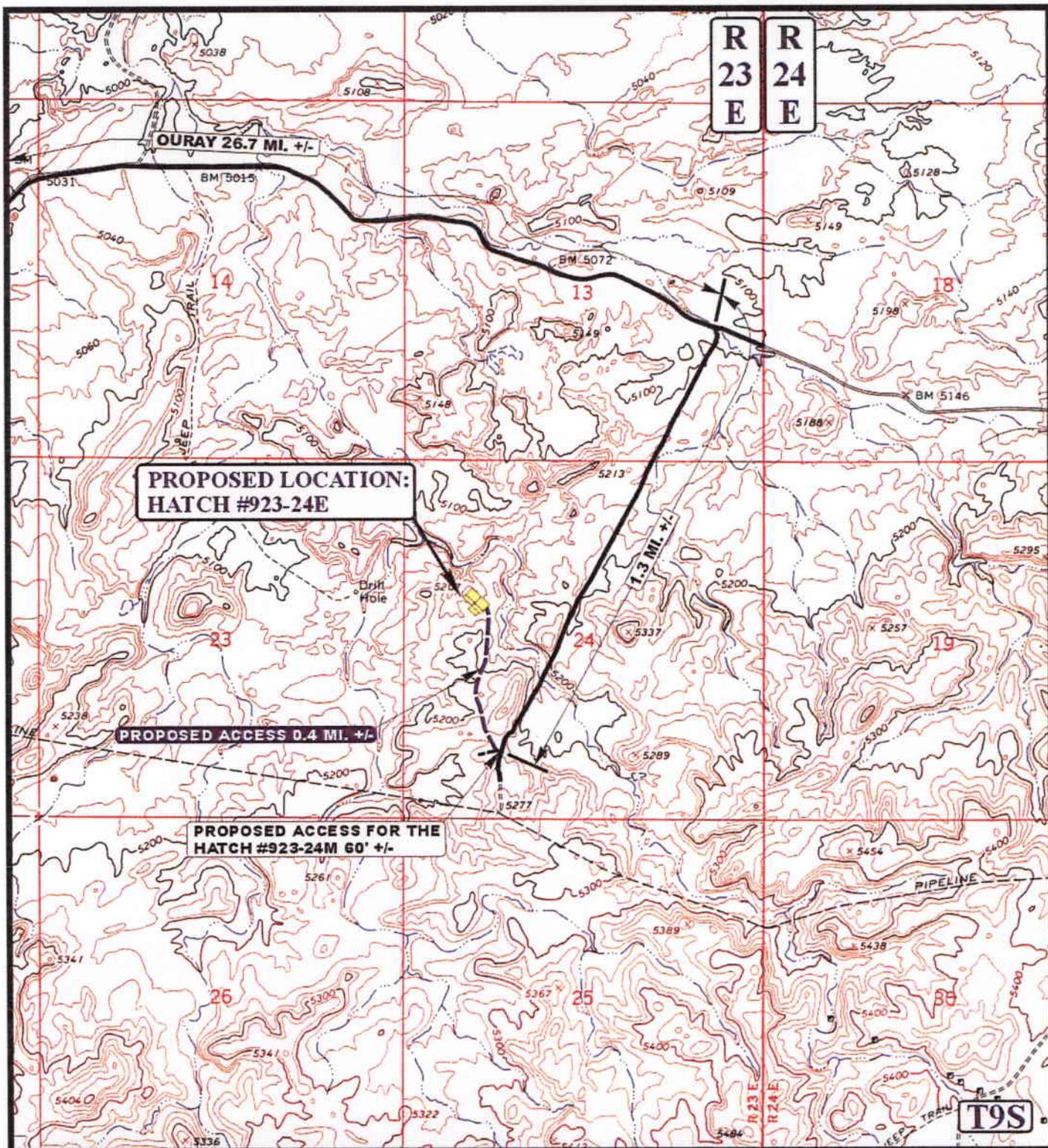


Kerr-McGee Oil & Gas Onshore LP

HATCH #923-24E
SECTION 24, T9S, R23E, S.L.B.&M.
2128' FNL 1003' FWL

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

TOPOGRAPHIC **11 07 07**
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: C.C. REV: 5-1-08 GL. **A**
 TOPO



LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

HATCH #923-24E
SECTION 24, T9S, R23E, S.L.B.&M.
2128' FNL 1003' FWL

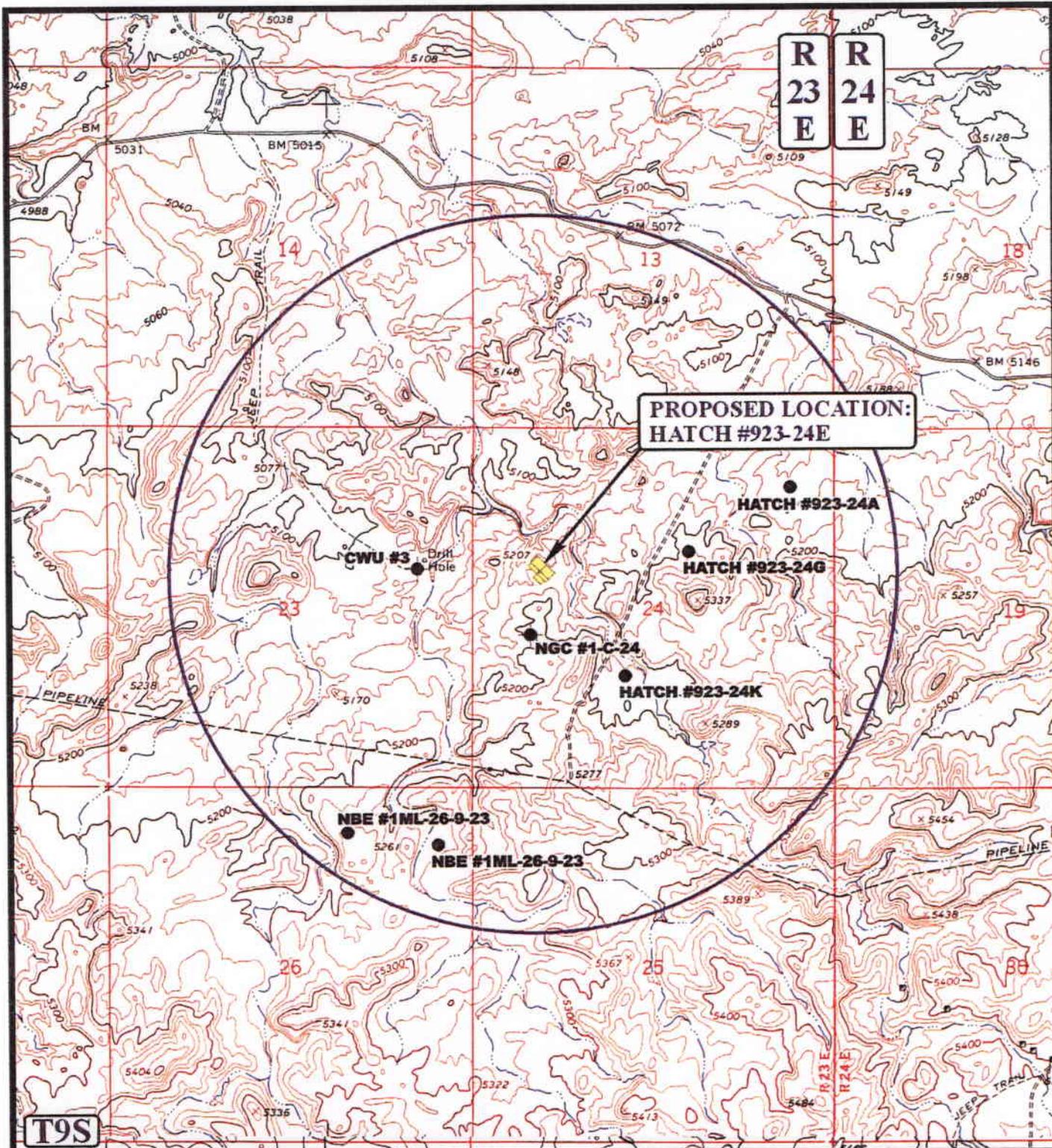


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 11 07 07
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.C. REV: 5-1-08 GL.

B
TOPO



R
23
E

R
24
E

**PROPOSED LOCATION:
HATCH #923-24E**

HATCH #923-24A

HATCH #923-24G

NGC #1-C-24

HATCH #923-24K

NBE #1ML-26-9-23

NBE #1ML-26-9-23

CWU #3

Drill Hole

T9S

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

HATCH #923-24E
SECTION 24, T9S, R23E, S.L.B.&M.
2128' FNL 1003' FWL



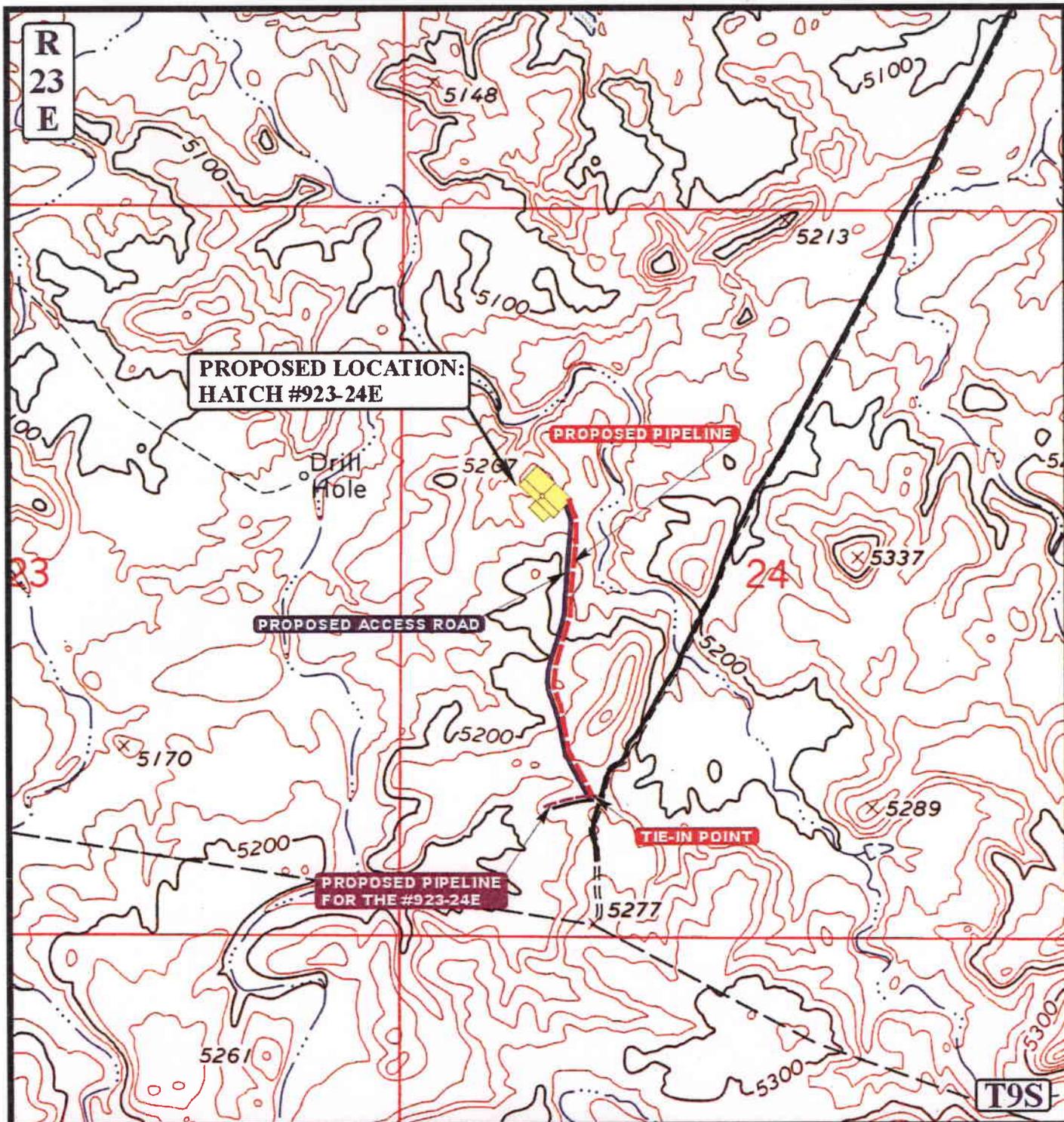
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

11 07 07
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.C. REV: 5-1-08 G.L.





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,157' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



Kerr-McGee Oil & Gas Onshore LP

**HATCH #923-24E
SECTION 24, T9S, R23E, S.L.B.&M.
2128' FNL 1003' FWL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1913

TOPOGRAPHIC MAP

11 07 07
MONTH DAY YEAR

D
TOPO

SCALE: 1" = 1000' DRAWN BY: C.C. REV: 5-1-08 G.L.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/09/2008

| |
|--------------------------------|
| API NO. ASSIGNED: 43-047-40123 |
|--------------------------------|

WELL NAME: HATCH 923-24E
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: KEVIN MCINTYRE

PHONE NUMBER: 720-929-6226

PROPOSED LOCATION:

SWNW 24 090S 230E
 SURFACE: 2128 FNL 1003 FWL
 BOTTOM: 2128 FNL 1003 FWL
 COUNTY: UINTAH
 LATITUDE: 40.02291 LONGITUDE: -109.2805
 UTM SURF EASTINGS: 646739 NORTHINGS: 4431506
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-80940
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYW000291)
- 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:

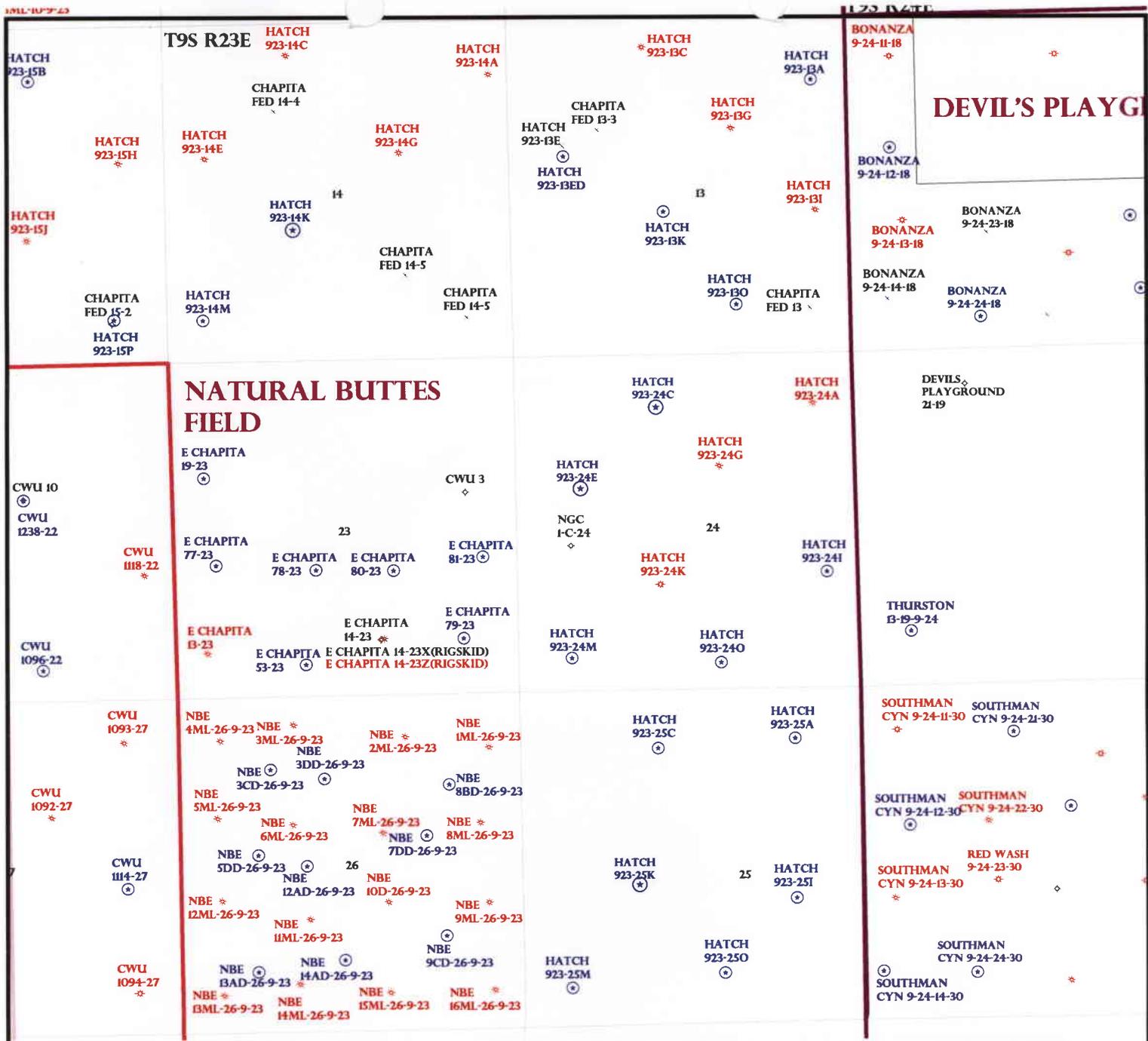
- R649-2-3.
- Unit: _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 179-15 (10dcr)
Eff Date: 6-12-2008
Siting: 460' fr ext bdr base within Hatch lands.
- R649-3-11. Directional Drill

COMMENTS:

Sup. Separate file

STIPULATIONS:

1- Federal Approval



OPERATOR: KERR MCGEE O&G (N2995)
 SEC: 24,25 T.9S R. 23E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH
Case: 179-15 / 6.12-2008



**UTAH
DNR**
OIL, GAS & MINING

Wells Status

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



PREPARED BY: DIANA MASON
 DATE: 10-JUNE-2008

| | |
|---|---|
| <p>Field Status</p> <ul style="list-style-type: none"> ⊖ ABANDONED ⊖ ACTIVE ⊖ COMBINED ⊖ INACTIVE ⊖ PROPOSED ⊖ STORAGE ⊖ TERMINATED | <p>Unit Status</p> <ul style="list-style-type: none"> ⊖ EXPLORATORY ⊖ GAS STORAGE ⊖ NF PP OIL ⊖ NF SECONDARY ⊖ PENDING ⊖ PI OIL ⊖ PP GAS ⊖ PP GEOTHERML ⊖ PP OIL ⊖ SECONDARY ⊖ TERMINATED |
|---|---|



Kerr-McGee Oil & Gas Onshore LP
1099 18 STREET, SUITE 1200
DENVER, CO 80202

June 11, 2008

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

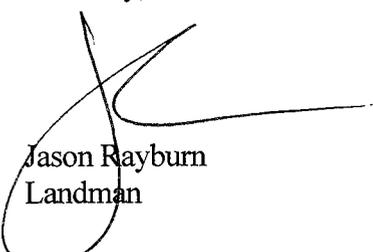
RE: Hatch 923-24E
T9S-23E
Section 24: SWNW
2128' FNL, 1003' FWL
Uintah County, Utah

Dear Mrs. Mason:

Kerr-McGee Oil & Gas Onshore LP has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to State Rule 649-3-2 (Statewide). The well location was moved for topographic reasons. Kerr-McGee owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

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

Sincerely,



Jason Rayburn
Landman

cc: Chris Latimer

RECEIVED
JUN 12 2008
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 16, 2008

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

Re: Hatch 923-24E Well, 2128' FNL, 1003' FWL, SW NW, Sec. 24, T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40123.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore, LP

Well Name & Number Hatch 923-24E

API Number: 43-047-40123

Lease: UTU-80940

Location: SW NW Sec. 24 T. 9 South R. 23 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division with 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 office (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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
UTU-80940
6. If Indian, Allottee or Tribe Name
N/A
7. If Unit or CA Agreement, Name and No.
N/A
8. Lease Name and Well No.
Hatch 923-24E

2. Name of Operator
Kerr-McGee Oil & Gas Onshore, LP

9. API Well No.
43 047 40123

3a. Address
P.O. Box 173779
Denver, CO 80217-3779

3b. Phone No. (include area code)
720.929.6226

10. Field and Pool, or Exploratory
Natural Buttes Field

4. Location of well (Report location clearly and in accordance with any State requirements. *)
At surface 2128 1003 SW NW Lat. 40.022908 Long. -109.280483
At proposed prod. zone N/A NAD 27

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 24 T 9S R 23E

14. Distance in miles and direction from the nearest town or post office*
28.4 miles southeast of Ouray, Utah

12. Cou State
Uintah Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)
1003'

16. No. of acres in lease
1280

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
1000'

19. Proposed Depth
8300'

20. BLM/ BIA Bond No. on file
WYW000291

21. Elevations (Show whether DF, RT, GR, etc.)
5166 GR

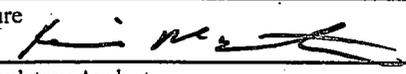
22. Aproximate date work will start*
ASAP

Esti mat
10 days

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Land SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by existing bond on file (see item 20 above).
- Operator certification.
- Such other site specific information and/ or plans as may be required by authorized officer.

25. Signature 
Title Regulatory Analyst

Name (Printed/ Typed) Kevin McIntyre
RECEIVED
FEB 19 2009

Approved By (Signature) 
Title Assistant Field Manager
Lands & Mineral Resources

Name (Printed/ Typed) JERRY KENZLER
Office DIV. OF OIL, GAS & MINING
VERNAL FIELD OFFICE

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

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

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

(Continued on page 2)

UDOGM NOTICE OF APPROVAL
* (Instructions on page 2)
08PP0479A

2008 JUN 9
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT
VERNAL FIELD OFFICE
RECEIVED
FEB 1 2009



**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. 24, T9S, R23E |
| Well No: | Hatch 923-24E | Lease No: | UTU-80940 |
| API No: | 43-047-40123 | 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: | 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 | |
| NRS/Enviro Scientist: | Holly Villa | (435) 781-4404 | (435) 828-3544 |
| NRS/Enviro Scientist: | James Hereford | (435) 781-3412 | (435) 828-3546 |
| NRS/Enviro Scientist: | Chuck Macdonald | (435) 781-4441 | (435) 828-7481 |
| NRS/Enviro Scientist: | Dan Emmett | (435) 781-3414 | (435) 828-4029 |
| NRS/Enviro Scientist: | Paul Percival | (435) 781-4493 | (435) 828-7381 |
| 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: | Nathan Packer | (435) 781-3405 | (435) 828-3545 |
| NRS/Enviro Scientist: | David Gordon | (435) 781-4424 | |
| NRS/Enviro Scientist: | Christine Cimiluca | (435) 781-4475 | |
| NRS/Enviro Scientist: | Lori Ford | (435) 781-4406 | |

Fax: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

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

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

**Kerr McGee (Anadarko)
Hatch 923-24C, 923-24E, 923-24I
DOI-BLM-UT-G010-2009-0202-EA**

Surface Conditions of Approval or monitoring are listed in the Surface Use Plan of the APDs.

To place the pipeline next to the Uintah County Road a letter of concurrence/coordination with Uintah County will be required.

An Interim Surface Reclamation Plan for surface disturbance on the well pad, access road, and pipeline will be completed. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the area using appropriate reclamation methods. The areas of the location not needed for production operations, including portions of the pad and the reserve pits, will have the stock piled top soil spread evenly over the reclaimed surface, and be seeded with the recommended seed mix shown below. If it is determined that this well site will be used as a multi-well site the interim reclamation will be delayed until all wells are constructed at the site.

Interim Reclamation seed mix

| | | |
|-----------------------------|-------------------------------|--------------|
| Hy/crest crested wheatgrass | <i>Agropyron cristatum</i> | 2 lbs. /acre |
| western wheatgrass | <i>Agropyron smithii</i> | 2 lbs. /acre |
| globemallow | <i>Spaaeralcea coccinea</i> | 1 lbs. /acre |
| shadscale | <i>Atriplex confertifolia</i> | 2 lbs. /acre |
| fourwing saltbush | <i>Atriplex canescens</i> | 3 lbs. /acre |

Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil re-spread over the surface; and, the surface re-vegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding.

***DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

SITE SPECIFIC DOWNHOLE COAs:

- A copy of Kerr McGee's Standard Operating Practices (dated 7/17/08 and approved 7/28/08) shall be on location.
- Kerr McGee and their contractors shall strictly adhere to all operating practices in the SOP along with all Oil and Gas rules and requirements listed in the Code of Federal Regulations and all Federal Onshore Oil and Gas Orders except where variances have been granted.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

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

OPERATING REQUIREMENT REMINDERS:

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

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

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

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80940 |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: HATCH 923-24E |
| 2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. | 9. API NUMBER: 43047401230000 |
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | PHONE NUMBER: 720 929-6587 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2128 FNL 1003 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 24 Township: 09.0S Range: 23.0E Meridian: S | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/4/2009 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
| <input type="checkbox"/> SPUD REPORT Date of Spud: | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE |
| <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> NEW CONSTRUCTION |
| | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> PLUG BACK |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | <input type="checkbox"/> TEMPORARY ABANDON |
| | <input type="checkbox"/> TUBING REPAIR | <input type="checkbox"/> VENT OR FLARE | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input checked="" type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: _____ |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: June 03, 2009
By:

| | | |
|--|-------------------------------------|------------------------------------|
| NAME (PLEASE PRINT) Danielle Piernot | PHONE NUMBER 720 929-6156 | TITLE Regulatory Analyst |
| SIGNATURE N/A | DATE 6/1/2009 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401230000

API: 43047401230000

Well Name: HATCH 923-24E

Location: 2128 FNL 1003 FWL QTR SWNW SEC 24 TWNP 090S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 6/16/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 6/1/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: June 03, 2009

By: 

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80940 |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: HATCH 923-24E |
| 2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. | 9. API NUMBER: 43047401230000 |
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | PHONE NUMBER: 720 929-6007 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2128 FNL 1003 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 24 Township: 09.0S Range: 23.0E Meridian: S | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/17/2010 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
| <input type="checkbox"/> SPUD REPORT Date of Spud: | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE |
| <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> NEW CONSTRUCTION |
| | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> PLUG BACK |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | <input type="checkbox"/> TEMPORARY ABANDON |
| | <input type="checkbox"/> TUBING REPAIR | <input type="checkbox"/> VENT OR FLARE | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input checked="" type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: _____ |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: June 23, 2010

By:

| | | |
|--|-------------------------------------|------------------------------------|
| NAME (PLEASE PRINT) Danielle Piernot | PHONE NUMBER 720 929-6156 | TITLE Regulatory Analyst |
| SIGNATURE N/A | DATE 6/17/2010 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401230000

API: 43047401230000

Well Name: HATCH 923-24E

Location: 2128 FNL 1003 FWL QTR SWNW SEC 24 TWP 090S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 6/16/2008

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- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 6/17/2010

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: June 23, 2010

By: 

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80940 |
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| 2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. | 9. API NUMBER: 43047401230000 |
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | PHONE NUMBER: 720 929-6007 Ext |
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| <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
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| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | <input type="checkbox"/> TEMPORARY ABANDON |
| | <input type="checkbox"/> TUBING REPAIR | <input type="checkbox"/> VENT OR FLARE | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input checked="" type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: _____ |

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Approved by the Utah Division of Oil, Gas and Mining

Date: June 23, 2010

By:

| | | |
|--|-------------------------------------|------------------------------------|
| NAME (PLEASE PRINT) Danielle Piernot | PHONE NUMBER 720 929-6156 | TITLE Regulatory Analyst |
| SIGNATURE N/A | DATE 6/17/2010 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401230000

API: 43047401230000

Well Name: HATCH 923-24E

Location: 2128 FNL 1003 FWL QTR SWNW SEC 24 TWP 090S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 6/16/2008

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- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 6/17/2010

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: June 23, 2010

By: 

| | |
|--|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80940 |
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| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: HATCH 923-24E |
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| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | PHONE NUMBER: 720 929-6515 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2128 FNL 1003 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 24 Township: 09.0S Range: 23.0E Meridian: S | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/16/2011 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
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| | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> PLUG BACK |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
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| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input checked="" type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: <input style="width: 50px;" type="text"/> |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: 05/16/2011

By:

| | | |
|---|-------------------------------------|---------------------------------------|
| NAME (PLEASE PRINT) Gina Becker | PHONE NUMBER 720 929-6086 | TITLE Regulatory Analyst II |
| SIGNATURE N/A | DATE 5/13/2011 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401230000

API: 43047401230000

Well Name: HATCH 923-24E

Location: 2128 FNL 1003 FWL QTR SWNW SEC 24 TWNP 090S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 6/16/2008

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- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Gina Becker

Date: 5/13/2011

Title: Regulatory Analyst II **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 14, 2012

Jenn Hawkins
Anadarko Petroleum Corporation
1099 18th Street, Ste. 1800
Denver, CO 80202

43 0A7 40123
Hatch 923-24E
9S 23E 24

Re: APDs Rescinded for Anadarko Petroleum Corporation
Uintah County

Dear Ms. Hawkins:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective June 5, 2012.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



| | |
|-------------------------|--------------------------|
| 43-047-39314 | NBU 612-23E |
| 43-047-39317 | NBU 610-23E |
| 43-047-39318 | NBU 609-23E |
| 43-047-38173 | FEDERAL 1021-24O |
| 43-047-40121 | HATCH 923-14K |
| 43-047-40122 | HATCH 923-24C |
| 43-047-40123 | HATCH 923-24E |
| 43-047-38315 | BONANZA 1023-15G |
| 43-047-39418 | NBU 441-12E |
| 43-047-50519 | HATCH 923-14M |
| 43-047-37031 | BONANZA 1023-14E |
| 43-047-38746 | LOVE 1121-8B |
| 43-047-39797 | NBU 606-35E |
| 43-047-39855 | NBU 659-01E |
| 43-047-39857 | NBU 440-01E |
| 43-047-39859 | NBU 652-06E |
| 43-047-38925 | NBU 1022-15N |
| 43-047-39868 | NBU 656-01E |



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>

JUN 13 2012

IN REPLY REFER TO:
3160 (UTG011)

Julie Jacobson
Anadarko Petroleum Corporation
Kerr McGee Oil & Gas Onshore LP
1099 18th Street, Suite 600
Denver, CO 80202

43 047 40123

Re: Notice of Expiration
Well No. Hatch 923-24E
SWNW, Sec. 24, T9S, R23E
Uintah County, Utah
Lease No. UTU-80940

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above-referenced well was approved on February 17, 2009. No extension request of the original APD was received. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Cindy Severson at (435) 781-4455.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

RECEIVED
JUN 21 2012
DIV. OF OIL, GAS & MINING

cc: UDOGM