

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

FORM 3  
AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						<b>1. WELL NAME and NUMBER</b> Federal 920-231	
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						<b>3. FIELD OR WILDCAT</b> NATURAL BUTTES	
<b>4. TYPE OF WELL</b> Gas Well Coalbed Methane Well: NO						<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>	
<b>6. NAME OF OPERATOR</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.						<b>7. OPERATOR PHONE</b> 307-752-1169	
<b>8. ADDRESS OF OPERATOR</b> P.O. Box 173779, Denver, CO, 80217						<b>9. OPERATOR E-MAIL</b> Laura.Gianakos@anadarko.com	
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> UTU 0577A			<b>11. MINERAL OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>	
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>	
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b> Ute Tribe			<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>			<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
<b>20. LOCATION OF WELL</b>	<b>FOOTAGES</b>	<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>	
<b>LOCATION AT SURFACE</b>	2103 FSL 693 FEL	NESE	23	9.0 S	20.0 E	S	
<b>Top of Uppermost Producing Zone</b>	2103 FSL 693 FEL	NESE	23	9.0 S	20.0 E	S	
<b>At Total Depth</b>	2103 FSL 693 FEL	NESE	23	9.0 S	20.0 E	S	
<b>21. COUNTY</b> UINTAH			<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 693			<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 2091	
			<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 1200			<b>26. PROPOSED DEPTH</b> MD: 10416 TVD: 10416	
<b>27. ELEVATION - GROUND LEVEL</b> 4832			<b>28. BOND NUMBER</b> WYB000291			<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> Permit #43-8496	

**ATTACHMENTS**

**VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES**

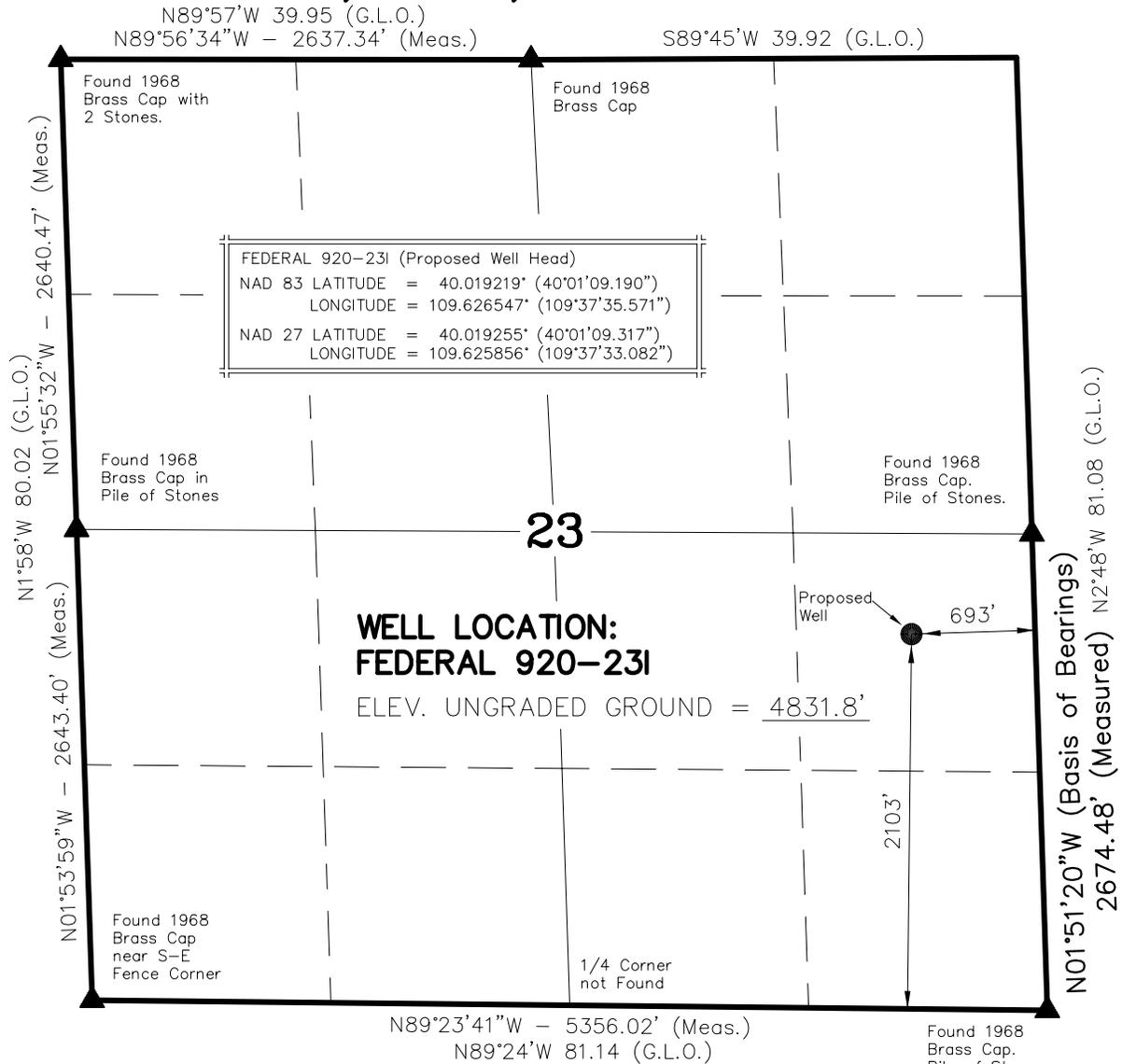
<input checked="" type="checkbox"/> <b>WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER</b>	<input checked="" type="checkbox"/> <b>COMPLETE DRILLING PLAN</b>
<input type="checkbox"/> <b>AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)</b>	<input type="checkbox"/> <b>FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER</b>
<input type="checkbox"/> <b>DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)</b>	<input checked="" type="checkbox"/> <b>TOPOGRAPHICAL MAP</b>

<b>NAME</b> Danielle Piernot	<b>TITLE</b> Regulatory Analyst	<b>PHONE</b> 720 929-6156
<b>SIGNATURE</b>	<b>DATE</b> 07/16/2009	<b>EMAIL</b> gnbregulatory@anadarko.com
<b>API NUMBER ASSIGNED</b> 43047505810000	<b>APPROVAL</b>   Permit Manager	

<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Prod	7.875	4.5	0	10416		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade HCP-110 LT&C	816	11.6			
	Grade I-80 LT&C	9600	11.6			

<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Surf	12.25	9.625	0	2640		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade J-55 LT&C	2640	36.0			

# T9S, R20E, S.L.B.&M.



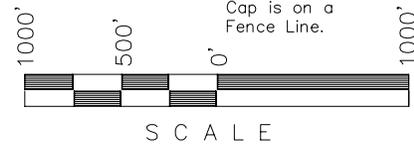
FEDERAL 920-231 (Proposed Well Head)  
 NAD 83 LATITUDE = 40.019219° (40°01'09.190")  
 LONGITUDE = 109.626547° (109°37'35.571")  
 NAD 27 LATITUDE = 40.019255° (40°01'09.317")  
 LONGITUDE = 109.625856° (109°37'33.082")

**WELL LOCATION:  
 FEDERAL 920-231**

ELEV. UNGRADED GROUND = 4831.8'

**NOTES:**

- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
- 3. Bearings are based on Global Positioning Satellite observations.
- 4. Basis of elevation is the Northwest Corner of Section 12, T9S, R20E, S.L.B.&M. The elevation of this Section Corner is shown on the Ouray SE 7.5 Min. Quadrangle as being 4676'.

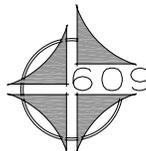


**SURVEYOR'S CERTIFICATE**

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

No. 362251  
 KOLBY R. KAY  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 362251  
 STATE OF UTAH

**Kerr-McGee  
 Oil & Gas Onshore, LP**  
 1099 18th Street - Denver, Colorado 80202



CONSULTING, LLC  
 371 Coffeen Avenue  
 Sheridan WY 82801  
 Phone 307-674-0609  
 Fax 307-674-0182

**FEDERAL 920-231  
 WELL PLAT  
 2103' FSL, 693' FEL  
 NE ¼ SE ¼ OF SECTION 23, T9S, R20E,  
 S.L.B.&M. UINTAH COUNTY, UTAH.**

**TIMBERLINE** (435) 789-1365  
**ENGINEERING & LAND SURVEYING, INC.**  
 209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 12-23-08	SURVEYED BY: M.S.B.	<b>SHEET 1 OF 9</b>
DATE DRAWN: 03-04-09	DRAWN BY: K.K.O.	
SCALE: 1" = 1000'	Date Last Revised:	

**Federal 920-23I**

Surface: 2,103' FSL, 693' FEL (NE/4SE/4)

Sec. 23 T9S R20E

Uintah, Utah

Mineral Lease: UTU 0577A

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

1. – 2. **Estimated Tops of Important Geologic Markers:**  
**Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 – Surface	
Green River	1,680'	
Birds Nest	1,923'	Water
Mahogany	2,438'	Water
Wasatch	5,041'	Gas
Mesaverde	8,259'	Gas
MVU2	9,207'	Gas
MVL1	9,610'	Gas
TD	10,416'	

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 10,416' TD, approximately equals 6,489 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,198 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.*

*Onshore Order #2 – Air Drilling Variance*

*Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2*

- *Blowout Prevention Equipment (BOPE) requirements;*
- *Mud program requirements; and*
- *Special drilling operation (surface equipment placement) requirements associated with air drilling.*

*This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.*

*The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.*

*More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.*

***Background***

*In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.*

*Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.*

*The air rig is then mobilized to drill the surface casing hole by drilling a 12-1/4 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 12-1/4 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 9-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.*

*KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.*

#### ***Variance for BOPE Requirements***

*The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.*

#### ***Variance for Mud Material Requirements***

*Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.*

#### ***Variance for Special Drilling Operation (surface equipment placement) Requirements***

*Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.*

*Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.*

*Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.*

*Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.*

***Conclusion***

*The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.*

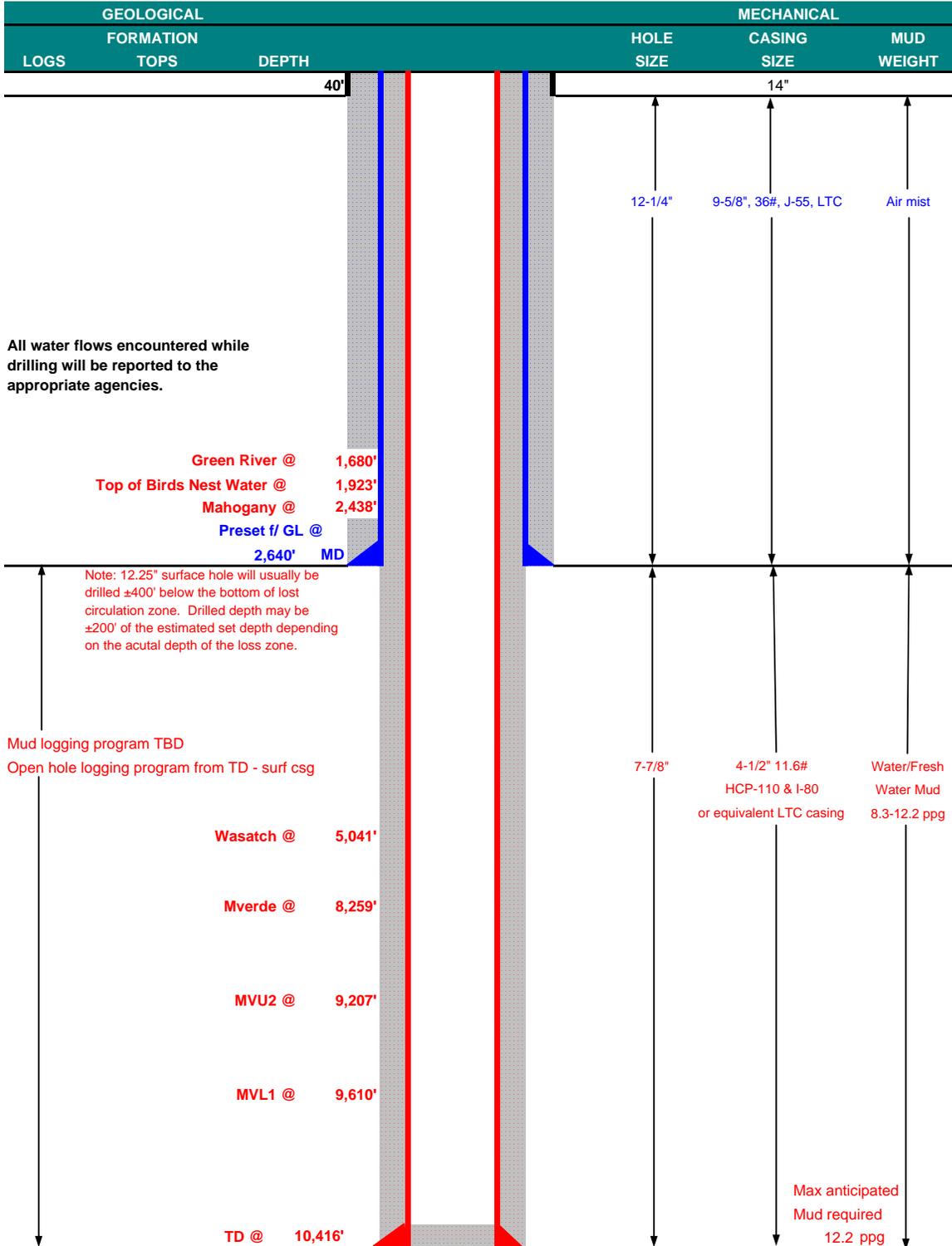
**10. Other Information:**

*Please refer to the attached Drilling Program.*



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

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	July 9, 2009	
WELL NAME	Federal 920-231		TD	10,416' MD/TVD	
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
				FINISHED ELEVATION	4,829'
SURFACE LOCATION	NE/4 SE/4	2,103' FSL	693' FEL	Sec 23 T 9S R 20E	BHL Straight Hole
	Latitude:	40.019219	Longitude:	-109.626547	NAD 83
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.				





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

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,520	2,020	453,000
SURFACE	9-5/8"	0 to 2640	36.00	J-55	LTC	0.82*	1.63	4.77
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	LTC	1.80	1.04	2.04
		9600 to 10416	11.60	HCP-110	LTC	2.48	1.31	36.23

\*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.12

1) Max Anticipated Surf. Press.(MASP) (Surf Csg) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac grad x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 12.2 ppg) 0.22 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 4,198 psi**

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD  
 (Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
**MABHP 6,489 psi**

**CEMENT PROGRAM**

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	215	60%	15.60	1.18
Option 1 TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele Premium cmt + 2% CaCl	380	0%	15.60	1.18
<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>						
SURFACE LEAD	2,140'	Prem cmt + 16% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOC	240	35%	11.00	3.82
TAIL	500	Premium cmt + 2% CaCl + 0.25 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	4,536'	Premium Lite II + 0.25 pps celloflake + 5 pps gilsonite + 10% gel ' + 1% Retarder	430	40%	11.00	3.38
TAIL	5,880'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1440	40%	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 for a total of 15 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. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

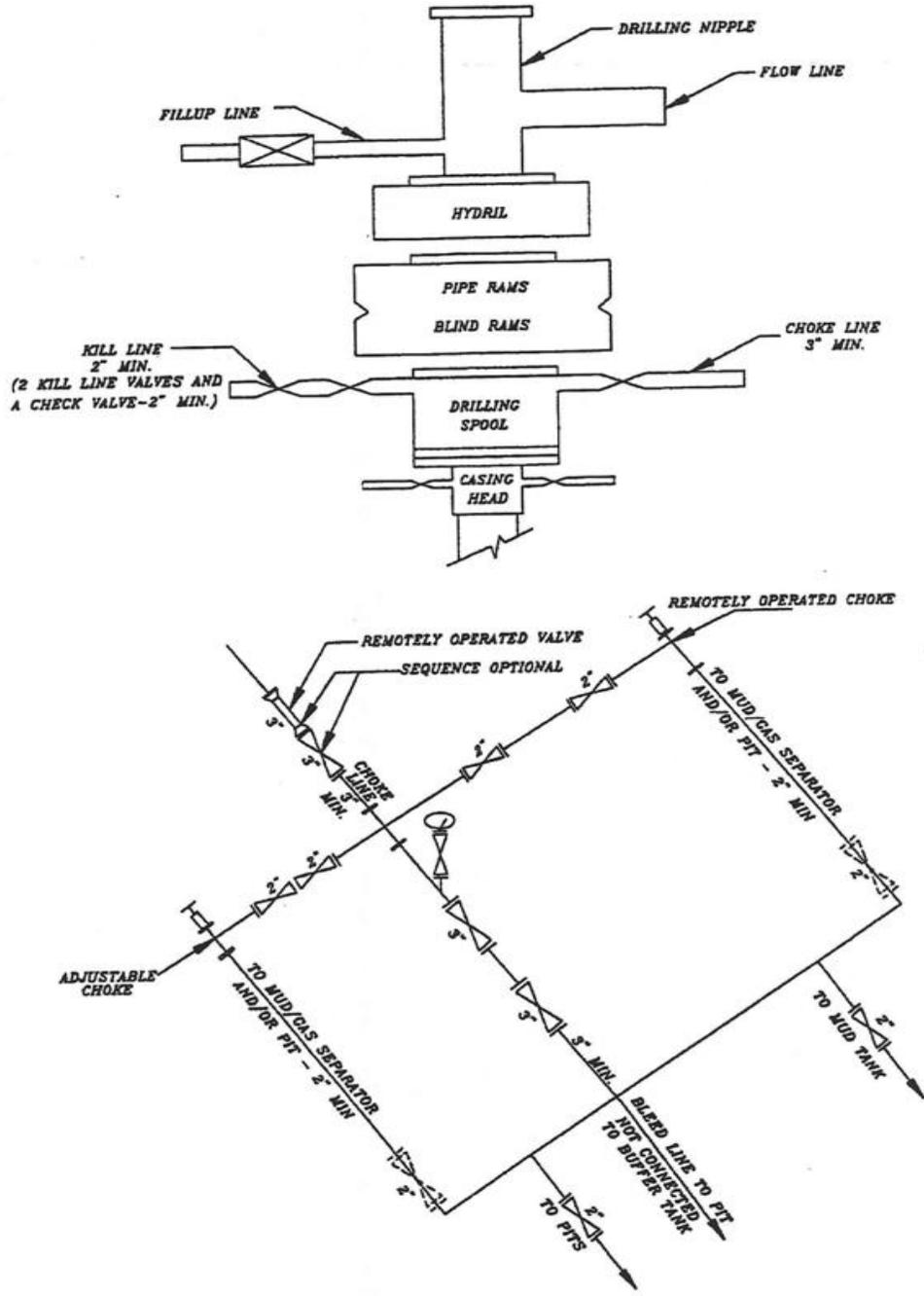
Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

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

**DRILLING ENGINEER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 John Huycke / Emile Goodwin

**DRILLING SUPERINTENDENT:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 John Merkel / Lovel Young

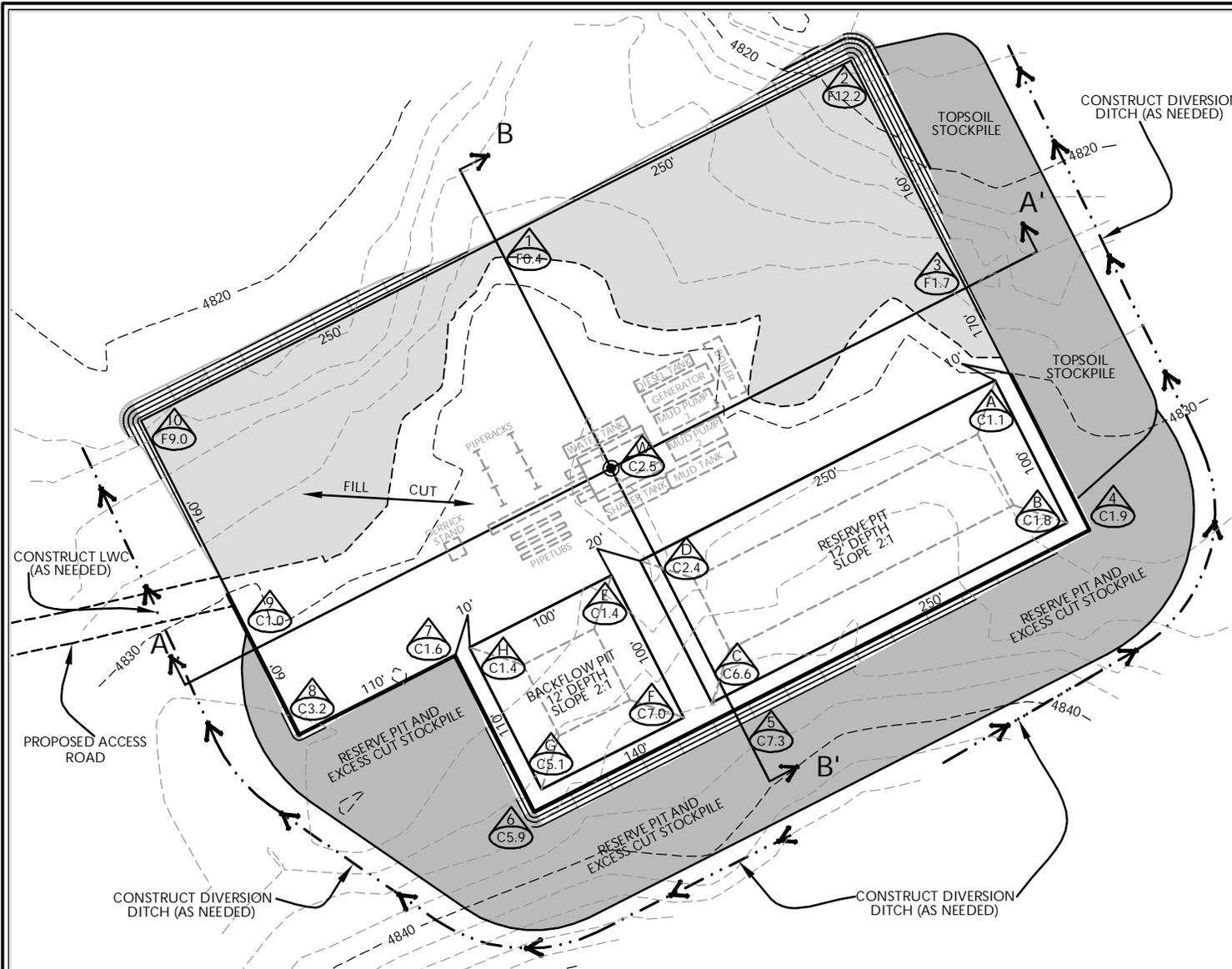
### EXHIBIT A Federal 920-23I



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

'APIWellNo:43047505810000'

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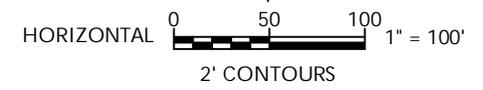
**WELL PAD LEGEND**

- WELL LOCATION
- - - EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)

**WELL PAD FEDERAL 920-231 QUANTITIES**

EXISTING GRADE @ LOC. STAKE = 4831.8'  
 FINISHED GRADE ELEVATION = 4829.3'  
 CUT SLOPES = 1.5:1  
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 7,857 C.Y.  
 TOTAL FILL FOR WELL PAD = 7,475 C.Y.  
 TOPSOIL @ 6" DEPTH = 3,052 C.Y.  
 EXCESS MATERIAL = 382 C.Y.  
 TOTAL DISTURBANCE = 3.78 ACRES  
 SHRINKAGE FACTOR = 1.10  
 SWELL FACTOR = 1.00  
 RESERVE PIT CAPACITY (2' OF FREEBOARD)  
 +/- 28,730 BARRELS  
 RESERVE PIT VOLUME  
 +/- 7,720 CY  
 BACKFLOW PIT CAPACITY (2' OF FREEBOARD)  
 +/- 9,490 BARRELS  
 BACKFLOW PIT VOLUME  
 +/- 2,660 CY



**KERR-MCGEE OIL & GAS**  
**ONSHORE L.P.**  
 1099 18th Street - Denver, Colorado 80202

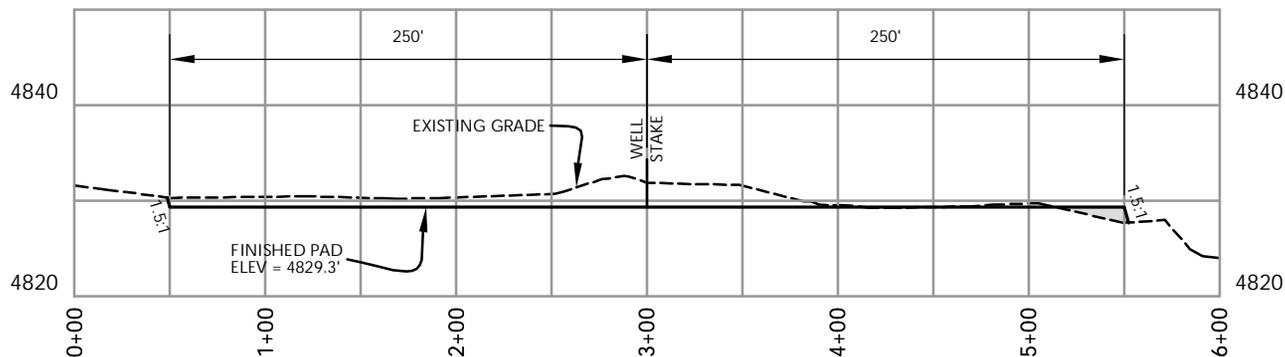


**CONSULTING, LLC**  
 371 Coffeen Avenue  
 Sheridan WY 82801  
 Phone 307-674-0609  
 Fax 307-674-0182

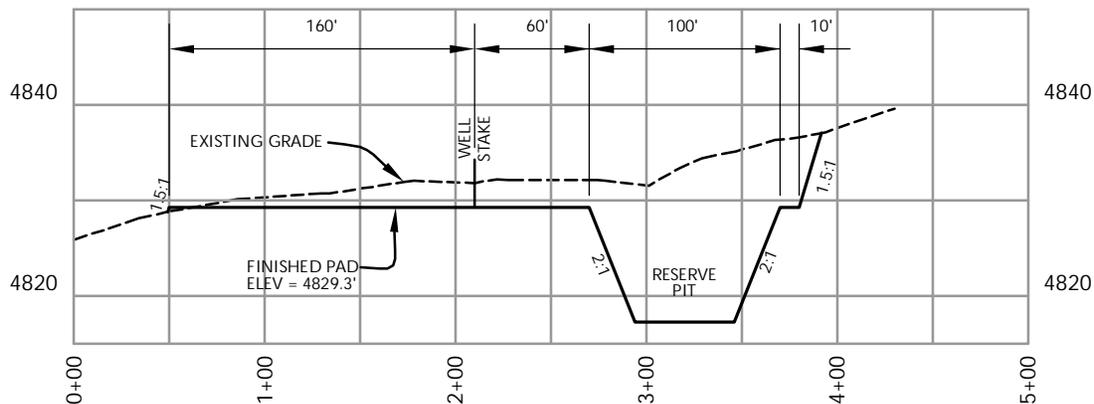
**FEDERAL 920-231**  
**WELL PAD - LOCATION LAYOUT**  
 2103' FSL, 693' FEL  
 NE1/4 SE1/4, SECTION 23, T9S, R20E,  
 S.L.B.&M., UINTAH COUNTY, UTAH

Scale: 1"=100'	Date: 2/19/09	SHEET NO:
REVISED:	BY DATE	<b>2</b> 2 OF 9

**Timberline** (435) 789-1365  
**Engineering & Land Surveying, Inc.**  
 38 WEST 100 NORTH VERNAL, UTAH 84078



**CROSS SECTION A-A'**



**CROSS SECTION B-B'**

NOTE: CROSS SECTION B-B' DEPICTS  
MAXIMUM RESERVE PIT DEPTH.

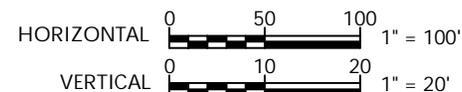
KERR-MCGEE OIL & GAS  
ONSHORE L.P.  
1099 18th Street - Denver, Colorado 80202

FEDERAL 920-231  
WELL PAD - CROSS SECTIONS  
2103' FSL, 693' FEL  
NE1/4 SE1/4, SECTION 23, T9S, R20E,  
S.L.B.&M., UINTAH COUNTY, UTAH



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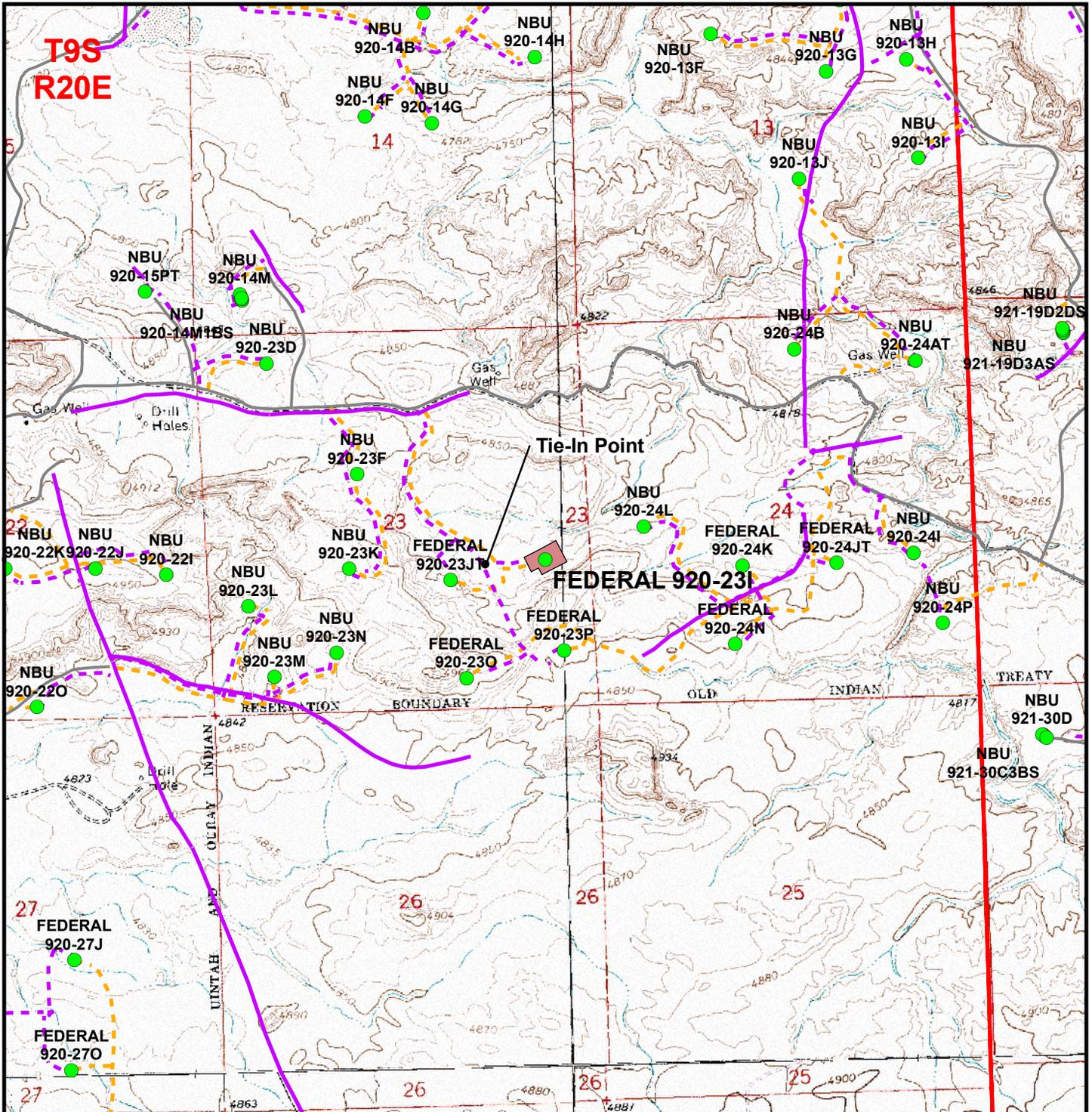


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38 WEST 100 NORTH VERNAL, UTAH 84078









**Legend**

- Well - Proposed
- Well Pad
- - - Pipeline - Proposed
- - - Road - Proposed
- Pipeline - Existing
- Road - Existing

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ±550ft  
 Proposed Pipeline Length Around Pad: ±660ft

**Kerr-McGee Oil & Gas Onshore, LP**  
 1099 18th Street, Denver, Colorado 80202

**FEDERAL 920-23I**  
 Topo D  
 2103' FSL, 693' FEL  
 NE¼ SE¼, Section 23, T9S, R20E  
 S.L.B.&M., Uintah County, Utah

**609**

**CONSULTING, LLC**  
 371 Coffeen Avenue  
 Sheridan, WY 82801  
 Phone (307) 674-0609  
 Fax (307) 674-0182

Scale: 1" = 2000ft	NAD83 USP Central	Sheet No:
Drawn: JELo	Date: 16 Feb 2009	<b>8</b>
Revised:	Date:	

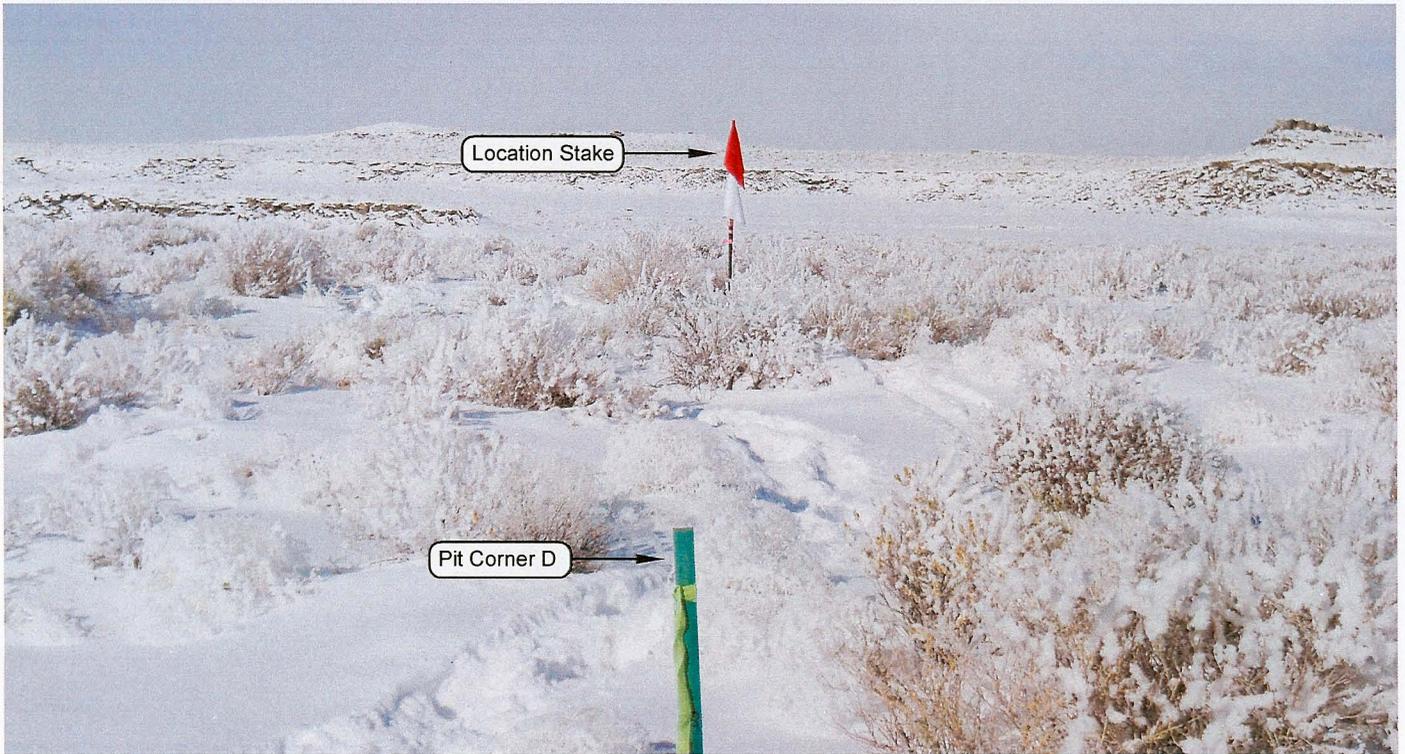


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

**Kerr-McGee**  
**Oil & Gas Onshore, LP**  
 1099 18th Street - Denver, Colorado 80202



CONSULTING, LLC  
 371 Coffeen Avenue  
 Sheridan WY 82801  
 Phone 307-674-0609  
 Fax 307-674-0182

**LOCATION PHOTOS**

DATE TAKEN: 12-23-08

DATE DRAWN: 02-03-09

TAKEN BY: M.S.B.

DRAWN BY: K.K.O.

REVISED:

FEDERAL 920-23I  
 2103' FSL, 693' FEL  
 NE 1/4 SE 1/4 OF SECTION 23, T9S, R20E,  
 S.L.B.&M. UINTAH COUNTY, UTAH.

**Timberline** (435) 789-1365  
 Engineering & Land Surveying, Inc.  
 209 NORTH 300 WEST VERNAL, UTAH 84078

**SHEET**  
**4**  
**OF 9**

**Kerr-McGee Oil & Gas Onshore, LP**  
**FEDERAL 920-23I**  
**Section 23, T9S, R20E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 5.3 MILES TO THE INTERSECTION OF A SERVICE ROAD TO THE NORTHEAST. EXIT LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 2.2 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 3,360 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 38.8 MILES IN A SOUTHERLY DIRECTION.

**Federal 920-23I**

Surface: 2,103' FSL, 693' FEL (NE/4SE/4)

Sec. 23 T9S R20E

Uintah, Utah

Mineral Lease: UTU 0577A

Surface Owner: Ute Indian Tribe

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN  
SUBMITTED WITH SITE-SPECIFIC INFORMATION***

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) and Bureau of Indian Affairs (BIA) documents. An NOS was submitted showing the surface location in the NE/4 SE/4 of Section 23 T9S R20E.

This Surface Use Plan of Operations (SUPO) or 13-point plan provides the site-specific information for the above-referenced wells. This information is to be incorporated by reference into the Master Development Plan (MDP) for Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee). The MDP is available upon request from the BIA-Ft Duchesne Office.

An on-site meeting was held on June 24, 2009. Present were:

- Verlyn Pindell and Dave Gordon – BLM;
- Kolby Kay and Mitch Batty – Timberline Surveying, Inc.
- Tony Kazeck, Jeff Samuels, Raleen White, David Liddell, and Hal Blanchard – Kerr-McGee
- Bucky Secakuku – BIA
- Nick Hall – Grasslands Consulting, Inc.
- Scott Carson – Smiling Lake Consulting
- Keith Montgomery – Montgomery Archaeological Consultants, Inc.

**1. Existing Roads:**

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

**2. Planned Access Roads:**

*See MDP for additional details on road construction.*

Approximately  $\pm 0.64$  miles ( $\pm 3,360'$ ) of new access road is proposed. Please refer to the attached Topo Map B. No pipelines will be crossed with the new construction.

***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 and are typically shown on the attached Exhibits and Topo maps.***

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

Please refer to Topo Map C.

4. **Location of Existing and Proposed Facilities:**

*See MDP for additional details on Existing and Proposed Facilities.*

*The following guidelines will apply if the well is productive.*

**Approximately ±1,210' of pipeline is proposed. Refer to Topo D for the existing pipeline.**

Appropriate surface use agreements have been or will be obtained from the Ute Indian Tribe. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place

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

*See MDP for additional details on 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 number 43-8496, Application number 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:**

*See MDP for additional details on Source of Construction Materials.*

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

*See MDP for additional details on Methods of Handling Waste Materials.*

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 in Sec. 5 T9S R22E

NBU #159 in Sec. 35 T9S R21E

Ace Oilfield in Sec. 2 T6S R20E

MC&MC in Sec. 12 T6S R19E

Pipeline Facility in Sec. 36 T9S R20E

Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E

Bonanza Evaporation Pond in Sec. 2 T10S R23E

8. **Ancillary Facilities:**

*See MDP for additional details on Ancillary Facilities.*

None are anticipated.

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

*See MDP for additional details on Well Site Layout.*

All pits will be fenced according to the following minimum standards:

- Net wire (39-inch) 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.

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

*See MDP for additional details on Plans for Reclamation of the Surface.*

Kerr-McGee shall call the BIA for the seed mixture prior to starting interim and/or final reclamation actions.

**11. Surface/Mineral Ownership:**

The well pad and access road are located on lands owned by:

Ute Indian Tribe  
PO Box 70  
Fort Duchesne, Utah 84026  
435-722-5141

The mineral ownership is listed below:

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

**12. Other Information:**

*See MDP for additional details on Other Information.*

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

Kathy Schneebeck Dulnoan  
Staff Regulatory Analyst  
Kerr-McGee Oil & Gas Onshore LP  
PO Box 173779  
Denver, CO 80217-3779  
(720) 929-6007

Tommy Thompson  
General Manager, Drilling  
Kerr-McGee Oil & Gas Onshore LP  
PO Box 173779  
Denver, CO 80217-3779  
(720) 929-6724

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management 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 I have full knowledge of the State and Federal laws applicable to this operation; 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 in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

  
\_\_\_\_\_  
Kathy Schneebeck Dulnoan

July 15, 2009  
\_\_\_\_\_  
Date

CLASS I REVIEW OF KERR-MCGEE OIL AND GAS  
ONSHORE LP'S 88 PROPOSED WELL LOCATIONS  
(T9S, R20E, SECS. 1, 14, 15, 20, 21, 22, 23, 27, 29, 32, 33, 34)  
UINTAH COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Ute Indian Tribe  
Uintah and Ouray Agency

Prepared Under Contract With:

Kerr-McGee Oil and Gas Onshore LP  
1368 South 1200 East  
Vernal, Utah 84078

Prepared By:

Montgomery Archaeological Consultants, Inc.  
P.O. Box 219  
Moab, Utah 84532

MOAC Report No. 08-318

March 4, 2009

United States Department of Interior (FLPMA)  
Permit No. 08-UT-60122

# **Paleontological Assessment for Anadarko Petroleum Corp.**

Federal 920-231  
Ouray Quadrangle  
Uintah County, Utah

Prepared for  
**Anadarko Petroleum Corp.**  
and  
**Ute Tribe**  
**Uintah and Ouray Reservation**

Prepared by  
**SWCA Environmental Consultants**  
SWCA #UT09-14314-37



# Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237

(303) 759-5377 Office (303) 759-5324 Fax

## **SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT**

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

**Wells:** NBU 920-23D, NBU 920-23F, NBU 920-23K, NBU 920-23L, NBU 920-23M, NBU 920-23N, Federal 920-23I, Federal 920-23JT, Federal 920-23O, and Federal 920-23-P.

**Pipelines:** Proposed pipelines leading to all proposed wells.

**Access Roads:** Access roads lead to all proposed wells.

**Location:** Section 23, Township 9 South, Range 20 East; Uintah County, Utah

**Survey-Species:** Uinta Basin Hookless Cactus (*Sclerocactus wetlandicus*) and nesting raptors

**Date:** 06/15/2009, 06/16/2009, and 06/18/2009

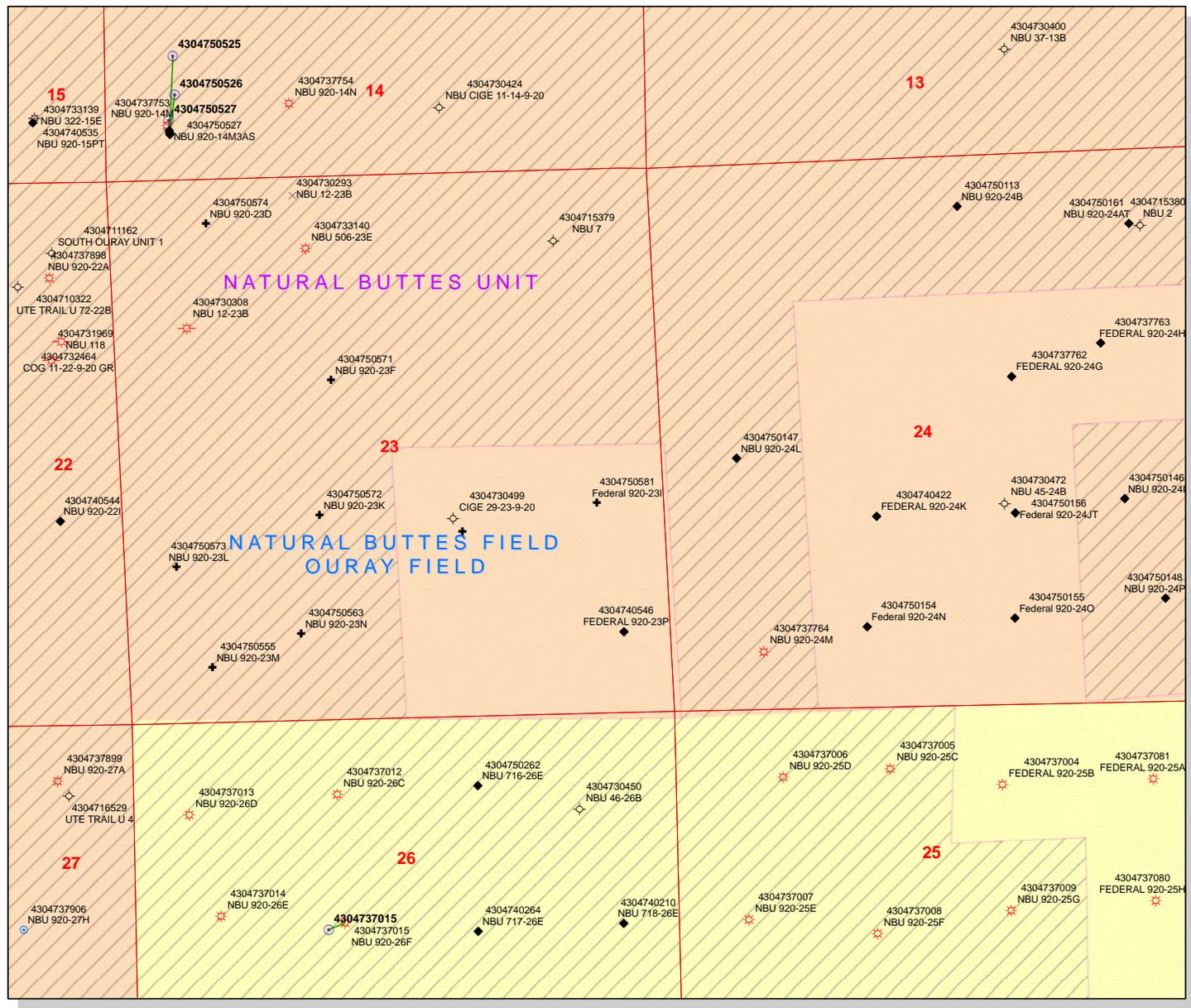
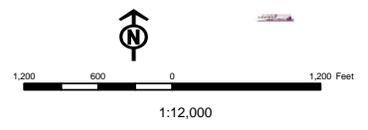
**Observer(s):** Grasslands Consulting, Inc. Biologists: Chris Gayer, Nick Hall, BJ Lukins, Jay Slocum, Dan Hamilton, Matt Kelahan, and Jonathan Sexauer. Technicians: Chad Johnson.

**Weather:** Partly cloudy, 80-85°F, 0-5 mph winds with no precipitation.

**API Number: 4304750581**  
**Well Name: Federal 920-23I**  
**Township 09.0 S Range 20.0 E Section 23**  
**Meridian: SLBM**  
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:  
 Map Produced by Diana Mason

<b>Units</b>	<b>Wells Query Events</b>
<b>STATUS</b>	<b>X</b> <call other values>
EXPLORATORY	◆ <Multi>
GAS STORAGE	◆ APD
NF PP OIL	○ DRL
NF SECONDARY	○ GI
PI OIL	◆ GS
PP GAS	◆ LA
PP GEOTHERM	◆ NEW
PP OIL	◆ OPS
SECONDARY	◆ PA
TERMINATED	◆ PGW
<b>Fields</b>	◆ POW
ACTIVE	◆ RET
COMBINED	◆ SGW
Sectios	◆ SOW
	◆ TA
	○ TW
	◆ WD
	◆ WI
	◆ WS



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

**APD RECEIVED:** 7/16/2009

**API NO. ASSIGNED:** 43047505810000

**WELL NAME:** Federal 920-23I

**OPERATOR:** KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)

**PHONE NUMBER:** 720 929-6156

**CONTACT:** Danielle Piernot

**PROPOSED LOCATION:** NESE 23 090S 200E

**Permit Tech Review:**

**SURFACE:** 2103 FSL 0693 FEL

**Engineering Review:**

**BOTTOM:** 2103 FSL 0693 FEL

**Geology Review:**

**COUNTY:** UINTAH

**LATITUDE:** 40.01921

**LONGITUDE:** -109.62598

**UTM SURF EASTINGS:** 617258.00

**NORTHINGS:** 4430584.00

**FIELD NAME:** NATURAL BUTTES

**LEASE TYPE:** 1 - Federal

**LEASE NUMBER:** UTU 0577A

**PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE

**SURFACE OWNER:** 2 - Indian

**COALBED METHANE:** NO

**RECEIVED AND/OR REVIEWED:**

- PLAT**
- Bond:** FEDERAL - WYB000291
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** Permit #43-8496
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

**Commingle Approved**

**LOCATION AND SITING:**

- R649-2-3.**
- Unit:**
- R649-3-2. General**
- R649-3-3. Exception**
- Drilling Unit**
- Board Cause No:** Cause 173-24
- Effective Date:** 10/5/2009
- Siting:** 460' Fr Ext. Lease Boundary & Committed Tract
- R649-3-11. Directional Drill**

**Comments:** Presite Completed

**Stipulations:** 3 - Commingle - ddoucet  
4 - Federal Approval - dmason  
17 - Oil Shale 190-5(b) - dmason  
23 - Spacing - dmason



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*

### Permit To Drill

\*\*\*\*\*

**Well Name:** Federal 920-23I  
**API Well Number:** 43047505810000  
**Lease Number:** UTU 0577A  
**Surface Owner:** INDIAN  
**Approval Date:** 2/25/2010

**Issued to:**

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 173-24. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

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

**Commingle:**

In accordance with Board Cause No. 173-24, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

**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.

**Conditions of Approval:**

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

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.

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

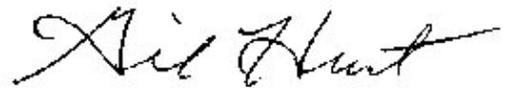
- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)
- OR
- submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

**Approved By:**



Gil Hunt  
Associate Director, Oil & Gas

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 0577A
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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> Ute Tr  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> Federal 920-23I
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047505810000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2103 FSL 0693 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 23 Township: 09.0S Range: 20.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> 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> Approximate date work will start: 6/21/2010	<input type="checkbox"/> ACIDIZE	<input checked="" type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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> 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> 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 type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" 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 LP (Kerr-McGee) respectfully requests to change the surface casing size for this well from FROM: 9-5/8" TO: 8-5/8". Additionally, Kerr-McGee requests to change the cement program for this well due to a revised drilling procedure. The production casing will still be cemented it's entire length to the surface. Please see the attached drilling program for additional details. All other information remains the same. Please contact the undersigned with any questions and/or comments. Thank you.

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

Date: June 15, 2010

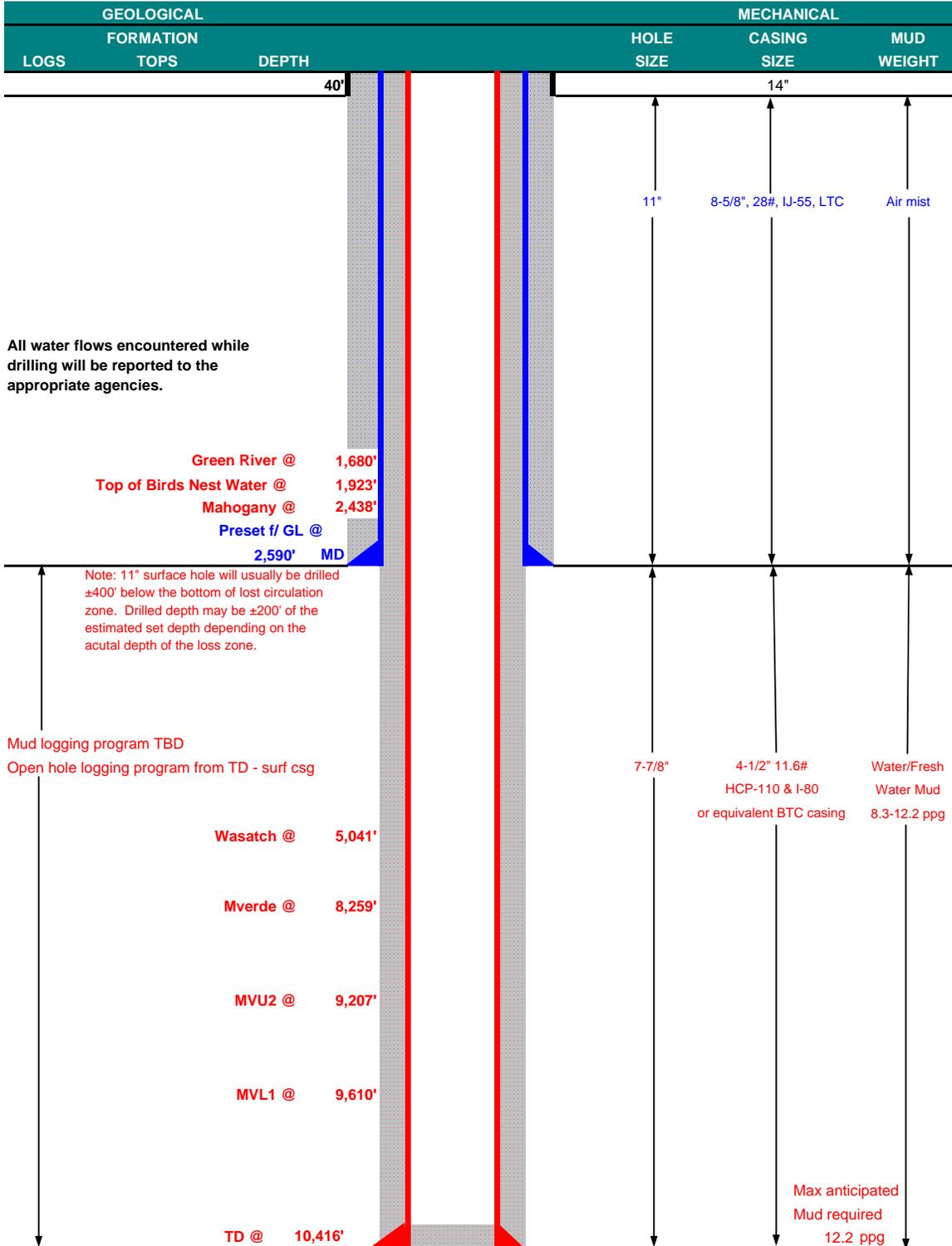
By: *Danielle Piernot*

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/14/2010	



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE June 14, 2010  
 WELL NAME Federal 920-231 TD 10,416' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah FINISHED ELEVATION 4,829'  
 SURFACE LOCATION NE/4 SE/4 2,103' FSL 693' FEL Sec 23 T 9S R 20E BHL Straight Hole  
 Latitude: 40.019219 Longitude: -109.626547 NAD 83  
 OBJECTIVE ZONE(S) Wasatch/Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.





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

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2590	28.00	IJ-55	LTC	0.79*	1.55	4.80
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.80	1.04	2.83
		9600 to 10416	11.60	HCP-110	BTC	2.48	1.31	47.66

\*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.08

1) Max Anticipated Surf. Press. (MASP) (Surf Csg) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac grad x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 12.2 ppg) 0.22 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 4,198 psi**

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD  
 (Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
**MABHP 6,489 psi**

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
Option 1	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele	270	0%	15.80	1.15
<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>							
SURFACE	LEAD	2,090'	Prem cmt + 16% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOC	190	35%	11.00	3.82
Option 2	TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	150	35%	15.80	1.15
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION	LEAD	4,536'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	340	20%	11.00	3.38
	TAIL	5,880'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,240	20%	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 for a total of 15 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. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and 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: \_\_\_\_\_  
John Huycke / Emile Goodwin

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

DRILLING SUPERINTENDENT: \_\_\_\_\_  
John Merkel / Lovel Young

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 0577A
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> Federal 920-23I
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047505810000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2103 FSL 0693 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 23 Township: 09.0S Range: 20.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> 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> Approximate date work will start: 6/21/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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 checked="" 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 checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: _____

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

Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee) respectfully requests to change the surface casing size for this well from FROM: 9-5/8" TO: 8-5/8". Additionally, Kerr-McGee requests to change the cement program for this well due to a revised drilling procedure. The production casing will still be cemented it's entire length to the surface. Please see the attached drilling program for additional details. All other information remains the same. Please contact the undersigned with any questions and/or comments. Thank you.

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

Date: June 15, 2010

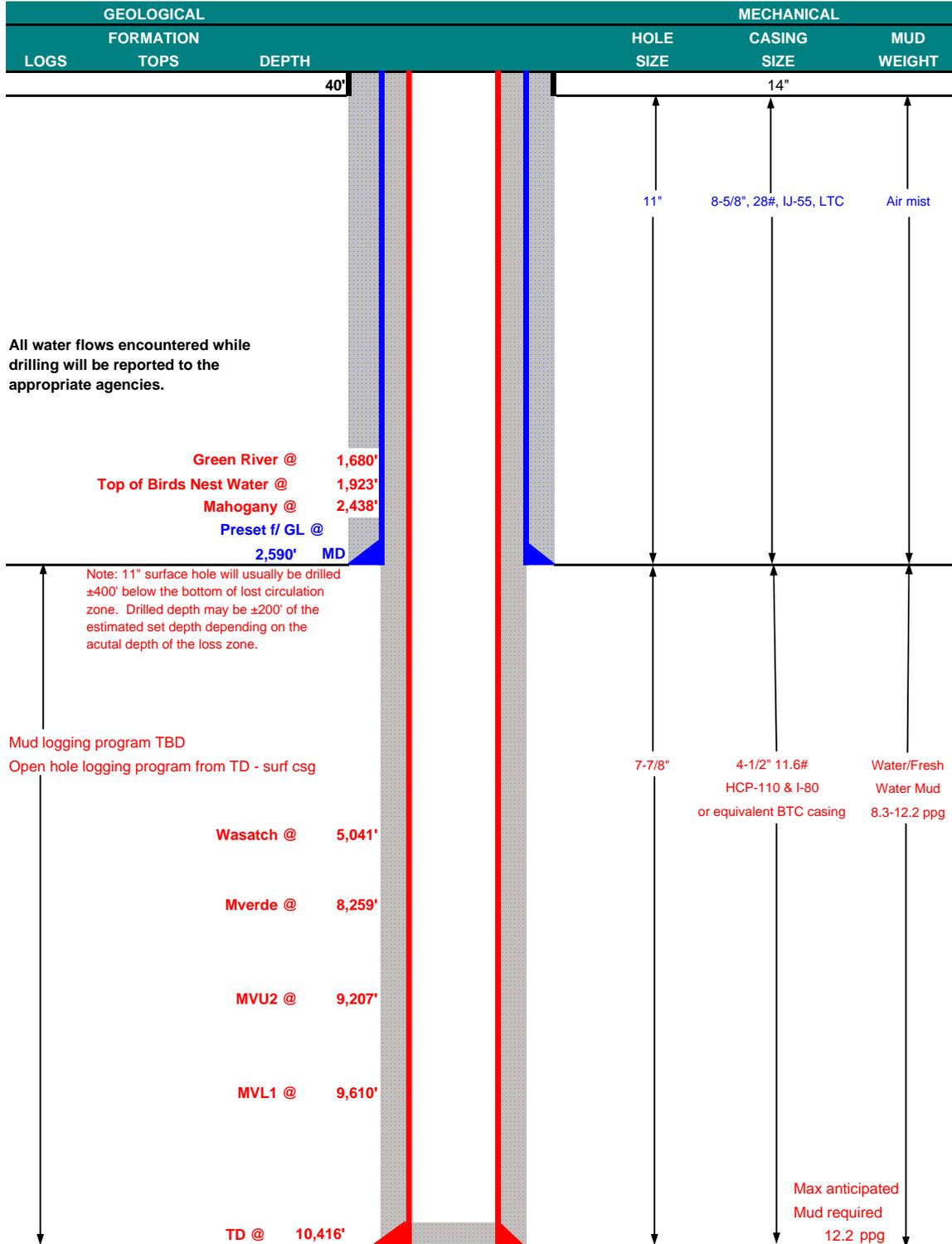
By: *Danielle Piernot*

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/14/2010	



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE June 14, 2010  
 WELL NAME Federal 920-231 TD 10,416' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah FINISHED ELEVATION 4,829'  
 SURFACE LOCATION NE/4 SE/4 2,103' FSL 693' FEL Sec 23 T 9S R 20E BHL Straight Hole  
 Latitude: 40.019219 Longitude: -109.626547 NAD 83  
 OBJECTIVE ZONE(S) Wasatch/Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.





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

### CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2590	28.00	IJ-55	LTC	0.79*	1.55	4.80
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.80	1.04	2.83
		9600 to 10416	11.60	HCP-110	BTC	2.48	1.31	47.66

\*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.08

1) Max Anticipated Surf. Press. (MASP) (Surf Csg) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac grad x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 12.2 ppg) 0.22 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 4,198 psi**

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD  
 (Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
**MABHP 6,489 psi**

### CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
Option 1 TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele	270	0%	15.80	1.15
<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>						
SURFACE LEAD	2,090'	Prem cmt + 16% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOC	190	35%	11.00	3.82
Option 2 TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	150	35%	15.80	1.15
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
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\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

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### 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. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

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

DRILLING ENGINEER:

John Huycke / Emile Goodwin

DATE:

DRILLING SUPERINTENDENT:

John Merkel / Lovel Young

DATE:

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 0577A
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<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047505810000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6515 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2103 FSL 0693 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 23 Township: 09.0S Range: 20.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> 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> Approximate date work will start: 2/28/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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: <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: 03/01/2011  
 By: 

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 2/28/2011	



**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 43047505810000**

**API:** 43047505810000

**Well Name:** FEDERAL 920-23I

**Location:** 2103 FSL 0693 FEL QTR NESE SEC 23 TWP 090S RNG 200E MER S

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

**Date Original Permit Issued:** 2/25/2010

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:** Danielle Piernot

**Date:** 2/28/2011

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 0577A																														
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<b>NAME (PLEASE PRINT)</b> Sheila Wopsock		<b>PHONE NUMBER</b> 435 781-7024																														
<b>SIGNATURE</b> N/A		<b>TITLE</b> Regulatory Analyst  <b>DATE</b> 5/3/2011																														

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 5/4/2011	<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 type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
MIRU AIR RIG ON MAY 2, 2011. DRILLED 11" SURFACE HOLE TO 2730'. RAN 8 5/8" 28# IJ55 SURFACE CASING. CEMENTED SURFACE CASING. WELL IS WAITING ON ROTARY RIG. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH WELL COMPLETION REPORT.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>		
<b>NAME (PLEASE PRINT)</b> Gina Becker	<b>PHONE NUMBER</b> 720 929-6086	<b>TITLE</b> Regulatory Analyst II
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/5/2011

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG  
 Submitted By ANDY LYTLE Phone Number 720.929.6100  
 Well Name/Number FEDERAL 920-23I  
 Qtr/Qtr NESE Section 23 Township 9S Range 20E  
 Lease Serial Number UTU-0577A  
 API Number 4304750581

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 04/30/2011 09:00 HRS AM  PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

**RECEIVED**  
**APR 28 2011**  
 DIV. OF OIL, GAS & MINING

Date/Time 05/05/2011 08:00 HRS AM  PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time \_\_\_\_\_ AM  PM

**Remarks** ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT  
435.781.7048 OR LOVEL YOUNG AT 435.828.0986

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

FORM 6

**ENTITY ACTION FORM**

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750581	FEDERAL 920-231		NESE	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	18029	4/30/2011			5/10/11	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSMVB</i> SPUD WELL LOCATION ON 04/30/2011 AT 0800 HRS.							

Well 2

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

Well 3

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

**ACTION CODES:**

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

SHEILA WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

*Sheila Wopsock*  
5/3/2011  
Date

RECEIVED

MAY 03 2011

DIV. OF OIL, GAS & MINING

SUBMIT AS EMAIL

Print Form

BLM - Vernal Field Office - Notification Form

Operator ANADARKO Rig Name/# PIONEER 69  
Submitted By DALTON KING Phone Number 435-828-0982  
Well Name/Number FED. 920-231  
Qtr/Qtr NE/SE Section 23 Township 9S Range 20E  
Lease Serial Number UTU0577A  
API Number 43-047-50581

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time \_\_\_\_\_ AM  PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

Date/Time \_\_\_\_\_ AM  PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time 05/16/2011 08:00 AM  PM

Remarks TIME IS ESTIMATED

RECEIVED

MAY 16 2011

DIV OF OIL GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 0577A																														
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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> Ute Tr																														
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>  <b>8. WELL NAME and NUMBER:</b> FEDERAL 920-23I																														
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>9. API NUMBER:</b> 43047505810000																														
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		<b>PHONE NUMBER:</b> 720 929-6515 Ext																														
<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES		<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2103 FSL 0693 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 23 Township: 09.0S Range: 20.0E Meridian: S																														
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH																														
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																																
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>																															
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 5/27/2011	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"><input type="checkbox"/> ACIDIZE</td> <td style="width: 33%; border: none;"><input type="checkbox"/> ALTER CASING</td> <td style="width: 33%; border: none;"><input type="checkbox"/> CASING REPAIR</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</td> <td style="border: none;"><input type="checkbox"/> CHANGE TUBING</td> <td style="border: none;"><input type="checkbox"/> CHANGE WELL NAME</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE WELL STATUS</td> <td style="border: none;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</td> <td style="border: none;"><input type="checkbox"/> CONVERT WELL TYPE</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> DEEPEN</td> <td style="border: none;"><input type="checkbox"/> FRACTURE TREAT</td> <td style="border: none;"><input type="checkbox"/> NEW CONSTRUCTION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> OPERATOR CHANGE</td> <td style="border: none;"><input type="checkbox"/> PLUG AND ABANDON</td> <td style="border: none;"><input type="checkbox"/> PLUG BACK</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> PRODUCTION START OR RESUME</td> <td style="border: none;"><input type="checkbox"/> RECLAMATION OF WELL SITE</td> <td style="border: none;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</td> <td style="border: none;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</td> <td style="border: none;"><input type="checkbox"/> TEMPORARY ABANDON</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> TUBING REPAIR</td> <td style="border: none;"><input type="checkbox"/> VENT OR FLARE</td> <td style="border: none;"><input type="checkbox"/> WATER DISPOSAL</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WATER SHUTOFF</td> <td style="border: none;"><input type="checkbox"/> SI TA STATUS EXTENSION</td> <td style="border: none;"><input type="checkbox"/> APD EXTENSION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</td> <td style="border: none;"><input type="checkbox"/> OTHER</td> <td style="border: none;">OTHER: <input style="width: 100px;" type="text"/></td> </tr> </table>		<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	<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 type="checkbox"/> APD EXTENSION	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>
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<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. MIRU ROTARY RIG. FINISHED DRILLING FROM 2730' TO 10,574' ON MAY 25, 2011. RAN 4-1/2" 11.6# I-80 PRODUCTION CASING TO 9564'. RAN 4 1/2" 11.6# P110 CSG FROM 9564' TO 10,564'. CEMENTED PRODUCTION CASING. RELEASED PIONEER RIG 69 ON MAY 27, 2011 @ 06:00 HRS. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH THE WELL COMPLETION REPORT. WELL IS WAITING ON FINAL COMPLETION ACTIVITIES.																																
<b>NAME (PLEASE PRINT)</b> Gina Becker		<b>PHONE NUMBER</b> 720 929-6086																														
<b>SIGNATURE</b> N/A		<b>TITLE</b> Regulatory Analyst II																														
<b>DATE</b> 5/27/2011		<b>FOR RECORD ONLY</b>																														

SUBMIT AS EMAIL

Print For

BLM - Vernal Field Office - Notification Form

Operator ANADARKO Rig Name/# PIONEER 69  
Submitted By BRAD PEDERSEN Phone Number 435-828-0982  
Well Name/Number FEDERAL 920-231  
Qtr/Qtr NE/SE Section 23 Township 9S Range 20E  
Lease Serial Number UTU0577A  
API Number 43-047-50581

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time \_\_\_\_\_ AM  PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

Date/Time 5/26/2011 06:00 AM  PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time \_\_\_\_\_ AM  PM

Remarks TIME IS APPROXAMATE

RECEIVED

MAY 25 2011

DIV. OF OIL, GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU 0577A
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> Ute Tr
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> FEDERAL 920-23I	
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047505810000	
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6515 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2103 FSL 0693 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 23 Township: 09.0S Range: 20.0E Meridian: S	<b>COUNTY:</b> UINTAH	
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS
<input checked="" type="checkbox"/> <b>DRILLING REPORT</b> Report Date: 7/25/2011	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON
	<input checked="" type="checkbox"/> <b>PRODUCTION START OR RESUME</b>	<input type="checkbox"/> RECLAMATION OF WELL SITE
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER
		<input type="checkbox"/> CASING REPAIR
		<input type="checkbox"/> CHANGE WELL NAME
		<input type="checkbox"/> CONVERT WELL TYPE
		<input type="checkbox"/> NEW CONSTRUCTION
		<input type="checkbox"/> PLUG BACK
		<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
		<input type="checkbox"/> TEMPORARY ABANDON
		<input type="checkbox"/> WATER DISPOSAL
		<input type="checkbox"/> APD EXTENSION
		OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 07/25/2011 AT 3:00 PM. THE CHRONOLOGICAL WELL HISTORY WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>		
<b>NAME (PLEASE PRINT)</b> Sheila Wopsock	<b>PHONE NUMBER</b> 435 781-7024	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 7/26/2011	

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No. **UTU0577A**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No. **FEDERAL 920-231**

9. API Well No. **43-047-50581**

10. Field and Pool, or Exploratory **NATURAL BUTTES**

11. Sec., T., R., M., or Block and Survey or Area **Sec 23 T9S R20E Mer SLB**

12. County or Parish **UINTAH** 13. State **UT**

14. Date Spudded **04/30/2011** 15. Date T.D. Reached **05/25/2011** 16. Date Completed  D & A  Ready to Prod. **07/25/2011**

17. Elevations (DF, KB, RT, GL)\* **4829 GL**

18. Total Depth: MD **10574** TVD **10573** 19. Plug Back T.D.: MD **10519** TVD **10518** 20. Depth Bridge Plug Set: MD **10519** TVD **10518**

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

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STL	36.7		40		28			
11.000	8.625 IJ-55	28.0		2712		600		0	
7.875	4.500 I-80	11.6		9564		1882		502	
7.875	4.500 P-110	11.6	9564	10564					

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	9719							

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	7682	8408	7682 TO 8408	0.360	30	OPEN
B) MESAVERDE	8456	10482	8456 TO 10482	0.360	133	OPEN
C)						
D)						

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

Depth Interval	Amount and Type of Material
7682 TO 10482	PUMP 5,646 BBLs SLICK H2O 122,156 LBS SAND

**RECEIVED**  
**SEP 07 2011**  
DIV. OF OIL, GAS & MINING

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
07/25/2011	08/01/2011	24	→	0.0	2573.0	336.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	SI 2275	3150.0	→	0	2573	336		PGW	

28a. Production - Interval B

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

28b. Production - Interval C

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

28c. Production - Interval D

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

29. Disposition of Gas(Sold, used for fuel, vented, etc.)  
**SOLD**

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GREEN RIVER	1697				
BIRD'S NEST	1894				
MAHOGANY	2307				
WASATCH	5060	8426			
MESAVERDE	8426	10574			

32. Additional remarks (include plugging procedure):

Attached is the chronological well history, perforation report & final survey.

33. Circle enclosed attachments:

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

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

**Electronic Submission #116266 Verified by the BLM Well Information System.  
 For KERR MCGEE OIL & GAS ONSHORE,L, sent to the Vernal**

Name (please print) GINA T. BECKER Title REGULATORY ANALYST

Signature (Electronic Submission) Date 08/26/2011

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.

**US ROCKIES REGION  
Operation Summary Report**

Well: FEDERAL 920-23I Spud Conductor: 4/30/2011 Spud Date: 5/3/2011

Project: UTAH-UINTAH Site: FEDERAL 920-23I Rig Name No: PROPETRO 11/11, PIONEER 69/69

Event: DRILLING Start Date: 4/20/2011 End Date: 5/27/2011

Active Datum: RKB @4,847.00ft (above Mean Sea Level) UWI: NE/SE/O/S/20/E/23/O/O/26/PM/S/2103/E/O/693/O/O

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
5/2/2011	10:00 - 18:00	8.00	MIRU	01	A	P		MOVE RIG AND EQUIPMENT ONTO LOCATION
	18:00 - 23:00	5.00	MIRU	01	B	P		DRESS TOP OF CONDUCTOR. INSTALL DIVERTER HEAD AND BOWIE LINE. BUILD DITCH. MOVE RIG OVER HOLE AND RIG UP.. SET CATWALK AND PIPE RACKS. RIG UP AND PRIME PIT PUMP AND MUD PUMP.
	23:00 - 0:00	1.00	MAINT	08	B	Z		TROUBLE SHOOT, REPAIR FUEL SYSTEM ON MUD PUMP
5/3/2011	0:00 - 0:30	0.50	DRLSUR	02	A	P		P/U 1.83 DEG BENT HOUSING HUNTING MTR SN 8014 . 7/8 LOBE .17 RPM. M/U 12.25" Q507 SN 71
	0:30 - 1:30	1.00	DRLSUR	02	A	P		1ST RUN, W/ 7-18'S. INSTALL RUBBER SPUD SURFACE 05/03/2011 @ 00:30 HRS. DRILL 12.25" SURFACE HOLE F/40'-210' (170' @ 170'/HR) PSI ON/ OFF 690/410, UP/ DOWN/ ROT 27/22/25. 500 GPM, 45 RPM ON TOP DRIVE, 15-18K WOB
	1:30 - 5:00	3.50	DRLSUR	06	A	P		TOOH, PU AND ORIENT DIR TOOLS, TIH T/210' LD 12.25" BIT, PU 11" HUGHES, SN 7023549
	5:00 - 0:00	19.00	DRLSUR	02	A	P		DRILL/ SLIDE 11" SURFACE HOLE F/ 210'-2410' (2200' @ 85'/HR) PSI ON/ OFF 1690/1480, UP/ DOWN/ ROT 79/70/74. 136 SPM, 553 GPM, 18-20K WOB, 45 RPM ON TOP DRIVE, CIRCULATING RESERVE PIT
5/4/2011	0:00 - 4:00	4.00	DRLSUR	02	A	P		DRILL/ SLIDE 11" SURFACE HOLE F/ 2410'-2730' (320' @ 80'/HR) PSI ON/ OFF 1730/1580, UP/ DOWN/ ROT 79/72/75. 136 SPM, 553 GPM, 18-20K WOB, 45 RPM ON TOP DRIVE, CIRCULATING RESERVE
	4:00 - 5:30	1.50	DRLSUR	05	F	P		CIRC AND COND HOLE CLEAN
	5:30 - 9:30	4.00	DRLSUR	06	A	P		TOOH, LDDS AND DIR BHA
	9:30 - 10:30	1.00	CSG	12	A	P		RIG UP TO RUN 8.625" SURFACE CSG, MOVE PIPE RACKS AND CAT WALK, MOVE CSG OVER TO WORK AREA
	10:30 - 13:30	3.00	CSG	12	C	P		HELD SAFETY MEETING, RUN CSG. RAN 61JTS OF 8-5/8", 28#, J-55, 8 RND SURFACE CSG W/ LTC THREADS. LANDED FLOAT SHOE @ 2698.29' KB. RAN BAFFLE PLATE IN TOP OF SHOE JT LANDED 2652.38' KB. FILL CSG @ 500', 1500', AND 2695'. RUN 200' OF ONE INCH DOWN BACK SIDE.
								RELEASE RIG 05-04-2011 @ 14:00 HRS

**US ROCKIES REGION  
Operation Summary Report**

Well: FEDERAL 920-23I Spud Conductor: 4/30/2011 Spud Date: 5/3/2011  
 Project: UTAH-UINTAH Site: FEDERAL 920-23I Rig Name No: PROPETRO 11/11, PIONEER 69/69  
 Event: DRILLING Start Date: 4/20/2011 End Date: 5/27/2011  
 Active Datum: RKB @4,847.00ft (above Mean Sea Level) UWI: NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	13:30 - 17:30	4.00	CSG	12	E	P		<p>HOLD SAFETY MEETING. INSTALL CEMENT HEAD. PSI TEST TO 2000 PSI. PUMP 120 BBLs OF 8.3# H2O AHEAD. PUMP 20 BBLs OF 8.4# GEL WATER AHEAD. PUMP 220 SX (149 BBLs) OF 11.0# 3.82 YIELD LEAD. PUMP 170 SX (35 BBLs) OF 15.8# 1.15 YIELD TAIL(2% CALC, 1/4# /SK OF FLOCELE). FULL CIRC. DROP PLUG ON FLY AND DISPLACE W/ 162 BBLs OF 8.3# H2O. LIFT PRESSURE WAS 530 PSI, BUMP PLUG AND HOLD 830 PSI FOR 5 MIN. FLOAT HELD. 40 BBLs LEAD BACK TO PIT, TOP OUT, PUMP 150 SX (31 BBLs) OF 15.8# 1.15 YIELD TAIL(4 % CALC, 1/4# /SK OF FLOCELE) DOWN ONE INCH, WAITED TW HRS, PUMPED 60 SX (12.2 BBLs) OF 15.8# 1.15 YIELD TAIL(4 % CALC, 1/4# /SK OF FLOCELE) DOWN BACK SIDE, CMT STAYED AT SURFACE. RIG DOWN CEMENTERS AND RELEASE CEMENTERS 17:30 HRS.</p> <p>CONDUCTOR CASING:            Cond. Depth set: 40'            Cement sx used: 28</p> <p>SPUD DATE/TIME: 04/10/2011 @ 21:00 HRS</p> <p>SURFACE HOLE:            Surface From depth: 40'            Surface To depth: 2,730            Total SURFACE hours: 23            Surface Casing size: 8.625"            # of casing joints ran: 61            Casing set MD: 2698.29'            # sx of cement: 220/170/210            Cement blend (ppg): 11.0/15.8            Cement yield (ft3/sk): 3.82/1.15/1.15            # of bbls to surface: 40            Describe cement issues: NONE            Describe hole issues: NONE</p>
5/14/2011	15:00 - 0:00	9.00	DRLPRO	01	E	P		<p>RIG RELEASED FROM THE NBU 921-17G, RIG DOWN THE FLOOR, FLARE LINES, CHOKE LINES, KOOMY LINES, PITS, LAY OUT AND CLEAN HANDLING TOOLS, DO AN OVERHEAD INSPECTION, RD BACK YARD.</p>
5/15/2011	0:00 - 7:00	7.00	DRLPRO	01	E	P		<p>FINISHED RIGGING DOWN THE PUMPS, PITS, SUITCASES, WATER LINES COOLING TOWER, ELECTRIC LINES, LOWERED THE DERRICK, WAIT ON DAYLIGHT TO MOVE.</p>
	7:00 - 15:00	8.00	DRLPRO	01	A	P		<p>FINISHED RIGGING DOWN LOADED OUT ALL EQUIPMENT TO MOVE. MOVED FROM THE NBU 921-17G TO THE FEDERAL 920-23I LOCATION AND SET IN THE EQUIPMENT. MOST LOADS WERE TAKEN 13 MILES AROUND BECAUSE OF ROAD CONDITIONS ( TIGHT CORNERS). WE HAD 4 BED TRUCKS, 9 HAUL TRUCKS, 1 FORKLIFT, 3 SWAMPERS, AND 1 PUSHER + THE CRANE AND CREW. TRUCKS AND CRANE ARRIVED @ 07:00. TRUCKS AND CRANE WERE RELEASED @ 15:00. WE ONLY HAD 2 EXTRA RIG HANDS FOR THE MOVE.SET AND CENTERED THE SUB. RAISED THE SUB AND DERRICK.</p>

**US ROCKIES REGION  
Operation Summary Report**

Well: FEDERAL 920-23I Spud Conductor: 4/30/2011 Spud Date: 5/3/2011  
 Project: UTAH-UINTAH Site: FEDERAL 920-23I Rig Name No: PROPETRO 11/11, PIONEER 69/69  
 Event: DRILLING Start Date: 4/20/2011 End Date: 5/27/2011  
 Active Datum: RKB @4,847.00ft (above Mean Sea Level) UWI: NE/SE/O/S/20/E/23/O/O/26/PM/S/2103/E/O/693/O/O

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	15:00 - 0:00	9.00	DRLPRO	01	B	P		LEVEL THE DERRICK. RU GUYLINES, ELECTRIC LINES WATER LINES, MUD LINES, SAFETY EQUIPMENT, PUMPS, PITS YELLOW DOG, STANDPIPE AND ROTARY MOTOR. FILL THE PITS AND FUNTION TEST PIT EQUIPMENT.
5/16/2011	0:00 - 4:30	4.50	DRLPRO	01	B	P		RIG UP THE FLOOR EQUIP. TONGS PIPE SPINNERS, SUPER CHOKE, WT. INDICATOR, NU THE BOP. BOP WOULD NOT SET ALL THE WAY DOWN LEVEL.
	4:30 - 6:00	1.50	DRLPRO	14	A	P		WHEN THE LOCATION WAS PLATED IT WAS A LITTLE HIGH AROUND THE CELLAR AREA. WE HAD TO CUT A PAD EYE OFF OF THE SUB TO SET THE BOP ASSY. DOWN FAR ENOUGH TO NIPPLE UP
	6:00 - 7:30	1.50	DRLPRO	22	O	S		THE RAT HOLE WAS 10' TO SHALLOW. WE TRIED WASHING IT DOWN W/ THE KELLY IN THE SHUCK AND ONLY MADE 1'. LD THE SHUCK, PU A MUD MOTOR AND TRICONE BIT. WE DRILLED THE RAT HOLE OUT AND PUT THE KELLY SHUCK IN PLACE.
	7:30 - 10:00	2.50	DRLPRO	22	O	S		FINISH NU BOP, CHOKE LINES, AND INSTALLED NEW ROTATING HEAD.
	10:00 - 12:00	2.00	DRLPRO	14	A	P		S/M W/ B & C QUICK TEST, TEST FLOOR VALVES, UPPER & LOWER KELLY VALVES, INSIDE & OUT SIDE KILL LINE & CHOKE VALVES, HCR VALVE, PIPE & BLIND RAMS & CHOKE MANIFOLD 250 PSI F/ 5 MIN, 5000 PSI F/ 10 MIN, ANNULAR 250 PSI F/ 5 MIN, 2500 PSI F/ 10 MIN, CASING TO 1500 PSI F/ 30 MIN, R/D TESTER
	12:00 - 15:30	3.50	DRLPRO	15	A	P		INSTALL THE WEAR BUSHING
	15:30 - 16:30	1.00	DRLPRO	14	B	P		PU AND SCRIBED THE BHA. PU AND TIH W/ DP. TAGGED CEMENT @ 2615'. RD THE LD TRUCK. INSTALLED THE ROT. RUBBER
	16:30 - 22:00	5.50	DRLPRO	06	A	P		CUT AND SLIPPED 125' DRILLING LINE
5/17/2011	22:00 - 0:00	2.00	DRLPRO	09	A	P		INSTALL THE DRIVE BUSHINGS AND W/O A LEAKING DRESSER SLEEVE.
	0:00 - 1:30	1.50	DRLPRO	14	B	P		DRILLING CEMENT AND FLOAT EQUIPMENT. 90/STKS, 341/GPM, 68 RPM/MM, 50RPM/ROT., 12-15K WOB.
	1:30 - 4:00	2.50	DRLPRO	02	F	P		DRILL F/ 2744'-3864' 1120'/10HR, 112'/HR WOB 20-24, RPM 60-65, MMRPM 106, SPM 140, GPM 530, UP/SO/ROT 122/100/118, ON/OFF 1150/1500, DIFF, 250-450, WATER W/ EZ MUD AND GEL SWEEPS. 5'-15' FLARE
	4:00 - 14:00	10.00	DRLPRO	02	B	P		RIG SERVICE
	14:00 - 14:30	0.50	DRLPRO	07	A	P		DRILL F/ 3864'- 4844', 980'/9.5HR, 103.2'/HR WOB 20-24, RPM 60-65, MMRPM 106, SPM 140, GPM 530, UP/SO/ROT 133/120/128, ON/OFF 1170/1480, DIFF, 250-400, WATER W/ EZ MUD AND GEL SWEEPS. 5'-15' FLARE
	14:30 - 0:00	9.50	DRLPRO	02	B	P		DRILL F/ 4844'-5413', 569'/6HR, 94.8'/HR WOB 20-24, RPM 60-65, MMRPM 106, SPM 140, GPM 530, UP/SO/ROT 142/120/135, ON/OFF 1240/1580, DIFF, 250-400, WATER W/ EZ MUD AND GEL SWEEPS. 5'-15' FLARE
5/18/2011	0:00 - 6:00	6.00	DRLPRO	02	B	P		DRILL F/ 5413'-6235', 822'/9.5HR, SLID 30', 95'/HR WOB 20-24, RPM 60-65, MMRPM 106, SPM 140, GPM 530, UP/SO/ROT 160/125/154, ON/OFF 1460/1650, DIFF, 200-350, WATER W/ EZ MUD AND GEL SWEEPS. 5'-15' FLARE BOP DRILL
	6:00 - 15:30	9.50	DRLPRO	02	B	P		RIG SERVICE
	15:30 - 16:00	0.50	DRLPRO	07	A	P		

**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-231      Spud Conductor: 4/30/2011      Spud Date: 5/3/2011  
 Project: UTAH-UINTAH      Site: FEDERAL 920-231      Rig Name No: PROPETRO 11/11, PIONEER 69/69  
 Event: DRILLING      Start Date: 4/20/2011      End Date: 5/27/2011  
 Active Datum: RKB @4,847.00ft (above Mean Sea Level)      UWI: NE/SE/O/S/20/E/23/O/O/26/PM/S/2103/E/O/693/O/O

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	16:00 - 0:00	8.00	DRLPRO	02	B	P		DRILL F/ 6235'-6804' , 569'/8HR, SLID 10', 71.1'/HR WOB 20-24, RPM 60-65, MMRPM 106, SPM 140, GPM 530, UP/SO/ROT 168/155/160, ON/OFF 15'14/1760, DIFF, 200-350, WATER W/ EZ MUD AND GEL SWEEPS. 5'-15' FLARE
5/19/2011	0:00 - 8:00	8.00	DRLPRO	02	B	P		DRILL F/ 6804' TO 7308' ( 504' @ 63' HR ), SLID 10', 79'/HR WOB 20-24, RPM 60-65, MMRPM 106, SPM 140, GPM 530, UP/SO/ROT 173/160/169, ON/OFF 2030/1670, DIFF, 300-400, WATER W/ EZ MUD AND GEL SWEEPS. 5'-15' FLARE AT 7000' WE SAW INCREASED SHALE SLOUGHING AND GAS, @ 7100 STARTED A LIGHT MUD UP, @ 7150' WENT ON THE BUSTER W/ A 30'+ FLARE. OFF THE BUSTER @ 7230'. WT 9.1, VIS 32
	8:00 - 8:30	0.50	DRLPRO	07	A	P		RIG SERVICE, GREASE BLOCKS, CROWN, SWIVEL, FUNCTION ANNULAR
	8:30 - 18:00	9.50	DRLPRO	02	B	P		DRILL F/ 7308' TO 7700' ( 392' @ 41.2' HR ) RPM 50-60, MMRPM 106, SPM 140, GPM 530, UP/SO/ROT 187-143-175, ON/OFF 2543-2071, DIFF 281-472, HOLE SLOUGHING LARGE SHALES, INCREASED WT TO 9.8, VIS 34, CONNECTION GAS 5' TO 10' FLARE
	18:00 - 0:00	6.00	DRLPRO	02	B	P		DRILL F/ 7700' TO 7868' ( 168' @ 28' HR ) RPM 50-60, MMRPM 91, SPM 120, GPM 454, UP/SO/ROT 168-155-164, ON/OFF 1870-1750, DIFF 120-231, WT 10.1, VIS 34, CONNECTION GAS 5' TO 10' FLARE
5/20/2011	0:00 - 1:30	1.50	DRLPRO	02	B	P		DRILL F/ 7868' TO 7879' 11' RAISING MUD WT, WOB 24-27, RPM 50-55, MMRPM 91, SPM 120, GPM 435, UP/SO/ROT 168-155-164, ON/OFF 1870-1750, DIFF 120, 10.2, VIS 34
	1:30 - 3:30	2.00	DRLPRO	05	B	P		CIRC & COND RAISE MUD WT TO 10.4, VIS 33, F/ TRIP
	3:30 - 8:30	5.00	DRLPRO	06	A	P		TOOH L/D MOTOR & BIT ( NO PROBLEMS )
	8:30 - 11:30	3.00	DRLPRO	06	A	P		P/U Q506FX BIT, .16 RPG/ 1.5 MOTOR ORIENT MWD, TIH TO SHOE, FILE PIPE
	11:30 - 13:00	1.50	DRLPRO	09	A	P		CUT & SLIP 210' DRILL LINE DUE TO EXCESSIVE WEAR
	13:00 - 13:30	0.50	DRLPRO	07	A	P		RIG SERVICE, GREASE BLOCKS, SWIVEL, CROWN, VISUALLY INSPECT CROWN SHEAVES
	13:30 - 16:00	2.50	DRLPRO	06	A	P		TIH, FILL PIPE @ 5100'
	16:00 - 16:30	0.50	DRLPRO	03	E	P		WASH & REAM 31' TO BOTTOM 15' FILL
	16:30 - 0:00	7.50	DRLPRO	02	B	P		DRILL F/ 7879' TO 8164' ( 285' @ 38' HR ) WOB 18-20, RPM 50-60, MMRPM 73, UP/SO/ROT 170-150-164, ON/OFF 2080-1836, DIFF 244-313, WT 11, VIS 34, NO LOSSES, NO FLARE
5/21/2011	0:00 - 6:00	6.00	DRLPRO	02	B	P		DRILL F/ 8164' TO 8416' ( 252' @ 42' HR ) WOB 18-20, RPM 50-60, MMRPM 73, SPM 120, GPM 454, UP/SO/ROT 170-150-164, ON/OFF 2080-1836, DIFF 244-368, WT 11.7, VIS 36, CONNECTION GAS 5' TO 15'
	6:00 - 15:00	9.00	DRLPRO	02	B	P		DRILL F/ 8416' TO 8669' ( 253' @ 28.1' HR ) WEOB 18-24, RPM 50-65, MMRPM 73, SPM 120, GPM 454, UP/SO/ROT 180-162-174, ON/OFF 2279-2041, DIFF 238-408, CONNECTION GAS 5' TO 15' FLARE ,BIT BALLING GETTING BACK ALOT OF CLAY, PUMPING NUT SHELL SWEEPS, BOP DRILL, FUNCTION ANNULAR
	15:00 - 15:30	0.50	DRLPRO	07	A	P		RIG SERVICE GREASE CROWN, BLOCKS, SWIVEL

**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-231 Spud Conductor: 4/30/2011 Spud Date: 5/3/2011  
 Project: UTAH-UINTAH Site: FEDERAL 920-231 Rig Name No: PROPETRO 11/11, PIONEER 69/69  
 Event: DRILLING Start Date: 4/20/2011 End Date: 5/27/2011  
 Active Datum: RKB @4,847.00ft (above Mean Sea Level) UWI: NE/SE/O/S/20/E/23/O/26/PM/S/2103/E/O/693/O/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	15:30 - 0:00	8.50	DRLPRO	02	B	P		DRILL F/ 8669' TO 9005' ( 336' @ 39.5' HR ) WOB 18-24, RPM 50-65, MMRPM 73, SPM 120, GPM 454, UP/SO/ROT 180-160-176, ON/OFF 2370-2193, DIFF 80-396, WT 12.3, VIS 39, CONNECTION GAS 5' TO 10' FLARE, PUMPING NUT SHELL SWEEPS, HELD FIRE DRILL
5/22/2011	0:00 - 6:00	6.00	DRLPRO	02	B	P		DRILL F/ 9005' TO 9166' ( 161' @ 26.8' HR ) WOB 18-24, RPM 45-65, MMRPM 73, SPM 120, GPM 454, UP/SO/ROT 180-160-176, ON/OFF 2370-2193, DIFF 177-306, WT 12.3, VIS 40, BIT BALLING, PUMPING NUT SHELL SWEEPS, NO FLARE
	6:00 - 14:30	8.50	DRLPRO	02	B	P		DRILL F/ 9166' TO 9365' ( 199' @ 23.4' HR ) WOB 15-24, RPM 45-55, MMRPM 73, SPM 120, GPM 454, UP/SO/ROT 192-155-178, ON/OFF 2180-2081, DIFF 137-287, VIS 12.4, VIS 41, BIT BALLING, PUMPING NUT SWEEPS. NO FLARE
	14:30 - 15:00	0.50	DRLPRO	07	A	P		RIG SERVICE, GREASE BLOCKS, SWIVEL, CROWN, FUNCTION PIPE RAMS
	15:00 - 0:00	9.00	DRLPRO	02	B	P		DRILL F/ 9365' TO 9649' ( 284' @ 31.5'HR ) WOB 14-22, RPM 45-60, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 190-165-184, ON/OFF 2470-2100, DIFF 183-370, PUMPING NUT SHELL SWEEPS, NO FLARE
5/23/2011	0:00 - 6:00	6.00	DRLPRO	02	B	P		DRILL F/ 9649' TO 9839' ( 190' @ 31.6' HR ) WOB 15-22, RPM 40-55, MMRPM,70, SPM 115, GPM 435, UP/SO/ROT 190-165-184, ON/OFF 2470-2100, DIFF 187-370, WT 12.4, VIS 40, BIT BALLING ,PUMPING NUT SHELL SWEEPS, NO FLARE
	6:00 - 12:00	6.00	DRLPRO	02	B	P		DRILL F/ 9839' TO 9994' ( 155' @ 25.8' HR ) WOB 14-24, RPM 35-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 197-160-187, ON/OFF 2458-2055, DIFF 160-403, BIT BALLING, PUMPING NUT SHEEL SWEEPS, NO FLARE
	12:00 - 12:30	0.50	DRLPRO	07	A	P		RIG SERVICE, GREASE, BLOCKS, SWIVEL, CROWN,
	12:30 - 18:00	5.50	DRLPRO	02	B	P		DRILL F/ 9994' TO 10128' ( 134' @ 24.3' HR ) WOB 18-26, RPM 40-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 205-160-190, ON/OFF 2722-2219, DIFF 234-503, PUMP NUT SHELL SWEEPS, NO FLARE
	18:00 - 0:00	6.00	DRLPRO	02	B	P		DRILL F/ 10128' TO 10270' ( 142' @ 23.6' HR ) WOB 18-26, RPM 40-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 200-175-190,ON/OFF 2597-2283, DIFF 203-341, WT 12.5, VIS 42, PUMPING NUT SHELL SWEEPS, NO FLARE
5/24/2011	0:00 - 6:00	6.00	DRLPRO	02	B	P		DRILL F/ 10270' TO 10395' ( 125' @ 20.8' HR ) WOB 20-24, RPM 45-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 200-175-190, ON/OFF 2597-2283, DIFF 203-341, WT 12.6, VIS 44, PUMPING NUT SHELL SWEEPS F/ BIT BALLING, @ 10385' ON BUSTER W/ 15-20' FLARE CONNECTION GAS
	6:00 - 10:30	4.50	DRLPRO	02	B	P		DRILL F/ 10395' TO 10481' ( 86' @ 19.1' HR ) WOB 22-26, RPM 40-65, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 200-175-193, ON/OFF 2528-2214, DIFF 63-314, WT 12.6, VIS 44, PUMPING NUTSHELL SWEEPS F/ BIT BALLING, CONNECTION GAS 5' TO 20' FLARE
	10:30 - 11:00	0.50	DRLPRO	07	A	P		RIG SERVICE, GREASE BLOCKS, SWIVEL, CROWN
	11:00 - 18:00	7.00	DRLPRO	06	A	P		PUMP PILL TOOH L/D DIR TOOLS, BIT,NO PROBLEMS, FUNCTION PIPE RAMS
	18:00 - 22:30	4.50	DRLPRO	06	A	P		P/U Q506F BIT TIH, FILL PIPE @ SHOE & 6500', NO PROBLEMS

**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-23I      Spud Conductor: 4/30/2011      Spud Date: 5/3/2011  
 Project: UTAH-UINTAH      Site: FEDERAL 920-23I      Rig Name No: PROPETRO 11/11, PIONEER 69/69  
 Event: DRILLING      Start Date: 4/20/2011      End Date: 5/27/2011  
 Active Datum: RKB @4,847.00ft (above Mean Sea Level)      UWI: NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	22:30 - 23:30	1.00	DRLPRO	03	D	P		KELLY UP, BREAK CIRC, WASH & REAM F/ 10403' TO 10481" BOTTOM
	23:30 - 0:00	0.50	DRLPRO	02	B	P		DRILL F/ 10481' TO 10501' 20', WOB 18-20, RPM 45, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 200-170-193 WT, ON OFF 2438-2258, DIFF 267, 12.9, VIS 49, 15'-25' BOTTOMS UP FLARE
5/25/2011	0:00 - 2:30	2.50	DRLPRO	02	B	P		DRILL F/ 10501' TO 10574' TD @ 02:30, 5/25/2011, ( 73' @ 29.2' HR ) WOB 22-24, RPM 45-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 205-170-196, ON/OFF 2438-2258, DIFF 267, WT 12/8, VIS 43
	2:30 - 4:30	2.00	DRLPRO	05	C	P		CIRC & COND F/ LOGS, PUMP PILL
	4:30 - 11:00	6.50	DRLPRO	06	B	P		TOOH F/ LOGS, L/D MOTOR & BIT, FUNCTION PIPE RAMS
	11:00 - 17:00	6.00	DRLPRO	11	C	P		SAFETY MEETING W/ HALLIBURTON, R/U & RUN TRIPLE COMBO LOGS, LOGGERS DEPTH 10564' ( CALIPER LOG FAILED )
	17:00 - 23:00	6.00	DRLPRO	06	A	P		P/U R/R TRI CONE & B/S TIH, FILL PIPE @ SHOE & 6650
	23:00 - 0:00	1.00	DRLPRO	05	C	P		CIRC & COND F/ LDDP ,20'-25' BOTTOMS UP FLARE
5/26/2011	0:00 - 1:00	1.00	DRLPRO	05	C	P		CIRC & COND , SAFETY MEETING W/ KIMZEY & R/U
	1:00 - 10:00	9.00	DRLPRO	06	A	P		LDDP, PULL DRIVE BUSHINGS ,BREAK KELLY, L/D BHA
	10:00 - 10:30	0.50	DRLPRO	14	B	P		PULL WEAR RING
	10:30 - 11:30	1.00	DRLPRO	12	A	P		SAFETY MEETING W/ KIMZEY CASING, R/U CASERS
	11:30 - 21:00	9.50	DRLPRO	12	C	P		RUN 23 JTS P110, 225 JTS I80, 4.5, 11.6# PRODUCTION CASING TO 10564', TOP OF FLOAT @ 10517', TOP OF MARKERS @ 8186' & 5130'
	21:00 - 22:30	1.50	DRLPRO	05	D	P		CIRC F/ CEMENT, R/D CASERS, SAFETY MEETING W/ BJ SERVICES
	22:30 - 0:00	1.50	DRLPRO	12	C	P		R/U CEMENTERS, PUMP CEMENT
5/27/2011	0:00 - 2:00	2.00	DRLPRO	12	E	P		PUMPING CEMENT W/ 40 BBL SPACER, 620 SX12.8#, 1.85 YLD LEAD, 14.2#, 1.31 YLD TAIL 164 BBLS CLAY CARE WATER, FINAL LIFT 3333 PSI, BUMP PLUG @ 01:15 HRS 4068 PSI, FLOATS HELD, 6 BBLS CEMENT BACK TO PIT, FLOATS HELD, FULL RETURNS THROUGH OUT JOB, FLUSHED OUT BOP, R/D BJ
	2:00 - 6:00	4.00	DRLPRO	14	A	P		SET C-22 SLIPS THROUGH STACK, N/D BOP, CUT OFF CASING, CLEAN PITS RELEASE RIG @ 06:00, FINAL REPORT

**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-23I Spud Conductor: 4/30/2011 Spud Date: 5/3/2011  
 Project: UTAH-UINTAH Site: FEDERAL 920-23I Rig Name No: PROPETRO 11/11, PIONEER 69/69  
 Event: DRILLING Start Date: 4/20/2011 End Date: 5/27/2011  
 Active Datum: RKB @4,847.00ft (above Mean Sea Level) UWI: NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
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6:00 - 6:00 0.00 DRLPRO

CONDUCTOR CASING:  
 Cond. Depth set: 40  
 Cement sx used: 28

SPUD DATE/TIME: 4/10/2011 21:00

SURFACE HOLE:  
 Surface From depth: 40  
 Surface To depth: 2,730  
 Total SURFACE hours: 23.00  
 Surface Casing size: 8 5/8  
 # of casing joints ran: 61  
 Casing set MD: 2,698.3  
 # sx of cement: 220/170/210  
 Cement blend (ppg): 11.0/15.8  
 Cement yield (ft3/sk): 3.82/1.15/1.15  
 # of bbls to surface: 40  
 Describe cement issues: NONE  
 Describe hole issues: NONE

PRODUCTION:  
 Rig Move/Skid start date/time: 5/15/2011 7:00  
 Rig Move/Skid finish date/time: 5/16/2011 4:30  
 Total MOVE hours: 21.5  
 Prod Rig Spud date/time: 5/17/2011 1:30  
 Rig Release date/time: 5/27/2011 6:00  
 Total SPUD to RR hours: 244.5  
 Planned depth MD 10,560  
 Planned depth TVD 10,560  
 Actual MD: 10,574  
 Actual TVD: 10,573  
 Open Wells \$:  
 AFE \$:  
 Open wells \$/ft:

PRODUCTION HOLE:  
 Prod. From depth: 2,744  
 Prod. To depth: 10,574  
 Total PROD hours: 159.5  
 Log Depth: 10564  
 Float Collar Top Depth: 10517  
 Production Casing size: 4.5, 11.6  
 # of casing joints ran: 248  
 Casing set MD: 10,564.0  
 Stage 1  
 # sx of cement: 620 LEAD, 1262 TAIL  
 Cement density (ppg): 12.8 LEAD, 14.3 TAIL  
 Cement yield (ft3/sk): 1.85 LEAD, 14.3 TAIL  
 Stage 2  
 # sx of cement:  
 Cement density (ppg):  
 Cement yield (ft3/sk):  
 Top Out Cmt  
 # sx of cement:  
 Cement density (ppg):  
 Cement yield (ft3/sk):  
 Est. TOC (Lead & Tail) or 2 Stage :  
 Describe cement issues:  
 Describe hole issues: SOME SLOUGHING IN THE WASATCH

DIRECTIONAL INFO:  
 KOP:  
 Max angle:  
 Departure:

**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-23I		Spud Conductor: 4/30/2011		Spud Date: 5/3/2011				
Project: UTAH-UINTAH		Site: FEDERAL 920-23I		Rig Name No: PROPETRO 11/11, PIONEER 69/69				
Event: DRILLING		Start Date: 4/20/2011		End Date: 5/27/2011				
Active Datum: RKB @4,847.00ft (above Mean Sea Level)		UWI: NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0						
Date	Time Start-End	Duration (hr)	Phase	Code	Sub-Code	P/U	MD From (ft)	Operation
Max dogleg MD:								

# 1 General

## 1.1 Customer Information

Company	US ROCKIES REGION		
Representative			
Address			

## 1.2 Well Information

Well	FEDERAL 920-23I		
Common Name	FEDERAL 920-23I		
Well Name	FEDERAL 920-23I	Wellbore No.	OH
Report No.	1	Report Date	7/18/2011
Project	UTAH-UINTAH	Site	FEDERAL 920-23I
Rig Name/No.		Event	COMPLETION
Start Date	7/18/2011	End Date	7/25/2011
Spud Date	5/3/2011	Active Datum	RKB @4,847.00ft (above Mean Sea Level)
UWI	NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0		

## 1.3 General

Contractor	CASED HOLE	Job Method	PERFORATE	Supervisor	STEVE WALL, SR.
Perforated Assembly	PRODUCTION BHA	Conveyed Method	WIRELINE		

## 1.4 Initial Conditions

## 1.5 Summary

Fluid Type		Fluid Density		Gross Interval	7,682.0 (ft)-10,482.0 (ft)	Start Date/Time	7/20/2011 12:00AM
Surface Press		Estimate Res Press		No. of Intervals	30	End Date/Time	7/22/2011 12:00AM
TVD Fluid Top		Fluid Head		Total Shots	163	Net Perforation Interval	44.00 (ft)
Hydrostatic Press		Press Difference		Avg Shot Density	3.70 (shot/ft)	Final Surface Pressure	
Balance Cond	NEUTRAL					Final Press Date	

# 2 Intervals

## 2.1 Perforated Interval

Date	Formation/Reservoir	CCL@ (ft)	CCL-T S (ft)	MD Top (ft)	MD Base (ft)	Shot Density (shot/ft)	Misfires/Add. Shot	Diameter (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
12:00AM	WASATCH/			7,682.0	7,684.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO	N

## 2.1 Perforated Interval (Continued)

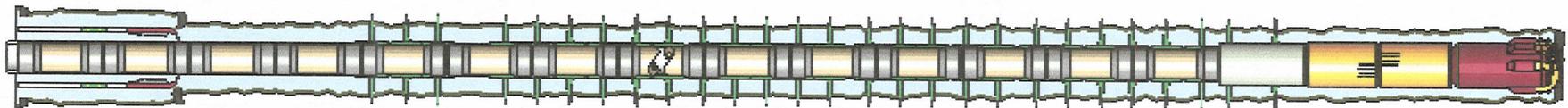
Date	Formation/ Reservoir	CCL@ (ft)	CCL-T S (ft)	MD Top (ft)	MD Base (ft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
12:00AM	WASATCH/			7,818.0	7,820.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	WASATCH/			7,842.0	7,844.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
12:00AM	WASATCH/			8,406.0	8,408.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,456.0	8,458.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,511.0	8,513.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,606.0	8,608.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,686.0	8,688.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,736.0	8,739.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,882.0	8,883.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,908.0	8,909.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,938.0	8,940.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			8,976.0	8,977.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,006.0	9,007.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,290.0	9,291.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,322.0	9,323.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,358.0	9,359.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,470.0	9,472.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,508.0	9,510.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,742.0	9,743.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,772.0	9,773.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MMESAVERDE/			9,879.0	9,880.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (ft)	CCL-T S (ft)	MD Top (ft)	MD Base (ft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Carr Manuf	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
12:00AM	MESAVERDE/			9,890.0	9,891.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MESAVERDE/			10,000.0	10,002.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MESAVERDE/			10,159.0	10,160.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MESAVERDE/			10,244.0	10,245.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MESAVERDE/			10,367.0	10,368.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MESAVERDE/			10,422.0	10,423.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MESAVERDE/			10,470.0	10,471.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
12:00AM	MESAVERDE/			10,481.0	10,482.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	

3 Plots

3.1 Wellbore Schematic



**US ROCKIES REGION  
Operation Summary Report**

Well: FEDERAL 920-23I Spud Conductor: 4/30/2011 Spud Date: 5/3/2011  
 Project: UTAH-UINTAH Site: FEDERAL 920-23I Rig Name No: SWABBCO 1/1  
 Event: COMPLETION Start Date: 7/18/2011 End Date: 7/25/2011  
 Active Datum: RKB @4,847.00ft (above Mean Sea Level) UWI: NE/SE/O/9/S/20/E/23/O/O/26/PM/S/2103/E/O/693/O/O

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
7/19/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, RIGGING DOWN RIG & MOVING EQUIP
	7:30 - 11:00	3.50	COMP	30	A	P		RIG DWN OFF NBU 921-17B, MIRU, ND WH NU BOPS RU FLOOR & TBG EQUIP.
	11:00 - 16:30	5.50	COMP	31	I	P		TALLY & PU 37/8 BIT, BIT SUB & 269 JTS 23/8 L-80 OFF FLOAT. EOT @ 8538' HAD TO SHUT DWN DUE TO HIGH WINGS & LIGHTNING. SWI SDFN. HSM, LAYING DWN TBG ON FLOAT.
7/20/2011	7:00 - 7:30	0.50	COMP	48		P		
	7:30 - 9:00	1.50	COMP	44	D	P		PU REM 63 JTS 23/8 L-80 OFF FLOAT TOTAL 332 JTS IN. TAG UP @ 10,509', 27' RATHOLE, RU CIRC WELL CLEAN.
	9:00 - 12:30	3.50	COMP	31	I	P		L/D 92 JTS TOTAL 97 OUT ON FLOAT. POOH W/ 240 JTS INTO DERICK L/D BIT. ND BOPS NU FV. RU B&C, TEST 41/2 CSG TO 1,010 PSI LOST 57.5 PSI IN 15 MIN TOP VALVE SEEPING. TEST TO 3525 PSI LOST 41 PSI IN 15 MIN, TEST TO 7260 PSI LOST 93 PSI IN 30 MIN, GOOD TEST.
	12:30 - 15:15	2.75	COMP	33	C	P		RU CASD HOLE RIH W/ 31/8 EXP GNS, 23 GRM, .36" HOLES, 90 DEG PHASING. PERF AS OF PROCEDURE, POOH SWI PREP TO FRAC IN AM.
7/21/2011	10:00 - 12:21	2.35	COMP	33	D	P		HSM WORKING W/ WIRE LINE & FRAC CREW & WATCHING SURFACE. RU SUPERIOR, PRIME PUMPS & LINES. TEST TO 8,000# PSI, LOST 1200 PSI IN 15 MIN, SET MEC POPOFF @ 6977 PSI, KICK OUTS ON 6 PUMPS SET @ 6800, OPEN N2 POPOFF.
	12:21 - 12:48	0.45	COMP	36	E	P		( STG # 1 ) WHP 1865 PSI, BRK @ 3997 PSI, @ 4.6 BPM, ISIP 3162 PSI, FG .75. PUMP 100 BBLS @ 42.0 BPM, @ 6044 PSI = 78 % PERFS OPEN. MP 6582 PSI, MR 49.7 BPM, AP 6032 PSI, AR 44.9 BPM, ISIP 3130 PSI, FG .74. NPI -30 PSI, PMPD 874 BBLS OF SW & 13,274 LBS OF 30/50 OTTAWA SND. TOTAL PROP 13,274 LBS
	12:48 - 15:57	3.15	COMP	36	E	P		( STG # 2 ) RIH W/ 41/2 HAL 8-K CBP & 31/8 EXP GNS, 23 GM, .36" HOLES 90 DEG PHASING, SET HAL 8-K CBP @ 10,032', PERF WELL AS OF PROCEDURE. ( WIRE LINE PROBLEM COULDN'T GET PST 15' HAD TO CUT & REHEAD ) ( 1 HR 32 MIN DOWN TIME ) WHP 1252 PSI, BRK @ 3827 PSI, @ 4.7 BPM, ISIP 3196 PSI, FG .76. PUMP 100 BBLS @ 41.4 BPM, @ 5944 PSI = 77 % PERFS OPEN. MP 6515 PSI, MR 49.7 BPM, AP 6187 PSI, AR 46 BPM, ISIP 3277 PSI, FG .77. NPI 81 PSI, PMPD 909 BBLS OF SW & 17,933 LBS OF 30/50 OTTAWA SND. TOTAL PROP 17,933 LBS.
	15:57 - 17:30	1.55	COMP	34	H	P		( STG # 3 ) RIH W/ 41/2 HAL 8-K CBP & 31/8 EXP GNS, 23 GM, .36" HOLES 90 & 120 DEG PHASING, SET HAL 8-K CBP @ 9540', PERF WELL AS OF PROCEDURE. POOH SWI SDFN.

**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-231	Spud Conductor: 4/30/2011	Spud Date: 5/3/2011
Project: UTAH-UINTAH	Site: FEDERAL 920-231	Rig Name No: SWABBCO 1/1
Event: COMPLETION	Start Date: 7/18/2011	End Date: 7/25/2011
Active Datum: RKB @4,847.00ft (above Mean Sea Level)	UWI: NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
7/22/2011	7:00 - 7:20	0.33	COMP	36	E	P		HSM W/ SUPERIOR. ( STG #3 ) WHP 1983 PSI, BRK @ 4047 PSI, @ 3.1 BPM, ISIP 3110 PSI, FG .77. PUMP 100 BBLs @ 50.7 BPM, @ 5889 PSI = 100% PERFS OPEN. MP 6560 PSI, MR 50.9 BPM, AP 5925 PSI, AR 47.7 BPM, ISIP 2959 PSI, FG .75. NPI -151 PSI, PMPD 844 BBLs OF SW & 16,343 LBS OF 30/50 OTTAWA SND. TOTAL PROP 16,343 LBS.
	7:20 - 9:00	1.67	COMP	36	E	P		( STG #4 ) RIH W/ 41/2 HAL 8-K CBP & 31/8 EXP GNS, 23 GM, .36" HOLES 90 DEG PHASING, SET HAL 8-K CBP @ 9037', PERF WELL AS OF PROCEDURE. WHP 840 PSI, BRK @ 4476 PSI, @ 4.8 BPM, ISIP 3522 PSI, FG .83. PUMP 100 BBLs @ 44.7 BPM, @ 5751 PSI = 100 % PERFS OPEN. MP 6582 PSI, MR 49.9 BPM, AP 6071 PSI, AR 47.7 BPM, ISIP 3136 PSI, FG .79. NPI -386 PSI, PMPD 710 BBLs OF SW & 13,779 LBS OF 30/50 OTTAWA SND. TOTAL PROP 13,779 LBS.
	9:00 - 11:22	2.37	COMP	36	E	P		( STG #5 ) RIH W/ 41/2 HAL 8-K CBP & 31/8 EXP GNS, 23 GM, .36" HOLES 90 & 120 DEG PHASING, SET HAL 8-K CBP @ 8769', PERF WELL AS OF PROCEDURE. WHP 1157 PSI, BRK @ 3103 PSI, @ 4.6 BPM, ISIP 2429 PSI, FG .72. PUMP 100 BBLs @ 48 BPM, @ 6200 PSI = 74 % PERFS OPEN. MP 6626 PSI, MR 49.9 BPM, AP 5927 PSI, AR 47.8 BPM, ISIP 2992 PSI, FG .78. NPI 563 PSI, PMPD 723 BBLs OF SW & 13,822 LBS OF 30/50 OTTAWA SND. TOTAL PROP 13,822 LBS.( HAD TO CHANGE ALTINATOR ON BLENDER AFTER WE BROKE WELL DWN.)
	11:22 - 13:23	2.02	COMP	36	E	P		( STG #6 ) RIH W/ 41/2 HAL 8-K CBP & 31/8 EXP GNS, 23 GM, .36" HOLES 90 & 120 DEG PHASING, SET HAL 8-K CBP @ 8543', PERF WELL AS OF PROCEDURE. WHP 1001 PSI, BRK @ 3106 PSI, @ 4.7 BPM, ISIP 2333 PSI, FG .71. PUMP 100 BBLs @ 37.5 BPM, @ 6195 PSI = 60 % PERFS OPEN. MP 6569 PSI, MR 50.1 BPM, AP 5952 PSI, AR 48.4 BPM, ISIP 2894 PSI, FG .78. NPI 561 PSI, PMPD 847 BBLs OF SW & 24,731 LBS OF 30/50 OTTAWA SND. TOTAL PROP 24,731 LBS. ( HAD BLENDER PROBLEM AGAIN )

**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-23I		Spud Conductor: 4/30/2011		Spud Date: 5/3/2011	
Project: UTAH-UINTAH		Site: FEDERAL 920-23I		Rig Name No: SWABBCO 1/1	
Event: COMPLETION		Start Date: 7/18/2011		End Date: 7/25/2011	
Active Datum: RKB @4,847.00ft (above Mean Sea Level)		UWI: NE/SE/O/9/S/20/E/23/O/O/26/PM/S/2103/E/O/693/O/O			

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	13:23 - 14:53	1.50	COMP	36	E	P		( STG # 7 ) RIH W/ 41/2 HAL 8-K CBP & 31/8 EXP GNS, 23 GM, .36" HOLES 90 & 120 DEG PHASING, SET HAL 8-K CBP @ 7880', PERF WELL AS OF PROCEDURE. WHP 288 PSI, BRK @ 2432 PSI, @ 4.4 BPM, ISIP 1988 PSI, FG .69. PUMP 100 BBLS @ 48 BPM, @ 5411 PSI = 81 % PERFS OPEN. MP 5877 PSI, MR 50.5 BPM, AP 5451 PSI, AR 50.0 BPM, ISIP 3077 PSI, FG .84. NPI 1089 PSI, PMPD 739 BBLS OF SW & 22,274 LBS OF 30/50 OTTAWA SND. TOTAL PROP 22,274 LBS.  TOTAL SAND 122,156 30/50 OTTAWA SAND TOTAL WATER 5646 BBLS TOTAL 741 GALS SCALE INH TOTAL 144 GALS BIOCIDES
	14:53 - 17:30	2.62	COMP	34	I	P		( KILL PLUG ) RIH SET KILL PLUG @ 7632' POOH SWI RD WL & FRAC CREW.ND FV, NU BOPS, RU FLOOR & TBG EQUIP. SDFN.
7/25/2011	7:00 - 7:30	0.50	COMP	48		P		HSM, D/O CBPS
	7:30 - 8:30	1.00	COMP	31	I	P		RIH W/ 37/8 BIT, POBS, 1.875 X/N & 240 JTS.



**US ROCKIES REGION**  
**Operation Summary Report**

Well: FEDERAL 920-231	Spud Conductor: 4/30/2011	Spud Date: 5/3/2011
Project: UTAH-UINTAH	Site: FEDERAL 920-231	Rig Name No: SWABBCO 1/1
Event: COMPLETION	Start Date: 7/18/2011	End Date: 7/25/2011
Active Datum: RKB @4,847.00ft (above Mean Sea Level)	UWI: NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
7/29/2011	7:00 -			33	A			7 AM FLBK REPORT: CP 2550#, TP 1775#, 20/64" CK, 14 BWPH, LIGHT SAND, 2.4 GAS TTL BBLS RECOVERED: 4075 BBLS LEFT TO RECOVER: 1801
7/30/2011	7:00 -			33	A			7 AM FLBK REPORT: CP 2375#, TP 1600#, 20/64" CK, 14 BWPH, LIGHT SAND, 2.1 GAS TTL BBLS RECOVERED: 4430 BBLS LEFT TO RECOVER: 1446

# 1 General

## 1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

## 1.2 Well Information

Well	FEDERAL 920-23I	Wellbore No.	OH
Well Name	FEDERAL 920-23I	Common Name	FEDERAL 920-23I
Project	UTAH-UINTAH	Site	FEDERAL 920-23I
Vertical Section Azimuth	0.00 (°)	North Reference	True
Origin N/S		Origin E/W	
Spud Date	5/3/2011	UWI	NE/SE/0/9/S/20/E/23/0/0/26/PM/S/2103/E/0/693/0/0
Active Datum	RKB @4,847.00ft (above Mean Sea Level)		

# 2 Survey Name

## 2.1 Survey Name: Survey #1

Survey Name	Survey #1	Company	SCIENTIFIC DIRECTIONAL
Started	5/2/2011	Ended	
Tool Name	MWD	Engineer	Anadarko

### 2.1.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
14.00	0.00	0.00	14.00	0.00	0.00

### 2.1.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
5/2/2011	Tie On	14.00	0.00	0.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5/3/2011	NORMAL	171.00	0.44	30.13	171.00	0.52	0.30	0.52	0.28	0.28	0.00	30.13
	NORMAL	194.00	0.70	347.77	194.00	0.74	0.32	0.74	2.08	1.13	-184.17	-80.70
	NORMAL	222.00	0.70	354.53	222.00	1.07	0.26	1.07	0.29	0.00	24.14	93.38
	NORMAL	306.00	0.79	5.70	305.99	2.16	0.27	2.16	0.20	0.11	13.30	63.88
	NORMAL	394.00	0.62	51.84	393.98	3.06	0.71	3.06	0.65	-0.19	52.43	128.87
	NORMAL	479.00	0.79	43.49	478.98	3.77	1.47	3.77	0.23	0.20	-9.82	-35.37
	NORMAL	574.00	0.35	90.86	573.97	4.24	2.21	4.24	0.64	-0.46	49.86	155.03
	NORMAL	664.00	0.35	105.54	663.97	4.16	2.75	4.16	0.10	0.00	16.31	97.34
	NORMAL	754.00	0.44	96.93	753.97	4.04	3.36	4.04	0.12	0.10	-9.57	-37.76
	NORMAL	844.00	0.79	121.27	843.96	3.68	4.23	3.68	0.48	0.39	27.04	49.33
	NORMAL	934.00	0.26	275.08	933.96	3.38	4.56	3.38	1.14	-0.59	170.90	173.60
	NORMAL	1,024.00	0.35	290.55	1,023.96	3.49	4.10	3.49	0.13	0.10	17.19	50.37
	NORMAL	1,114.00	0.44	272.44	1,113.96	3.60	3.50	3.60	0.17	0.10	-20.12	-63.50
	NORMAL	1,204.00	0.35	298.81	1,203.95	3.75	2.91	3.75	0.22	-0.10	29.30	129.12
	NORMAL	1,294.00	0.44	260.49	1,293.95	3.82	2.33	3.82	0.30	0.10	-42.58	-91.01
	NORMAL	1,384.00	0.18	304.00	1,383.95	3.85	1.87	3.85	0.37	-0.29	48.34	158.18
	NORMAL	1,474.00	0.09	56.06	1,473.95	3.97	1.81	3.97	0.25	-0.10	124.51	158.69
	NORMAL	1,564.00	0.18	350.52	1,563.95	4.14	1.85	4.14	0.18	0.10	-72.82	-95.39
	NORMAL	1,654.00	0.09	136.39	1,653.95	4.23	1.87	4.23	0.29	-0.10	162.08	168.78
	NORMAL	1,834.00	0.26	216.02	1,833.95	3.80	1.73	3.80	0.14	0.09	44.24	99.59

2.1.2 Survey Stations (Continued)

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
5/3/2011	NORMAL	1,924.00	0.26	117.14	1,923.95	3.54	1.79	3.54	0.44	0.00	-109.87	-139.44
	NORMAL	2,044.00	0.26	197.74	2,043.95	3.16	1.95	3.16	0.28	0.00	67.17	130.30
	NORMAL	2,194.00	0.53	178.14	2,193.94	2.14	1.87	2.14	0.20	0.18	-13.07	-36.61
	NORMAL	2,284.00	0.44	171.28	2,283.94	1.38	1.94	1.38	0.12	-0.10	-7.62	-150.57
	NORMAL	2,374.00	0.70	130.41	2,373.94	0.68	2.41	0.68	0.52	0.29	-45.41	-78.96
5/4/2011	NORMAL	2,470.00	0.70	141.14	2,469.93	-0.15	3.22	-0.15	0.14	0.00	11.18	95.36
	NORMAL	2,549.00	0.79	170.14	2,548.92	-1.06	3.62	-1.06	0.48	0.11	36.71	91.35
	NORMAL	2,689.00	0.70	167.59	2,688.91	-2.85	3.97	-2.85	0.07	-0.06	-1.82	-161.05

2.2 Survey Name: Survey #2

Survey Name	Survey #2	Company	SCIENTIFIC
Started	5/16/2011	Ended	
Tool Name	MWD	Engineer	Anadarko

2.2.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
2,689.00	0.70	167.59	2,688.91	-2.85	3.97

2.2.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
5/16/2011	Tie On	2,689.00	0.70	167.59	2,688.91	-2.85	3.97	-2.85	0.00	0.00	0.00	0.00
5/17/2011	NORMAL	2,739.00	0.46	187.94	2,738.91	-3.35	4.01	-3.35	0.63	-0.48	40.70	149.23
	NORMAL	3,268.00	1.14	142.01	3,267.86	-9.60	6.95	-9.60	0.17	0.13	-8.68	-67.88
	NORMAL	3,772.00	1.67	194.48	3,771.72	-20.66	8.20	-20.66	0.26	0.11	10.41	95.28
	NORMAL	4,280.00	1.58	210.48	4,279.52	-33.86	2.80	-33.86	0.09	-0.02	3.15	109.15
	NORMAL	4,785.00	1.67	169.43	4,784.34	-47.10	0.62	-47.10	0.23	0.02	-8.13	-106.29
5/18/2011	NORMAL	5,290.00	0.79	180.42	5,289.22	-57.81	1.94	-57.81	0.18	-0.17	2.18	170.44
	NORMAL	5,766.00	0.53	154.67	5,765.19	-63.08	2.86	-63.08	0.08	-0.05	-5.41	-143.63
	NORMAL	6,239.00	0.97	10.88	6,238.17	-61.13	4.55	-61.13	0.30	0.09	-30.40	-156.42
	NORMAL	6,745.00	0.62	299.60	6,744.13	-55.57	2.98	-55.57	0.19	-0.07	-14.09	-142.71
5/19/2011	NORMAL	7,221.00	0.09	184.02	7,220.12	-54.67	0.71	-54.67	0.14	-0.11	-24.28	-172.98
	NORMAL	7,695.00	0.35	118.90	7,694.11	-55.74	1.95	-55.74	0.07	0.05	-13.74	-79.78
5/20/2011	NORMAL	7,820.00	0.31	197.11	7,819.11	-56.25	2.19	-56.25	0.33	-0.03	62.57	133.37
5/21/2011	NORMAL	8,293.00	0.53	177.78	8,292.10	-59.66	1.90	-59.66	0.05	0.05	-4.09	-42.70
	NORMAL	8,767.00	1.06	149.57	8,766.05	-65.63	4.20	-65.63	0.14	0.11	-5.95	-51.11
5/22/2011	NORMAL	9,300.00	0.97	138.94	9,298.97	-73.28	9.66	-73.28	0.04	-0.02	-1.99	-120.80
5/23/2011	NORMAL	9,781.00	1.67	161.00	9,779.84	-82.98	14.62	-82.98	0.18	0.15	4.59	47.35
5/24/2011	NORMAL	10,252.00	1.85	135.07	10,250.63	-94.85	22.22	-94.85	0.17	0.04	-5.51	-90.43
	NORMAL	10,403.00	1.93	128.74	10,401.55	-98.17	25.93	-98.17	0.15	0.05	-4.19	-72.22
5/25/2011	NORMAL	10,554.00			10,552.52	-99.76	27.91	-99.76	1.28	-1.28	0.00	-180.00

2.3 Survey Name: Survey #2

Survey Name	Survey #2	Company	SCIENTIFIC
Started	5/17/2011	Ended	
Tool Name	MWD	Engineer	Anadarko

2.3.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
2,689.00	0.70	167.59	2,689.00	-2.85	3.97

2.3.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
5/17/2011	Tie On	2,689.00	0.70	167.59	2,689.00	-2.85	3.97	-2.85	0.00	0.00	0.00	0.00
5/17/2011	NORMAL	2,739.00	0.46	187.94	2,739.00	-3.35	4.01	-3.35	0.63	-0.48	40.70	149.23
	NORMAL	3,268.00	1.14	142.01	3,267.95	-9.60	6.95	-9.60	0.17	0.13	-8.68	-67.88
	NORMAL	3,772.00	1.67	194.48	3,771.81	-20.66	8.20	-20.66	0.26	0.11	10.41	95.28
	NORMAL	4,280.00	1.58	210.48	4,279.61	-33.86	2.80	-33.86	0.09	-0.02	3.15	109.15
	NORMAL	4,785.00	1.67	169.43	4,784.42	-47.10	0.62	-47.10	0.23	0.02	-8.13	-106.29
5/18/2011	NORMAL	5,290.00	0.79	180.42	5,289.30	-57.81	1.94	-57.81	0.18	-0.17	2.18	170.44
	NORMAL	5,766.00	0.53	154.67	5,765.27	-63.08	2.86	-63.08	0.08	-0.05	-5.41	-143.63
	NORMAL	6,239.00	0.97	10.88	6,238.25	-61.13	4.55	-61.13	0.30	0.09	-30.40	-156.42
	NORMAL	6,745.00	0.62	299.60	6,744.21	-55.57	2.98	-55.57	0.19	-0.07	-14.09	-142.71
5/19/2011	NORMAL	7,221.00	0.09	184.02	7,220.21	-54.67	0.71	-54.67	0.14	-0.11	-24.28	-172.98
	NORMAL	7,695.00	0.35	118.90	7,694.20	-55.74	1.96	-55.74	0.07	0.05	-13.74	-79.78
5/20/2011	NORMAL	7,820.00	0.31	197.11	7,819.20	-56.25	2.19	-56.25	0.33	-0.03	62.57	133.37
5/21/2011	NORMAL	8,293.00	0.53	177.78	8,292.19	-59.66	1.90	-59.66	0.05	0.05	-4.09	-42.70
	NORMAL	8,767.00	1.06	149.57	8,766.14	-65.63	4.20	-65.63	0.14	0.11	-5.95	-51.11
5/22/2011	NORMAL	9,300.00	0.97	138.94	9,299.06	-73.28	9.67	-73.28	0.04	-0.02	-1.99	-120.80
5/23/2011	NORMAL	9,781.00	1.67	161.00	9,779.93	-82.98	14.62	-82.98	0.18	0.15	4.59	47.35
5/24/2011	NORMAL	10,252.00	1.85	1.85	10,250.85	-81.87	17.10	-81.87	0.74	0.04	-33.79	-169.03
	NORMAL	10,403.00	1.93	128.74	10,401.81	-81.03	19.16	-81.03	2.24	0.05	84.03	152.83
5/25/2011	NORMAL	10,574.00	1.93	128.74	10,572.72	-84.63	23.66	-84.63	0.00	0.00	0.00	0.00

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

FORM 6

C

**ENTITY ACTION FORM**

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
 Address: P.O. Box 173779  
city DENVER  
state CO zip 80217 Phone Number: (720) 929-6304

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740546	FEDERAL 920-23P		SESE	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	17447	2900	1/9/2010		2/1/2012		
<b>Comments:</b> moved into unit NBU — 3/30/2012							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750580	FEDERAL 920-23JT		NENW	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	18212	2900	11/23/2011		2/1/2012		
<b>Comments:</b> Please update the subject well to reflect production from WSMVD. moved into NBU unit — 3/30/2012							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750581	FEDERAL 920-23I		NESE	23	9S	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	18029	2900	4/30/2011		2/1/2012		
<b>Comments:</b> moved into NBU unit — 3/30/12							

**ACTION CODES:**

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

JAIME SCHARNOWSKE

Name (Please Print)

Signature

REGULATORY ANALYST

Title

3/28/2012

Date

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MAR 28 2012

Div. of Oil, Gas & Mining

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0136  
Expires July 31, 2010

JUL 28 2009  
ML

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU0577A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERRMCGEE OIL&GAS ONSHORE LP Contact: DANIELLE E PIERNOT Email: Danielle.Piernot@anadarko.com		7. If Unit or CA Agreement, Name and No.
3a. Address PO BOX 173779 DENVER, CO 80202-3779		8. Lease Name and Well No. FEDERAL 920-231
3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156		9. API Well No. 43-047-50501
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NESE 2103FSL 693FEL 40.01922 N Lat, 109.62655 W Lon At proposed prod. zone NESE 2103FSL 693FEL 40.01922 N Lat, 109.62655 W Lon		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 8 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R20E Mer SLB
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 693 FEET	16. No. of Acres in Lease 2091.20	12. County or Parish UINTAH
17. Spacing Unit dedicated to this well	13. State UT	18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROXIMATELY 1200 FEET
19. Proposed Depth 10416 MD 10416 TVD	20. BLM/BIA Bond No. on file WYB000291	21. Elevations (Show whether DF, KB, RT, GL, etc.) 4832 GL
22. Approximate date work will start 08/03/2009	23. Estimated duration 60-90 DAYS	

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) DANIELLE E PIERNOT Ph: 720-929-6156	Date 07/16/2009
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Title  
REGULATORY ANALYST

Approved by (Signature)	Name (Printed/Typed) James H. Sparger	Date MAR 14 2010
-------------------------	--	---------------------

Title  
ACTING Assistant Field Manager  
Lands & Mineral Resources

Office  
VERNAL FIELD OFFICE

Application approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

NOTICE OF APPROVAL

APR 01 2010

Electronic Submission #72262 verified by the BLM Well Information System  
For KERRMCGEE OIL&GAS ONSHORE LP, sent to the Vernal  
Committed to AFMSS for processing by GAIL JENKINS on 07/21/2009

DIV OF OIL, GAS & MINING  
NOS and posted 7/23/09

CONDITIONS OF APPROVAL ATTACHED AFMSS#

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

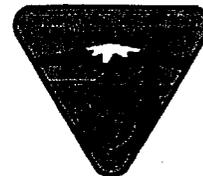
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40061M



**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**

<b>Company:</b>	Kerr McGee Oil & Gas Onshore LP	<b>Location:</b>	NESE, Sec.23, T9S R20E
<b>Well No:</b>	Federal 920-231	<b>Lease No:</b>	UTU-0577A
<b>API No:</b>	43-047-50581	<b>Agreement:</b>	N/A

**OFFICE NUMBER:            (435) 781-4400**

**OFFICE FAX NUMBER:    (435) 781-3420**

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

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

**NOTIFICATION REQUIREMENTS**

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

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**APR 01 2010**

DIV. OF OIL, GAS & MINING

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

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour.
- 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**

**Site-Specific Conditions of Approval:**

- Paint facilities "shadow gray."
- Utilize pit-run/gravel for well pad and access road support.
- Cut and bury the existing well head marker on the well pad.
- Monitor location by a permitted archaeologist during the construction process.
- If project construction operations are scheduled to occur after December 31, 2009, a raptor survey should be conducted prior to construction of the proposed locations, pipelines, or access roads if construction would take place during raptor nesting season (January 1 through September 30).
- If project construction operation are scheduled to occur after June 15, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified I the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus (See Appendix D) and conduct its operation according to its specifications.

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DIV. OF OIL, GAS & MINING

**BIA Standard Conditions of Approval:**

- Soil erosion will be mitigated by reseeding all disturbed areas.
- The gathering pipelines will be constructed to lie on the surface. The surface pipelines will not be bladed or cleared of vegetation. Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way. Where pipelines do not parallel roads but cross-country between sites, they shall be welded in place at well sites or on access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

- production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.
- Major low water crossings will be armored with pit run material to protect them from erosion.
- All personnel should refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.
- If fossils An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be used in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.
- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.
- A closed are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.
- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.
- Noxious weeds will be controlled on all surface disturbances within the project area. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.
- If project construction operations are scheduled to occur after December 31, 2009, KMG should conduct annual raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (See Appendix E) and conduct its operations according to applicable seasonal restrictions and spatial offsets.
- USFWS threatened and endangered plant and animal conservation measures will be followed, as appropriate to the species identified by the biological resource survey (See Appendix E).
- All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- If artifacts or any culturally sensitive materials are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

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

**SITE SPECIFIC DOWNHOLE COAs:**

- A Gama Ray Log shall be run from TD to surface.

**Variances Granted:**

**Air Drilling:**

- Properly lubricated and maintained rotating head, variance granted to use a properly maintained and lubricated diverter bowl in place of a rotating head.
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 45' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for two truck/trailer mounted air compressors located within 40 feet from the well bore and 60' from the blooie line.
- In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for kill fluid.
- Automatic igniter. Variance granted for igniter due to there being no productive formations while drilling with air.

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

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**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

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- 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.

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## 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.

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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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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FORM APPROVED  
OMB No. 1004-0136  
Expires July 31, 2010

JUL 28 2009  
ml

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU0577A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERRMCGEE OIL&GAS ONSHORE LP Contact: DANIELLE E PIERNOT Email: Danielle.Piernot@anadarko.com		7. If Unit or CA Agreement, Name and No.
3a. Address PO BOX 173779 DENVER, CO 80202-3779		8. Lease Name and Well No. FEDERAL 920-231
3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156		9. API Well No. 43-047-50501
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NESE 2103FSL 693FEL 40.01922 N Lat, 109.62655 W Lon At proposed prod. zone NESE 2103FSL 693FEL 40.01922 N Lat, 109.62655 W Lon		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 8 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R20E Mer SLB
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 693 FEET	16. No. of Acres in Lease 2091.20	12. County or Parish UINTAH
17. Spacing Unit dedicated to this well	13. State UT	18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROXIMATELY 1200 FEET
19. Proposed Depth 10416 MD 10416 TVD	20. BLM/BIA Bond No. on file WYB000291	21. Elevations (Show whether DF, KB, RT, GL, etc.) 4832 GL
22. Approximate date work will start 08/03/2009	23. Estimated duration 60-90 DAYS	

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) DANIELLE E PIERNOT Ph: 720-929-6156	Date 07/16/2009
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) James H. Sparger	Date MAR 14 2010
Title ACTING Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

NOTICE OF APPROVAL

APR 01 2010

Electronic Submission #72262 verified by the BLM Well Information System  
For KERRMCGEE OIL&GAS ONSHORE LP, sent to the Vernal  
Committed to AFMSS for processing by GAIL JENKINS on 07/21/2009

DIV OF OIL, GAS & MINING  
NOS and posted 7/23/09

CONDITIONS OF APPROVAL ATTACHED AFMSS#

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

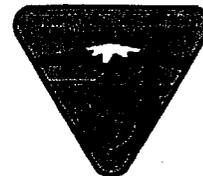
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**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE**

170 South 500 East      VERNAL, UT 84078      (435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

<b>Company:</b>	Kerr McGee Oil & Gas Onshore LP	<b>Location:</b>	NESE, Sec.23, T9S R20E
<b>Well No:</b>	Federal 920-231	<b>Lease No:</b>	UTU-0577A
<b>API No:</b>	43-047-50581	<b>Agreement:</b>	N/A

**OFFICE NUMBER:            (435) 781-4400**

**OFFICE FAX NUMBER:    (435) 781-3420**

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

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

**NOTIFICATION REQUIREMENTS**

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

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

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour.
- 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**

**Site-Specific Conditions of Approval:**

- Paint facilities "shadow gray."
- Utilize pit-run/gravel for well pad and access road support.
- Cut and bury the existing well head marker on the well pad.
- Monitor location by a permitted archaeologist during the construction process.
- If project construction operations are scheduled to occur after December 31, 2009, a raptor survey should be conducted prior to construction of the proposed locations, pipelines, or access roads if construction would take place during raptor nesting season (January 1 through September 30).
- If project construction operation are scheduled to occur after June 15, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified I the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus (See Appendix D) and conduct its operation according to its specifications.

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**BIA Standard Conditions of Approval:**

- Soil erosion will be mitigated by reseeding all disturbed areas.
- The gathering pipelines will be constructed to lie on the surface. The surface pipelines will not be bladed or cleared of vegetation. Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way. Where pipelines do not parallel roads but cross-country between sites, they shall be welded in place at well sites or on access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

- production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.
- Major low water crossings will be armored with pit run material to protect them from erosion.
- All personnel should refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.
- If fossils An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be used in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.
- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.
- A closed are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.
- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.
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DIV. OF OIL, GAS & MINING

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- 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.