



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

June 5, 2008

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

RE: Exception Location
BITTER CREEK 1122-3E
T11S-R22E
Section 3: SWNW
Uintah County, Utah

RECEIVED

JUN 09 2008

DIV. OF OIL, GAS & MINING

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 (State Wide)**. The well location is at a legal location within the center quarter-quarter section, but is an exception location due to an irregular section. 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 720-929-6698. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'James C. Colligan III'.

James C. Colligan III
Landman



June 9, 2008

Utah Division of Oil, Gas & Mining
1594 W. North Temple, STE 1210
Salt Lake City, UT 84114-5801

Attention: Diana Mason

RE: Re-Permit for Bitter Creek 1122-03E

Dear Diana:

Kerr-McGee Oil & Gas Onshore LP would like to resubmit the above mentioned APD for approval from UDOGM. Per letter received in February 2008 from your office this APD had been rescinded. KMG would like to resubmit for approval since we plan to drill the above location upon receipt of approval from the Bureau of Land Management.

Please do not hesitate to call me if you have any further questions or need additional information.

Thank you,

A handwritten signature in cursive script that reads 'Raleen White'.

Raleen White
Sr. Regulatory Analyst

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DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No. UTU-29797	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. BITTER CREEK 1122-03E	
9. API Well No. 43-047-40132	
10. Field and Pool, or Exploratory BITTER CREEK 547	
11. Sec., T., R., M., or Blk, and Survey or Area SEC 3, T11S, R22E, SLB&M	
12. County or Parish UINTA	13. State UTAH
14. Distance in miles and direction from nearest town or post office* 36.2 MILES SOUTHEAST OF OURAY, UTAH	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 461'	16. No. of Acres in lease 701.24
17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8250
20. BLM/BIA Bond No. on file RLB0005237	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5602' GL	22. Approximate date work will start* ASAP
23. Estimated duration 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:

- | | |
|---|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office. | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification. 6. Such other site specific information and/or plans as may be required by the authorized office. |
|---|--|

25. Signature <i>Raleen White</i>	Name (Printed/Typed) Raleen White	Date 6/9/2008
Title Sr. Regulatory Analyst		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 06-17-08
Title	Office 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.

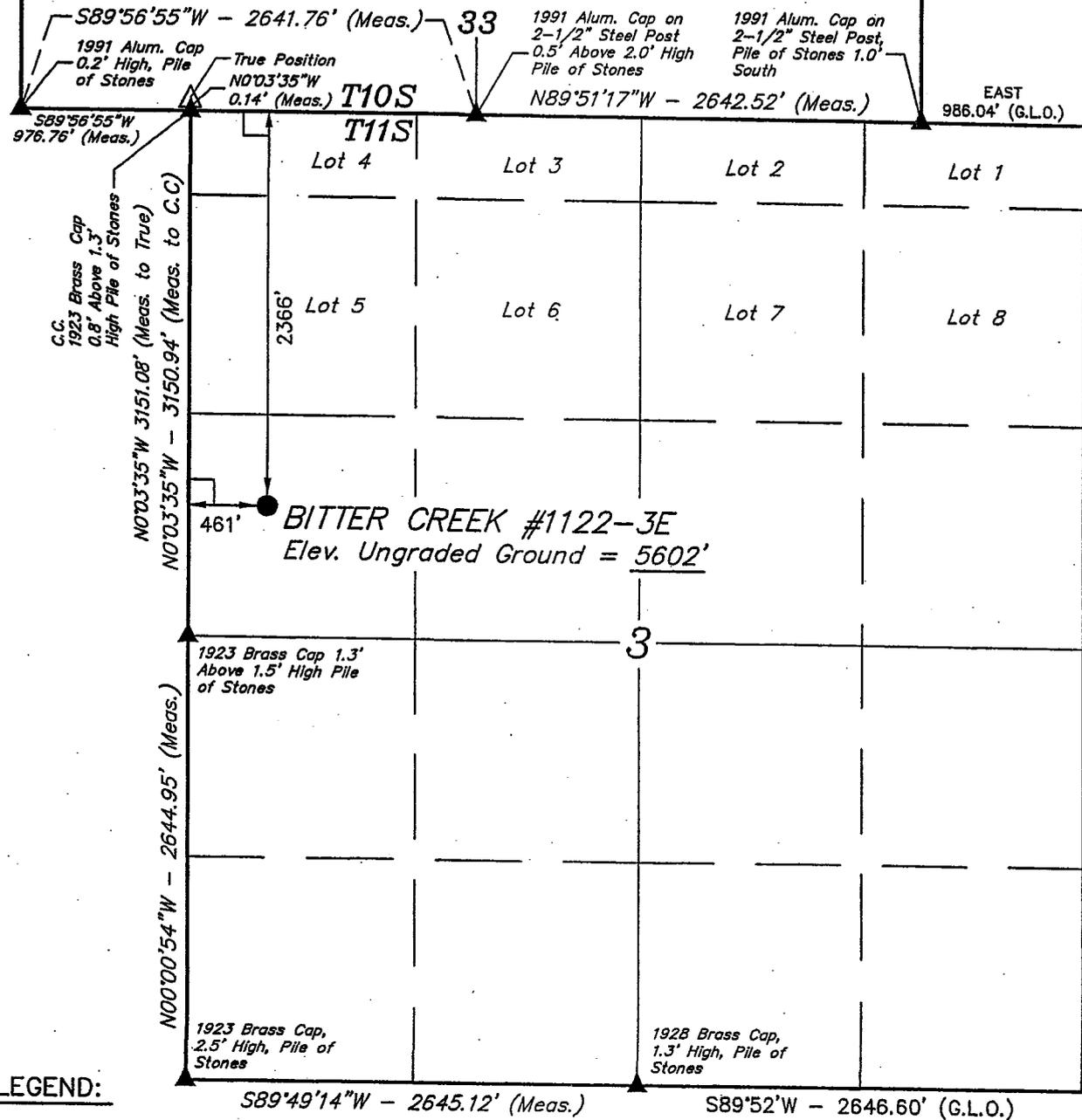
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Federal Approval of this
Action is Necessary

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JUN 11 2008
DIV. OF OIL, GAS & MINING

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



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

(NAD 83)
 LATITUDE = 39°53'30.13" (39.891703)
 LONGITUDE = 109°26'56.20" (109.448944)
 (NAD 27)
 LATITUDE = 39°53'30.25" (39.891736)
 LONGITUDE = 109°26'53.75" (109.448264)

Kerr-McGee Oil & Gas Onshore LP

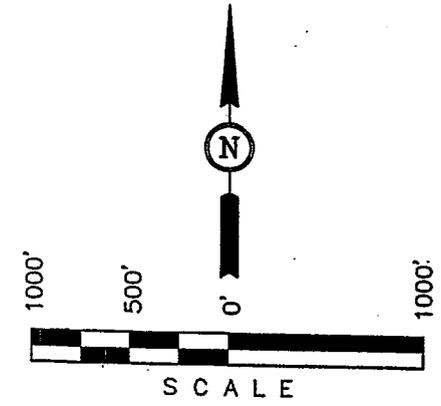
Well location, BITTER CREEK #1122-3E, located as shown in the SW 1/4 NW 1/4 of Section 3, T11S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

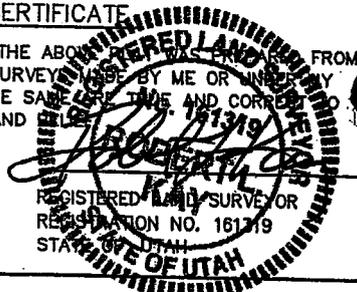
BASIS OF BEARINGS

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



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE DESCRIBED SURVEY WAS MADE FROM FIELD NOTES OF ACTUAL SURVEYING UNDER MY PERSONAL SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



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

SCALE 1" = 1000'	DATE SURVEYED: 5-23-06	DATE DRAWN: 5-26-06
PARTY D.K. J.R. K.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

**BITTER CREEK 1122-3E
SW/NW SECTION 3, T11S, R22E
UINTAH COUNTY, UTAH
UTU-29797**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	906'
Top of Birds Nest Water	1203'
Mahogany	1692'
Wasatch	3897'
Mesaverde	6249'
MVU2	7220'
MVL1	7823'
TD	8250'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	906'
	Top of Birds Nest Water	1203'
	Mahogany	1692'
Gas	Wasatch	3897'
Gas	Mesaverde	6249'
Gas	MVU2	7220'
Gas	MVL1	7823'
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 8250' TD, approximately equals 5115 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3300 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

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 1760	32.30	H-40	STC	0.78	1.66	5.10
PRODUCTION	4-1/2"	0 to 8250	11.60	I-80	LTC	7780	6350	201000
						2.68	1.35	2.41

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
 - 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- (Burst Assumptions: TD = 11.0 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
- MASP 2904 psi

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

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to surface, option 2 will be utilized					
Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,390'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	4,860'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1360	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: _____

**BITTER CREEK 1122-3E
SW/NW SECTION 3, T11S, R22E
UINTAH COUNTY, UTAH
UTU-29797**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

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

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

2. Planned Access Roads:

The proposed access road is approximately 0.5 +/- miles of proposed access road. Refer to Topo Map B.

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

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

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities & Pipelines:

The following guidelines will apply if the well is productive.

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

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

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

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

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

Variances to Best Management Practices (BMP) Requests:

A 30' of rights-of-way will be required for approximately 3700' +/- of 4" 4" steel pipeline shall run to the existing pipeline in Sec 4, T11S, R22E. The pipeline will be butt-welded together. The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

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

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

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

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

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

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

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

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

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

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

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

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

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

8. Ancillary Facilities:

None are anticipated.

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

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

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

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

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

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

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

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

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

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

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Galleta Grass	20 lbs.
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The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

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

12. Other Information:

A Class III Archaeological Survey has been performed and completed on July 11, 2006, the Archaeological Report No. 06-267.

The Paleontological Reconnaissance Survey has been performed and completed on August 25, 2006 the Paleontological Reconnaissance Survey Report No. 06-177. These reports are being submitted along with the Application for Permit to Drill (APD).

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

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

Sheila Upchego
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

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

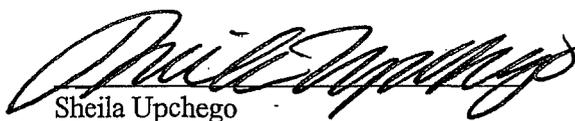
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

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

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WY-2357.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

October 24, 2006
Date

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-3E
SECTION 3, T11S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.2 MILES.

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

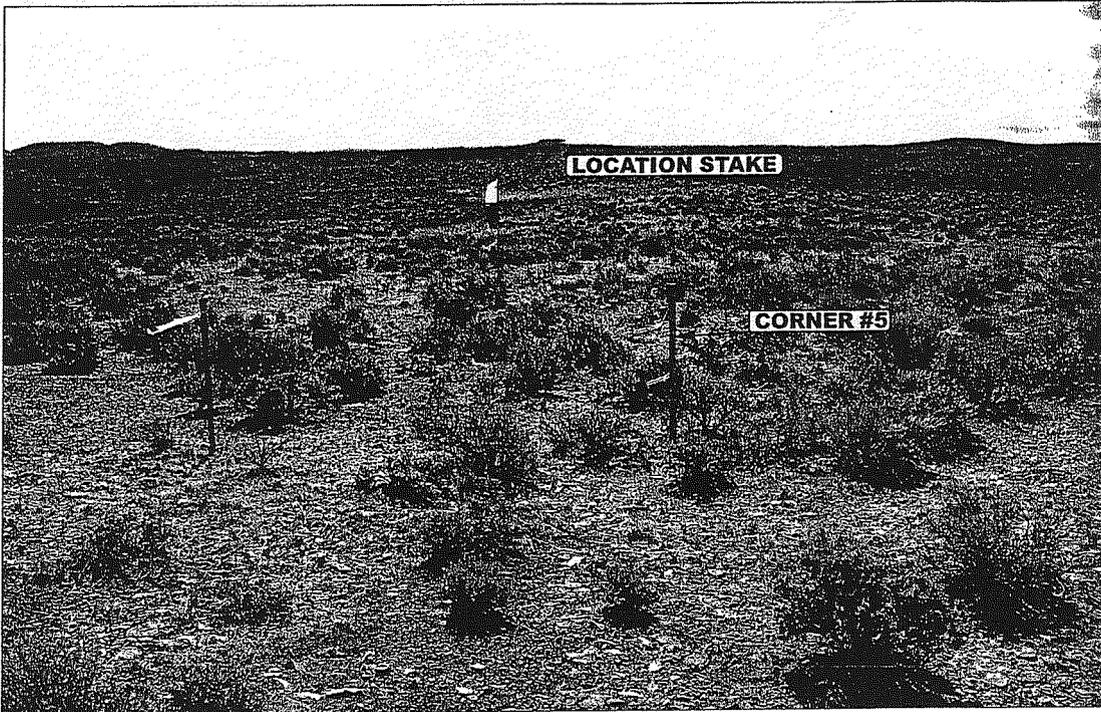


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

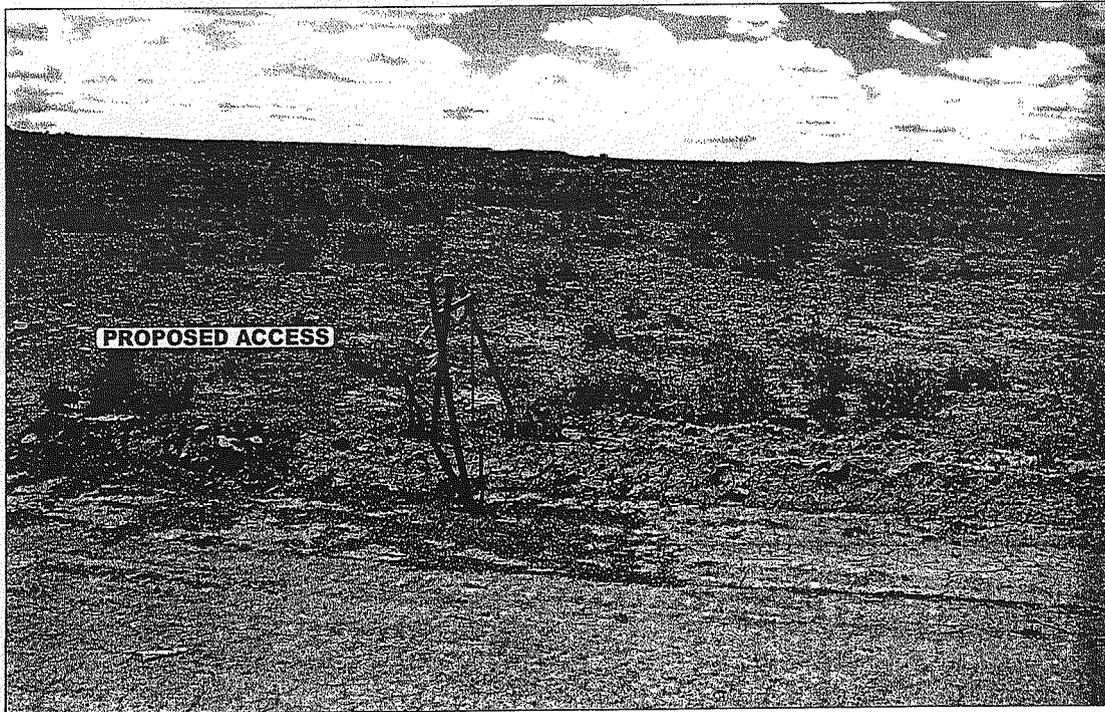


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY

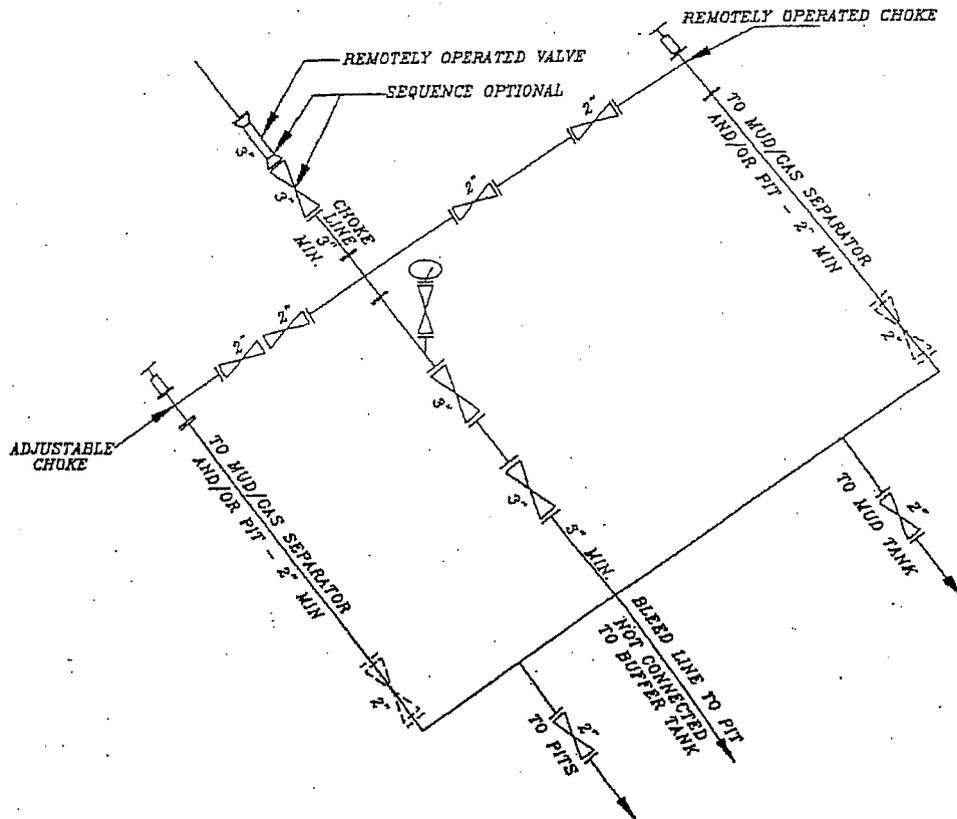
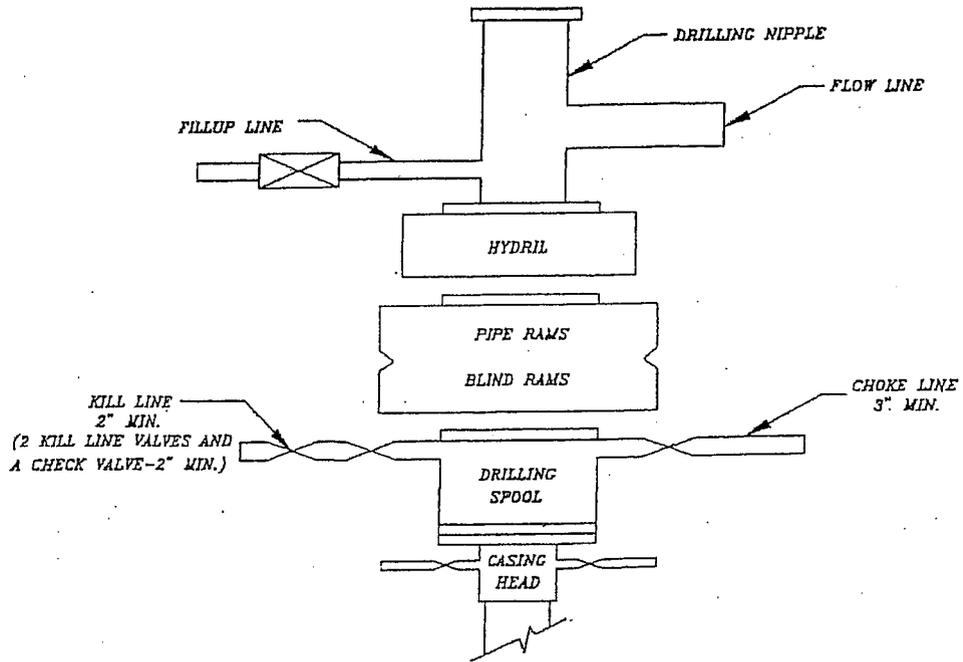


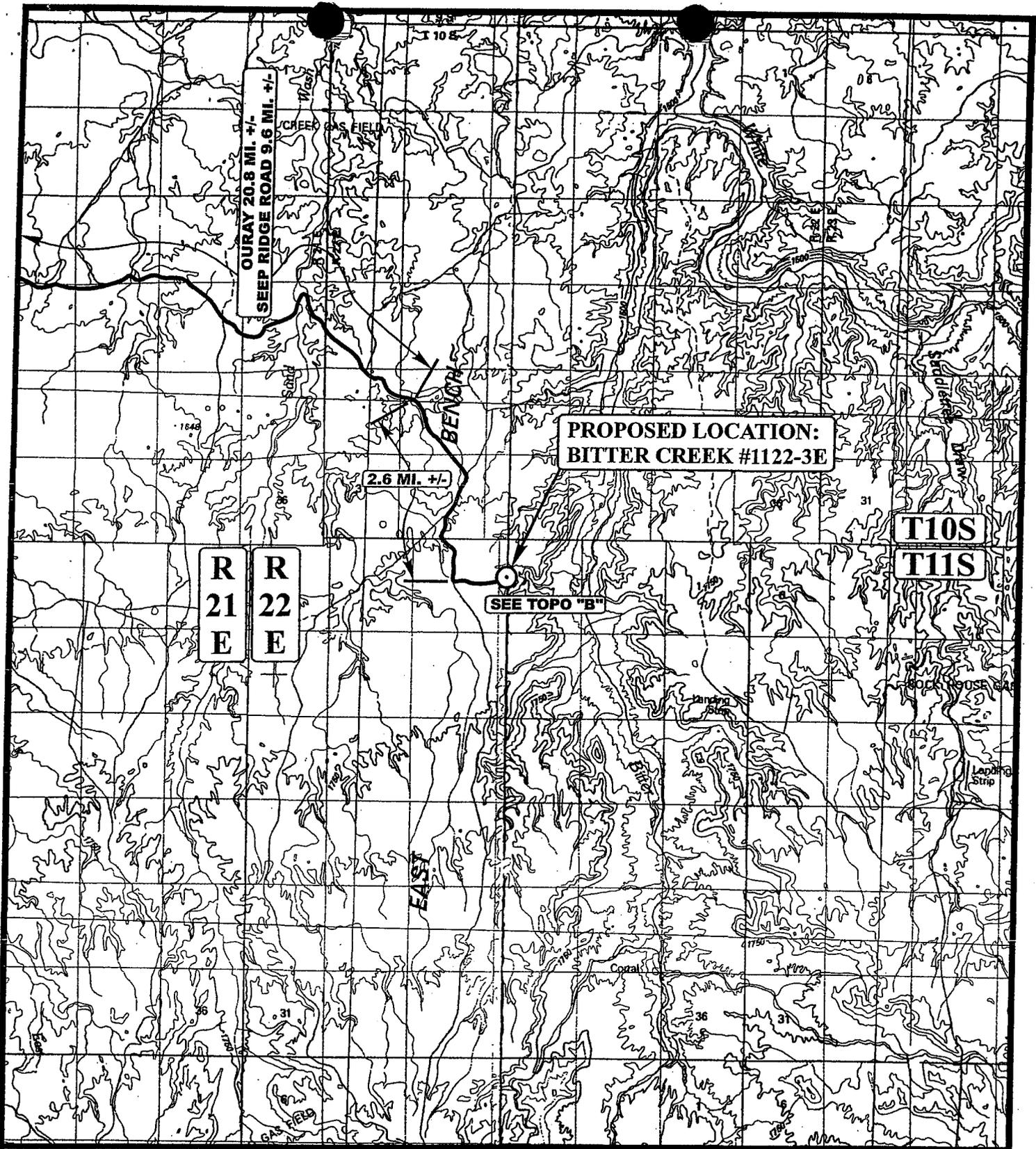
UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

- Since 1964 -

LOCATION PHOTOS	05	25	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: J.R.	DRAWN BY: C.P.		REVISED: 00-00-00	

5M BOP STACK and CHOKE MANIFOLD SYSTEM





LEGEND:

⊙ PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3E

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

2366' FNL 461' FWL

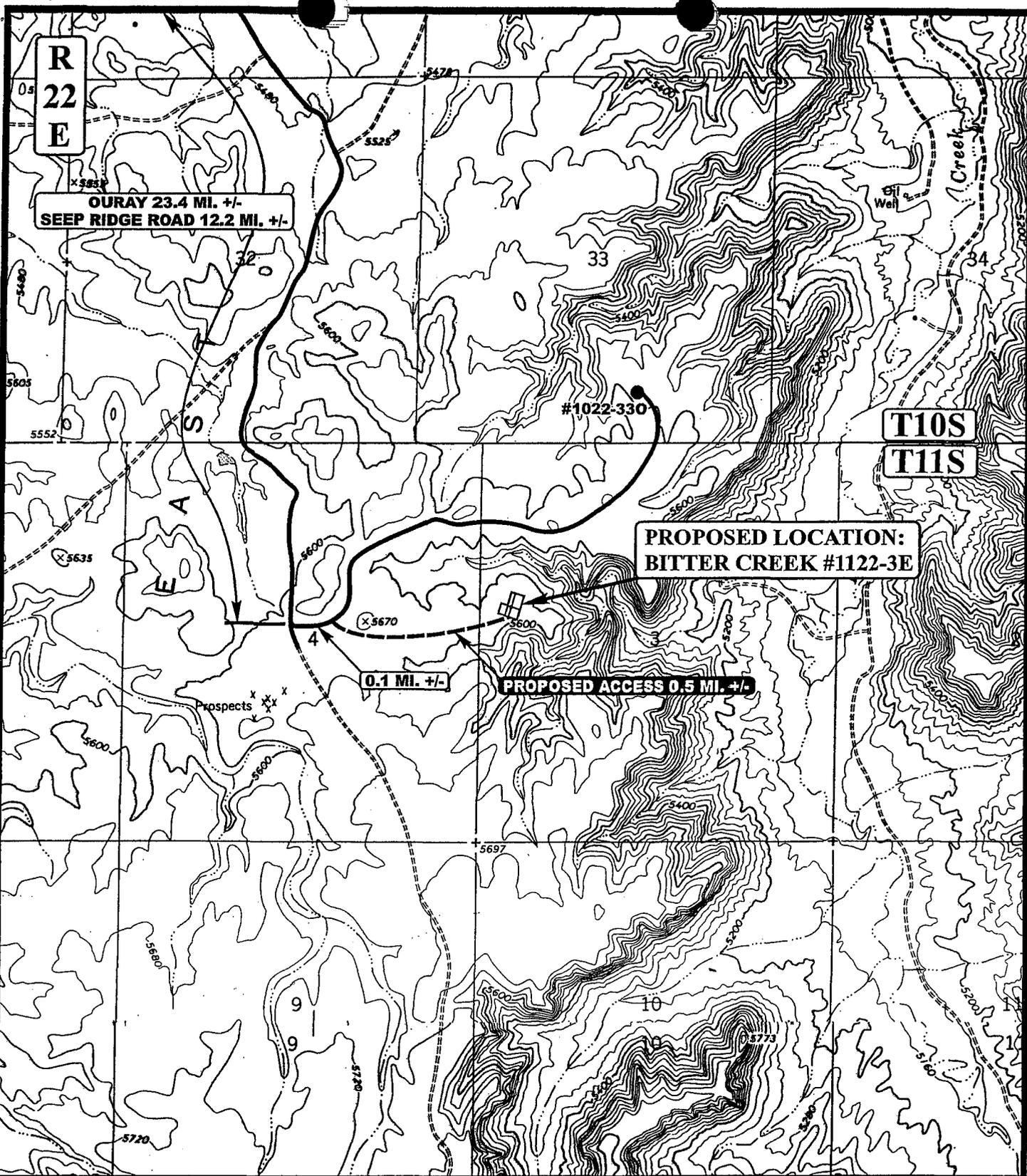


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 05 25 06
MAP 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 #1122-3E
SECTION 3, T11S, R22E, S.L.B.&M.
2366' FNL 461' FWL



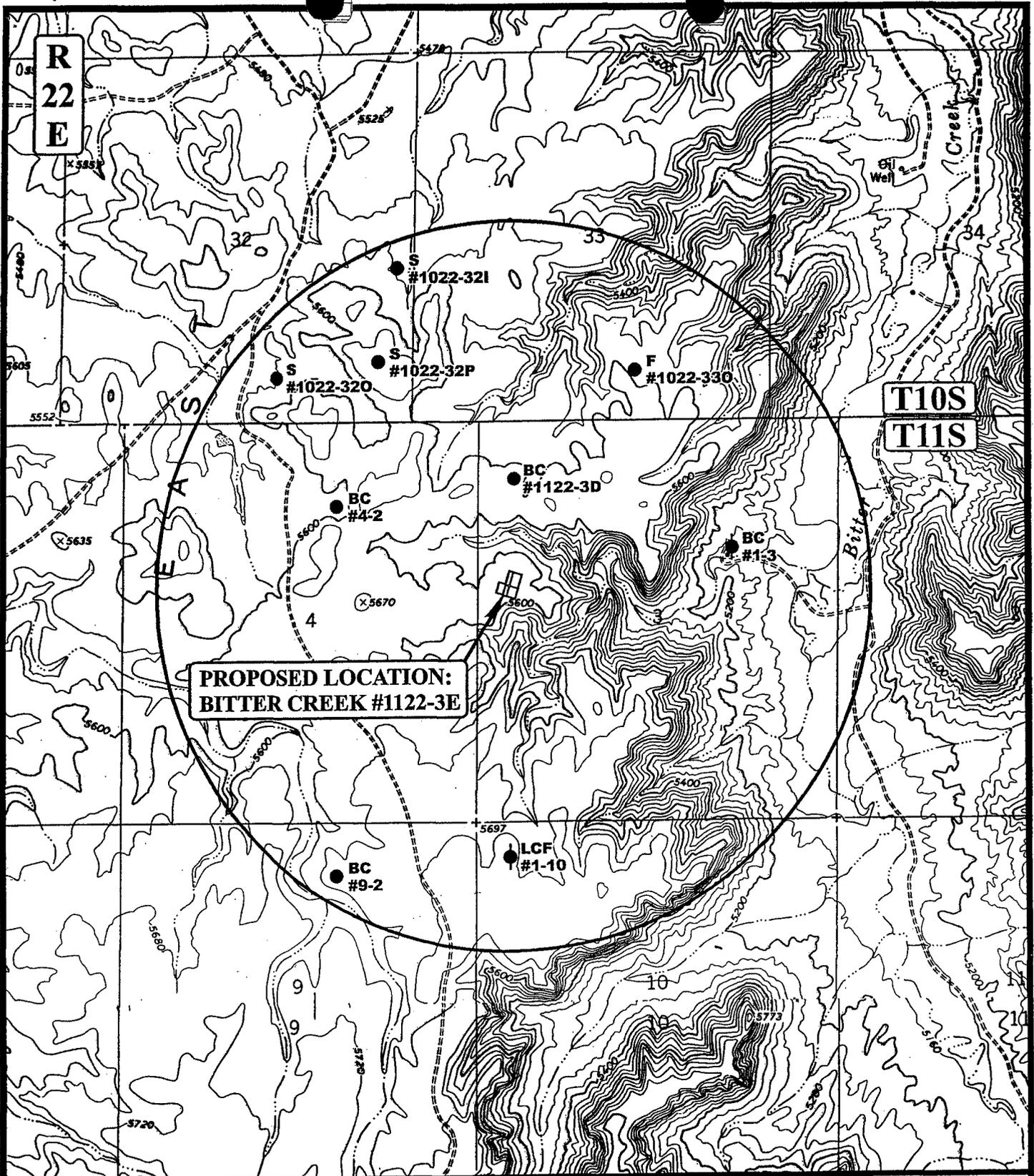
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05	25	06
MONTH	DAY	YEAR



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



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

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3E
SECTION 3, T11S, R22E, S.L.B.&M.
2366' FNL 461' FWL



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

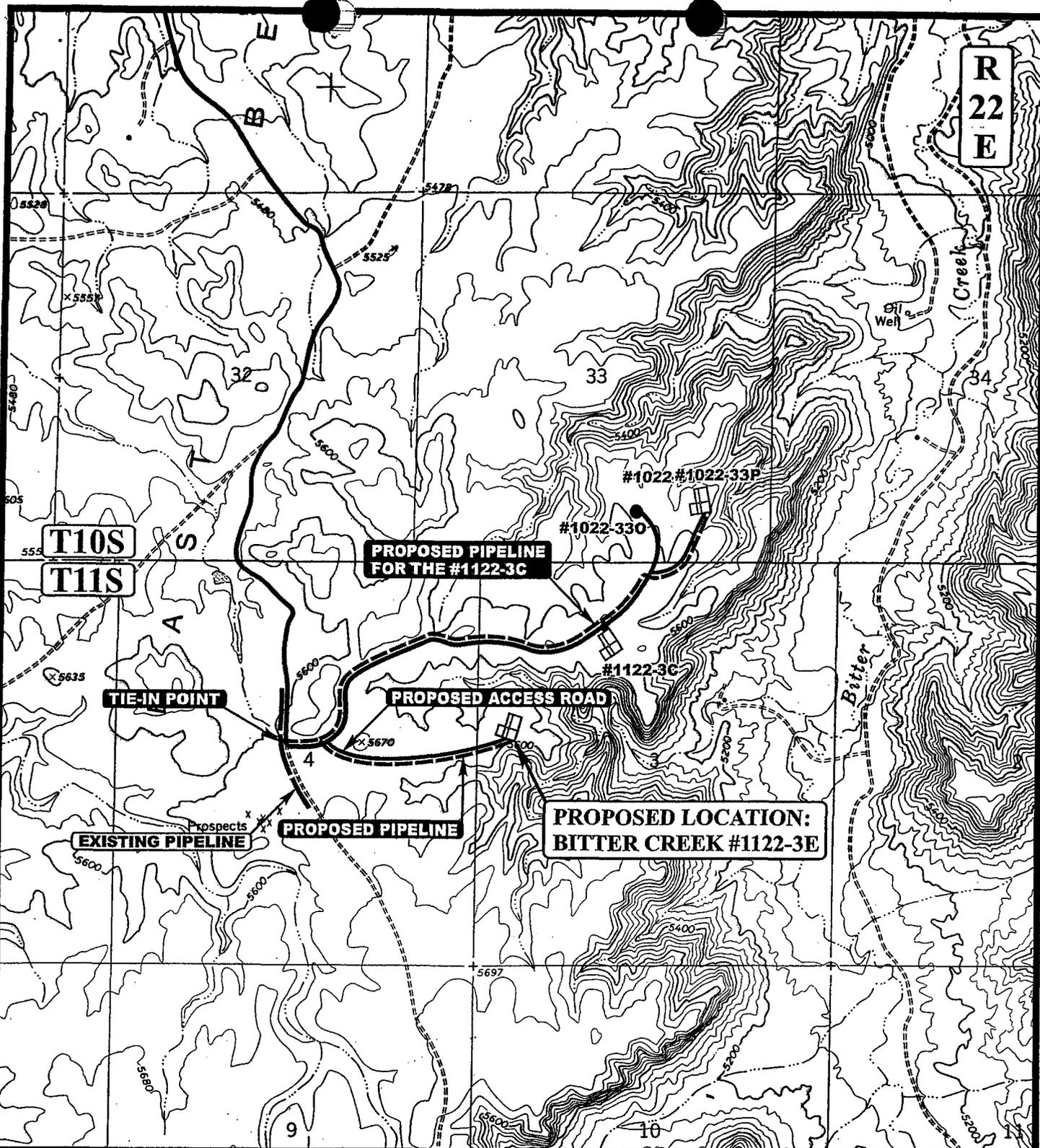


**TOPOGRAPHIC
MAP**

05	25	06
MONTH	DAY	YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 3,700' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-3E
SECTION 3, T11S, R22E, S.L.B.&M.
2366' FNL 461' FWL



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

TOPOGRAPHIC 05 25 06
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 07-26-06



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

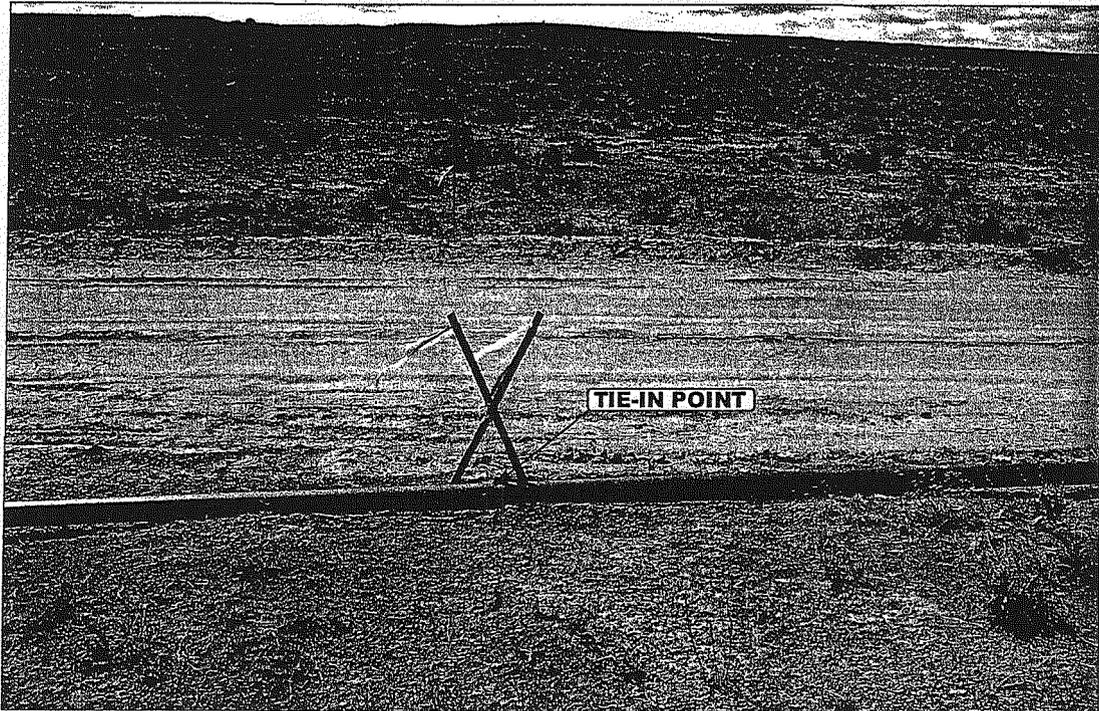


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHEASTERLY

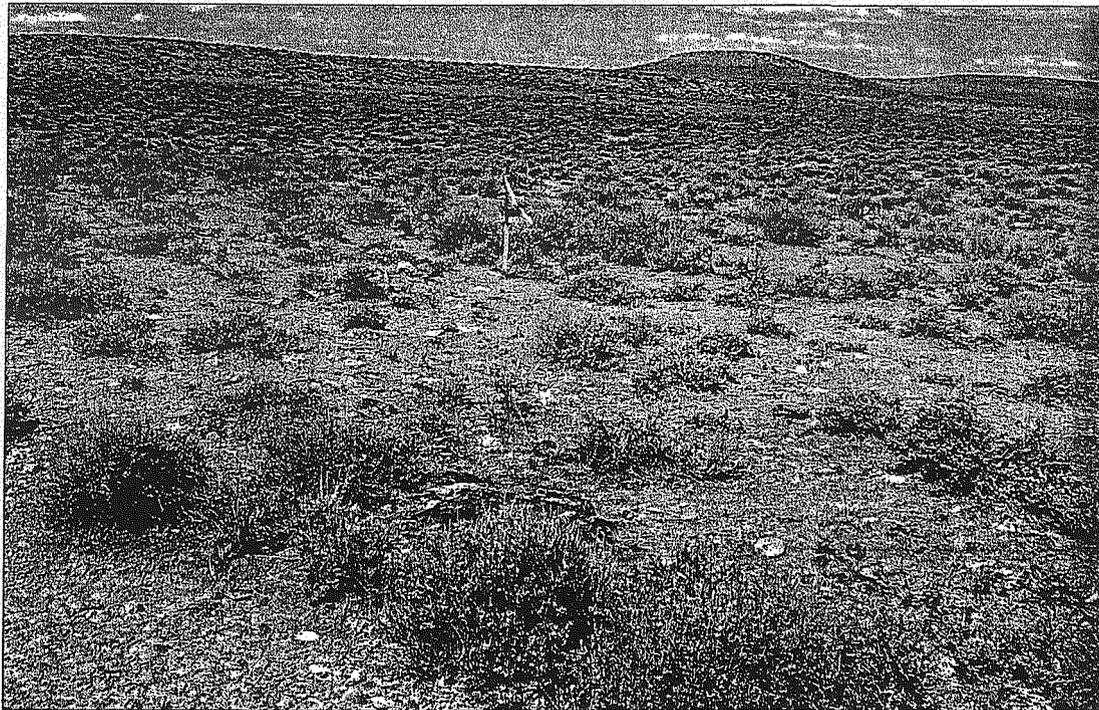


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: WESTERLY

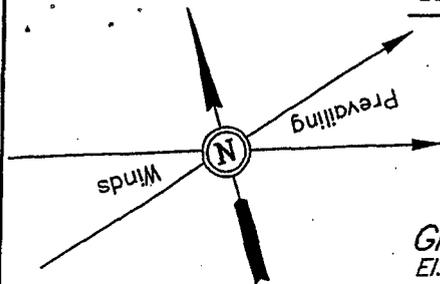


- Since 1964 -

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

PIPELINE PHOTOS	05	25	06	PHOTO
TAKEN BY: J.R.	<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>	
DRAWN BY: C.P.	REVISED: 00-00-00			

LOCATION LAYOUT FOR
BITTER CREEK #1122-3E
SECTION 3, T11S, R22E, S.L.B.&M.
2366' FNL 461' FWL



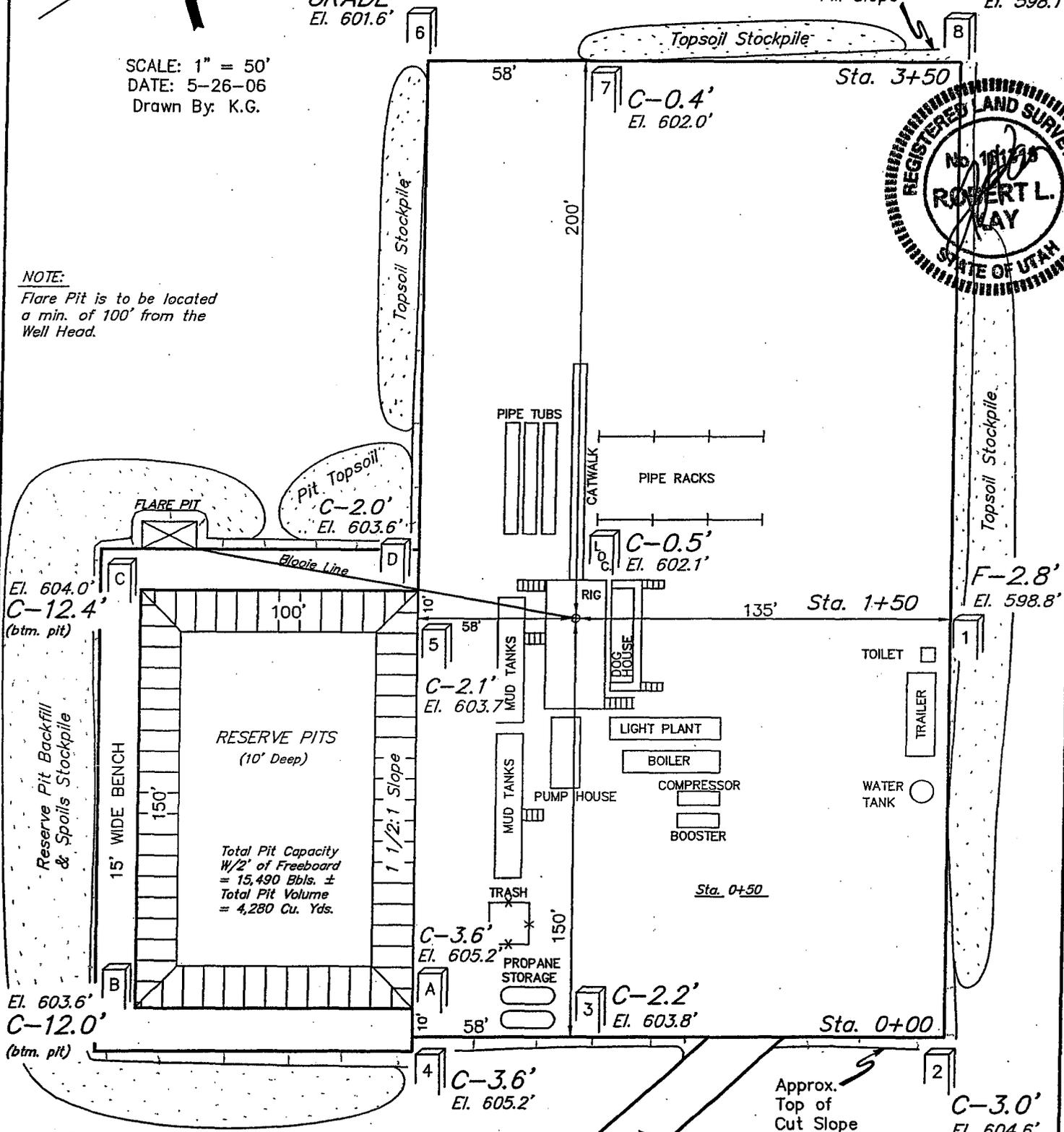
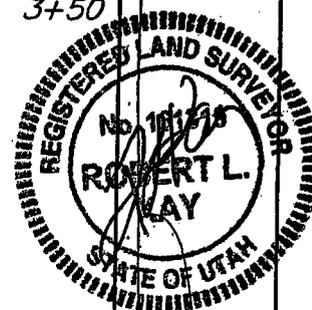
GRADE
El. 601.6'

Approx.
Toe of
Fill Slope

F-3.5'
El. 598.1'

SCALE: 1" = 50'
DATE: 5-26-06
Drawn By: K.G.

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



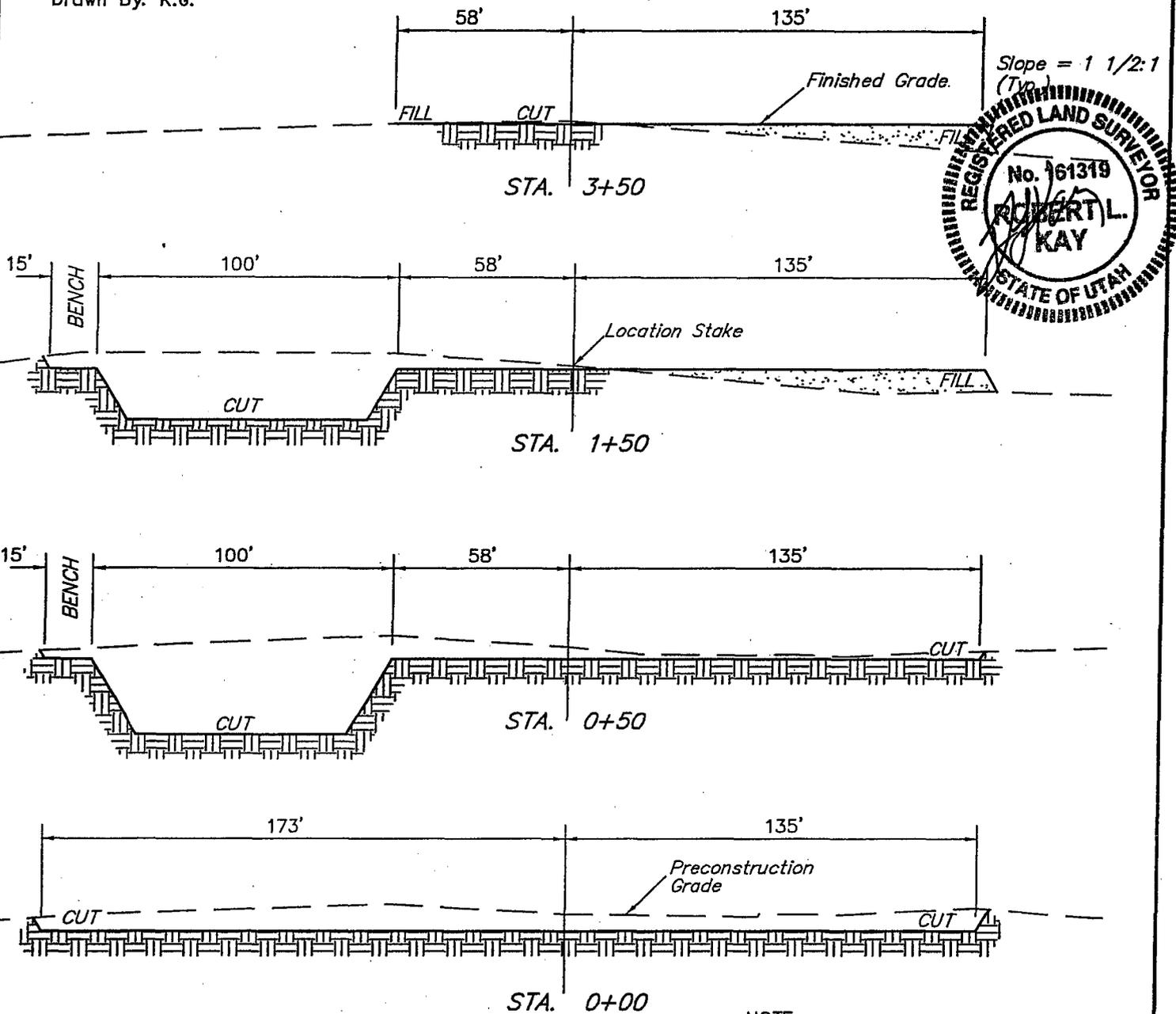
NOTES:

Elev. Ungraded Ground At Loc. Stake = 5602.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 5601.6'

TYPICAL CROSS SECTIONS FOR
BITTER CREEK #1122-3E
SECTION 3, T11S, R22E, S.L.B.&M.
2366' FNL 461' FWL

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

DATE: 5-26-06
Drawn By: K.G.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,750 Cu. Yds.
Remaining Location	= 6,610 Cu. Yds.
TOTAL CUT	= 8,360 CU.YDS.
FILL	= 2,730 CU.YDS.

NOTE:

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

EXCESS MATERIAL	= 5,630 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,890 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 1,740 Cu. Yds.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/11/2008

API NO. ASSIGNED: 43-047-40132

WELL NAME: BITTER CREEK 1122-03E
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: RALEEN WHITE

PHONE NUMBER: 720-929-6698

PROPOSED LOCATION:

SWNW 03 110S 220E
 SURFACE: 2366 FNL 0461 FWL
 BOTTOM: 2366 FNL 0461 FWL
 COUNTY: UINTAH
 LATITUDE: 39.89167 LONGITUDE: -109.4482
 UTM SURF EASTINGS: 632674 NORTHINGS: 4416676
 FIELD NAME: BITTER CREEK (547)

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

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

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0005237)
- 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' fr. ext. w/dry. 920' fr. other wells
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval

FEDERAL
1022-33M
*

FEDERAL
1022-33O
*

FEDERAL
1022-33N
*

NATURAL BUTTES FIELD

T10S R22E

T11S R22E

CAUSE: 210-04 / 4-12-2004

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

BITTER CREEK FIELD

BITTER
CREEK
1122-4A
*

BITTER
CREEK
1122-3D
*

BITTER
CREEK
1122-3C
*

BITTER
CREEK
1122-3A
⊙

BITTER
CREEK 1-3
◇

BITTER
CREEK
1122-3H
x

ARCHY BENCH 11-22-12-2
ARCHY BENCH 11-22-22-2
*

BITTER
CREEK
1122-4H
⊙

BITTER
CREEK
1122-3E
⊙
BITTER
CREEK
1122-03E

3

BITTER
CREEK
1122-3I
x

ARCHY BENCH
11-22-13-2
*

BITTER
CREEK
1122-4I
⊙

BITTER
CREEK
1122-3K
⊙

BITTER
CREEK
1122-3L
⊙

BITTER
CREEK
1122-3N
⊙

BITTER
CREEK
FED 2-3
x

BITTER
CREEK
1122-3P
⊙

ARCHY BENCH
11-22-14-2*
x

BITTER
CREEK
1122-4P
⊙

BITTER
CREEK
1122-3M
⊙

LIZZARD
CREEK
FED 1-10
*

BITTER
CREEK
1122-10C
⊙

LIZZARD
CREEK
FED 2-10
x

OPERATOR: KERR MCGEE O&G (N2995)

SEC: 3 T.11S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 210-04 / 4-12-2004



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

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



PREPARED BY: DIANA MASON
DATE: 16-JUNE-2008



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 17, 2008

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

Re: Bitter Creek 1122-03E Well, 2366' FNL, 461' FWL, SW NW, Sec. 3, T. 11 South,
R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40132.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: Kerr-McGee Oil & Gas Onshore LP

Well Name & Number Bitter Creek 1122-03E

API Number: 43-047-40132

Lease: UTU-29797

Location: SW NW Sec. 3 T. 11 South R. 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division 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.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-29797
---	--

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
--	--

1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BITTER CREEK 1122-03E
------------------------------------	--

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047401320000
---	---

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6587 Ext	9. FIELD and POOL or WILDCAT: BITTER CREEK
---	--	--

4. LOCATION OF WELL FOOTAGES AT SURFACE: 2366 FNL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 03 Township: 11.0S Range: 22.0E Meridian: S	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: 6/12/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <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 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 checked="" type="checkbox"/> APD EXTENSION 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 10, 2009

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 6/9/2009



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 43047401320000

API: 43047401320000

Well Name: BITTER CREEK 1122-03E

Location: 2366 FNL 0461 FWL QTR SWNW SEC 03 TWNP 110S RNG 220E MER S

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

Date Original Permit Issued: 6/17/2008

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: 6/9/2009

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

Date: June 10, 2009

By:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-29797
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BITTER CREEK 1122-03E
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047401320000
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: 2366 FNL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 03 Township: 11.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: BITTER CREEK
	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 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 43047401320000

API: 43047401320000

Well Name: BITTER CREEK 1122-03E

Location: 2366 FNL 0461 FWL QTR SWNW SEC 03 TWNP 110S RNG 220E MER S

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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: [Signature]

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-29797
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BITTER CREEK 1122-03E
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047401320000
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: 2366 FNL 0461 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 03 Township: 11.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: BITTER CREEK
	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 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 43047401320000

API: 43047401320000

Well Name: BITTER CREEK 1122-03E

Location: 2366 FNL 0461 FWL QTR SWNW SEC 03 TWNP 110S RNG 220E MER S

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

Date Original Permit Issued: 6/17/2008

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: 6/17/2010

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

Date: June 23, 2010

By: [Signature]



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

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

DEC 09 2010



IN REPLY REFER TO:
3160 (UTG011)

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

Re: Request to Return APD
Well No. Bitter Creek 1122-3E
SWNW, Sec. 3, T11S, R22E
Uintah County, Utah
Lease No. UTU-29797

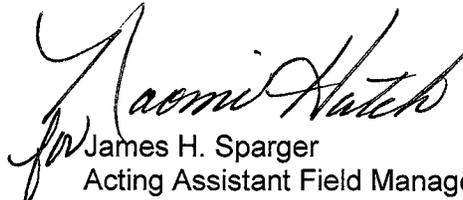
43 047 40132

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on November 2, 2006, is being returned unapproved per your request to this office in an email message received on November 16, 2010. Your message stated that per a discussion with Dave Gordon, you requested a list of pending APDs be returned (rescinded) unapproved. If you intend to drill at this location at a future date, a new APD must be submitted.

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

Sincerely,


James H. Sparger
Acting Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM

RECEIVED
DEC 20 2010
DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. 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

July 20, 2011

Andrew Lytle
Kerr McGee O&G Onshore, L.P.
1099 18th Street, Ste. 600
Denver, CO 80217-3779

43 047 40132
Bitter Creek 1122-DBE
11S 22E 3

Re: APDs Rescinded for Kerr McGee O&G Onshore, L.P.
Uintah County

Dear Mr. Lytle:

Enclosed find the list of APDs that are being rescinded per your request to Kerr McGee O&G Onshore, L.P., No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective July 20, 2011.

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

43-047-40137

FEDERAL 821-33MT

43-047-40138

WASSIUP 820-36PT

43-047-40139

NBU 921-03BT

→ 43-047-40132

BITTER CREEK 1122-03E

43-047-39387

NBU 1022-6B-2