

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-01301  
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 923-14I

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

9. API Well No.  
43-047-40144

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 1810 504 FEL NE SE Lat. 40.033719 Long. -109.285867  
FSL 646257X 40.033721 -109.285825  
At proposed prod. zone N/A 44326974 NAD 27

11. Sec., T., R., M., or Blk. and Survey or Area  
Sec 14 T 9S R 23E

14. Distance in miles and direction from the nearest town or post office\*  
25.7 miles east 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)  
504'

16. No. of acres in lease  
2520

17. Spacing Unit dedicated to this well  
40

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
4500'

19. Proposed Depth  
8350'

20. BLM/ BIA Bond No. on file  
WYW000291

21. Elevations (Show whether DF, RT, GR, etc.)  
5073 GR

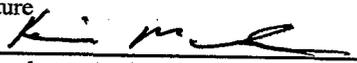
22. Aproximate date work will start  
ASAP

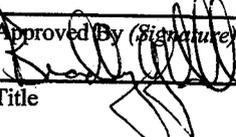
Esti  
mat  
10 days

24. Attachments

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

- 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 Land SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by 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 authorized officer.

25. Signature  Name (Printed/ Typed) Kevin McIntyre  
Title Regulatory Analyst

Approved By (Signature)  Date 06-17-08 Name (Printed/ Typed) BRADLEY G. HILL  
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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

RECEIVED

JUN 12 2008

\*(Instructions on page 2)

Federal Approval of this  
Action is Necessary

DIV. OF OIL, GAS & MINING



**Hatch 923-14I**  
**NESE Sec. 14, T9S,R23E**  
**UINTAH COUNTY, UTAH**  
**UTU-01301**

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

**1. Estimated Tops of Important Geologic Markers:**

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta            | 0- Surface   |
| Green River      | 1598'        |
| Bird's Nest      | 1774'        |
| Mahogany         | 2138'        |
| Wasatch          | 4439'        |
| Mesaverde        | 6326'        |
| MVU2             | 7152'        |
| MVL1             | 7621'        |
| TD               | 8350'        |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
|                  | Green River      | 1598'        |
|                  | Bird's Nest      | 1774'        |
|                  | Mahogany         | 2138'        |
| Gas              | Wasatch          | 4439'        |
| Gas              | Mesaverde        | 6326'        |
| Gas              | MVU2             | 7152'        |
| Gas              | MVL1             | 7621'        |
| 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 8350' TD, approximately equals 5177 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3340 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.*

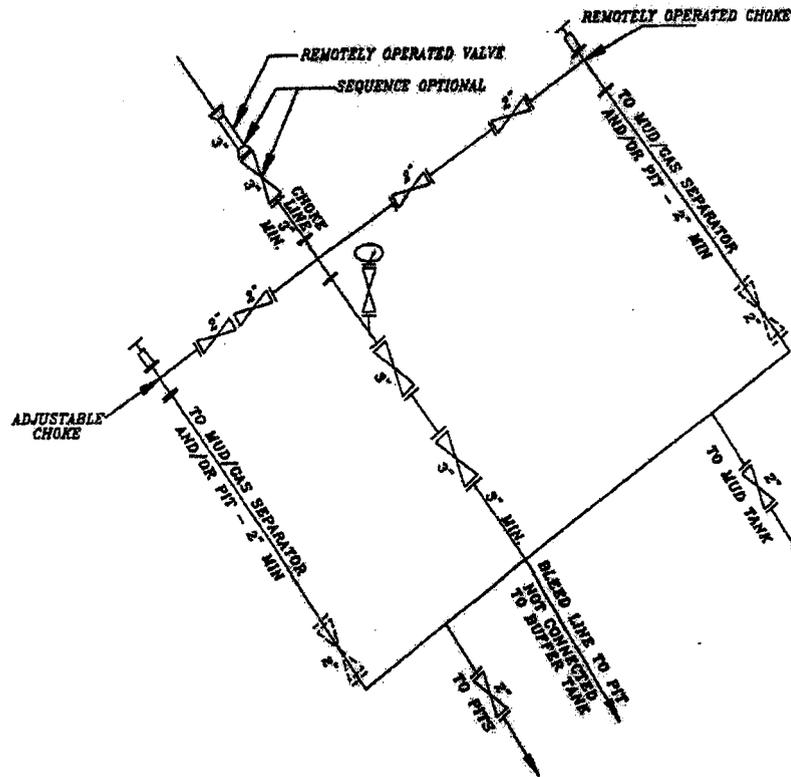
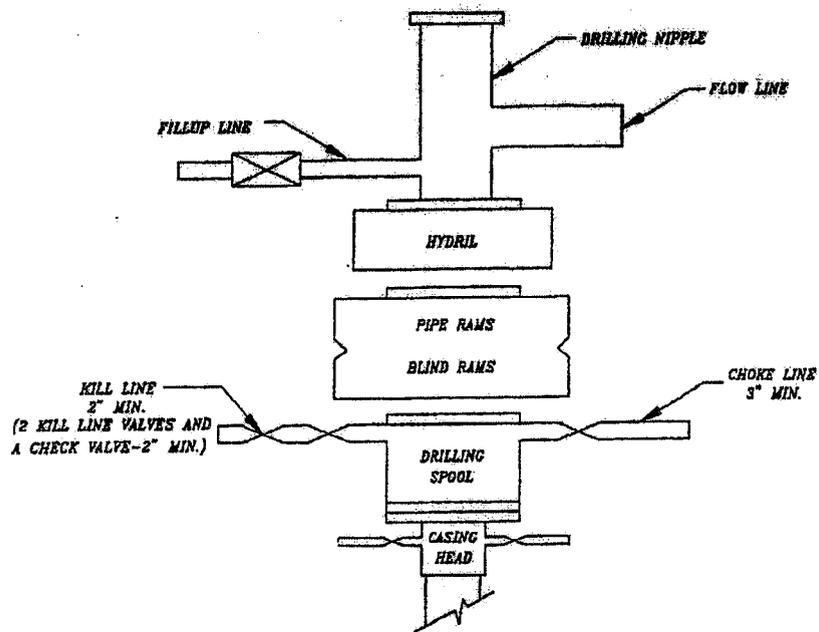
9. **Variances:**

*Please see Natural Buttes Unit SOP. In addition, please refer to Kerr-McGee's Variance to Onshore Order # 2 Sundry.*

10. **Other Information:**

*Please see Natural Buttes Unit SOP.*

EXHIBIT A



**SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK**

**Hatch 923-14I**  
**NESE Sec. 14,T9S,R23E**  
**UINTAH COUNTY, UTAH**  
**UTU-01301**

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

An onsite inspection was conducted for the Hatch 923-14I on 4/23/2008, 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 0.2 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 5,298' of 4" steel pipeline will be installed to 8" Hatch lateral. Refer to Topo Map D for the location of the proposed pipelines.

**A 30' of rights-of-way will be required. Approximately 5,298' of 4" surface steel pipeline is proposed from the location to the tie-in point in Section 14, T9S, R23E. Please refer to the Topo Map D. The pipeline will be constructed utilizing existing rights were possible and pulled into place using a rubber tired tractor. The pipeline will be butt-welded together.**

**Variations to Best Management Practices (BMPs) Requested:**

Approximately 5,298' 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:

|                 |         |
|-----------------|---------|
| Galleta Grass   | 12 lbs. |
| Black Sagebrush | 12 lbs. |

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

11. **Surface/Mineral 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 (IPC #08-19) 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

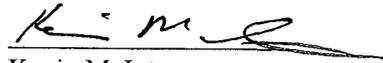
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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

6/11/2008

Date



**CASING PROGRAM**

|            | SIZE   | INTERVAL |           | WT.   | GR.  | CPLG. | DESIGN FACTORS |              |                |
|------------|--------|----------|-----------|-------|------|-------|----------------|--------------|----------------|
|            |        |          |           |       |      |       | BURST          | COLLAPSE     | TENSION        |
| CONDUCTOR  | 14"    | 0-40'    |           |       |      |       |                |              |                |
| SURFACE    | 9-5/8" | 0        | to 2,400' | 36.00 | J-55 | LTC   | 3520<br>1.15   | 2020<br>1.80 | 453000<br>5.99 |
| PRODUCTION | 4-1/2" | 0        | to 8350   | 11.60 | I-80 | LTC   | 7780<br>2.53   | 6350<br>1.29 | 201000<br>2.38 |

- 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 3340 psi

**CEMENT PROGRAM**

|            |                 | FT. OF FILL | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |
|------------|-----------------|-------------|--|---------|--------|--------|-------|
| SURFACE    | LEAD            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 215     | 60%    | 15.60  | 1.18  |
| Option 1   | TOP OUT CMT (1) | 250         | 20 gals sodium silicate + Premium cmt<br>+ 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    | LEAD            | 2000        | <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b><br>Prem cmt + 16% Gel + 10 pps gilsonite<br>+ .25 pps Flocele + 3% salt BWOC | 230     | 35%    | 11.00  | 3.82  |
| Option 2   | TAIL            | 500         | Premium cmt + 2% CaCl<br>+ .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            | 3,930'      | Premium Lite II + 3% KCl + 0.25 pps<br>celloflake + 5 pps gilsonite + 10% gel<br>+ 0.5% extender   | 430     | 60%    | 11.00  | 3.38  |
|            | TAIL            | 4,420'      | 50/50 Poz/G + 10% salt + 2% gel<br>+.1% R-3  | 1240    | 60%    | 14.30  | 1.31  |

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

**FLOAT EQUIPMENT & CENTRALIZERS**

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

**ADDITIONAL INFORMATION**

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

**DRILLING ENGINEER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 Brad Laney  
**DRILLING SUPERINTENDENT:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 Randy Bayne Hatch 923-141.xls

Kerr-McGee Oil & Gas Onshore LP  
HATCH #923-14I  
SECTION 14, 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 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #923-13M TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 57.0 MILES.

# Kerr-McGee Oil & Gas Onshore LP

## HATCH #923-14I

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 14, T9S, R23E, S.L.B.&M.

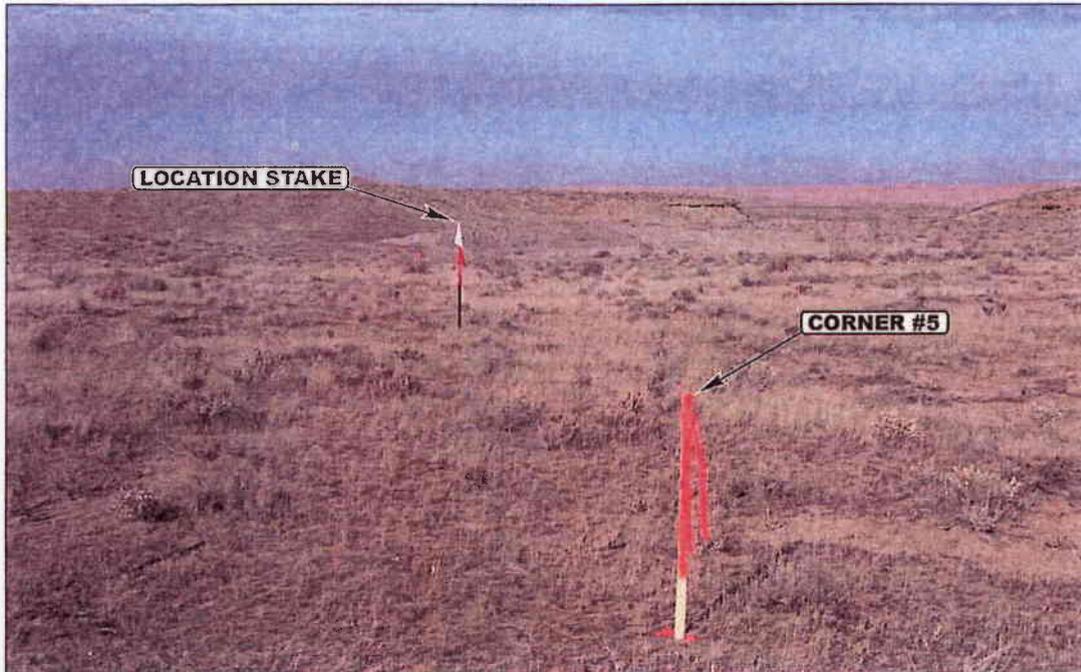


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

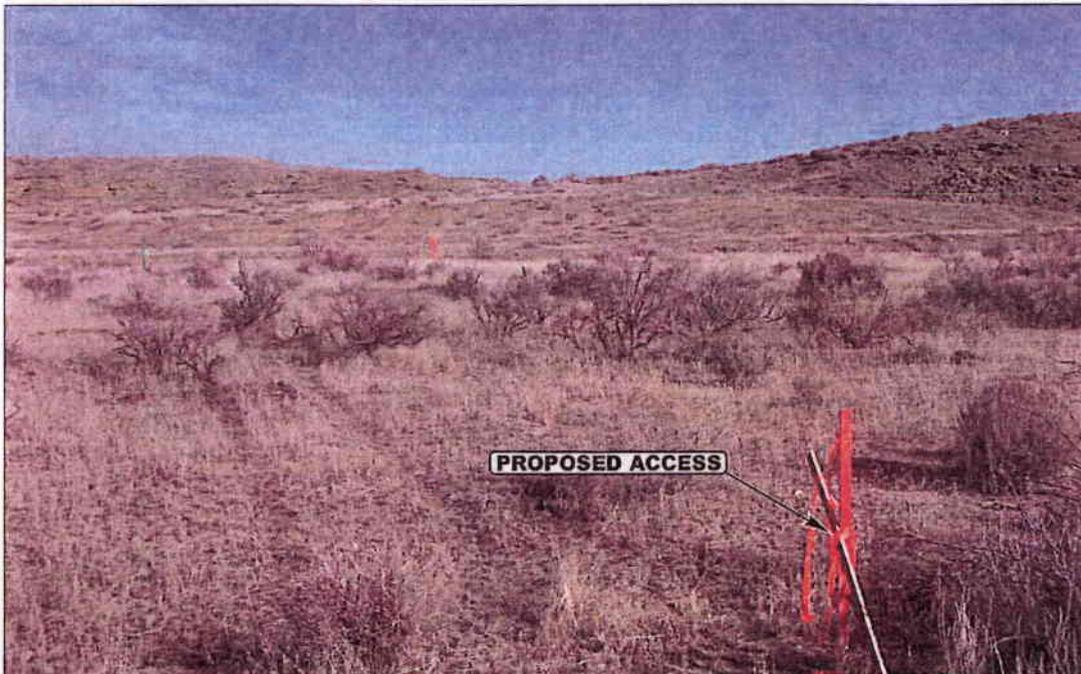


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



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

LOCATION PHOTOS

11 27 07  
MONTH DAY YEAR

PHOTO

TAKEN BY: J.R.

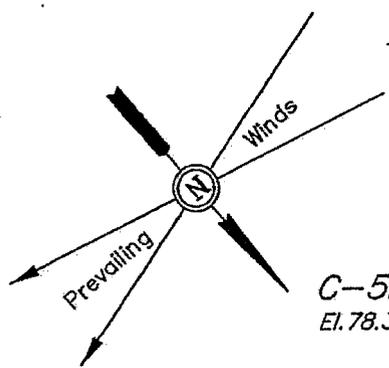
DRAWN BY: C.C.

REVISED: 00-00-00

# Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR  
 HATCH #923-14I  
 SECTION 14, T9S, R23E, S.L.B.&M.  
 1810' FSL 504' FEL



SCALE: 1" = 50'  
 DATE: 12-13-07  
 DRAWN BY: C.R.

C-5.9'  
 El. 78.3'

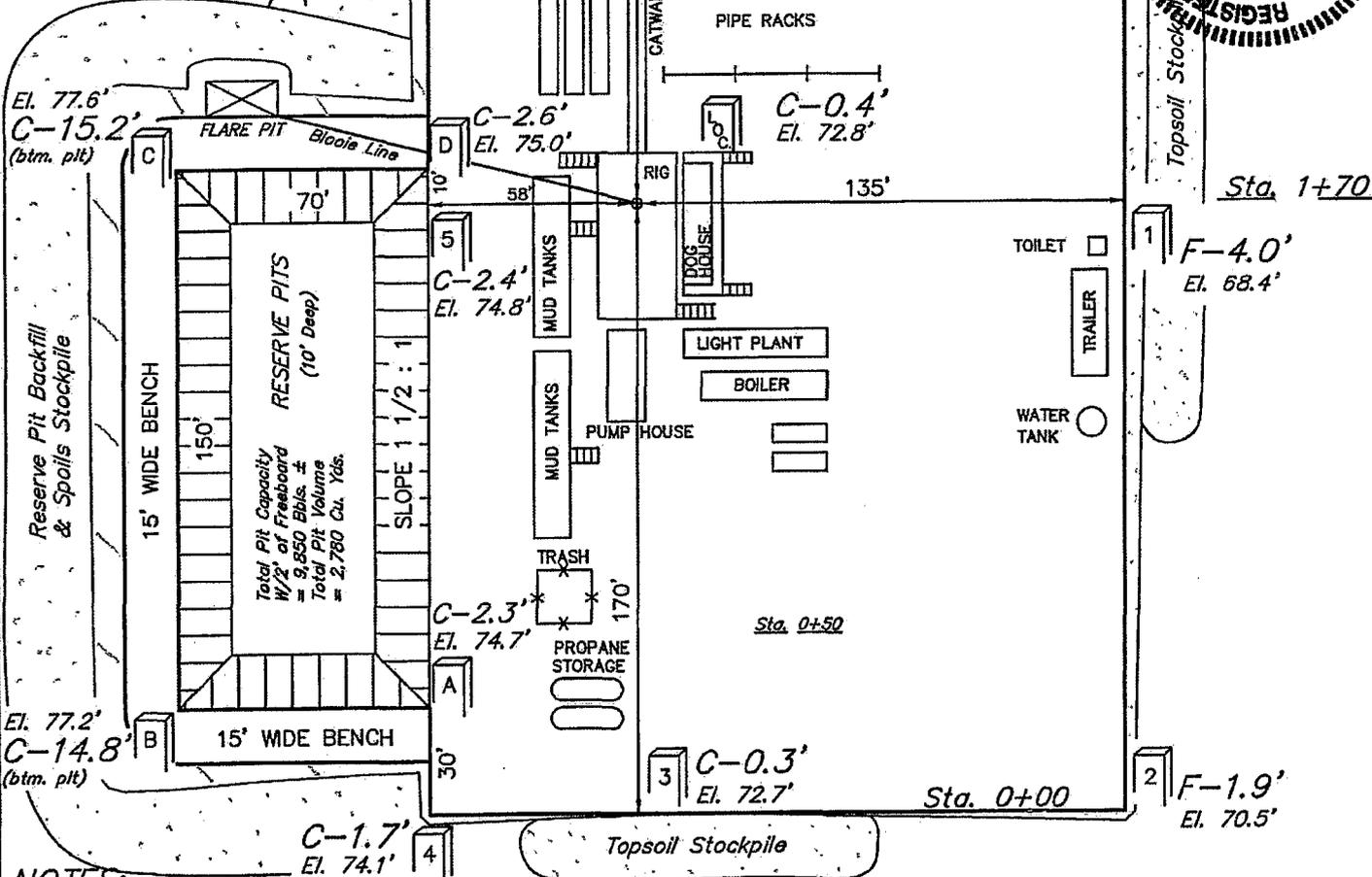
C-2.8'  
 El. 75.2'

F-4.7'  
 El. 67.7'

Sta. 3+50

Approx. Top of Cut Slope

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5072.8'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5072.4'

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

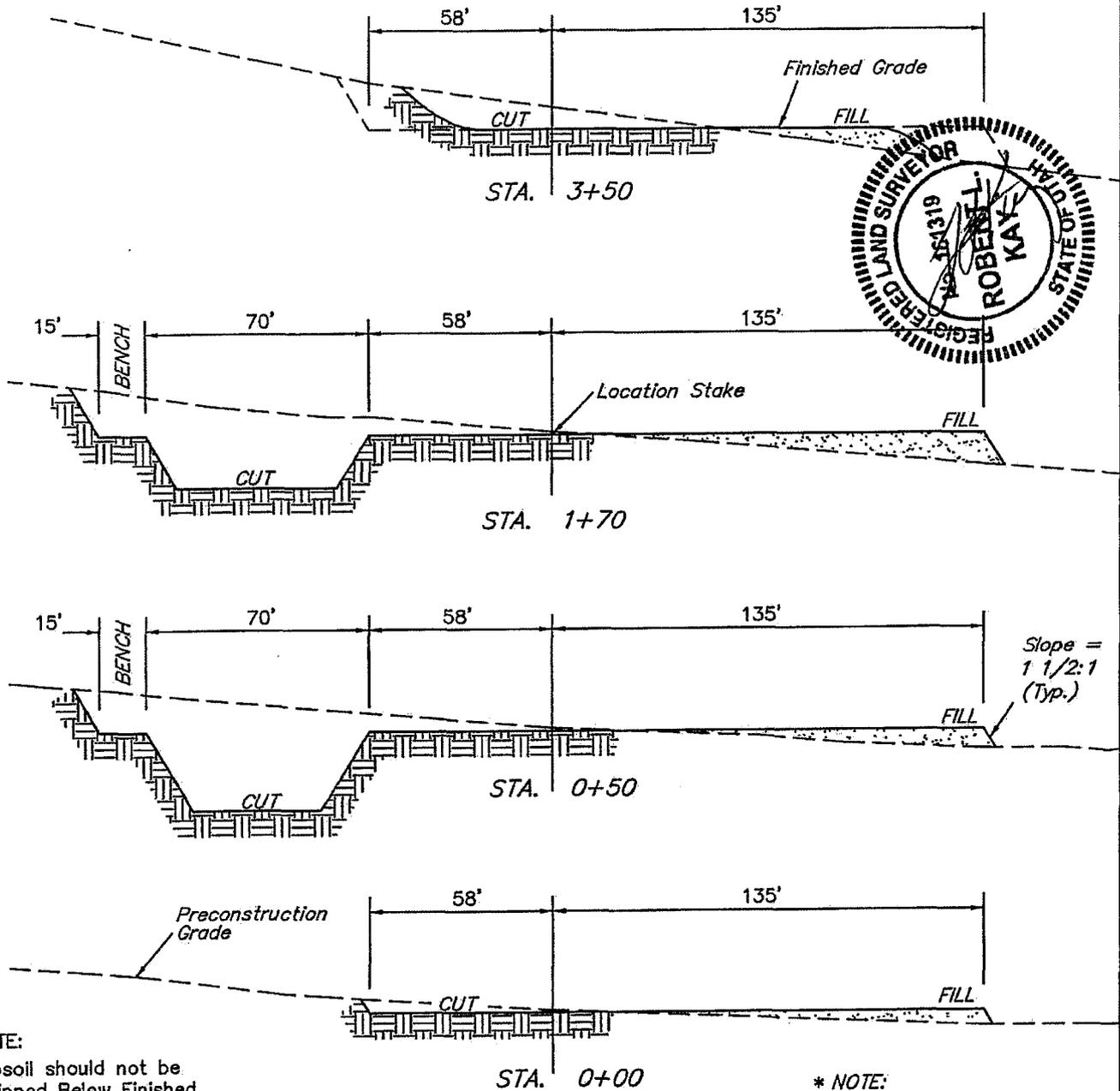
Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 HATCH #923-14I  
 SECTION 14, T9S, R23E, S.L.B.&M.  
 1810' FSL 504' FEL

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

DATE: 12-13-07  
 DRAWN BY: C.R.



NOTE:

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

\* NOTE:

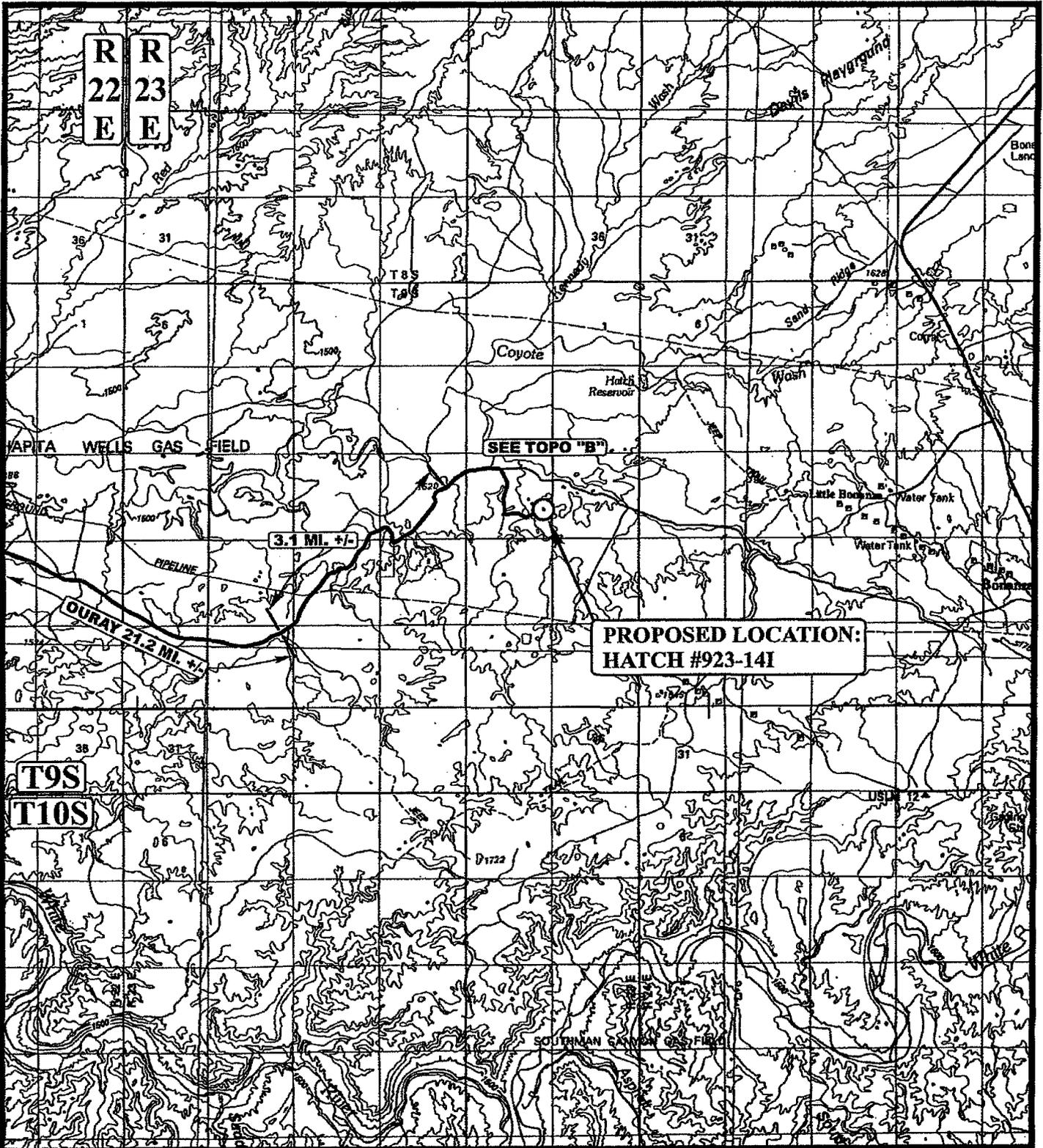
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

|                        |          |                     |
|------------------------|----------|---------------------|
| CUT                    |          |                     |
| (6") Topsoil Stripping | =        | 1693 Cu. Yds.       |
| Remaining Location     | =        | 6052 Cu. Yds.       |
| <b>TOTAL CUT</b>       | <b>=</b> | <b>7745 CU.YDS.</b> |
| <b>FILL</b>            | <b>=</b> | <b>3857 CU.YDS.</b> |

|  |   |               |
|--|---|---------------|
| EXCESS MATERIAL                                    | = | 3888 Cu. Yds. |
| Topsoil & Pit Backfill<br>(1/2 Pit Vol.)           | = | 3083 Cu. Yds. |
| EXCESS UNBALANCE<br>(After Interim Rehabilitation) | = | 805 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 #923-141**  
**SECTION 14, T9S, R23E, S.L.B.&M.**  
**1810' FSL 504' FEL**



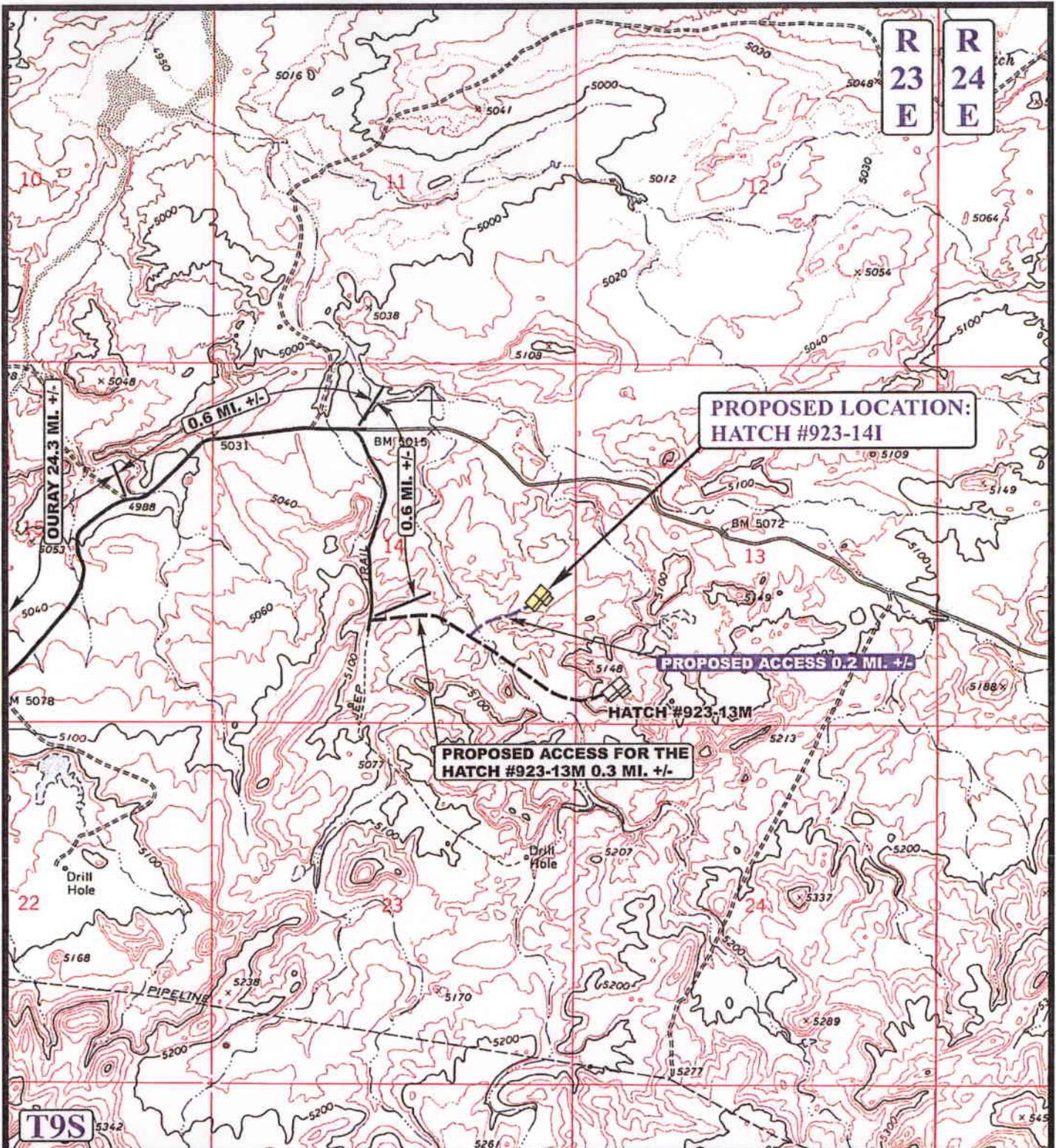
**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

|           |           |           |
|-----------|-----------|-----------|
| <b>11</b> | <b>27</b> | <b>07</b> |
| MONTH     | DAY       | YEAR      |

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





**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



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



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

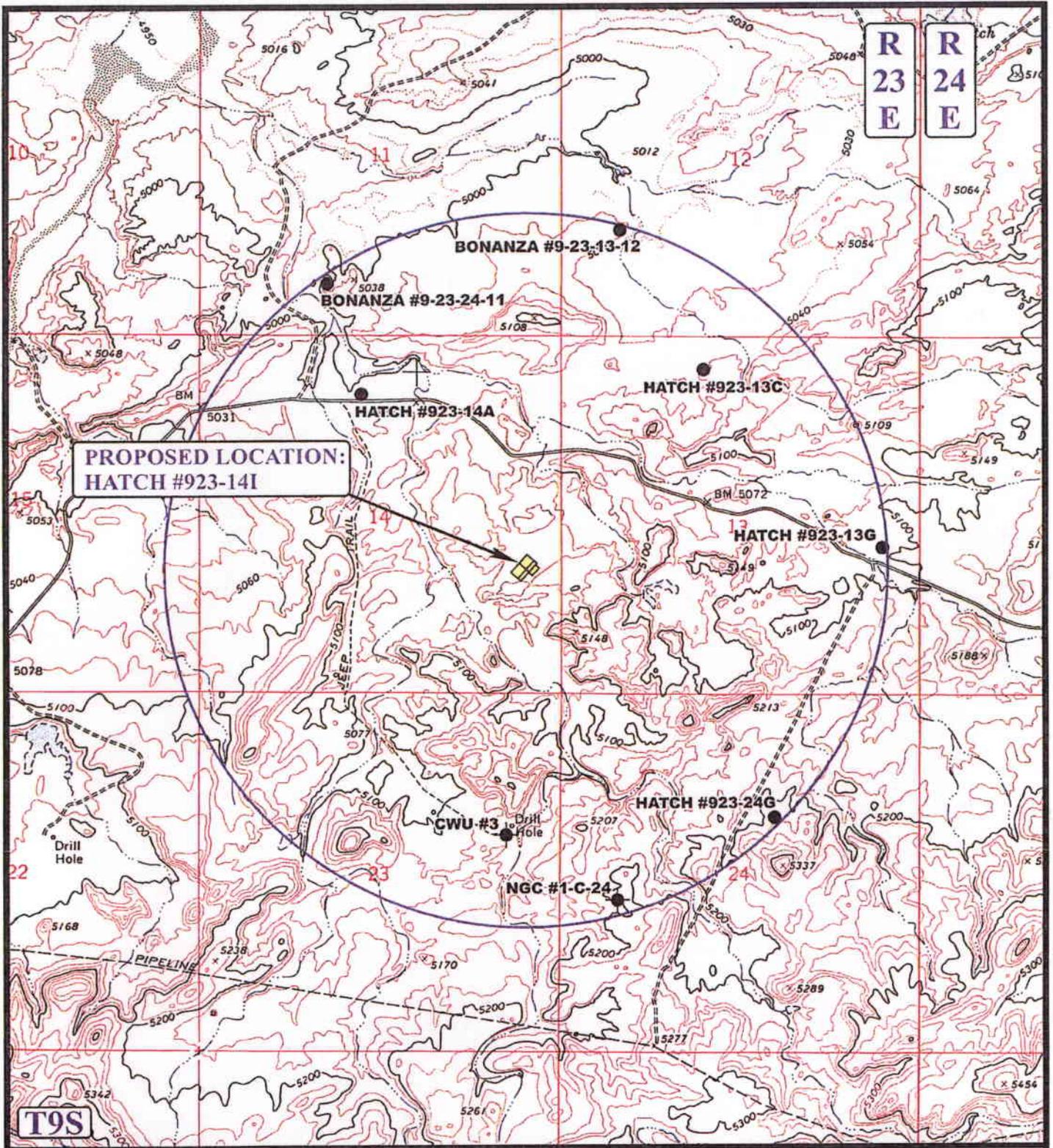
HATCH #923-141  
 SECTION 14, T9S, R23E, S.L.B.&M.  
 1810' FSL 504' FEL

**TOPOGRAPHIC  
 MAP**

|           |           |           |
|-----------|-----------|-----------|
| <b>11</b> | <b>27</b> | <b>07</b> |
| MONTH     | DAY       | YEAR      |



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



**LEGEND:**

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

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

**HATCH #923-14I**  
**SECTION 14, T9S, R23E, S.L.B.&M.**  
**1810' FSL 504' FEL**



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



**TOPOGRAPHIC**  
**MAP**

|           |           |           |
|-----------|-----------|-----------|
| <b>11</b> | <b>27</b> | <b>07</b> |
| MONTH     | DAY       | YEAR      |

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



# Kerr-McGee Oil & Gas Onshore LP HATCH #923-14I PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH  
SECTION 14, T9S, R23E, S.L.B.&M.

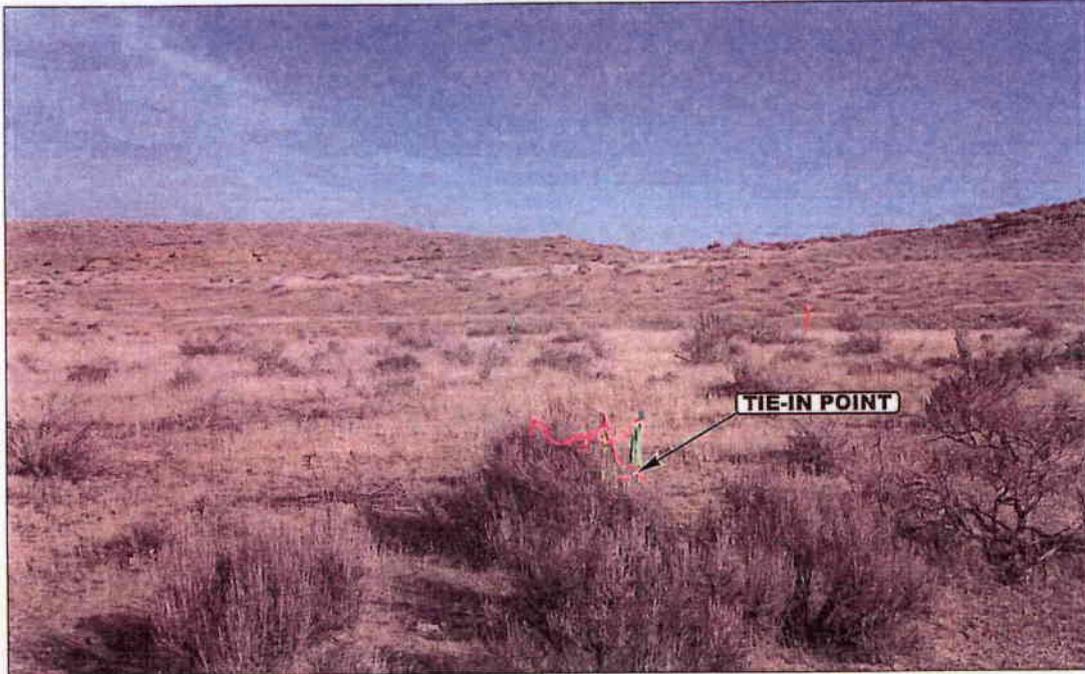


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY

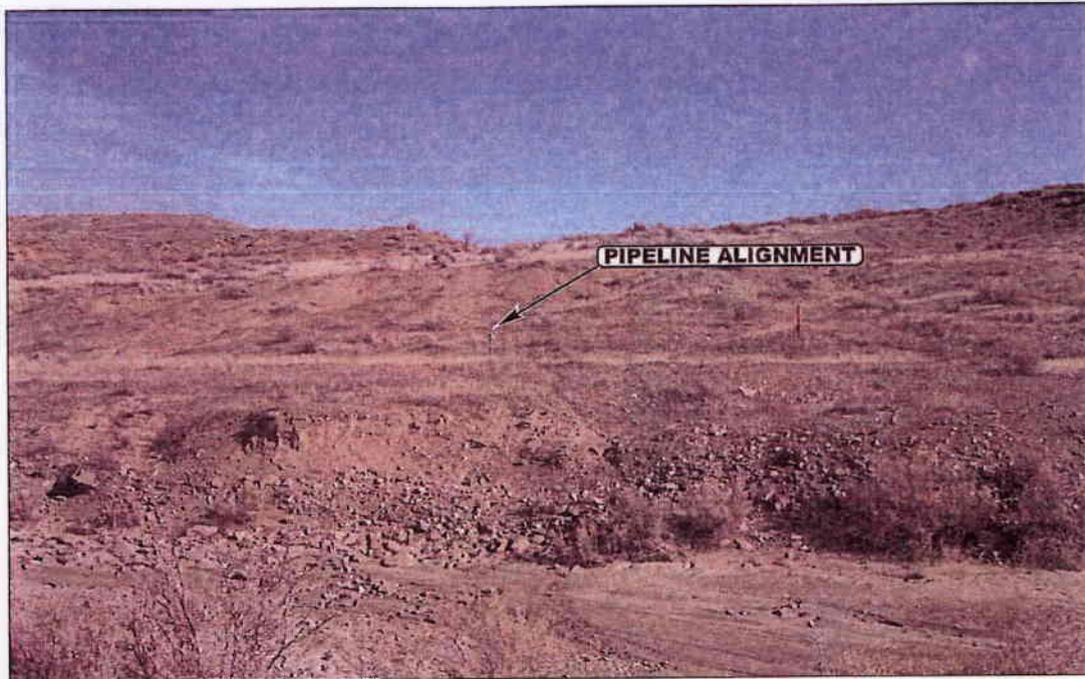


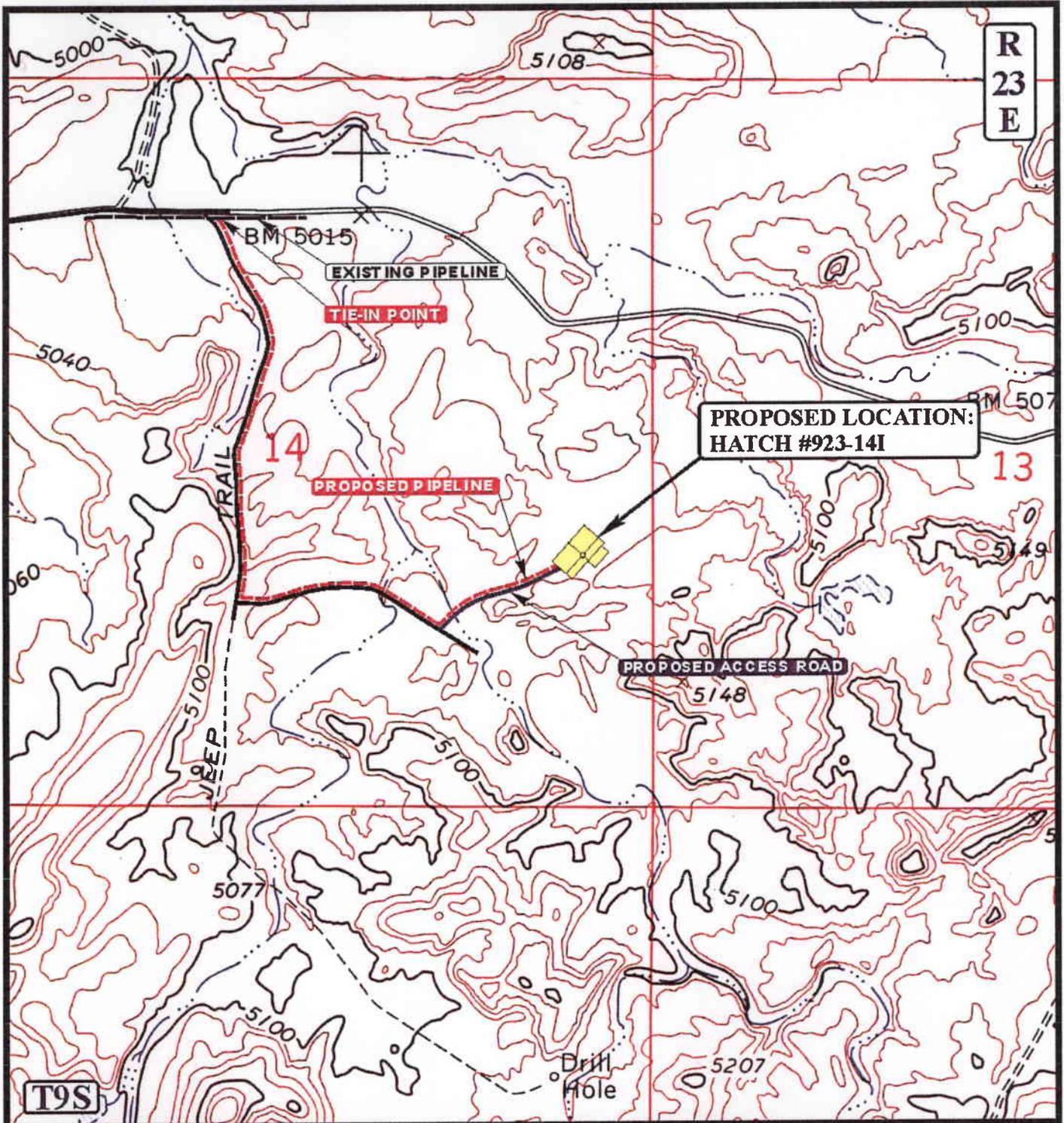
PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



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

|                        |                   |           |           |              |
|------------------------|-------------------|-----------|-----------|--------------|
| <b>PIPELINE PHOTOS</b> | <b>11</b>         | <b>27</b> | <b>07</b> | <b>PHOTO</b> |
| TAKEN BY: J.R.         | MONTH             | DAY       | YEAR      |              |
| DRAWN BY: C.C.         | REVISED: 00-00-00 |           |           |              |



**APPROXIMATE TOTAL PIPELINE DISTANCE = 5,298' +/-**

**LEGEND:**

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



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

**HATCH #923-14I**  
**SECTION 14, T9S, R23E, S.L.B.&M.**  
**1810' FSL 504' FEL**



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

**TOPOGRAPHIC MAP**

**11 27 07**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.C. REVISED: 06-05-08

**D**  
 TOPO

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/12/2008

API NO. ASSIGNED: 43-047-40144

WELL NAME: HATCH 923-14I

OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )

CONTACT: KEVIN MCINTYRE

PHONE NUMBER: 720-929-6226

PROPOSED LOCATION:

NESE 14 090S 230E  
 SURFACE: 1810 FSL 0504 FEL  
 BOTTOM: 1810 FSL 0504 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40.03372 LONGITUDE: -109.2858  
 UTM SURF EASTINGS: 646257 NORTHINGS: 4432697  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-01301  
 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:

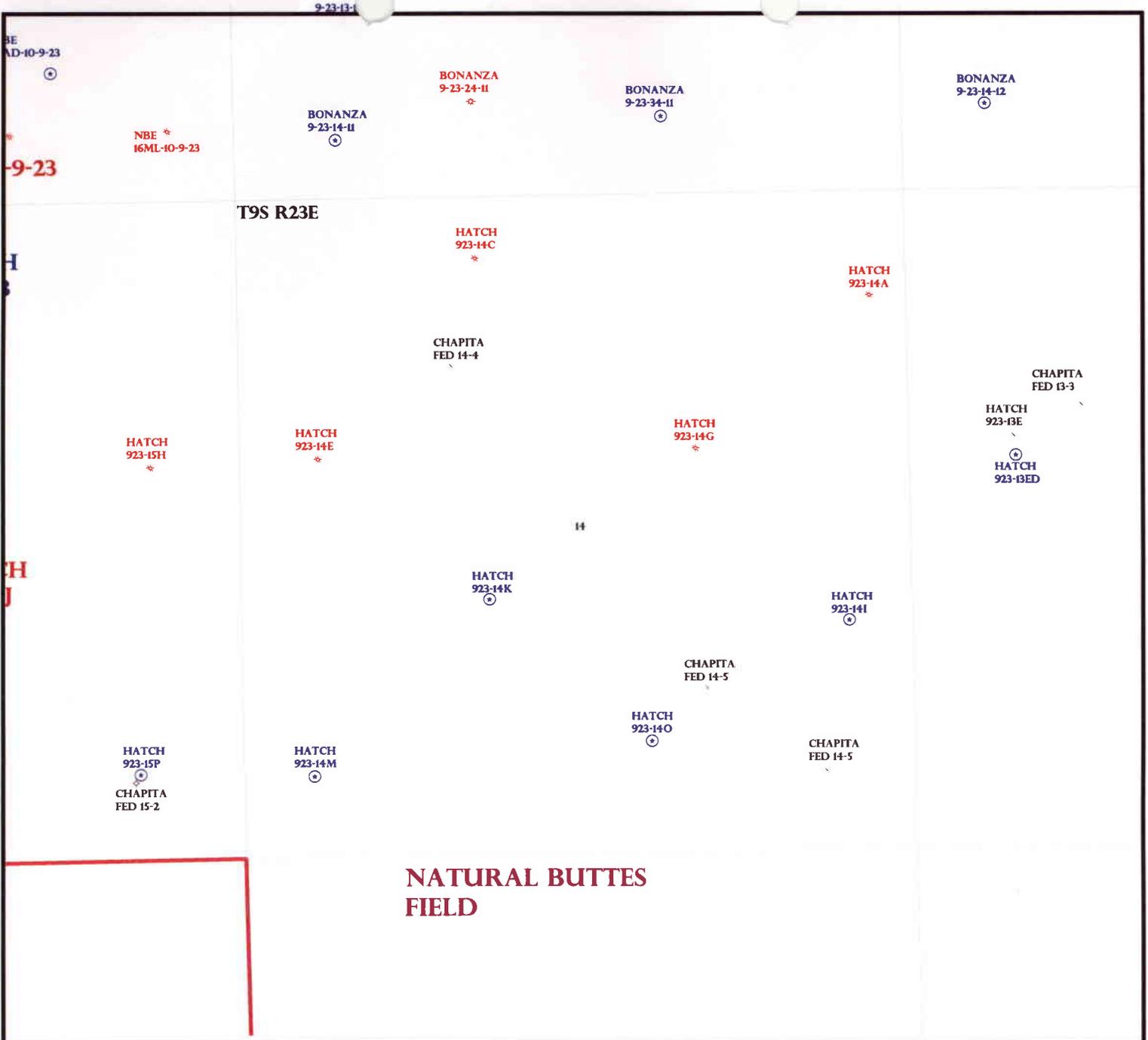
- \_\_\_\_\_ R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- \_\_\_\_\_ R649-3-3. Exception
- \_\_\_\_\_ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- \_\_\_\_\_ R649-3-11. Directional Drill

COMMENTS:

*See Separate File*

STIPULATIONS:

1. *Field Approval*
2. *Spacing Strip*



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 14 T.9S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

- 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



OIL, GAS & MINING



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



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 17, 2008

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

Re: Hatch 923-14I Well, 1810' FSL, 504' FEL, NE SE, Sec. 14, 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 43-047-40144.

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 923-14I

**API Number:** 43-047-40144

**Lease:** UTU-01301

**Location:** NE SE                      **Sec.** 14                      **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 within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 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.**

**5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.**

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-01301                                    |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>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. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br><br><b>7. UNIT or CA AGREEMENT NAME:</b>                            |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>HATCH 923-141  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047401440000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6587 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1810 FSL 0504 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 14 Township: 09.0S Range: 23.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |   |
|---|---|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>6/12/2009<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input checked="" type="checkbox"/> APD EXTENSION<br>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:**

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        | <b>DATE</b><br>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 43047401440000**

**API:** 43047401440000

**Well Name:** HATCH 923-14I

**Location:** 1810 FSL 0504 FEL QTR NESE SEC 14 TWNP 090S RNG 230E 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:** 

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-01301                                    |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>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. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br><br><b>7. UNIT or CA AGREEMENT NAME:</b>                            |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>HATCH 923-141  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047401440000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext  |
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**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |   |
|---|--|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>6/17/2010 | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>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"/> <b>SPUD REPORT</b><br>Date of Spud:  | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>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: _____  |

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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:**

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



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
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**Request for Permit Extension Validation Well Number 43047401440000**

**API:** 43047401440000

**Well Name:** HATCH 923-14I

**Location:** 1810 FSL 0504 FEL QTR NESE SEC 14 TWNP 090S RNG 230E MER S

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**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:** 

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-01301                                    |
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**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |   |
|---|--|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>6/17/2010 | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>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 |
|   | <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:**

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        | <b>DATE</b><br>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 43047401440000**

**API:** 43047401440000

**Well Name:** HATCH 923-14I

**Location:** 1810 FSL 0504 FEL QTR NESE SEC 14 TWNP 090S RNG 230E 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:** 

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-01301                                    |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>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. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br><br><b>7. UNIT or CA AGREEMENT NAME:</b>                            |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>HATCH 923-14I  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047401440000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6515 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1810 FSL 0504 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 14 Township: 09.0S Range: 23.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |   |
|---|--|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>6/17/2011 | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>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"/> <b>SPUD REPORT</b><br>Date of Spud:  | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>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: <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:**

|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker | <b>PHONE NUMBER</b><br>720 929-6086 | <b>TITLE</b><br>Regulatory Analyst II |
| <b>SIGNATURE</b><br>N/A                   | <b>DATE</b><br>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 43047401440000**

**API:** 43047401440000

**Well Name:** HATCH 923-14I

**Location:** 1810 FSL 0504 FEL QTR NESE SEC 14 TWNP 090S RNG 230E 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

**Signature:** Gina Becker

**Date:** 5/13/2011

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

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

JUN 27 2011

BLM

|  |
|--|
| 5. Lease Serial No.<br>UTU01301                      |
| 6. If Indian, Allottee or Tribe Name                 |
| 7. If Unit or CA/Agreement, Name and/or No.          |
| 8. Well Name and No.<br>HATCH 923-141                |
| 9. API Well No.<br>43-047-40144                      |
| 10. Field and Pool, or Exploratory<br>NATURAL BUTTES |
| 11. County or Parish, and State<br>UINTAH COUNTY, UT |

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

|  |   |
|--|---|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   |
| 2. Name of Operator<br>KERR MCGEE OIL & GAS ONSHORE  | Contact: GINA T BECKER<br>E-Mail: gina.becker@anadarko.com                |
| 3a. Address<br>P.O. BOX 173779<br>DENVER, CO 80217   | 3b. Phone No. (include area code)<br>Ph: 720-929-6086<br>Fx: 720-929-7086 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 14 T09S R23E Mer SLB NESE 1810FSL 0504FEL          |   |

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

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

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

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. The APD for this location was originally approved by the BLM on July 10, 2009. All information remains the same as in the originally submitted APD.

Please contact the undersigned with any questions and/or comments.  
Thank you.

RECEIVED

OCT 07 2011

DIV. OF OIL, GAS & MINING

VERNAL FIELD OFFICE  
ENG. *RH* 9/20/11  
GEOL. \_\_\_\_\_  
E.S. \_\_\_\_\_  
PET. \_\_\_\_\_  
DECI \_\_\_\_\_

CONDITIONS OF APPROVAL ATTACHED

|  |                             |
|--|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct.   |                             |
| Electronic Submission #111584 verified by the BLM Well Information System<br>For KERR MCGEE OIL & GAS ONSHORE, sent to the Vernal<br>Committed to AFMSS for processing by ROBIN R. HANSEN on 06/28/2011 () |                             |
| Name (Printed/Typed) GINA T BECKER   | Title REGULATORY ANALYST II |
| Signature (Electronic Submission)  | Date 06/27/2011             |

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

|   |  |                            |
|---|--|----------------------------|
| Approved By <i>[Signature]</i>  | Title Assistant Field Manager<br>Lands & Mineral Resources | SEP 22 2011<br>Date        |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. |  | Office VERNAL FIELD OFFICE |

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.

UDOGM

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

1100112105SE

# **CONDITIONS OF APPROVAL**

## **Kerr McGee Oil and Gas Onshore LP.**

### **Notice of Intent APD Extension**

**Lease:** UTU-01301  
**Well:** Hatch 923-14I  
**Location:** NESE Sec 14-T9S-R23E

An extension for the referenced APD is granted with the following conditions:

---

1. The extension and APD shall expire on 07/09/2013.
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777

|  |  |
|--|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b>  |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>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:<br>UTU-01301 |
| 1. TYPE OF WELL<br>Gas Well  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                |
| 2. NAME OF OPERATOR:<br>KERR-MCGEE OIL & GAS ONSHORE, L.P.   | 7. UNIT or CA AGREEMENT NAME:                        |
| 3. ADDRESS OF OPERATOR:<br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779   | 8. WELL NAME and NUMBER:<br>HATCH 923-14I            |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE:<br>1810 FSL 0504 FEL<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>Qtr/Qtr: NESE Section: 14 Township: 09.0S Range: 23.0E Meridian: S   | 9. API NUMBER:<br>43047401440000                     |
| 5. PHONE NUMBER:<br>720 929-6511   | 9. FIELD and POOL or WILDCAT:<br>NATURAL BUTTES      |
|  | COUNTY:<br>UINTAH                                    |
|  | STATE:<br>UTAH                                       |

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

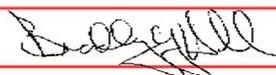
| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |   |
|---|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT<br>Approximate date work will start:<br><b>6/17/2012</b> | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>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<br>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<br>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: <input style="width: 100px;" 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: June 07, 2012

By: 

|                                     |                              |  |
|-------------------------------------|------------------------------|--|
| NAME (PLEASE PRINT)<br>Jenn Hawkins | PHONE NUMBER<br>720 929-6247 | TITLE<br>Staff Operations Specialist III |
| SIGNATURE<br>N/A                    | DATE<br>6/5/2012             |  |



**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 43047401440000**

API: 43047401440000

Well Name: HATCH 923-14I

Location: 1810 FSL 0504 FEL QTR NESE SEC 14 TWNP 090S RNG 230E 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

Signature: Jenn Hawkins

Date: 6/5/2012

Title: Staff Operations Specialist III Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.



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

June 11, 2013

Teena Paulo  
Kerr-McGee Oil & Gas Onshore, L.P.  
1099 18<sup>TH</sup> Street, Suite 600  
Denver, CO 80202

43 047 40144  
Hatch 923-14I  
9S 23E 14

Re: APDs Rescinded for Kerr-McGee Oil & Gas Onshore, L.P.  
Carbon and Uintah County

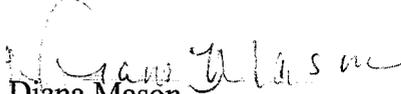
Dear Ms. Paulo:

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 May 31, 2013.

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



|                |                       |
|----------------|-----------------------|
| 43-007-50002   | North Bench Fed 43-20 |
| 43-007-50004   | North Bench Fed 22-21 |
| 43-007-50005   | North Bench Fed 32-21 |
| 43-007-50006   | North Bench Fed 43-21 |
| 43-007-50007   | North Bench Fed 12-22 |
| 43-007-50001   | North Bench Fed 32-20 |
| 43-007-50012   | Wellington Fed 23 -20 |
| 43-007-50015   | Wellington Fed 32-30  |
| 43-007-50017   | Wellington Fed 41-25  |
| 43-047-40120   | NBU 920-15FT          |
| 43-047-40124   | HATCH 923-25K         |
| → 43-047-40144 | HATCH 923-14I         |
| 43-047-40145   | HATCH 923-25E         |
| 43-047-39370   | NBU 922-18I           |
| 43-047-38308   | BONANZA 1023-10N3DS   |

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: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER  |  | 5. Lease Serial No.<br>UTU-01301                                      |
| 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 Zone |  | 6. If Indian, Allottee or Tribe Name<br>N/A                           |
| 2. Name of Operator<br>Kerr-McGee Oil & Gas Onshore, LP   |  | 7. If Unit or CA Agreement, Name and No.<br>N/A                       |
| 3a. Address<br>P.O. Box 173779<br>Denver, CO 80217-3779   |  | 8. Lease Name and Well No.<br>Hatch 923-141                           |
| 3b. Phone No. (include area code)<br>720.929.6226   |  | 9. API Well No.<br>43-047-40144                                       |
| 4. Location of well (Report location clearly and in accordance with any State requirements. *)<br>At surface 1810 FSL 504 FEL NE SE Lat. 40.033719 Long. -109.285867<br>At proposed prod. zone N/A NAD 27     |  | 10. Field and Pool, or Exploratory<br>Natural Buttes Field            |
| 14. Distance in miles and direction from the nearest town or post office*<br>25.7 miles east of Ouray, Utah   |  | 11. Sec., T., R., M., or Blk. and Survey or Area<br>Sec 14 T 9S R 23E |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)<br>504'   |  | 12. Cou State<br>Uintah Utah  |
| 16. No. of acres in lease<br>2520   |  | 17. Spacing Unit dedicated to this well<br>40                         |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.<br>4500'   |  | 20. BLM/ BIA Bond No. on file<br>WYW000291                            |
| 21. Elevations (Show whether DF, RT, GR, etc.)<br>5073 GR   |  | 22. Approximate date work will start*<br>ASAP<br>Estimate<br>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:

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

|  |   |
|--|---|
| 25. Signature<br>                                  | Name (Printed/ Typed)<br>Kevin McIntyre |
| Title<br>Regulatory Analyst                        |   |
| Approved By (Signature)<br>                        | Name (Printed/ Typed)<br>Kevin Kevicka  |
| Title<br>District Manager<br>Underground Resources | Office<br>VERNAL FIELD OFFICE           |

RECEIVED  
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 DEPT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

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.

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(Continued on page 2)

NOS 02/21/09/03/15/08 NOTICE OF APPROVAL (Instructions on page 2) JUL 30 2009

UDOGM AFMSS# 0390599A



**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  
Well No: Hatch 923-14I  
API No: 43-047-40144

Location: NESE, Sec.14, T9S, R23E  
Lease No: UTU-01301  
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<br>(Notify Environmental Scientist)       | - Forty-Eight (48) hours prior to construction of location and access roads.   |
| Location Completion<br>(Notify Environmental Scientist)         | - Prior to moving on the drilling rig.   |
| Spud Notice<br>(Notify Petroleum Engineer)                      | - Twenty-Four (24) hours prior to spudding the well.   |
| Casing String & Cementing<br>(Notify Supv. Petroleum Tech.)     | - Twenty-Four (24) hours prior to running casing and cementing all casing strings.   |
| BOP & Related Equipment Tests<br>(Notify Supv. Petroleum Tech.) | - Twenty-Four (24) hours prior to initiating pressure tests.   |
| First Production Notice<br>(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.

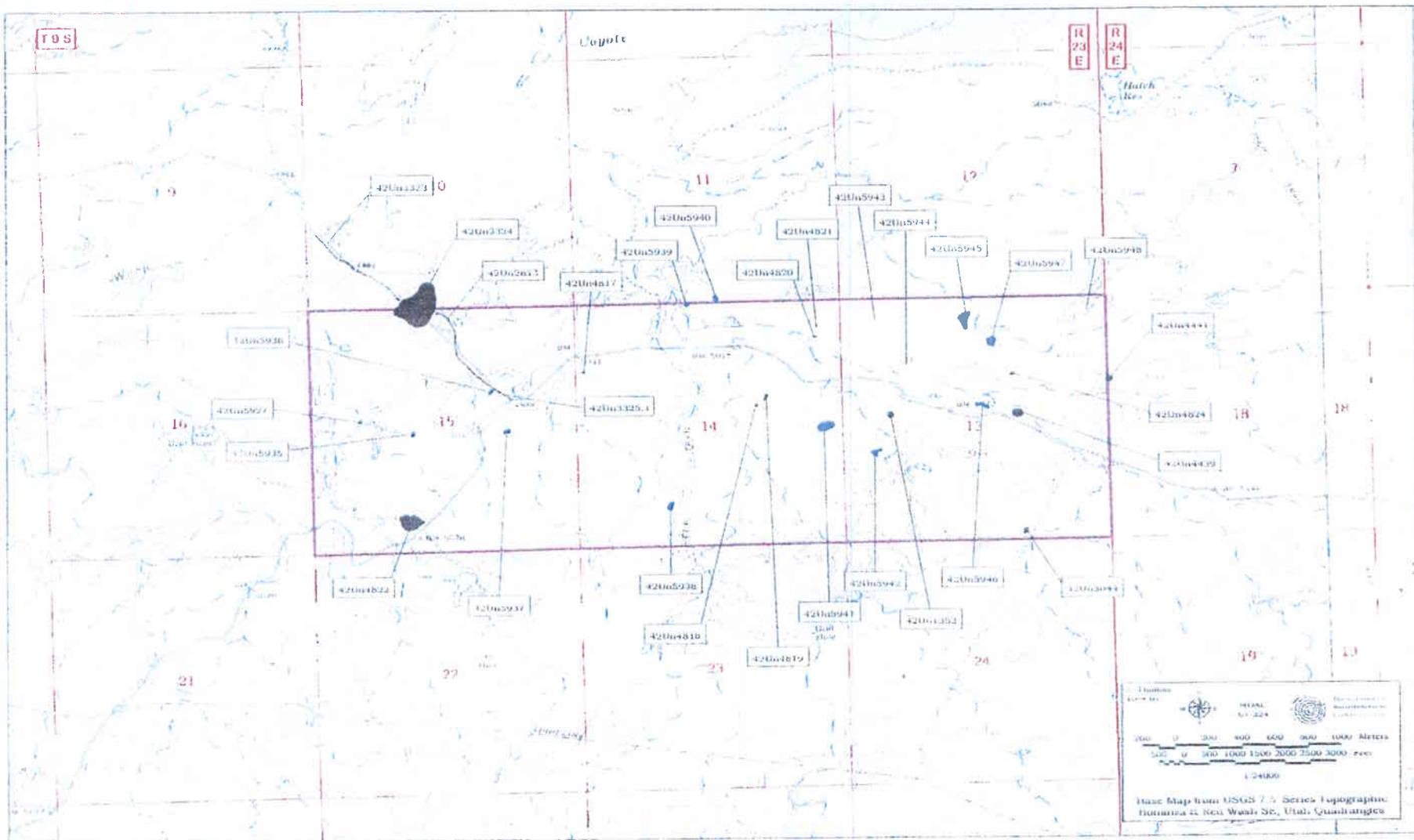
**SITE SPECIFIC CONDITIONS OF APPROVAL**

- 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.
- The operator would develop an Interim Surface Reclamation Plan for surface disturbance on the well pad, access road, and pipeline would be completed. At a minimum, this would 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, would 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 would be used as a multi-well site the interim reclamation would be delayed until all wells are constructed at the site.

• Interim Reclamation seed mix

|                            |                               |              |
|----------------------------|-------------------------------|--------------|
| Hycrest crested wheatgrass | <i>Agropyron cristatum</i>    | 2 lbs. /acre |
| western wheatgrass         | <i>Agropyron smithii</i>      | 2 lbs. /acre |
| Sacriet 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.
- A certified cultural monitor will insure that the following cultural sites (42Un5941 and 42Un5938) are avoided by more than 100 feet. The well pads that need to be monitored are Hatch 923-14I, Hatch 923-14K, and Hatch 923-14M.






200 0 200 400 600 800 1000 Meters  
 500 0 500 1000 1500 2000 2500 3000 Feet  
 1:24800

Base Map from USGS 7.5 Series Topographic  
 Horizontal & Non-Water Sec. Utah, Quadrangles

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

**SITE SPECIFIC DOWNHOLE COAs:**

- No site specific downhole APD COAs.

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

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to [UT\\_VN\\_Welllogs@BLM.gov](mailto:UT_VN_Welllogs@BLM.gov). This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

#### OPERATING REQUIREMENT REMINDERS:

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

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

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