

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

FORM 3
AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER BONANZA 1023-601BS	
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT NATURAL BUTTES	
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME	
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.						7. OPERATOR PHONE 720 929-6007	
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217						9. OPERATOR E-MAIL Kathy.SchneebeckDulnoan@anadarko.com	
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU38419			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')	
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')	
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>			19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN	
LOCATION AT SURFACE	228 FSL 2080 FEL	SWSE	6	10.0 S	23.0 E	S	
Top of Uppermost Producing Zone	1150 FSL 1935 FEL	SWSE	6	10.0 S	23.0 E	S	
At Total Depth	1150 FSL 1935 FEL	SWSE	6	10.0 S	23.0 E	S	
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 1150			23. NUMBER OF ACRES IN DRILLING UNIT 516	
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 268			26. PROPOSED DEPTH MD: 8661 TVD: 8517	
27. ELEVATION - GROUND LEVEL 5267			28. BOND NUMBER WYB000291			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Permit #43-8496	

ATTACHMENTS

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

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

NAME Gina Becker	TITLE Regulatory Analyst II	PHONE 720 929-6086
SIGNATURE	DATE 01/04/2011	EMAIL gina.becker@anadarko.com
API NUMBER ASSIGNED 43047514730000	APPROVAL  Permit Manager	

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	8661		
Pipe	Grade	Length	Weight			
	Grade I-80 Buttress	0	11.6			

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	11	8.625	0	2100		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	0	28.0			

Kerr-McGee Oil & Gas Onshore. L.P.

BONANZA 1023-6O1BS

Surface:	228 FSL / 2080 FEL	SWSE	Lot
BHL:	1150 FSL / 1935 FEL	SWSE	Lot

Section 6 T10S R23E

Unitah, Utah
Mineral Lease: UTU-38419

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	1239	
Birds Nest	1495	Water
Mahogany	1854	Water
Wasatch	4232	Gas
Mesaverde	6361	Gas
MVU2	7324	Gas
MVL1	7876	Gas
TVD	8517	
MD	8661	

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 bottom hole pressure calculated at 8,517' TVD, approximately equals 5,218 psi (calculated at 0.61 psi/foot).

Maximum anticipated surface pressure equals approximately 3,344 psi (bottom hole 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 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 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 8-5/8 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.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). The air rig operation utilizes a 5M BOPE when drilling. This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

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

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 2,100	28.00	IJ-55	LTC	0.97	1.91	5.86
PRODUCTION	4-1/2"	0 to 8,661	11.60	I-80	BTC	2.26	1.19	3.17

*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.56

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 12.0 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 3,344 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
 (Burst Assumptions: TD = 12.0 ppg) 0.61 psi/ft = bottomhole gradient
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 5,218 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
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	LEAD	1,600'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	150	35%	11.00	3.82
	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	3,731'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	270	10%	11.00	3.38
	TAIL	4,930'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	950	10%	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. No centralizers will be used.

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.

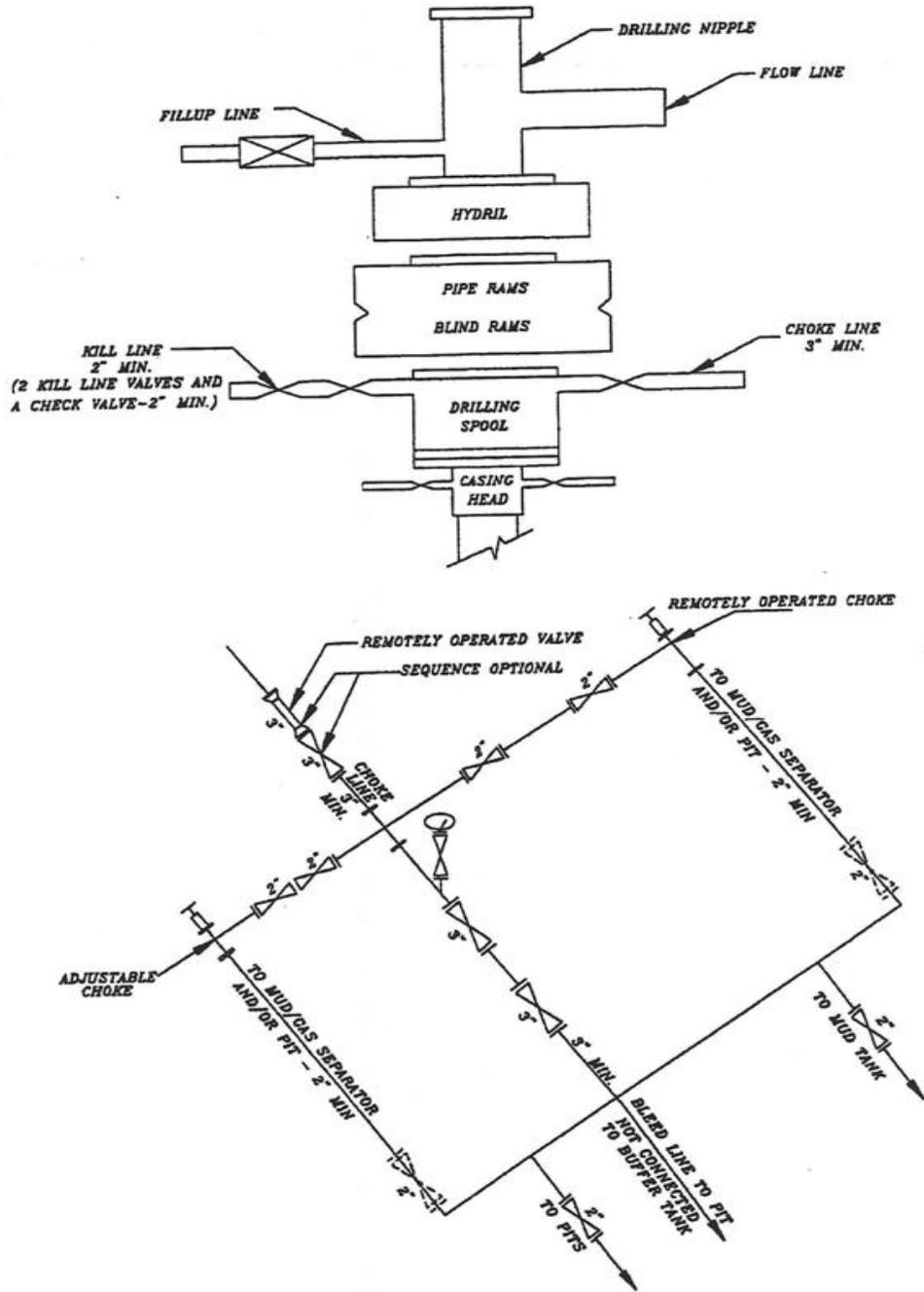
Surveys will be taken at 1,000' minimum intervals.

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

DRILLING ENGINEER: _____ **DATE:** _____
 Emile Goodwin / Perry Daughtrey

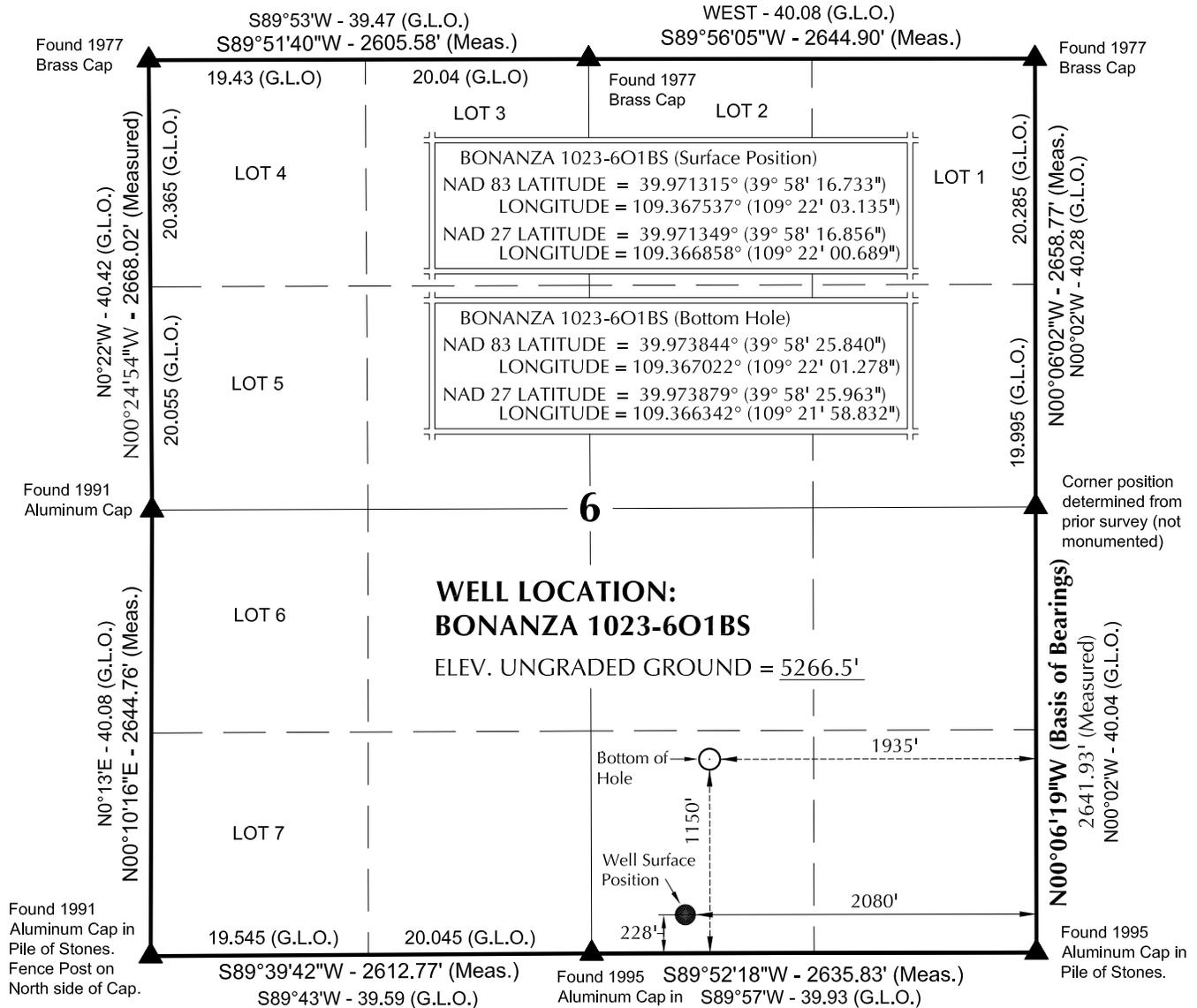
DRILLING SUPERINTENDENT: _____ **DATE:** _____
 John Merkel / Lovel Young

EXHIBIT A BONANZA 1023-601BS



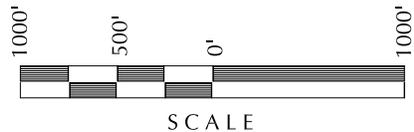
SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

T10S, R23E, S.L.B.&M.



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. The Bottom of hole bears N08°51'07"E 933.06' from the Surface Position.
- 4. Bearings are based on Global Positioning Satellite observations.
- 5. Basis of elevation is Tri-Sta "Two Water" located in the NW ¼ of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack Mtn NE 7.5 Min. Quadrangle as being 5238'.



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. 6028691
 JOHN R. SLAUGH
 PROFESSIONAL LAND SURVEYOR
 REGISTRATION NO. 6028691
 STATE OF UTAH

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



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

WELL PAD: BONANZA 1023-60

**BONANZA 1023-601BS
 WELL PLAT
 1150' FSL, 1935' FEL (Bottom Hole)
 SW ¼ SE ¼ OF SECTION 6, T10S, R23E,
 S.L.B.&M., UTAH COUNTY, UTAH.**

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

DATE SURVEYED: 03-09-10	SURVEYED BY: D.J.S.	SHEET NO: 8
DATE DRAWN: 03-12-10	DRAWN BY: K.H.G.	8 OF 20
SCALE: 1" = 1000'	Date Last Revised:	

Kerr-McGee Oil & Gas Onshore. L.P.**Bonanza 1023-6O Pad**

<u>API #</u>	<u>BONANZA 1023-6I3DS</u>		
	Surface:	178 FSL / 2077 FEL	SWSE Lot
	BHL:	1443 FSL / 745 FEL	NESE Lot
<u>API #</u>	<u>BONANZA 1023-6J4AS</u>		
	Surface:	198 FSL / 2079 FEL	SWSE Lot
	BHL:	1730 FSL / 1580 FEL	NWSE Lot
<u>API #</u>	<u>BONANZA 1023-6O1BS</u>		
	Surface:	228 FSL / 2080 FEL	SWSE Lot
	BHL:	1150 FSL / 1935 FEL	SWSE Lot
<u>API #</u>	<u>BONANZA 1023-6O2DS</u>		
	Surface:	208 FSL / 2079 FEL	SWSE Lot
	BHL:	785 FSL / 1984 FEL	SWSE Lot
<u>API #</u>	<u>BONANZA 1023-6O3AS</u>		
	Surface:	218 FSL / 2080 FEL	SWSE Lot
	BHL:	520 FSL / 2200 FEL	SWSE Lot
<u>API #</u>	<u>BONANZA 1023-6P2BS</u>		
	Surface:	188 FSL / 2078 FEL	SWSE Lot
	BHL:	1266 FSL / 1312 FEL	SESE Lot
<u>API #</u>	<u>BONANZA 1023-6P3AS</u>		
	Surface:	169 FSL / 2077 FEL	SWSE Lot
	BHL:	383 FSL / 960 FEL	SESE Lot
<u>API #</u>	<u>BONANZA 1023-6P3CS</u>		
	Surface:	158 FSL / 2076 FEL	SWSE Lot
	BHL:	95 FSL / 1250 FEL	SESE Lot

This Surface Use Plan of Operations (SUPO) or 13-point plan provides the site-specific information for the above-referenced wells. This information incorporates by reference the Master Development Plan (MDP) for Kerr-McGee Oil & Gas Onshore LP (KMG). The MDP is available upon request from the BLM-Vernal Field Office.

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

An on-site meeting was held on June 16, 2010. Present were:

- Dave Gordon, Suzanne Gray and Dan Emmett – BLM;
- John Slaugh, Brock Slaugh and Mitch Batty- Timberline Engineering & Land Surveying, Inc.; and
- Roger Parry, Clay Einerson, Grizz Oleen, Sheila Wopsock, Lovell Young, Grizz Oleen, Hal Blanchard, Lance Morton, Tim Donovan, Kathie Zehren, Laura Gianakos and Charles Chase – Kerr-McGee

A. Existing Roads:

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

The following segments are "onlease", no ROW needed.

N/A. Please refer to Topo D2, Pad and Pipeline Detail.

The following segments require a ROW.

±1,540' (0.03 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU38420, from the edge of pad to the T-intersection in NW/4 NE/4. Please refer to Exhibit B2, Lines 9 and 8.

B. New or Reconstructed Access Roads:

See MDP for additional details on road construction.

No new road construction is required.

C. Location of Existing Wells:

- A) Refer to Topo Map C.

D. Location of Existing and/or Proposed Facilities:

See MDP for additional details on Location of Existing and/or Proposed Facilities. Also, please refer to Exhibit B and Topo D- Pad and Pipeline Detail.

This pad will expand the existing pad for the Bonanza 1023-6O, which is a producing gas well according to Utah Division of Oil, Gas and Mining (UDOGM) records on December 30, 2010. Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (KMG).

GAS GATHERING

The gas gathering pipeline material: Steel line pipe with fusion bond epoxy coating. The total gas gathering pipeline distance from the meter to the tie in point is ±3,200' and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

±610' (0.1 miles) – Section 6 T10S R23E (SW/4 SE/4) – On-lease UTU38419, BLM surface, New 8" buried gas gathering pipeline from the meter to the edge of the pad. Please refer to Topo D- Pad and Pipeline Detail.

The following segments require a ROW.

- ±1,590' (0.03 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU38420, BLM surface, New 8" buried gas gathering pipeline from the edge of the pad to the tie-in at the new 12" buried gas gathering pipeline (NW/4 NE/4). Please refer to Exhibit A1, Lines 18 and 17.
- ±1,000' (0.2 miles) – Section 7 T10S R23E (NW/4 NE/4) – Lease UTU38420, BLM surface, New 12" buried gas gathering pipeline from the tie-in (NW/ NE/4) to the tie-in at the existing 16" buried gas gathering pipeline (SE/4 NW/4). Please refer to Exhibit A1, Line 15.

LIQUID GATHERING

The total liquid gathering pipeline distance from the separator to the tie in point is ±3,200' and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- ±610' (0.1 miles) – Section 6 T10S R23E (SW/4 SE/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the separator to the edge of the pad. Please refer to Topo D Pad and Pipeline Detail.

The following segments require a ROW.

- ±2,590' (0.4 miles) – Section 7 T10S R23E (NW/4 NE/4) – Lease UTU38420, BLM surface, New 6" 6" buried liquid gathering pipeline from the edge of the pad to the tie-in at the existing buried liquid gathering line (SE/4 NW/4 of section 7).

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

The proposed buried pipelines will be constructed utilizing existing disturbance when possible. The area of disturbance during construction from the edge of road or well pad will be 30' in width. The total pipeline disturbance width will be 30'. Where possible there will be no additional disturbance during construction, as the road will be utilized for construction vehicles. The liquid and gas gathering lines will be in the same trench.

The proposed trench width for the pipeline would range from 18-48 inch and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. The pipeline will be welded or zap locked along the proposed right-of-way and lowered into place. During construction blasting may occur along the proposed right-of-way when trenching equipment can not cut into the bedrock. Large debris and rocks removed from the earth during trenching and blasting that could not be returned to the trench would be distributed evenly and naturally in the project area. The proposed buried pipeline will be visually and radiographically inspected and the entire pipeline will be pneumatically tested before being placed into service.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to the MDP for more details regarding final reclamation. Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity, ownership, and to

provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations to connect the new line to existing facilities and/or for safety purposes. Kerr-McGee requests for a permanent 30' right-of-way that will be maintained for the portion adjacent to the road. The need for the 30' permanent right-of-way is for maintenance and repairs.

When no longer serving a useful purpose, Kerr-McGee or its successor will consult with the BLM, Vernal Field Office before termination.

The Anadarko Completions Transportation System (ACTS) information:

See MDP for additional details on the ACTS System.

Upon completion of the wells on this pad, Kerr-McGee is also requesting to utilize this pit as an Anadarko Completion Transport System (ACTS) staging pit which will be utilized for other completion operations in the area. The ACTS process will reduce the amount of truck traffic on a field-wide basis, also reducing vehicle emissions and fugitive dust generation.

Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of frac fluids by utilizing existing reserve pits and temporary, surface-laid aluminum liquids transfer lines between frac locations. The refurbished pit will be relined per the guidelines in the MDP. The pit will be refurbished as follows: mix and pile up drill cuttings with dry dirt, bury the original liner in the pit, walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurb will be done in a normal procedure and there will be no modification to the pit that does not coincide with Kerr-McGee's MDP. Hog fence panels (5' X 16') will be built and painted shadow gray and will be put up on the work side of the pit. Polypropylene netting will be installed over all pits. There will be two 500 bbl temporary frac tanks placed on the location. The trucks will unload water into these tanks before the water is placed into the refurbished pit. The

purpose of the temporary frac tanks is to collect any hydro-carbons that may have been associated with the other completion operations before releasing into the pit. The collected hydrocarbons will be treated and sold at approved sales facilities. A loading rack with drip containment will be also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit .

ACTS will require temporarily laying multiple 6" aluminum water transfer lines on the surface between either existing or refurbished reserve pits. Please see the attached ACTS exhibit C for placement of the proposed temporary lines. The temporary aluminum transfer lines will be utilized to transport frac fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads. Upon completion of the frac operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig.

Kerr-McGee requests to keep this netted pit open for one year. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other frac jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim as stated in the MDP. Kerr-McGee understands that due to the temporary nature of this system, BLM considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BLM.

E. Location and Types of Water Supply:

See MDP for additional details on Location and Type of Water Supply.

Water for drilling and completion operations will be obtained from the following sources:

Permit # 49-2307	JD Field Services	Green River- Section 15, T2N, R22E
Permit # 49-2321	R.N. Industries	White River- Section 2, T10S, R24E
Permit # 49-2319	R.N. Industries	White River- Various Sources
Permit # 49-2320	R.N. Industries	Green River- Section 33, T8S, R23E

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.

F. Construction Materials:

See MDP for additional details on Source of Construction Materials.

G. Methods for Handling Waste:

See MDP for additional details on Methods of Handling Waste Materials

Fluids disposal and pipeline/haul routes are depicted on Topo Map A.

Any produced water separated from recoverable condensate from the proposed well will be contained in a water tank and will then be transported by pipeline and/or 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

Or to one of the following Kerr-McGee active Salt Water Disposal (SWD) wells:

NBU 159 SWD in Sec. 35 T9S R21E
CIGE 112D SWD in Sec. 19 T9S R21E
CIGE 114 SWD in Sec. 34 T9S R21E
NBU 921-34K SWD in Sec. 34 T9S R21E
NBU 921-33F SWD in Sec. 34 T9S R21E

H. Ancillary Facilities:

See MDP for additional details on Ancillary Facilities.

None are anticipated.

I. Well Site Layout:

See MDP and Well Pad Design Summary for additional details on Well Site Layout.

J. Plans for Surface Reclamation:

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

Site Specific Reclamation Considerations:

Reclamation Monitoring Reference Point for all wells on Pad (where a reclamation monitoring point has not been established at the time of APD submission, it will be submitted for approval under separate cover prior to surface disturbing activities):

Seed Mix to be used for Well Site, Access Road, and Pipeline (as applicable):

Bonanza Area Mix	e Live Seed lbs/acre
Crested Wheat (Hycrest)	2
Bottlebrush Squirreltail	1
Western Wheatgrass (Arriba)	1
Indian Ricegrass	1
Fourwing Saltbush	2
Shadscale	2
Forage Kochia	0.25
Rocky Mountain Bee Plant	0.5
Total	9.75

K. Surface/Mineral Ownership:

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

L. Other Information:

See MDP for additional details on Other Information.

Onsite Specifics:

- Construction: 30 Mil Double Felt
- Facilities: Will be painted Shadow Grey
- Top Soil: Need to save 4" topsoil and will be move and put around the corner
- Need to obtain a storm water permit
- BMP on the pit use (waddles, hay bails or silt fence)

Resource Reports:

A Class I literature survey was completed on August 20, 2010 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 10-066b.

A paleontological reconnaissance survey was completed on May 5, 2010 by SWCA Environmental Consultants. For additional details please refer to report UT10-14314-19.

Bonanza 1023-6I3DS/ 1023-6J4AS/ 1023-6O1BS/ 1023-6O2DS/
1023-6O3AS/ 1023-6P2BS/ 1023-6P3AS/ 1023-6P3CS
Kerr-McGee Oil Gas Onshore, L.P.

Bonanza 1023-6O Pad
Surface Use Plan of Operations
7 of 8

Biological field survey was completed on May 3, 2010 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-220.

Right-of-Ways (ROW):

See MDP for additional information on ROW

Bonanza 1023-6I3DS/ 1023-6J4AS/ 1023-6O1BS/ 1023-6O2DS/
1023-6O3AS/ 1023-6P2BS/ 1023-6P3AS/ 1023-6P3CS
Kerr-McGee Oil Gas Onshore, L.P.

Bonanza 1023-6O Pad
Surface Use Plan of Operations
8 of 8

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

Gina T. Becker
Regulatory Analyst II
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6086

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.

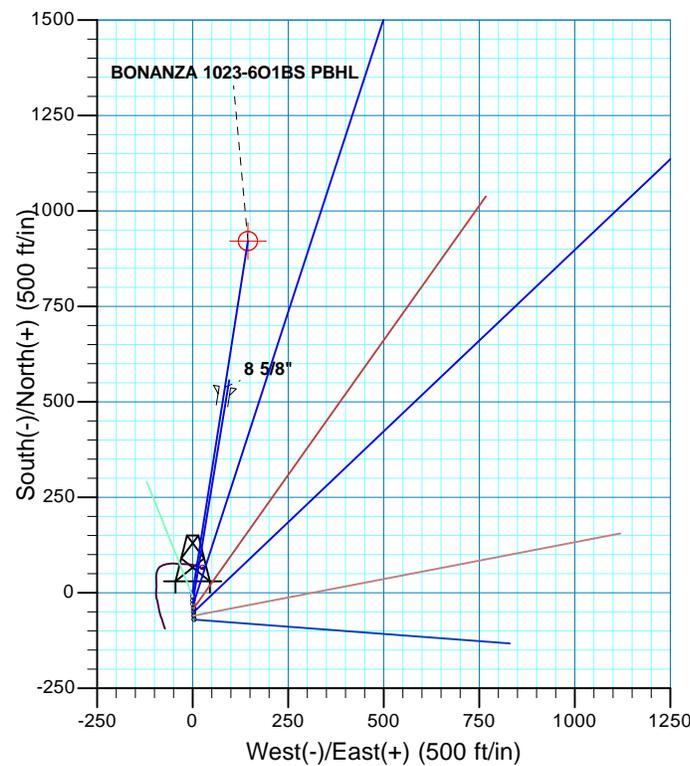
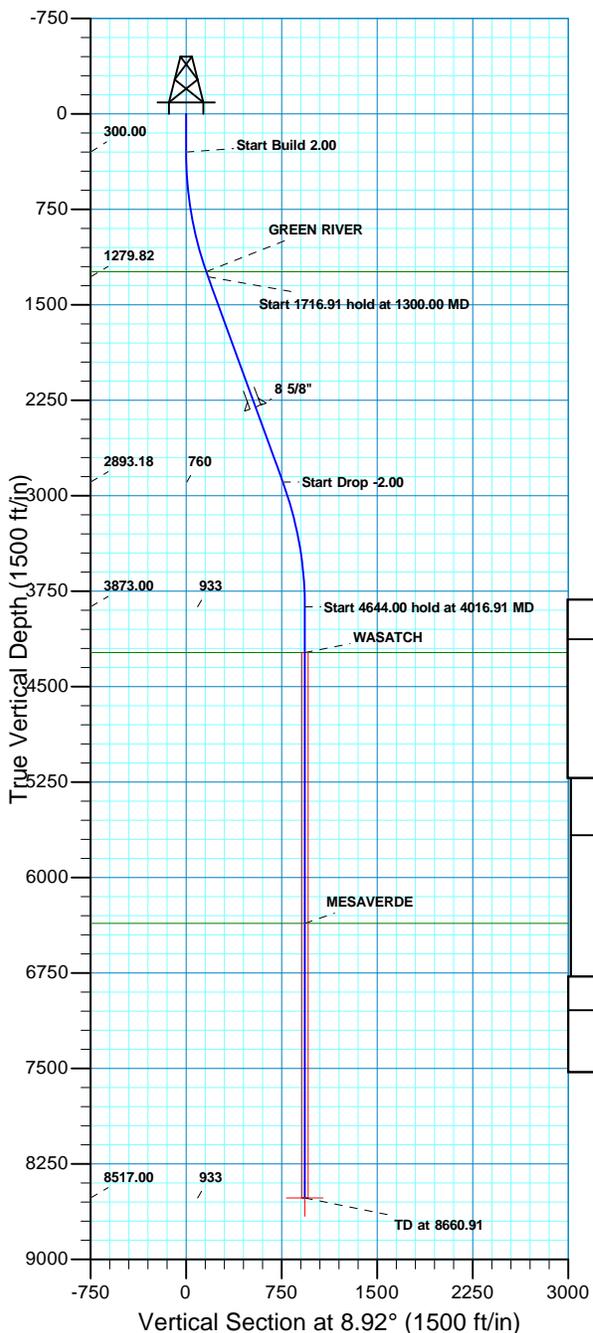
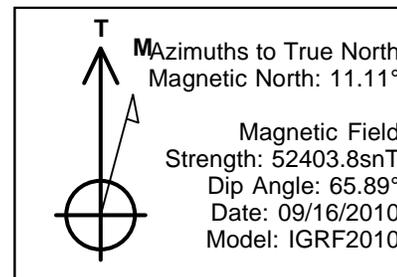
I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan 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.


Gina T. Becker

December 30, 2010
Date

WELL DETAILS: BONANZA 1023-6O1BS					
GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)					
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	14519801.55	2097993.70	39° 58' 16.856 N	109° 22' 0.689 W

DESIGN TARGET DETAILS									
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape	
PBHL	8517.00	921.48	144.60	14520725.51	2098121.40	39° 58' 25.964 N	109° 21' 58.831 W	Circle (Radius: 25.00)	
- plan hits target center									



SECTION DETAILS									
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	
1300.00	20.00	8.92	1279.82	170.68	26.78	2.00	8.92	172.77	
3016.91	20.00	8.92	2893.18	750.80	117.82	2.00	0.00	759.99	
4016.91	0.00	0.00	3873.00	921.48	144.60	2.00	180.00	932.75	
8660.91	0.00	0.00	8517.00	921.48	144.60	0.00	0.00	932.75	BONANZA 1023-6O1BS PBHL

PROJECT DETAILS: Uintah County, UT UTM12			FORMATION TOP DETAILS		
Geodetic System: Universal Transverse Mercator (US Survey Feet) Datum: NAD 1927 - Western US Ellipsoid: Clarke 1866 Zone: Zone 12N (114 W to 108 W) Location: SEC 6 T10S R23E System Datum: Mean Sea Level			TVDPath	MDPath	Formation
			1239.00	1256.68	GREEN RIVER
			4232.00	4375.91	WASATCH
			6361.00	6504.91	MESAVERDE

CASING DETAILS					
TVD	MD	Name	Size		
2304.00	2389.91	8 5/8"	8.625		



Scientific Drilling
Rocky Mountain Operations

Kerr McGee Oil and Gas Onshore LP

**Uintah County, UT UTM12
Bonanza 1023-6O Pad
BONANZA 1023-6O1BS**

OH

Plan: PLAN #1

Standard Planning Report

16 September, 2010

Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Project	Uintah County, UT UTM12		
Map System:	Universal Transverse Mercator (US Survey Feet)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 - Western US		
Map Zone:	Zone 12N (114 W to 108 W)		

Site	Bonanza 1023-6O Pad, SEC 6 T10S R23E				
Site Position:		Northing:	14,519,801.55 usft	Latitude:	39° 58' 16.856 N
From:	Lat/Long	Easting:	2,097,993.69 usft	Longitude:	109° 22' 0.689 W
Position Uncertainty:	0.00 ft	Slot Radius:	13.200 in	Grid Convergence:	1.05 °

Well	BONANZA 1023-6O1BS, 228' FSL 2080' FEL					
Well Position	+N/-S	0.00 ft	Northing:	14,519,801.55 usft	Latitude:	39° 58' 16.856 N
	+E/-W	0.00 ft	Easting:	2,097,993.69 usft	Longitude:	109° 22' 0.689 W
Position Uncertainty		0.00 ft	Wellhead Elevation:		Ground Level:	5,265.00 ft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	09/16/2010	11.11	65.89	52,404

Design	PLAN #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	8.92

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,300.00	20.00	8.92	1,279.82	170.68	26.78	2.00	2.00	0.00	8.92	
3,016.91	20.00	8.92	2,893.18	750.80	117.82	0.00	0.00	0.00	0.00	
4,016.91	0.00	0.00	3,873.00	921.48	144.60	2.00	-2.00	0.00	180.00	
8,660.91	0.00	0.00	8,517.00	921.48	144.60	0.00	0.00	0.00	0.00	BONANZA 1023-6O1

Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
Start Build 2.00										
400.00	2.00	8.92	399.98	1.72	0.27	1.75	2.00	2.00	0.00	
500.00	4.00	8.92	499.84	6.89	1.08	6.98	2.00	2.00	0.00	
600.00	6.00	8.92	599.45	15.50	2.43	15.69	2.00	2.00	0.00	
700.00	8.00	8.92	698.70	27.54	4.32	27.88	2.00	2.00	0.00	
800.00	10.00	8.92	797.47	43.00	6.75	43.52	2.00	2.00	0.00	
900.00	12.00	8.92	895.62	61.85	9.70	62.60	2.00	2.00	0.00	
1,000.00	14.00	8.92	993.06	84.07	13.19	85.10	2.00	2.00	0.00	
1,100.00	16.00	8.92	1,089.64	109.64	17.20	110.98	2.00	2.00	0.00	
1,200.00	18.00	8.92	1,185.27	138.52	21.74	140.21	2.00	2.00	0.00	
1,256.68	19.13	8.92	1,239.00	156.35	24.53	158.26	2.00	2.00	0.00	
GREEN RIVER										
1,300.00	20.00	8.92	1,279.82	170.68	26.78	172.77	2.00	2.00	0.00	
Start 1716.91 hold at 1300.00 MD										
1,400.00	20.00	8.92	1,373.78	204.47	32.09	206.97	0.00	0.00	0.00	
1,500.00	20.00	8.92	1,467.75	238.26	37.39	241.17	0.00	0.00	0.00	
1,600.00	20.00	8.92	1,561.72	272.04	42.69	275.37	0.00	0.00	0.00	
1,700.00	20.00	8.92	1,655.69	305.83	47.99	309.58	0.00	0.00	0.00	
1,800.00	20.00	8.92	1,749.66	339.62	53.29	343.78	0.00	0.00	0.00	
1,900.00	20.00	8.92	1,843.63	373.41	58.60	377.98	0.00	0.00	0.00	
2,000.00	20.00	8.92	1,937.60	407.20	63.90	412.18	0.00	0.00	0.00	
2,100.00	20.00	8.92	2,031.57	440.99	69.20	446.38	0.00	0.00	0.00	
2,200.00	20.00	8.92	2,125.54	474.78	74.50	480.59	0.00	0.00	0.00	
2,300.00	20.00	8.92	2,219.51	508.56	79.81	514.79	0.00	0.00	0.00	
2,389.91	20.00	8.92	2,304.00	538.95	84.57	545.54	0.00	0.00	0.00	
8 5/8"										
2,400.00	20.00	8.92	2,313.48	542.35	85.11	548.99	0.00	0.00	0.00	
2,500.00	20.00	8.92	2,407.45	576.14	90.41	583.19	0.00	0.00	0.00	
2,600.00	20.00	8.92	2,501.42	609.93	95.71	617.39	0.00	0.00	0.00	
2,700.00	20.00	8.92	2,595.39	643.72	101.01	651.60	0.00	0.00	0.00	
2,800.00	20.00	8.92	2,689.35	677.51	106.32	685.80	0.00	0.00	0.00	
2,900.00	20.00	8.92	2,783.32	711.30	111.62	720.00	0.00	0.00	0.00	
3,000.00	20.00	8.92	2,877.29	745.08	116.92	754.20	0.00	0.00	0.00	
3,016.91	20.00	8.92	2,893.18	750.80	117.82	759.99	0.00	0.00	0.00	
Start Drop -2.00										
3,100.00	18.34	8.92	2,971.66	777.75	122.05	787.27	2.00	-2.00	0.00	
3,200.00	16.34	8.92	3,067.11	807.19	126.67	817.07	2.00	-2.00	0.00	
3,300.00	14.34	8.92	3,163.55	833.32	130.77	843.52	2.00	-2.00	0.00	
3,400.00	12.34	8.92	3,260.85	856.11	134.34	866.59	2.00	-2.00	0.00	
3,500.00	10.34	8.92	3,358.89	875.53	137.39	886.25	2.00	-2.00	0.00	
3,600.00	8.34	8.92	3,457.56	891.56	139.91	902.47	2.00	-2.00	0.00	
3,700.00	6.34	8.92	3,556.73	904.18	141.89	915.24	2.00	-2.00	0.00	
3,800.00	4.34	8.92	3,656.30	913.37	143.33	924.55	2.00	-2.00	0.00	
3,900.00	2.34	8.92	3,756.12	919.12	144.23	930.37	2.00	-2.00	0.00	
4,000.00	0.34	8.92	3,856.09	921.43	144.59	932.70	2.00	-2.00	0.00	
4,016.91	0.00	0.00	3,873.00	921.48	144.60	932.75	2.00	-2.00	0.00	
Start 4644.00 hold at 4016.91 MD										

Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
4,100.00	0.00	0.00	3,956.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,200.00	0.00	0.00	4,056.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,300.00	0.00	0.00	4,156.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,375.91	0.00	0.00	4,232.00	921.48	144.60	932.75	0.00	0.00	0.00	
WASATCH										
4,400.00	0.00	0.00	4,256.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,500.00	0.00	0.00	4,356.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,600.00	0.00	0.00	4,456.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,700.00	0.00	0.00	4,556.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,800.00	0.00	0.00	4,656.09	921.48	144.60	932.75	0.00	0.00	0.00	
4,900.00	0.00	0.00	4,756.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,000.00	0.00	0.00	4,856.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,100.00	0.00	0.00	4,956.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,200.00	0.00	0.00	5,056.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,300.00	0.00	0.00	5,156.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,400.00	0.00	0.00	5,256.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,500.00	0.00	0.00	5,356.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,600.00	0.00	0.00	5,456.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,700.00	0.00	0.00	5,556.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,800.00	0.00	0.00	5,656.09	921.48	144.60	932.75	0.00	0.00	0.00	
5,900.00	0.00	0.00	5,756.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,000.00	0.00	0.00	5,856.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,100.00	0.00	0.00	5,956.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,200.00	0.00	0.00	6,056.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,300.00	0.00	0.00	6,156.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,400.00	0.00	0.00	6,256.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,500.00	0.00	0.00	6,356.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,504.91	0.00	0.00	6,361.00	921.48	144.60	932.75	0.00	0.00	0.00	
MESAVERDE										
6,600.00	0.00	0.00	6,456.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,700.00	0.00	0.00	6,556.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,800.00	0.00	0.00	6,656.09	921.48	144.60	932.75	0.00	0.00	0.00	
6,900.00	0.00	0.00	6,756.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,000.00	0.00	0.00	6,856.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,100.00	0.00	0.00	6,956.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,200.00	0.00	0.00	7,056.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,300.00	0.00	0.00	7,156.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,400.00	0.00	0.00	7,256.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,500.00	0.00	0.00	7,356.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,600.00	0.00	0.00	7,456.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,700.00	0.00	0.00	7,556.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,800.00	0.00	0.00	7,656.09	921.48	144.60	932.75	0.00	0.00	0.00	
7,900.00	0.00	0.00	7,756.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,000.00	0.00	0.00	7,856.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,100.00	0.00	0.00	7,956.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,200.00	0.00	0.00	8,056.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,300.00	0.00	0.00	8,156.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,400.00	0.00	0.00	8,256.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,500.00	0.00	0.00	8,356.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,600.00	0.00	0.00	8,456.09	921.48	144.60	932.75	0.00	0.00	0.00	
8,660.91	0.00	0.00	8,517.00	921.48	144.60	932.75	0.00	0.00	0.00	
BONANZA 1023-6O1BS PBHL										

Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BONANZA 1023-6O1BS - hit/miss target - Shape - plan hits target center - Circle (radius 0.00)	0.00	0.00	8,517.00	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W

Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)	
2,389.91	2,304.00	8 5/8"	8.625	11.000	

Formations					
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,256.68	1,239.00	GREEN RIVER			
4,375.91	4,232.00	WASATCH			
6,504.91	6,361.00	MESAVERDE			

Plan Annotations				
Measured Depth (ft)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment
300.00	300.00	0.00	0.00	Start Build 2.00
1,300.00	1,279.82	170.68	26.78	Start 1716.91 hold at 1300.00 MD
3,016.91	2,893.18	750.80	117.82	Start Drop -2.00
4,016.91	3,873.00	921.48	144.60	Start 4644.00 hold at 4016.91 MD
8,660.91	8,517.00	921.48	144.60	TD at 8660.91



Scientific Drilling
Rocky Mountain Operations

Kerr McGee Oil and Gas Onshore LP

**Uintah County, UT UTM12
Bonanza 1023-60 Pad
BONANZA 1023-601BS**

OH

Plan: PLAN #1

Standard Planning Report - Geographic

16 September, 2010



Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Project	Uintah County, UT UTM12		
Map System:	Universal Transverse Mercator (US Survey Feet)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 - Western US		
Map Zone:	Zone 12N (114 W to 108 W)		

Site	Bonanza 1023-6O Pad, SEC 6 T10S R23E				
Site Position:		Northing:	14,519,801.55 usft	Latitude:	39° 58' 16.856 N
From:	Lat/Long	Easting:	2,097,993.69 usft	Longitude:	109° 22' 0.689 W
Position Uncertainty:	0.00 ft	Slot Radius:	13.200 in	Grid Convergence:	1.05 °

Well	BONANZA 1023-6O1BS, 228' FSL 2080' FEL					
Well Position	+N/-S	0.00 ft	Northing:	14,519,801.55 usft	Latitude:	39° 58' 16.856 N
	+E/-W	0.00 ft	Easting:	2,097,993.69 usft	Longitude:	109° 22' 0.689 W
Position Uncertainty	0.00 ft		Wellhead Elevation:		Ground Level:	5,265.00 ft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	09/16/2010	11.11	65.89	52,404

Design	PLAN #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	8.92

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,300.00	20.00	8.92	1,279.82	170.68	26.78	2.00	2.00	0.00	8.92	
3,016.91	20.00	8.92	2,893.18	750.80	117.82	0.00	0.00	0.00	0.00	
4,016.91	0.00	0.00	3,873.00	921.48	144.60	2.00	-2.00	0.00	180.00	
8,660.91	0.00	0.00	8,517.00	921.48	144.60	0.00	0.00	0.00	0.00	BONANZA 1023-6O1

Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
0.00	0.00	0.00	0.00	0.00	0.00	14,519,801.55	2,097,993.69	39° 58' 16.856 N	109° 22' 0.689 W	
100.00	0.00	0.00	100.00	0.00	0.00	14,519,801.55	2,097,993.69	39° 58' 16.856 N	109° 22' 0.689 W	
200.00	0.00	0.00	200.00	0.00	0.00	14,519,801.55	2,097,993.69	39° 58' 16.856 N	109° 22' 0.689 W	
300.00	0.00	0.00	300.00	0.00	0.00	14,519,801.55	2,097,993.69	39° 58' 16.856 N	109° 22' 0.689 W	
Start Build 2.00										
400.00	2.00	8.92	399.98	1.72	0.27	14,519,803.28	2,097,993.93	39° 58' 16.873 N	109° 22' 0.685 W	
500.00	4.00	8.92	499.84	6.89	1.08	14,519,808.46	2,097,994.65	39° 58' 16.925 N	109° 22' 0.675 W	
600.00	6.00	8.92	599.45	15.50	2.43	14,519,817.10	2,097,995.84	39° 58' 17.010 N	109° 22' 0.658 W	
700.00	8.00	8.92	698.70	27.54	4.32	14,519,829.17	2,097,997.51	39° 58' 17.129 N	109° 22' 0.633 W	
800.00	10.00	8.92	797.47	43.00	6.75	14,519,844.66	2,097,999.65	39° 58' 17.281 N	109° 22' 0.602 W	
900.00	12.00	8.92	895.62	61.85	9.70	14,519,863.56	2,098,002.26	39° 58' 17.468 N	109° 22' 0.564 W	
1,000.00	14.00	8.92	993.06	84.07	13.19	14,519,885.85	2,098,005.34	39° 58' 17.687 N	109° 22' 0.519 W	
1,100.00	16.00	8.92	1,089.64	109.64	17.20	14,519,911.48	2,098,008.89	39° 58' 17.940 N	109° 22' 0.468 W	
1,200.00	18.00	8.92	1,185.27	138.52	21.74	14,519,940.44	2,098,012.89	39° 58' 18.226 N	109° 22' 0.410 W	
1,256.68	19.13	8.92	1,239.00	156.35	24.53	14,519,958.32	2,098,015.36	39° 58' 18.402 N	109° 22' 0.374 W	
GREEN RIVER										
1,300.00	20.00	8.92	1,279.82	170.68	26.78	14,519,972.69	2,098,017.34	39° 58' 18.543 N	109° 22' 0.345 W	
Start 1716.91 hold at 1300.00 MD										
1,400.00	20.00	8.92	1,373.78	204.47	32.09	14,520,006.57	2,098,022.03	39° 58' 18.877 N	109° 22' 0.277 W	
1,500.00	20.00	8.92	1,467.75	238.26	37.39	14,520,040.45	2,098,026.71	39° 58' 19.211 N	109° 22' 0.209 W	
1,600.00	20.00	8.92	1,561.72	272.04	42.69	14,520,074.33	2,098,031.39	39° 58' 19.545 N	109° 22' 0.140 W	
1,700.00	20.00	8.92	1,655.69	305.83	47.99	14,520,108.21	2,098,036.07	39° 58' 19.879 N	109° 22' 0.072 W	
1,800.00	20.00	8.92	1,749.66	339.62	53.29	14,520,142.09	2,098,040.76	39° 58' 20.213 N	109° 22' 0.004 W	
1,900.00	20.00	8.92	1,843.63	373.41	58.60	14,520,175.97	2,098,045.44	39° 58' 20.547 N	109° 21' 59.936 W	
2,000.00	20.00	8.92	1,937.60	407.20	63.90	14,520,209.85	2,098,050.12	39° 58' 20.881 N	109° 21' 59.868 W	
2,100.00	20.00	8.92	2,031.57	440.99	69.20	14,520,243.73	2,098,054.80	39° 58' 21.215 N	109° 21' 59.800 W	
2,200.00	20.00	8.92	2,125.54	474.78	74.50	14,520,277.61	2,098,059.49	39° 58' 21.549 N	109° 21' 59.732 W	
2,300.00	20.00	8.92	2,219.51	508.56	79.81	14,520,311.49	2,098,064.17	39° 58' 21.883 N	109° 21' 59.664 W	
2,389.91	20.00	8.92	2,304.00	538.95	84.57	14,520,341.95	2,098,068.38	39° 58' 22.183 N	109° 21' 59.602 W	
8 5/8"										
2,400.00	20.00	8.92	2,313.48	542.35	85.11	14,520,345.37	2,098,068.85	39° 58' 22.217 N	109° 21' 59.595 W	
2,500.00	20.00	8.92	2,407.45	576.14	90.41	14,520,379.25	2,098,073.53	39° 58' 22.551 N	109° 21' 59.527 W	
2,600.00	20.00	8.92	2,501.42	609.93	95.71	14,520,413.13	2,098,078.22	39° 58' 22.885 N	109° 21' 59.459 W	
2,700.00	20.00	8.92	2,595.39	643.72	101.01	14,520,447.01	2,098,082.90	39° 58' 23.219 N	109° 21' 59.391 W	
2,800.00	20.00	8.92	2,689.35	677.51	106.32	14,520,480.89	2,098,087.58	39° 58' 23.553 N	109° 21' 59.323 W	
2,900.00	20.00	8.92	2,783.32	711.30	111.62	14,520,514.77	2,098,092.26	39° 58' 23.887 N	109° 21' 59.255 W	
3,000.00	20.00	8.92	2,877.29	745.08	116.92	14,520,548.65	2,098,096.95	39° 58' 24.221 N	109° 21' 59.187 W	
3,016.91	20.00	8.92	2,893.18	750.80	117.82	14,520,554.38	2,098,097.74	39° 58' 24.277 N	109° 21' 59.175 W	
Start Drop -2.00										
3,100.00	18.34	8.92	2,971.66	777.75	122.05	14,520,581.40	2,098,101.47	39° 58' 24.544 N	109° 21' 59.121 W	
3,200.00	16.34	8.92	3,067.11	807.19	126.67	14,520,610.92	2,098,105.55	39° 58' 24.835 N	109° 21' 59.062 W	
3,300.00	14.34	8.92	3,163.55	833.32	130.77	14,520,637.12	2,098,109.18	39° 58' 25.093 N	109° 21' 59.009 W	
3,400.00	12.34	8.92	3,260.85	856.11	134.34	14,520,659.98	2,098,112.33	39° 58' 25.318 N	109° 21' 58.963 W	
3,500.00	10.34	8.92	3,358.89	875.53	137.39	14,520,679.45	2,098,115.02	39° 58' 25.510 N	109° 21' 58.924 W	
3,600.00	8.34	8.92	3,457.56	891.56	139.91	14,520,695.52	2,098,117.25	39° 58' 25.669 N	109° 21' 58.892 W	
3,700.00	6.34	8.92	3,556.73	904.18	141.89	14,520,708.17	2,098,118.99	39° 58' 25.793 N	109° 21' 58.866 W	
3,800.00	4.34	8.92	3,656.30	913.37	143.33	14,520,717.39	2,098,120.27	39° 58' 25.884 N	109° 21' 58.848 W	
3,900.00	2.34	8.92	3,756.12	919.12	144.23	14,520,723.16	2,098,121.07	39° 58' 25.941 N	109° 21' 58.836 W	
4,000.00	0.34	8.92	3,856.09	921.43	144.59	14,520,725.47	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,016.91	0.00	0.00	3,873.00	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
Start 4644.00 hold at 4016.91 MD										
4,100.00	0.00	0.00	3,956.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	

Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
4,200.00	0.00	0.00	4,056.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,300.00	0.00	0.00	4,156.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,375.91	0.00	0.00	4,232.00	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
WASATCH										
4,400.00	0.00	0.00	4,256.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,500.00	0.00	0.00	4,356.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,600.00	0.00	0.00	4,456.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,700.00	0.00	0.00	4,556.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,800.00	0.00	0.00	4,656.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
4,900.00	0.00	0.00	4,756.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,000.00	0.00	0.00	4,856.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,100.00	0.00	0.00	4,956.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,200.00	0.00	0.00	5,056.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,300.00	0.00	0.00	5,156.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,400.00	0.00	0.00	5,256.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,500.00	0.00	0.00	5,356.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,600.00	0.00	0.00	5,456.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,700.00	0.00	0.00	5,556.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,800.00	0.00	0.00	5,656.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
5,900.00	0.00	0.00	5,756.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,000.00	0.00	0.00	5,856.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,100.00	0.00	0.00	5,956.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,200.00	0.00	0.00	6,056.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,300.00	0.00	0.00	6,156.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,400.00	0.00	0.00	6,256.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,500.00	0.00	0.00	6,356.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,504.91	0.00	0.00	6,361.00	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
MESAVERDE										
6,600.00	0.00	0.00	6,456.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,700.00	0.00	0.00	6,556.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,800.00	0.00	0.00	6,656.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
6,900.00	0.00	0.00	6,756.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,000.00	0.00	0.00	6,856.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,100.00	0.00	0.00	6,956.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,200.00	0.00	0.00	7,056.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,300.00	0.00	0.00	7,156.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,400.00	0.00	0.00	7,256.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,500.00	0.00	0.00	7,356.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,600.00	0.00	0.00	7,456.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,700.00	0.00	0.00	7,556.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,800.00	0.00	0.00	7,656.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
7,900.00	0.00	0.00	7,756.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,000.00	0.00	0.00	7,856.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,100.00	0.00	0.00	7,956.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,200.00	0.00	0.00	8,056.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,300.00	0.00	0.00	8,156.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,400.00	0.00	0.00	8,256.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,500.00	0.00	0.00	8,356.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,600.00	0.00	0.00	8,456.09	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
8,660.91	0.00	0.00	8,517.00	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W	
BONANZA 1023-6O1BS PBHL										

Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well BONANZA 1023-6O1BS
Company:	Kerr McGee Oil and Gas Onshore LP	TVD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Project:	Uintah County, UT UTM12	MD Reference:	GL 5265' & RKB 14' @ 5279.00ft (ASSUMED)
Site:	Bonanza 1023-6O Pad	North Reference:	True
Well:	BONANZA 1023-6O1BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)		
- Shape									
BONANZA 1023-6O1BS - plan hits target center - Circle (radius 0.00)	0.00	0.00	8,517.00	921.48	144.60	14,520,725.52	2,098,121.39	39° 58' 25.964 N	109° 21' 58.831 W

Casing Points					
Measured Depth	Vertical Depth	Name	Casing Diameter	Hole Diameter	
(ft)	(ft)		(in)	(in)	
2,389.91	2,304.00	8 5/8"	8.625	11.000	

Formations					
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction
(ft)	(ft)			(°)	(°)
1,256.68	1,239.00	GREEN RIVER			
4,375.91	4,232.00	WASATCH			
6,504.91	6,361.00	MESAVERDE			

Plan Annotations					
Measured Depth	Vertical Depth	Local Coordinates		Comment	
(ft)	(ft)	+N/-S	+E/-W		
		(ft)	(ft)		
300.00	300.00	0.00	0.00	Start Build 2.00	
1,300.00	1,279.82	170.68	26.78	Start 1716.91 hold at 1300.00 MD	
3,016.91	2,893.18	750.80	117.82	Start Drop -2.00	
4,016.91	3,873.00	921.48	144.60	Start 4644.00 hold at 4016.91 MD	
8,660.91	8,517.00	921.48	144.60	TD at 8660.91	

Kerr-McGee Oil & Gas Onshore. L.P.**Bonanza 1023-6O Pad**

<u>API #</u>	<u>BONANZA 1023-6I3DS</u>		
	Surface:	178 FSL / 2077 FEL	SWSE Lot
	BHL:	1443 FSL / 745 FEL	NESE Lot
<u>API #</u>	<u>BONANZA 1023-6J4AS</u>		
	Surface:	198 FSL / 2079 FEL	SWSE Lot
	BHL:	1730 FSL / 1580 FEL	NWSE Lot
<u>API #</u>	<u>BONANZA 1023-6O1BS</u>		
	Surface:	228 FSL / 2080 FEL	SWSE Lot
	BHL:	1150 FSL / 1935 FEL	SWSE Lot
<u>API #</u>	<u>BONANZA 1023-6O2DS</u>		
	Surface:	208 FSL / 2079 FEL	SWSE Lot
	BHL:	785 FSL / 1984 FEL	SWSE Lot
<u>API #</u>	<u>BONANZA 1023-6O3AS</u>		
	Surface:	218 FSL / 2080 FEL	SWSE Lot
	BHL:	520 FSL / 2200 FEL	SWSE Lot
<u>API #</u>	<u>BONANZA 1023-6P2BS</u>		
	Surface:	188 FSL / 2078 FEL	SWSE Lot
	BHL:	1266 FSL / 1312 FEL	SESE Lot
<u>API #</u>	<u>BONANZA 1023-6P3AS</u>		
	Surface:	169 FSL / 2077 FEL	SWSE Lot
	BHL:	383 FSL / 960 FEL	SESE Lot
<u>API #</u>	<u>BONANZA 1023-6P3CS</u>		
	Surface:	158 FSL / 2076 FEL	SWSE Lot
	BHL:	95 FSL / 1250 FEL	SESE Lot

This Surface Use Plan of Operations (SUPO) or 13-point plan provides the site-specific information for the above-referenced wells. This information incorporates by reference the Master Development Plan (MDP) for Kerr-McGee Oil & Gas Onshore LP (KMG). The MDP is available upon request from the BLM-Vernal Field Office.

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

An on-site meeting was held on June 16, 2010. Present were:

- Dave Gordon, Suzanne Gray and Dan Emmett – BLM;
- John Slaugh, Brock Slaugh and Mitch Batty- Timberline Engineering & Land Surveying, Inc.; and
- Roger Parry, Clay Einerson, Grizz Oleen, Sheila Wopsock, Lovell Young, Grizz Oleen, Hal Blanchard, Lance Morton, Tim Donovan, Kathie Zehren, Laura Gianakos and Charles Chase – Kerr-McGee

A. Existing Roads:

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

The following segments are "onlease", no ROW needed.

N/A. Please refer to Topo D2, Pad and Pipeline Detail.

The following segments require a ROW.

±1,540' (0.03 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU38420, from the edge of pad to the T-intersection in NW/4 NE/4. Please refer to Exhibit B2, Lines 9 and 8.

B. New or Reconstructed Access Roads:

See MDP for additional details on road construction.

No new road construction is required.

C. Location of Existing Wells:

- A) Refer to Topo Map C.

D. Location of Existing and/or Proposed Facilities:

See MDP for additional details on Location of Existing and/or Proposed Facilities. Also, please refer to Exhibit B and Topo D- Pad and Pipeline Detail.

This pad will expand the existing pad for the Bonanza 1023-6O, which is a producing gas well according to Utah Division of Oil, Gas and Mining (UDOGM) records on December 30, 2010. Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (KMG).

GAS GATHERING

The gas gathering pipeline material: Steel line pipe with fusion bond epoxy coating. The total gas gathering pipeline distance from the meter to the tie in point is ±3,200' and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

±610' (0.1 miles) – Section 6 T10S R23E (SW/4 SE/4) – On-lease UTU38419, BLM surface, New 8" buried gas gathering pipeline from the meter to the edge of the pad. Please refer to Topo D- Pad and Pipeline Detail.

The following segments require a ROW.

- ±1,590' (0.03 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU38420, BLM surface, New 8" buried gas gathering pipeline from the edge of the pad to the tie-in at the new 12" buried gas gathering pipeline (NW/4 NE/4). Please refer to Exhibit A1, Lines 18 and 17.
- ±1,000' (0.2 miles) – Section 7 T10S R23E (NW/4 NE/4) – Lease UTU38420, BLM surface, New 12" buried gas gathering pipeline from the tie-in (NW/ NE/4) to the tie-in at the existing 16" buried gas gathering pipeline (SE/4 NW/4). Please refer to Exhibit A1, Line 15.

LIQUID GATHERING

The total liquid gathering pipeline distance from the separator to the tie in point is ±3,200' and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- ±610' (0.1 miles) – Section 6 T10S R23E (SW/4 SE/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the separator to the edge of the pad. Please refer to Topo D Pad and Pipeline Detail.

The following segments require a ROW.

- ±2,590' (0.4 miles) – Section 7 T10S R23E (NW/4 NE/4) – Lease UTU38420, BLM surface, New 6" 6" buried liquid gathering pipeline from the edge of the pad to the tie-in at the existing buried liquid gathering line (SE/4 NW/4 of section 7).

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

The proposed buried pipelines will be constructed utilizing existing disturbance when possible. The area of disturbance during construction from the edge of road or well pad will be 30' in width. The total pipeline disturbance width will be 30'. Where possible there will be no additional disturbance during construction, as the road will be utilized for construction vehicles. The liquid and gas gathering lines will be in the same trench.

The proposed trench width for the pipeline would range from 18-48 inch and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. The pipeline will be welded or zap locked along the proposed right-of-way and lowered into place. During construction blasting may occur along the proposed right-of-way when trenching equipment can not cut into the bedrock. Large debris and rocks removed from the earth during trenching and blasting that could not be returned to the trench would be distributed evenly and naturally in the project area. The proposed buried pipeline will be visually and radiographically inspected and the entire pipeline will be pneumatically tested before being placed into service.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to the MDP for more details regarding final reclamation. Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity, ownership, and to

provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations to connect the new line to existing facilities and/or for safety purposes. Kerr-McGee requests for a permanent 30' right-of-way that will be maintained for the portion adjacent to the road. The need for the 30' permanent right-of-way is for maintenance and repairs.

When no longer serving a useful purpose, Kerr-McGee or its successor will consult with the BLM, Vernal Field Office before termination.

The Anadarko Completions Transportation System (ACTS) information:

See MDP for additional details on the ACTS System.

Upon completion of the wells on this pad, Kerr-McGee is also requesting to utilize this pit as an Anadarko Completion Transport System (ACTS) staging pit which will be utilized for other completion operations in the area. The ACTS process will reduce the amount of truck traffic on a field-wide basis, also reducing vehicle emissions and fugitive dust generation.

Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of frac fluids by utilizing existing reserve pits and temporary, surface-laid aluminum liquids transfer lines between frac locations. The refurbished pit will be relined per the guidelines in the MDP. The pit will be refurbished as follows: mix and pile up drill cuttings with dry dirt, bury the original liner in the pit, walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurb will be done in a normal procedure and there will be no modification to the pit that does not coincide with Kerr-McGee's MDP. Hog fence panels (5' X 16') will be built and painted shadow gray and will be put up on the work side of the pit. Polypropylene netting will be installed over all pits. There will be two 500 bbl temporary frac tanks placed on the location. The trucks will unload water into these tanks before the water is placed into the refurbished pit. The

purpose of the temporary frac tanks is to collect any hydro-carbons that may have been associated with the other completion operations before releasing into the pit. The collected hydrocarbons will be treated and sold at approved sales facilities. A loading rack with drip containment will be also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit .

ACTS will require temporarily laying multiple 6" aluminum water transfer lines on the surface between either existing or refurbished reserve pits. Please see the attached ACTS exhibit C for placement of the proposed temporary lines. The temporary aluminum transfer lines will be utilized to transport frac fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads. Upon completion of the frac operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig.

Kerr-McGee requests to keep this netted pit open for one year. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other frac jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim as stated in the MDP. Kerr-McGee understands that due to the temporary nature of this system, BLM considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BLM.

E. Location and Types of Water Supply:

See MDP for additional details on Location and Type of Water Supply.

Water for drilling and completion operations will be obtained from the following sources:

Permit # 49-2307	JD Field Services	Green River- Section 15, T2N, R22E
Permit # 49-2321	R.N. Industries	White River- Section 2, T10S, R24E
Permit # 49-2319	R.N. Industries	White River- Various Sources
Permit # 49-2320	R.N. Industries	Green River- Section 33, T8S, R23E

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.

F. Construction Materials:

See MDP for additional details on Source of Construction Materials.

G. Methods for Handling Waste:

See MDP for additional details on Methods of Handling Waste Materials

Fluids disposal and pipeline/haul routes are depicted on Topo Map A.

Any produced water separated from recoverable condensate from the proposed well will be contained in a water tank and will then be transported by pipeline and/or 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

Or to one of the following Kerr-McGee active Salt Water Disposal (SWD) wells:

NBU 159 SWD in Sec. 35 T9S R21E
CIGE 112D SWD in Sec. 19 T9S R21E
CIGE 114 SWD in Sec. 34 T9S R21E
NBU 921-34K SWD in Sec. 34 T9S R21E
NBU 921-33F SWD in Sec. 34 T9S R21E

H. Ancillary Facilities:

See MDP for additional details on Ancillary Facilities.

None are anticipated.

I. Well Site Layout:

See MDP and Well Pad Design Summary for additional details on Well Site Layout.

J. Plans for Surface Reclamation:

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

Site Specific Reclamation Considerations:

Reclamation Monitoring Reference Point for all wells on Pad (where a reclamation monitoring point has not been established at the time of APD submission, it will be submitted for approval under separate cover prior to surface disturbing activities):

Seed Mix to be used for Well Site, Access Road, and Pipeline (as applicable):

Bonanza Area Mix	e Live Seed lbs/acre
Crested Wheat (Hycrest)	2
Bottlebrush Squirreltail	1
Western Wheatgrass (Arriba)	1
Indian Ricegrass	1
Fourwing Saltbush	2
Shadscale	2
Forage Kochia	0.25
Rocky Mountain Bee Plant	0.5
Total	9.75

K. Surface/Mineral Ownership:

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

L. Other Information:

See MDP for additional details on Other Information.

Onsite Specifics:

- Construction: 30 Mil Double Felt
- Facilities: Will be painted Shadow Grey
- Top Soil: Need to save 4" topsoil and will be move and put around the corner
- Need to obtain a storm water permit
- BMP on the pit use (waddles, hay bails or silt fence)

Resource Reports:

A Class I literature survey was completed on August 20, 2010 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 10-066b.

A paleontological reconnaissance survey was completed on May 5, 2010 by SWCA Environmental Consultants. For additional details please refer to report UT10-14314-19.

Bonanza 1023-6I3DS/ 1023-6J4AS/ 1023-6O1BS/ 1023-6O2DS/
1023-6O3AS/ 1023-6P2BS/ 1023-6P3AS/ 1023-6P3CS
Kerr-McGee Oil Gas Onshore, L.P.

Bonanza 1023-6O Pad
Surface Use Plan of Operations
7 of 8

Biological field survey was completed on May 3, 2010 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-220.

Right-of-Ways (ROW):

See MDP for additional information on ROW

Bonanza 1023-6I3DS/ 1023-6J4AS/ 1023-6O1BS/ 1023-6O2DS/
1023-6O3AS/ 1023-6P2BS/ 1023-6P3AS/ 1023-6P3CS
Kerr-McGee Oil Gas Onshore, L.P.

Bonanza 1023-6O Pad
Surface Use Plan of Operations
8 of 8

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

Gina T. Becker
Regulatory Analyst II
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6086

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.


Gina T. Becker

December 30, 2010
Date



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

June 30, 2010

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

Re: Exception Location R649-3-3 and Directional Drilling R649-3-11
Bonanza 1023-6O1BS
T10S- R23E
Section 6: SWSE/SWSE
228' FSL, 2080' FEL (surface)
1150' FSL, 1935' FEL (bottom hole)
Uintah County, Utah

Dear Ms. Mason:

Pursuant to the filing of Kerr-McGee Oil & Gas Onshore LP's (Kerr-McGee) Application for Permit to Drill regarding the above referenced well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-3 and Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Kerr-McGee's Bonanza 1023-6O1BS is located within the area covered by Docket No. 2008-011 authorizing the equivalent of an approximate 10-acre well density pattern, and requiring approval for wells drilled at an exception location and wells drilled directionally in accordance with the referenced rules.
- Kerr-McGee is permitting this well at this location for geological reasons. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to minimize surface disturbance.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information Kerr-McGee Oil & Gas Onshore LP requests the permit be granted pursuant to Rule R6493-3 and Rule R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

A handwritten signature in blue ink that reads 'Jessy Pink'.

Jessy Pink
Landman



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

June 30, 2010

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

Re: Exception Location R649-3-3 and Directional Drilling R649-3-11
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- Kerr-McGee is permitting this well at this location for geological reasons. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to minimize surface disturbance.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information Kerr-McGee Oil & Gas Onshore LP requests the permit be granted pursuant to Rule R6493-3 and Rule R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

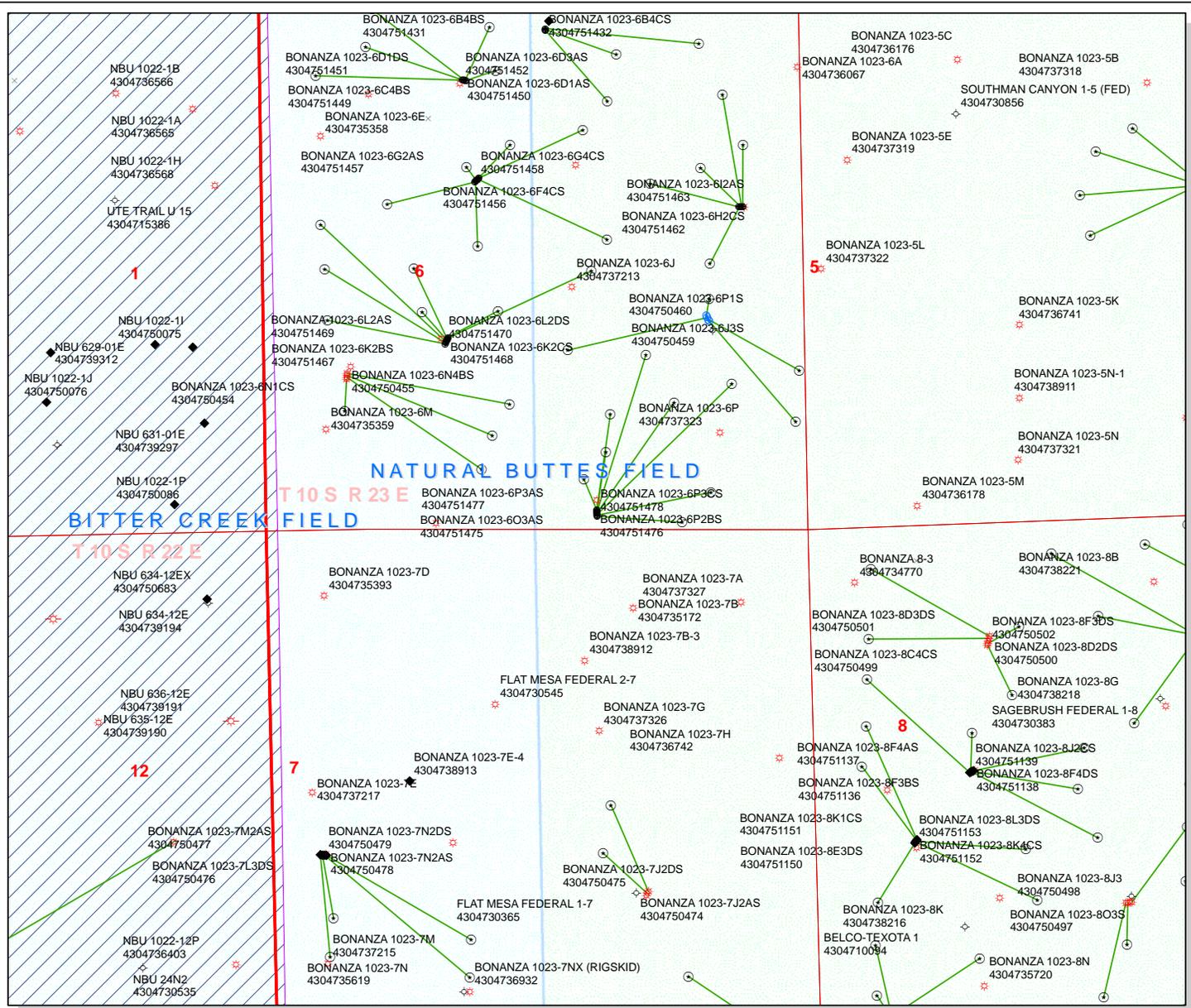
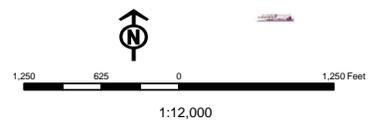
A handwritten signature in blue ink that reads 'Jessy Pink'.

Jessy Pink
Landman

API Number: 4304751473
Well Name: BONANZA 1023-6O1BS
Township 10.0 S Range 23.0 E Section 06
Meridian: SLBM
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
 Map Produced by Diana Mason

Units STATUS	Wells Query Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERMAL	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WIW - Water Injection Well
TERMINATED	WSW - Water Supply Well
Sections	
Township	



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 1/4/2011

API NO. ASSIGNED: 43047514730000

WELL NAME: BONANZA 1023-6O1BS

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

PHONE NUMBER: 720 929-6086

CONTACT: Gina Becker

PROPOSED LOCATION: SWSE 06 100S 230E

Permit Tech Review:

SURFACE: 0228 FSL 2080 FEL

Engineering Review:

BOTTOM: 1150 FSL 1935 FEL

Geology Review:

COUNTY: UINTAH

LATITUDE: 39.97126

LONGITUDE: -109.36702

UTM SURF EASTINGS: 639456.00

NORTHINGS: 4425634.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU38419

PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

LOCATION AND SITING:

- 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**

- R649-2-3.**
- Unit:**
- R649-3-2. General**
- R649-3-3. Exception**
- Drilling Unit**
- Board Cause No:** Cause 179-14
- Effective Date:** 6/12/2008
- Siting:** 460' Fr Exterior Drilling Unit Boundary
- R649-3-11. Directional Drill**

Commingle Approved

Comments: Presite Completed

Stipulations: 3 - Commingle - ddoucet
4 - Federal Approval - dmason
15 - Directional - 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: BONANZA 1023-601BS

API Well Number: 43047514730000

Lease Number: UTU38419

Surface Owner: FEDERAL

Approval Date: 1/19/2011

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 179-14. 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. 179-14, 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 Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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:

A handwritten signature in black ink, appearing to read "John Rogers", written over a faint rectangular box.

For John Rogers
Associate Director, Oil & Gas

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

JAN 04 2010

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. UTU38419
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 KERR-MCGEE OIL & GAS ONSHORE Contact: GINA T BECKER Email: GINA.BECKER@ANADARKO.COM		7. If Unit or CA Agreement, Name and No. CA-60768 CR-3
3a. Address P.O. BOX 173779 DENVER, CO 80202-3779		8. Lease Name and Well No. BONANZA 1023-601BS
3b. Phone No. (include area code) Ph: 720-929-6086 Fx: 720-929-7086		9. API Well No. 43 041 51473
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSE 228FSL 2080FEL 39.97131 N Lat, 109.36754 W Lon At proposed prod. zone SWSE 1150FSL 1935FEL 39.97384 N Lat, 109.36702 W Lon		10. Field and Pool, or Exploratory BONANZA
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 51.7 MILES SOUTH OF VERNAL, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T10S R23E Mer SLB
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1150	16. No. of Acres in Lease 516.80	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. 863	19. Proposed Depth 8661 MD 8517 TVD	20. BLM/BIA Bond No. on file WYB000291
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5267 GL	22. Approximate date work will start 06/30/2011	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:

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

25. Signature (Electronic Submission)	Name (Printed/Typed) GINA T BECKER Ph: 720-929-6086	Date 01/04/2011
Title REGULATORY ANALYST II		
Approved by (Signature) 	Name (Printed/Typed) Jerry Kenczka	Date NOV 16 2011
Title 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 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)

Electronic Submission #99894 verified by the BLM Well Information System
For KERR-MCGEE OIL & GAS ONSHORE, sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 01/06/2011 ()

NOTICE OF APPROVAL RECEIVED

NOV 21 2011

DIV. OF OIL, GAS & MINING



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



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

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Kerr McGee Oil & Gas Onshore, LP	Location:	SWSE, Sec. 6, T10S, R23E (S) SWSE, Sec. 6, T10S, R23E (B)
Well No:	Bonanza 1023-601BS	Lease No:	UTU-38419
API No:	43-047-51473	Agreement:	CA UTU-60768

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: ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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

- 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_x 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_x 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 COAs

- Kerr McGee will adhere to all applicant committed conservation measures and conservation recommendations that are stated in the USFWS's "Final Biological Opinion for the Anadarko Petroleum Corporation Natural Buttes Unit and Bonanza Area Natural Gas Development Project.
- The operator will follow the Green River District Reclamation Guidelines for Reclamation.
- During operations if any vertebrate paleontological resources are discovered, in accordance with Section 6 of Form 3100-11 and 43 CFR 3162.1, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hours of the discovery, and a decision as to the preferred alternative/course of action will be rendered.

Mitigation for Invasive Weeds

- All vehicles and equipment will be cleaned either through power-washing, or other approved method, if the vehicles or equipment were previously operated outside the Uinta Basin, to prevent weed seed introduction.
- All disturbance areas will be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established
- Noxious and invasive weeds will be controlled throughout the area of project disturbance.
- Noxious weeds will be inventoried and reported to BLM in the annual reclamation report. Where an integrated pest management program is applicable, coordination has been undertaken with the state and local management program (if existing). A copy of the pest management plan will be submitted for each project.
- A pesticide use permit (PUP) will be obtained for the project, if applicable.

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

SITE SPECIFIC DOWNHOLE COAs:

- A copy of Kerr McGee's Standard Operating Practices (SOP version: dated 7/17/08 and approved 7/28/08) shall be on location.
- Surface casing cement shall be brought to surface.
- Production casing cement shall be brought 200' up and into the surface casing.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

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

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- 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, work-over, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38419
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BONANZA 1023-601BS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047514730000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6511
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: MATHEW BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/19/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <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: _____

By: _____

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 1/17/2012	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047514730000

API: 43047514730000

Well Name: BONANZA 1023-6O1BS

Location: 0228 FSL 2080 FEL QTR SWSE SEC 06 TWNP 100S RNG 230E MER S

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

Date Original Permit Issued: 1/19/2011

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: 1/17/2012

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		8. WELL NAME and NUMBER: BONANZA 1023-601BS
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. API NUMBER: 43047514730000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		COUNTY: UINTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		STATE: UTAH
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 2/2/2012	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<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 style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. MIRU TRIPPLE BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX. SPUD WELL ON 02/02/2012 AT 0800 HRS.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY February 08, 2012		
NAME (PLEASE PRINT) Sheila Wopsock	PHONE NUMBER 435 781-7024	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 2/7/2012	

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG
 Submitted By SHEILA WOPSOCK Phone Number 435.781.7024
 Well Name/Number BONANZA 1023-6O1BS
 Qtr/Qtr SWSE Section 6 Township 10S Range 23E
 Lease Serial Number UTU-38419
 API Number 4304751473

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

Date/Time 02/02/2012 0800 HRS AM PM

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

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

RECEIVED
 JAN 31 2012
 DIV. OF OIL, GAS & MINING

Date/Time 02/08/2012 0800 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 LOVEL YOUNG AT 435.781.7051 FOR MORE

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		8. WELL NAME and NUMBER: BONANZA 1023-601BS
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. API NUMBER: 43047514730000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S		9. FIELD and POOL or WILDCAT: MATHEWAL BUTTES
5. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S		COUNTY: UINTAH
6. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input 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"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> SPUD REPORT Date of Spud:	OTHER: <input style="width: 100px;" type="text"/>	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 2/8/2012		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. MIRU AIR RIG ON FEBRUARY 6, 2012. DRILLED SURFACE HOLE TO 2479'. RAN SURFACE CASING AND CEMENTED. WELL IS WAITING ON ROTARY RIG. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH WELL COMPLETION REPORT.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY February 10, 2012		
NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regularatory Analyst
SIGNATURE N/A	DATE 2/9/2012	

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
4304751473	BONANZA 1023-601BS		SWSE	6	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18415	2/2/2012		2/15/12		
Comments: MIRU TRIPPLE A BUCKET RIG. SPUD WELL ON 02/02/2012 AT 0800 HRS. BHL: SWSE WSMVD							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751475	BONANZA 1023-603AS		SWSE	6	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18416	2/2/2012		2/15/12		
Comments: MIRU TRIPPLE A BUCKET RIG. SPUD WELL ON 02/02/2012 AT 1100 HRS. BHL: SWSE WSMVD							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751474	BONANZA 1023-602DS		SWSE	6	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18417	2/2/2012		2/15/12		
Comments: MIRU TRIPPLE A BUCKET RIG. SPUD WELL ON 02/02/2012 AT 1400 HRS. BHL: SWSE WSMVD							

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

2/7/2012

Date

RECEIVED

FEB 07 2012

(5/2000)

Oil, Gas & Mining

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BONANZA 1023-6O1BS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047514730000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6514
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/12/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" 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 style="width: 100px;" type="text"/>

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

The operator requests approval for changes in the drilling plan. Specifically, the Operator requests approval for closed loop drilling option, surface casing and production casing changes. All other aspects of the previously approved drilling plan will not change. These proposals do not deviate from previously submitted and approved plans. Please see attachments. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: March 20, 2012

By: *Derek Quist*

NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 3/12/2012	

Kerr-McGee Oil & Gas Onshore. L.P.**BONANZA 1023-601BS**

Surface: 228 FSL / 2080 FEL SWSE
 BHL: 1150 FSL / 1935 FEL SWSE

Section 6 T10S R23E

Uintah County, Utah
 Mineral Lease: UTU-38419

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	1,223'	
Birds Nest	1,468'	Water
Mahogany	1,930'	Water
Wasatch	4,225'	Gas
Mesaverde	6,332'	Gas
Sego	8,517'	Gas
TVD	8,517'	
TD	8,661'	

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 bottom hole pressure calculated at 8517' TVD, approximately equals
5,451 psi 0.64 psi/ft = actual bottomhole gradient

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Maximum anticipated surface pressure equals approximately 3,565 psi (bottom hole pressure
minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-
(0.22 psi/ft-partial evac gradient x TVD of next csg point))

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 for the first 200 feet, then will drill a 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 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 8-5/8 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.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

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

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS			
						BURST	LTC		DQX
							COLLAPSE	TENSION	
CONDUCTOR	14"	0-40'							
SURFACE	8-5/8"	0 to 2,380	28.00	IJ-55	LTC	3,390	1,880	348,000	N/A
						7,780	6,350	223,000	267,035
PRODUCTION	4-1/2"	0 to 5,000	11.60	I-80	DQX	1.11	1.15		3.29
						1.11	1.15	6.49	

Surface Casing:

(Burst Assumptions: TD = 12.5 ppg) 0.73 psi/ft = frac gradient @ surface shoe
 Fracture at surface shoe with 0.1 psi/ft gas gradient above
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 7000 psi) 0.64 psi/ft = bottomhole gradient
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

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
NOTE: If well will circulate water to surface, option 2 will be utilized							
SURFACE	LEAD	1,880'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	170	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	3,721'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	290	35%	12.00	3.38
	TAIL	4,940'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,170	35%	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

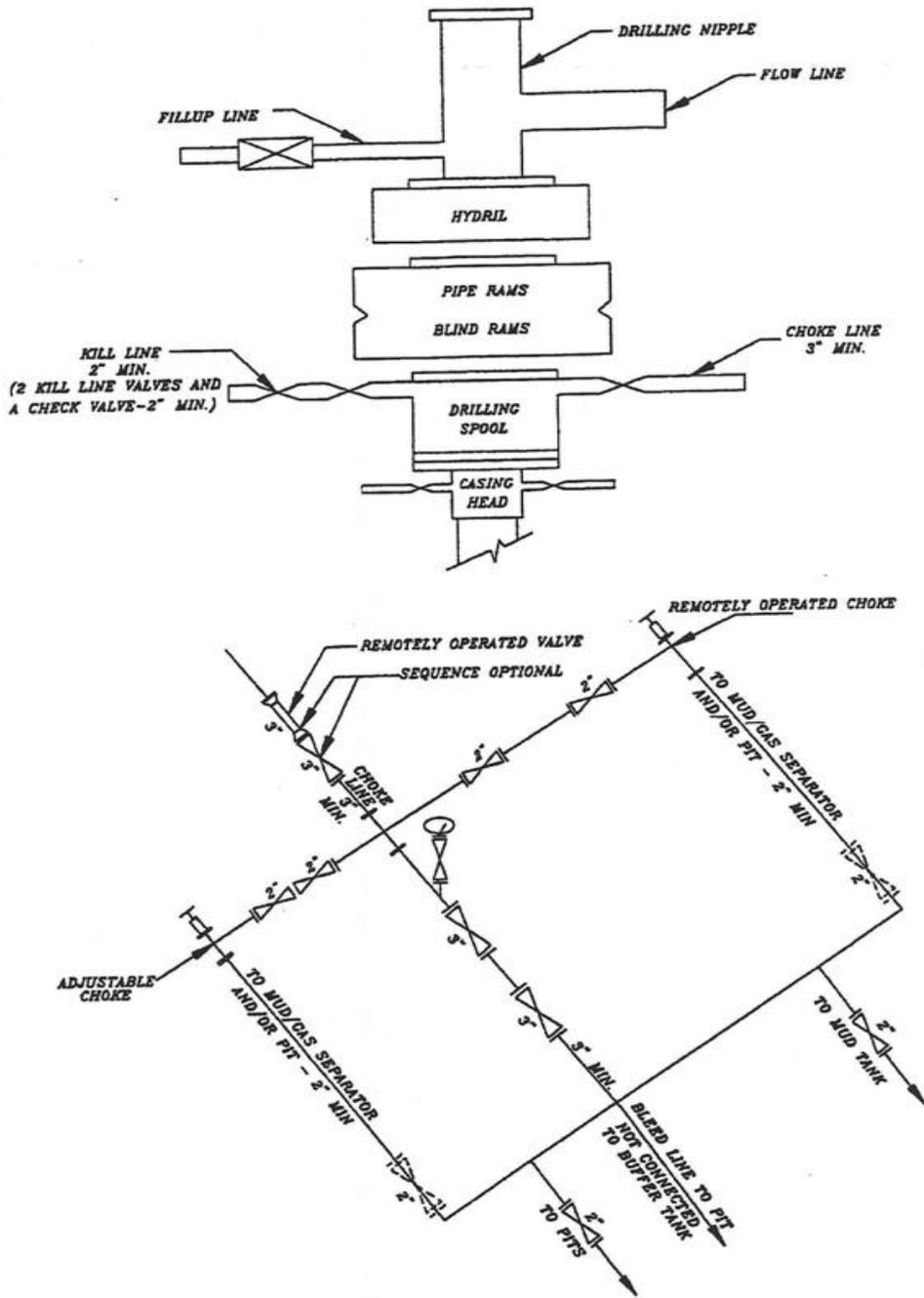
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. 15 centralizers for a Mesaverde and 20 for a Blackhawk well. 1 centralizer on the first 3 joints and one every third joint thereafter.

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.
 Surveys will be taken at 1,000' minimum intervals.
 Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: _____ **DATE:** _____
 Nick Spence / Danny Showers / Chad Loesel
DRILLING SUPERINTENDENT: _____ **DATE:** _____
 Kenny Gathings / Lovel Young

EXHIBIT A BONANZA 1023-601BS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

Requested Drilling Options:

Kerr-McGee will use either a closed loop drilling system that will require one pit and one cuttings storage area to be constructed on the drilling pad or a traditional drilling operation with one pit used for drilling and completion operations. The cuttings storage area will be used to contain only the de-watered drill cuttings and will be lined and bermed to prevent any liquid runoff. The drill cuttings will be buried in the completion pit once completion operations are completed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit will be lined with a synthetic material 20 mil or thicker and will be used for the completing of the wells on the pad or used as part of our Aandarko Completions Transportation System (ACTS). Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completions pit.

If Kerr-McGee does not use a closed loop drilling system, it will construct a traditional drilling/completions pit to contain drill cuttings and for use in completion operations. The pit will be lined with a synthetic material 20 mil or thicker. The drill cuttings will be buried in the pit using traditional pit closure standards.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BONANZA 1023-601BS	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047514730000	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6511	9. FIELD and POOL or WILDCAT: MATERIAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S	COUNTY: UINTAH	
	STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input 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: 3/22/2012	<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 style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>MIRU ROTARY RIG. FINISHED DRILLING FROM 2,479' TO 8,698' ON MARCH 19, 2012. RAN 4-1/2" 11.6# I-80 PRODUCTION CASING. CEMENTED PRODUCTION CASING. RELEASED XTREME 12 RIG ON MARCH 22, 2012 @ 08:00 HRS. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH THE WELL COMPLETION REPORT. WELL IS WAITING ON FINAL COMPLETION ACTIVITIES.</p>		
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 26, 2012</p>		
NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 3/23/2012	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419	
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		8. WELL NAME and NUMBER: BONANZA 1023-601BS	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. API NUMBER: 43047514730000	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S		9. FIELD and POOL or WILDCAT: MATERIAL BUTTES	
		COUNTY: UINTAH	
		STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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: 7/6/2012	<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 style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
No activity for the month of June 2012. Well TD at 8,698'.			
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY July 09, 2012			
NAME (PLEASE PRINT) Jaime Scharnowske		PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 7/6/2012	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BONANZA 1023-601BS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047514730000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6514 9. FIELD and POOL or WILDCAT: MATHEW BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S	COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 8/2/2012	<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"/>

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

Started completing the well in July 2012. Well TD at 8,698'.

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 August 02, 2012**

NAME (PLEASE PRINT) Cara Mahler	PHONE NUMBER 720 929-6029	TITLE Regulatory Analyst I
SIGNATURE N/A	DATE 8/2/2012	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BONANZA 1023-601BS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047514730000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6514 9. FIELD and POOL or WILDCAT: MATHEW BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S	COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 9/4/2012	<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
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	<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"/>

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

Started completing the well in August 2012. Well TD at 8,698

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 September 05, 2012**

NAME (PLEASE PRINT) Lindsey Frazier	PHONE NUMBER 720 929-6857	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 9/4/2012	

<p>STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING</p>	<p>FORM 9</p>
<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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.</p>	
<p>1. TYPE OF WELL Gas Well</p>	<p>5. LEASE DESIGNATION AND SERIAL NUMBER: UTU38419</p>
<p>2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.</p>	<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</p>
<p>3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779</p>	<p>7. UNIT or CA AGREEMENT NAME: PONDEROSA</p>
<p>4. LOCATION OF WELL FOOTAGES AT SURFACE: 0228 FSL 2080 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 06 Township: 10.0S Range: 23.0E Meridian: S</p>	<p>8. WELL NAME and NUMBER: BONANZA 1023-601BS</p>
<p>PHONE NUMBER: 720 929-6514</p>	<p>9. API NUMBER: 43047514730000</p>
<p>9. FIELD and POOL or WILDCAT: SOUTHERN BUTTES</p>	<p>COUNTY: UINTAH</p>
<p>STATE: UTAH</p>	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 8/31/2012	<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 checked="" 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
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	<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"/>

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

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 08/31/2012. THE CHRONOLOGICAL WELL HISTORY WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 September 11, 2012

NAME (PLEASE PRINT) Cara Mahler	PHONE NUMBER 720 929-6029	TITLE Regulatory Analyst I
SIGNATURE N/A	DATE 9/5/2012	

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.
UTU38419

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
 Other _____

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
UTU88209A

2. Name of Operator **KERR MCGEE OIL & GAS ONSHORE** Contact: CARA MAHLER
 Email: cara.mahler@anadarko.com

8. Lease Name and Well No.
BONANZA 1023-601BS

3. Address 1099 18TH STREET, SUITE 1800
DENVER, CO 80202

3a. Phone No. (include area code)
Ph: 720-929-8029

9. API Well No. 43-047-51473

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface SWSE 228FSL 2080FEL 39.971315 N Lat, 109.367538 W Lon

At top prod interval reported below SWSE 1148FSL 1934FEL

At total depth SWSE 1153FSL 1957FEL *BHL by HSM*

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey
or Area Sec 6 T10S R23E Mer SLB

12. County or Parish UINTAH 13. State UT

14. Date Spudded
02/02/2012

15. Date T.D. Reached
03/19/2012

16. Date Completed
 D & A Ready to Prod.
08/31/2012

17. Elevations (DF, KB, RT, GL)*
5265 GL

18. Total Depth: MD 8698 TVD 8529

19. Plug Back T.D.: MD 8646 TVD 8477

20. Depth Bridge Plug Set: MD TVD

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

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	0	40		28			
11.000	8.625 IJ-55	28.0	0	2450		700		0	
7.875	4.500 I-80	11.6	0	8691		1512		150	

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	8083							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5532	6391	5532 TO 6391	0.360	48	OPEN
B) MESAVERDE	7172	8584	7172 TO 8584	0.360	144	OPEN
C)						
D)						

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

Depth Interval	Amount and Type of Material
5532 TO 8584	PUMP 7,212 BBLs SLICK H2O & 170,795 LBS 30/50 OTTAWA SAND

RECEIVED
SEP 25 2012

28. Production - Interval A

DIV. OF OIL, GAS & MINING

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/31/2012	09/01/2012	24	→	0.0	2289.0	0.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	1467	1940.0	→	0	2288	0		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. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

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	1240
				BIRD'S NEST	1500
				MAHOGANY	1991
				WASATCH	4369
				MESAVERDE	6497

32. Additional remarks (include plugging procedure):

The first 210 ft. of the surface hole was drilled with a 12 7/8 in. bit; the remainder of the surface hole was drilled with an 11 in. bit. DQX csg was run from surface to 4,960 ft.; LTC csg was run from 4,960 ft. to 8,691 ft. 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 #151221 Verified by the BLM Well Information System.
For KERR MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name (please print) CARA MAHLER Title AUTHORIZED REPRESENTATIVE

Signature _____ (Electronic Submission) Date 09/20/2012

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
2/6/2012	4:00 - 13:00	9.00	MIRU	01	A	P		MOVE RIG ONTO LOCATION F/NBU 920-20B
	13:00 - 16:30	3.50	MIRU	01	B	P		RU
	16:30 - 20:00	3.50	MIRU	08	A	Z		WAIT ON MECHANIC (RIG WON'T START)
	20:00 - 23:00	3.00	MIRU	01	B	P		MOVE RIG OVER WELL 1/8 INSTALL DIVERTOR HEAD AND BLUEY LINE. BUILD DITCH. SPOT IN RIG. SPOT IN CATWALK AND PIPE RACKS. RIG UP PIT PUMP. RIG UP PUMP. PRIME PUMP. INSPECT RIG. HELD PRE-SPUD SAFETY MEETING. SPUD @ 23:00
	23:00 - 0:00	1.00	DRLSUR	02	D	P		DRILL 12.25" HOLE 44'- 180'. (166', 83'/HR) RPM=45, WOB 5-15K. PSI ON/OFF 600/400. UP/DOWN/ ROT 20/20/20 K. DRAG 0 K. CIRC RESERVE W. 8.3# WATER. DRILL DOWN TO 210' W/ 6" COLLARS.
2/7/2012	0:00 - 0:30	0.50	DRLSUR	02	D	P		DRILL 12.25" HOLE 180'-210'. (30', 60'/HR) RPM=45, WOB 5-15K. PSI ON/OFF 600/400. UP/DOWN/ ROT 20/20/20 K. DRAG 0 K. CIRC RESERVE W. 8.3# WATER. DRILL DOWN TO 210' W/ 6" COLLARS.
	0:30 - 2:30	2.00	DRLSUR	06	A	P		POOH, PU, 11" BIT AND DIRECTIONAL TOOLS, TIH T/ 210'
	2:30 - 3:00	0.50	DRLSUR	02	D	P		DRILL F/210 T/240' (30' @ 60' PER HR) WOB 20K, PSI ON/OFF 600/400, RPM 50 UP/DWN/ROT 35/28/30
	3:00 - 6:30	3.50	DRLSUR	08	A	Z		WORK ON TOP DRIVE HYDRAULICS
	6:30 - 12:00	5.50	DRLSUR	02	D	P		DRILL F/240' T/880 (640' @ 116' PER HR) WOB 20K, PSI ON/OFF 1230/930, RPM 40 UP/DWN/ROT 59/48/50
	12:00 - 0:00	12.00	DRLSUR	02	D	P		DRILL F/880-1930' (1050' @ 87.5' PER HR) WOB 20K, PSI ON/OFF 1300/1200, RPM 45 UP/DWN/ROT 86/52/68
2/8/2012	0:00 - 0:30	0.50	DRLSUR	02	D	P		LOST CIRC 1570' & APPLIED AIR
	0:30 - 4:30	4.00	DRLSUR	08	A	Z		DRILL F/1930'-1990' (60' @ 120" PER HR) WOB 20K, PSI ON/OFF 1300/1200, RPM 45 UP/DWN/ROT 86/52/68
	4:30 - 11:30	7.00	DRLSUR	02	D	P		REMOVE BLOWN RADIATOR HOSE, WAIT ON MECHANIC, & REPLACE HOSE
	11:30 - 13:30	2.00	DRLSUR	05	D	P		DRILL F/1990'-2479 (60' @ 120" PER HR) WOB 20K, PSI ON/OFF 1800/1550, RPM 45 UP/DWN/ROT 94/61/78
	13:30 - 17:00	3.50	DRLSUR	06	D	P		TD 11:30
	17:00 - 17:30	0.50	DRLSUR	12	A	P		CIRC F/CSNG
	17:30 - 20:00	2.50	DRLSUR	12	C	P		LD DS, BHA & DIR. TOOLS
								MOVE PIPE RACKS AND CATWALK. PULL DIVERTER HEAD. RIG UP TO RUN CSG. AND MOVE CSG INTO POSITION TO P/U.
							RUN 55 JTS 8 5/8, 28# CSNG. SHOE SET @ 2439', BAFFLE SET @ 2393'	

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-6O1BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6O PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	20:00 - 21:00	1.00	DRLSUR	12	B	P		HOLD SAFETY MEETING, RUN 200' OF 1". RIG DOWN RIG MOVE OFF WELL, REBUILD DITCH. RIG UP CEMENT TRUCK, 2" HARD LINES,. CEMENT HEAD, LOAD PLUG. LAND CSNG 20:30
	21:00 - 22:30	1.50	DRLSUR	12	E	P		PRESSURE TEST LINES TO 2000 PSI. PUMP 140 BBLS OF WATER AHEAD. PUMP 20 BBLS OF 8.3# GEL WATER AHEAD. PUMP (300 SX) 61.35 BBLS OF 15.8# 1.15 YD 5 GAL/SK PREMIUM CEMENT W/ 2% CALC. DROP PLUG ON FLY. DISPLACE W/ 146.7 BBLS OF H2O. NO CIRC THROUGH OUT. FINAL LIFT OF 100 PSI AT 4 BBL/MIN. BUMP PLUG W/250 PSI HELD FOR 5 MIN. FLOAT HELD. PUMP (150 SX) 30.64 BBLS OF SAME TAIL CEMENT W/ 4% CALC. DOWN BACKSIDE. SHUT DOWN AND CLEAN TRUCK. NO CEMENT TO SURFACE.
	22:30 - 0:00	1.50	DRLSUR	13	A	P		WOC , PUMP (125 SX) 25.53 BBLS 15.8 CMT DOWN BACKSIDE. NO RETURNS TO SURFACE
2/9/2012	0:00 - 3:00	3.00	DRLSUR	13	A	P		WOC PUMP 100 SKS (20.4 BBLS) DOWN BACKSIDE. (CMT 20' DWN)
	3:00 - 4:00	1.00	DRLSUR	13	A	P		WOC (CMT STAYED 20' F/SURFACE) RELEASE RIG 04:00
	4:00 - 4:00	0.00	DRLSUR	12	E	P		TOPPED OFF CMT
3/14/2012	15:00 - 17:00	2.00	RDMO	01	E	P		RIG DOWN RIG. LOWER DERRICK. ASSIST TRUCKS AND MOVE CAT WALK, PIPE TUBS, CEMENT SILOS, MUD TANKS, WATER TANKS, BOILERS, MUD PRODUCT. AND MISC EQUIPMENT TO NEW LOCATION WITH 2 TRUCK PUSHERS, 5 JD TRUCKS, 4 SWAMPERS, AND 2 FORKLIFTS ON LOCATION FROM 11:00 TO 17:00. MOVE STACK OUT FROM UNDER SUB. 1 EXTRA XTREME HAND ON LOCATION.
	17:00 - 0:00	7.00	RDMO	01	E	P		RIG DOWN RIG AND PREPARE RIG FOR RIG MOVE 3/15/2012 IN AM. RIG DOWN PITS. RIG DOWN PUMPS. RIG DOWN ELECTRICAL. RIG DOWN HYDRALICS. (CHANGE 2 MODULES ON PUMP #2 WITH DERRICK HAND AND 1 EXTRA HAND.)
3/15/2012	0:00 - 7:00	7.00	RDMO	01	E	P		RIG DOWN RIG. RIG DOWN PITS, RIG DOWN FLARE LINES. RIG DOWN ELECTRICAL. CLEAN DERRICK. LOAD MISCELLANEOUS EQUIPMENT. READY RIG FOR TRUCKS.
	7:00 - 12:00	5.00	RDMO	01	A	P		HOLD SAFETY MEETING WITH JD FIELD SERVICE, RIG HANDS, AND MOUNTAIN WEST. TEAR DOWN RIG AND MOVE OUT RIG WITH 7 JD TRUCKS. 2 FORKLIFTS, 6 SWAMPERS, AND 3 TRUCK PUSHERS. XTREME HAD 4 EXTRA RIG HANDS ON RIG MOVE TILL 22:00. MOUNTAIN WEST HAD 2- 1 TONS TRUCKS AND 1 HAUL TRUCK TO MOVE TRAILERS WITH TOTAL OF 5 HANDS. MOVE OUT BACK YARD AND TEAR DOWN DERRICK AND SUB. LOWER DOG HOUSE INTO WATER TANK. MOVE WATER TANK. MOVE OUT MUD SOLID CONTROL AND MUD PITS.

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-601BS (RED)		Spud Date: 2/6/2012	
Project: UTAH-UINTAH		Site: BONANZA 1023-60 PAD	Rig Name No: PROPETRO 11/11, XTC 12/12
Event: DRILLING		Start Date: 12/8/2011	End Date: 3/22/2012
Active Datum: RKB @5,280.00usft (above Mean Sea Level)		UWM: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	12:00 - 18:30	6.50	MIRU	01	B	P		MOVED RIG 4 MILES TO LOCATION. FINISH SETTING IN MATTING BOARDS AND SKID RAILS. DOUBLE STACK MATTING BOARDS. SET IN SUB. INSTALL DERRICK. SET IN COMBO HOUSE, PITS, SOLID CONTROL UNIT. PUMP HOUSES VFD AND GENERATOR HOUSE. SET IN FUEL TANK AND OIL BUNKER. PLACE PLASTIC UNDER BACK YARD EQUIPMENT. DITCHED AROUND ALL BUILDINGS. MOVED TRAILERS IN AND RIGGED UP TRAILERS. RELEASE MOUNTAIN WEST HANDS AT 17:00. FINISH SETTING IN ALL MISCELLANEOUS EQUIPMENT AND RELEASED JD TRUCKING @ 18:30.
	18:30 - 21:00	2.50	MIRU	01	B	P		RIG UP LIGHTS AND ELECTRICAL AND HYDRAULICS. RAISE DOG HOUSE AND DERRICK.
	21:00 - 0:00	3.00	MIRU	14	A	P		CHANGE OUT WEATHERFORD BOP ADAPTOR (BOP ADAPTER BOLTS WERE OVER TORQUED AND HAD BECAME EXTREMELY HARD TO TURN). INSTALL XTREME CHOKE MANIFOLD. PLUMB IN CHOKE MANIFOLD WITH WELDER.
3/16/2012	0:00 - 4:30	4.50	MIRU	14	A	P		PLUMB IN CHOKE MANIFOLD WITH WELDER. INSTALL CHOKE LINE AND VIBRATING HOSE. INSTALL FLANGES ONTO SUPER CHOKE AND MANUAL CHOKE. INSTALL FLOW LINE. CONTINUE TO WELD DOWN STREAM CHOKE MANIFOLD LINES WHILE TESTING.
	4:30 - 8:00	3.50	MIRU	15	A	P		HOLD SAFETY MEETING WITH TESTER. RIG UP TESTER AND TEST DART VALVE, LOWER TOP DRIVE VALVE, I-BOP VALVE, TIW VALVE PIPE RAMS AND INSIDE BOP VALVES TO 5000 PSI FOR 10 MIN AND 250 LOW FOR 5 MIN. TEST ANNULAR TO 2500 PSI FOR 10 MIN AND 250 PSI FOR 5 MIN. (MOVED OVER 500 BBLs OF DRILL WATER AND DE WATERING UNITS)
	8:00 - 17:00	9.00	MIRU	14	C	Z		WHILE TESTING BLIND RAMS THE STACK POPPED UP AT WEATHERFORD ADAPTOR. REMOVED FLOW LINE AND PICKED STACK BACK UP. WHILE CHECKING O-RING ON WEATHERFORD ADAPTOR WE REALIZED THAT 2 OF THE INSERTS IN ADAPTOR HAD BROKEN DUE TO THE STACK JUMPING UP. REMOVED 2 DOG INSERTS FROM OLD ADAPTOR TO REPAIR ADAPTOR ON STACK. WE HAD TO RUN TAP TO CLEAN THREADS ON ADAPTOR TO REPLACE 1 INSERT. LOWER STACK DOWN AND DAY LIGHT DRILLED DISCOVER THAT STACK HAD BEEN LEANING FORWARD BECAUSE OF A CHAIN USED IN RIG PROCEDURES. REMOVED CHAIN AND SAT STACK DOWN EVEN. THEN WAS ABLE TO SCREW DOG EVENLY ON STACK. CHAIN STACK BACK DOWN. (COMPLETED FABRICATION ON DOWN STREAM CHOKE LINES.)
	17:00 - 18:30	1.50	MIRU	15	A	P		TEST BLIND RAMS, HCR VALVE, OUTSIDE KILL LINE VALVE, CHECK VALVE, CHOKE MANIFOLD TO 5000 PSI FOR 10 MIN AND 250 PSI FOR 5 MIN. TEST CASING TO 1500 PSI FOR 5 MIN. RIG DOWN TESTER

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-601BS (RED) Spud Date: 2/6/2012
 Project: UTAH-UINTAH Site: BONANZA 1023-60 PAD Rig Name No: PROPETRO 11/11, XTC 12/12
 Event: DRILLING Start Date: 12/8/2011 End Date: 3/22/2012
 Active Datum: RKB @5,280.00usft (above Mean Sea Level) UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	18:30 - 19:00	0.50	MIRU	14	B	P		INSTALL WEAR BUSHING. PERFORMED PRE SPUD INSPECTION.
	19:00 - 22:00	3.00	MIRU	06	A	P		PREPARED BHA FOR TRIP. P/U WEATHERFORD 1.41 BH .16 RPG MOTOR. MADE UP SMITH MDI 616 BIT W/ 6-15'S (SN JF 5791). SCRIBED MOTOR. P/U DOUBLE PIN, NON MAG TOOL CARRIER AND EM SUB. STARTED TO INSTALL EM TOOL AND FOUND OUT WEATHERFORD HAD WRONG MULE SHOE ON EM TOOL.
	22:00 - 0:00	2.00	MIRU	21	D	Z		WAIT FOR PROPER SIZED MULE SHOE FROM OTHER RIG.
3/17/2012	0:00 - 1:00	1.00	MIRU	21	D	Z		WAIT FOR MULE SHOE FOR EM TOOL. MWD HAND NEEDED TO PICK UP MULE SHOE FROM ESIGN 146.
	1:00 - 4:00	3.00	MIRU	06	A	P		FINISH PICKING UP DIRECTIONAL TOOLS. TRIP IN HOLE. INSTALL NEW ROTATING HEAD RUBBER AFTER HEAVY WEIGHT DRILL PIPE. TRIP IN AND TAG CEMENT 2315'.
	4:00 - 5:00	1.00	DRLPRO	02	F	P		SPUD 3/17/2012 04:00 DRILL CEMENT AND FLOAT EQUIPMENT 2315'-2490'. (FLOAT SHOE @ 2450'.) DRILLED CEMENT WITH 15K ON BIT, 450 GALLONS PER MINUTE, 50 ROTATION PER MINUTE.
	5:00 - 11:30	6.50	DRLPRO	02	D	P		DRILL SLIDE 2490'- 3073' (583', 90'/HR) WEIGHT ON BIT 15-22K. AVERAGE WEIGHT ON BIT 18K. ROTARY RPM 65. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 1725/1400. DIFFERENTIAL 325. TORQUE ON/OFF 9300/4900. STRING WEIGHT UP/DOWN/ROT 90/65/70. DRAG 20K. HOLD 21+ DEGREE TANGENT START DROP @ 2900'. 22' HIGH 8' LEFT OF LINE. SLIDE 175' AT 80'/HR. SLIDE 30% ROTATE 70%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.5 VIS 27.) USED 32 BBLs DRILL WATER FOR HOLE VOLUME. LOSS 50 BBLs DRILL WATER INTO FORMATION. (LOSING 7.6 BBLs HR) NO FLARE. (BOP DRILL 35 SEC)

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-6O1BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6O PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	11:30 - 17:30	6.00	DRLPRO	02	D	P		<p>DRILL SLIDE 3073'- 3938' (865', 144'/HR) WEIGHT ON BIT 15-22K. AVERAGE WEIGHT ON BIT 20K. ROTARY RPM 65. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 1950/1550. DIFFERENTIAL 400. TORQUE ON/OFF 8000/5200. STRING WEIGHT UP/DOWN/ROT 104/65/77. DRAG 27K. DROPPING HOLE ANGLE FROM 2900'. 64' NORTH 5' WEST OF CENTER OF TARGET. SLIDE 117' AT 110'/HR. SLIDE 13% ROTATE 87%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.5 VIS 27.) USED 52 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 85 BBLS DRILL WATER INTO FORMATION. (LOSING 14 BBLS HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. NO FLARE. (REPAIRED FLARE IGNITER)</p>
	17:30 - 18:00	0.50	DRLPRO	07	A	P		<p>SERVICE RIG. SERVICE TOP DRIVE. SERVICE DRAWWORKS. SERVICE CROWN. CHECK BRAKE ADJUSTMENT AND TEST E-STOP.</p>
	18:00 - 23:00	5.00	DRLPRO	02	D	P		<p>DRILL SLIDE 3938'- 4625' (687', 137'/HR) WEIGHT ON BIT 18-24K. AVERAGE WEIGHT ON BIT 22K. ROTARY RPM 65. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2000/1600. DIFFERENTIAL 400. TORQUE ON/OFF 9600/5400. STRING WEIGHT UP/DOWN/ROT 130/90/101. DRAG 29K. 33' NORTH 3' EAST OF CENTER OF TARGET SLIDE 54' AT 110'/HR. SLIDE 8% ROTATE 92%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.5 VIS 27.) USED 37 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 63 BBLS DRILL WATER INTO FORMATION. (LOSING 12 BBLS HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. NO FLARE.</p>
	23:00 - 23:30	0.50	DRLPRO	08	A	Z		<p>PASON FAILURE. WORK ON PASON ISSUES. (REBOOT SYSTEM AND RECALIBRATE HOOK LOAD).</p>

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-601BS (RED)		Spud Date: 2/6/2012	
Project: UTAH-UINTAH		Site: BONANZA 1023-60 PAD	Rig Name No: PROPETRO 11/11, XTC 12/12
Event: DRILLING		Start Date: 12/8/2011	End Date: 3/22/2012
Active Datum: RKB @5,280.00usft (above Mean Sea Level)		UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	23:30 - 0:00	0.50	DRLPRO	02	D	P		DRILL SLIDE 4625'- 4669' (44', 88'/HR) WEIGHT ON BIT 18-24K. AVERAGE WEIGHT ON BIT 22K. ROTARY RPM 65. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2000/1600. DIFFERENTIAL 400. TORQUE ON/OFF 9600/5400. STRING WEIGHT UP/DOWN/ROT 130/90/101. DRAG 29K. 30' NORTH 4' EAST OF CENTER OF TARGET. SLIDE 0' AT 110'/HR. SLIDE 0% ROTATE 100%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.5 VIS 27.) USED 2 BBLs DRILL WATER FOR HOLE VOLUME. LOSS 5 BBLs DRILL WATER INTO FORMATION. (LOSING 10 BBLs HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. NO FLARE.
3/18/2012	0:00 - 4:00	4.00	DRLPRO	02	D	P		DRILL SLIDE 4669'- 5213' (544', 136'/HR) WEIGHT ON BIT 18-24K. AVERAGE WEIGHT ON BIT 22K. ROTARY RPM 65. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2125/1700. DIFFERENTIAL 425. TORQUE ON/OFF 10500/6000. STRING WEIGHT UP/DOWN/ROT 138/85/103. DRAG 35K. 5' NORTH 10' EAST OF CENTER OF TARGET. SLIDE 15' AT 65'/HR. SLIDE 3% ROTATE 97%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.5 VIS 27.) USED 27 BBLs DRILL WATER FOR HOLE VOLUME. LOSS 61 BBLs DRILL WATER INTO FORMATION. (LOSING 15 BBLs HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. NO FLARE.
	4:00 - 4:30	0.50	DRLPRO	07	A	P		SERVICE RIG. SERVICE TOP DRIVE. CHECK BRAKE ADJUSTMENT AND E-STOP.

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	4:30 - 5:00	0.50	DRLPRO	02	D	P		<p>DRILL SLIDE 5213'- 5259' (46', 92'/HR) WEIGHT ON BIT 18-24K. AVERAGE WEIGHT ON BIT 22K. ROTARY RPM 65. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2125/1700. DIFFERENTIAL 425. TORQUE ON/OFF10500/6000. STRING WEIGHT UP/DOWN/ROT 138/85/103. DRAG 35K. 2' NORTH 10' EAST OF CENTER OF TARGET. SLIDE 18' AT 60'/HR. SLIDE 39% ROTATE 61%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.5 VIS 27.) USED 2 BBLs DRILL WATER FOR HOLE VOLUME. LOSS 7 BBLs DRILL WATER INTO FORMATION. (LOSING 15 BBLs HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. NO FLARE.</p>
	5:00 - 7:00	2.00	MAINT	08	A	Z		<p>BACKING OUT OF CUSHION SUB ON CONNECTIONS. RE TIGHTEN CUSHION SUB. TAKE CUSHION SUB CLAMP OFF AND CHANGE DIES. WORK ON CUSHION SUB CLAMP.</p>
	7:00 - 16:00	9.00	DRLPRO	02	D	P		<p>DRILL SLIDE 5259'- 6257' (998'. 111'/HR) WEIGHT ON BIT 18-24K. AVERAGE WEIGHT ON BIT 22K. ROTARY RPM 65. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2200/1850. DIFFERENTIAL 350. TORQUE ON/OFF10800/8000. STRING WEIGHT UP/DOWN/ROT 146/105/114. DRAG 32K. 2' NORTH 10' WEST OF CENTER OF TARGET. SLIDE 78' AT 60'/HR. SLIDE 8% ROTATE 92%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.4 VIS 26.) USED 54 BBLs DRILL WATER FOR HOLE VOLUME. LOSS 130 BBLs DRILL WATER INTO FORMATION. (LOSING 14 BBLs HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. NO FLARE.</p>
	16:00 - 16:30	0.50	DRLPRO	07	A	P		<p>SERVICE RIG. SERVICE TOP DRIVE AND CROWN. CHECK BRAKE ADJUSTMENT AND E-STOP. FUNCTION PIPE RAMS.</p>

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	16:30 - 0:00	7.50	DRLPRO	02	D	P		DRILL SLIDE 6257'- 7074' (817', 109'/HR) WEIGHT ON BIT 19-26K. AVERAGE WEIGHT ON BIT 24K. ROTARY RPM 60. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2300/1900. DIFFERENTIAL 400. TORQUE ON/OFF 12000/9300. STRING WEIGHT UP/DOWN/ROT 178/110/123. DRAG 55K. (NO ROT ON UP PULL) 15' NORTH 13' WEST OF CENTER OF TARGET. SLIDE 18' AT 45'/HR. SLIDE 2% ROTATE 98%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.4 VIS 26.) USED 44 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 144 BBLS DRILL WATER INTO FORMATION. (LOSING 19 BBLS HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. NO FLARE.
3/19/2012	0:00 - 4:30	4.50	DRLPRO	02	D	P		'DRILL SLIDE 7074'-7572' (498', 111'/HR) WEIGHT ON BIT 19-26K. AVERAGE WEIGHT ON BIT 24K. ROTARY RPM 60. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2300/2000. DIFFERENTIAL 300. TORQUE ON/OFF 12500/9500. STRING WEIGHT UP/DOWN/ROT 173/110/123. DRAG 50K. (NO ROT ON UP PULL) 5' NORTH 11' WEST OF CENTER OF TARGET. SLIDE 30' AT 30'/HR. SLIDE 6% ROTATE 94%. RUNNING 2 CENTRIFUGES (WT 8.6 VIS 27.) USED 27 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 50 BBLS DRILL WATER INTO FORMATION. (LOSING 12 BBLS HR) PUMP GEL AND SAWDUST SWEEPS TO HELP CONTROL LOSSES AND TO CLEAN HOLE. LIGHT MUD UP @ 7500'. NO FLARE.
	4:30 - 5:00	0.50	DRLPRO	07	A	P		RIG SERVICE. SERVICE TOP DRIVE. SERVICE GENERATORS. CHECK BRAK ADJUSTMENT AND CHECK E-STOP. CHECK BLIND RAMS.

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	5:00 - 11:30	6.50	DRLPRO	02	D			<p>DRILL SLIDE 7572'-8037' (465',71'/HR) WEIGHT ON BIT 19-26K. AVERAGE WEIGHT ON BIT 24K. ROTARY RPM 60. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2450/2150. DIFFERENTIAL 300. TORQUE ON/OFF 12700/10000. STRING WEIGHT UP/DOWN/ROT 183/113/133. DRAG 50K. (NO ROT ON UP PULL) 8' NORTH 22' WEST OF CENTER OF TARGET. SLIDE 66' AT 30'/HR. SLIDE 14% ROTATE 86%. RUNNING 2 CENTRIFUGES AND DE WATERING.(WT 8.6 VIS 29.) USED 25 BBLs DRILL WATER FOR HOLE VOLUME. LOSS 70 BBLs DRILL WATER INTO FORMATION. (LOSING 10 BBLs HR) LIGHTLY MUDDERED UP WITH 8.6 WT AND 29 VIS. PUMP LCM SWEEPS TO HELP WITH LOSSES. 10'-20' FLARE FROM 7970'.</p>
	11:30 - 14:30	3.00	DRLPRO	22	A	X		<p>WHILE SLIDING PIPE BECAME WALL STUCK. WHILE SLIDING PIPE BECAME WALL STUCK. WORK STUCK PIPE. HAD FULL CIRC THROUGH OUT. NO SIGNS OF PACKING OFF. PUMP 40 BBL ANCHO GLIDE SWEEP. PUMP 20% LCM SWEEP. PUMP 100 BBLs OF FRESH WATER CONTINUOUSLY WORKING PIPE. PIPE BECAME FREE GOING DOWN. UNABLE TO WORK BACK UP THROUGH SLIDE. DRILLED 10' IN ROTATION, THEN WORK BACK UP THROUGH SLIDE. PUMPED 60 VIS SWEEP WITH 10% LCM TO CLEAN HOLE. NORMAL AMOUNT OF CUTTING OVER SHAKER.</p>
	14:30 - 17:00	2.50	DRLPRO	02	D	P		<p>DRILL SLIDE 8037' - 8252' (215',86'/HR) WEIGHT ON BIT 19-26K. AVERAGE WEIGHT ON BIT 23K. ROTARY RPM 60. MUD MOTOR RPM 82. STROKES PER MINUTE 115 GALLONS PER MINUTE 517. ON/OFF PSI 2500/2175. DIFFERENTIAL 325. TORQUE ON/OFF 12900/10500. STRING WEIGHT UP/DOWN/ROT 190/120/135. DRAG 55K. (NO ROT ON UP PULL) 9' NORTH 21' WEST OF CENTER OF TARGET. SLIDE 0' SLIDE 0% ROTATE 100%. RUNNING 2 CENTRIFUGES (WT 8.6 VIS 29.) USED 11 BBLs DRILL WATER FOR HOLE VOLUME. LOSS 10 BBLs DRILL WATER INTO FORMATION. (LOSING 5 BBLs HR) 20'-30' FLARE FROM 8242'. FLOW ON CONNECTIONS.</p>

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-601BS (RED) Spud Date: 2/6/2012
 Project: UTAH-UINTAH Site: BONANZA 1023-60 PAD Rig Name No: PROPETRO 11/11, XTC 12/12
 Event: DRILLING Start Date: 12/8/2011 End Date: 3/22/2012
 Active Datum: RKB @5,280.00usft (above Mean Sea Level) UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	17:00 - 17:30	0.50	DRLPRO	07	A	P		RIG SERVICE. SERVICE TOP DRIVE. SERVICE CROWN. CHECK BRAKE ADJUSTMENT AND E-STOP.
	17:30 - 23:00	5.50	DRLPRO	02	D	P		DRILL SLIDE 8252'-8698' (446',81'/HR) TD 3/19/2012 23:00 WEIGHT ON BIT 19-26K. AVERAGE WEIGHT ON BIT 23K. ROTARY RPM 60. MUD MOTOR RPM 75. STROKES PER MINUTE 105. GALLONS PER MINUTE 473. ON/OFF PSI 2800/2500. DIFFERENTIAL 300. TORQUE ON/OFF 12000/9500. STRING WEIGHT UP/DOWN/ROT 194/120/146. DRAG 48K. 3' NORTH 21' WEST OF CENTER OF TARGET. SLIDE 0' SLIDE 0% ROTATE 100%. RUNNING 2 CENTRIFUGES TILL 8525'. START MUD UP AT 8500'. DUE TO HIGH TORQUE AND TIGHT HOLE . DISPLACE 8.6# MUD WITH 650 BBLS OF 11.4# MUD. MUD IN WT 10.9 VIS 37, MUD OUT WT 10.6 VIS 37. USED 24 BBLS OF MUD FOR HOLE VOLUME. LOSS 15 BBLS DRILL WATER INTO FORMATION. (LOSING 5 BBLS HR) (NO LOSSES AFTER MUD UP) 10-15' FLARE FROM 8500' W/ 10.6# MUD.
	23:00 - 0:00	1.00	EVALPR	05	B	P		CIRC AND CONDITION MUD. 40' DOWN TIME FLARE @ 10.7 MUD WT. WORK ON RAISING MUD WT TO 11.5. PUMP LCM SWEEPS TO CLEAN HOLE.
3/20/2012	0:00 - 2:00	2.00	EVALPR	05	A	P		CIRC AND CONDITION HOLE. RAISE MUD WT TO 11.5 TO CONTROL GAS. 15-40' FLARE WITH 10.8 MUD. HOLE SEEPING 10 BBLS HR. PUMP LCM SWEEPS TO CONTROL SEEPAGE. LOSS 20 BBLS. MUD IN 11.6 VIS 40 / MUD OUT 11.4 VIS 40. MIX 40 BBL 13.1# DRY JOB AND HOLD.
	2:00 - 4:30	2.50	EVALPR	06	E	P		PUMP AND ROTATE OUT OF HOLE. 70K OVER PULL COMMING OFF BOTTOM. LOSS 50 BBLS WHILE PUMPING THROUGH TIGHT SPOT @ 8300'. CONTINUED PUMPING AND ROT OUT OF HOLE TO 7300 TILL PIPE COULD PULL SLICK. PUMP DRY JOB. BLOW DOWN KELLY.
	4:30 - 10:00	5.50	EVALPR	06	E	P		TRIP OUT OF HOLE. PUMP AND ROT THROUGH TIGHT HOLE @ 6500' AND 6000'. WORK THROUGH TIGHT HOLE @ 4200' AND 3500'. HOLE SEEPING WHILE PUMPING THROUGH TIGHT HOLE. NO FLOW ON FLOW CHECKS. LOSS ANOTHER 50 BBLS ON TRIP OUT. BUILD 70 BBLS OF 11.4# MUD IN PILL TANK W/ 70 BBLS OF 8.6# DRILL WATER.
	10:00 - 11:30	1.50	EVALPR	09	A	P		SLIP AND CUT DRILL LINE. (HOLE STILL NOT FLOWING)
	11:30 - 16:30	5.00	EVALPR	06	E	P		TRIP IN HOLE. WASH THROUGH BRIDGES 3700', 4400', 5800', 6500', AND 8000'. LOSS 20 BBLS ON TRIP IN HOLE. GOOD DISPLACEMENT THROUGH OUT TRIP. NO GAS ON TRIP IN.

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-6O1BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6O PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	16:30 - 19:00	2.50	EVALPR	05	A	P		CIRCULATE WITH REDUCED STROKES 80 SPM (360 GPM) TO HELP WITH SEEPAGE. PUMP LCM SWEEP AROUND. 10-15' FLARE ON BOTTOMS UP. CIRCULATE HOLE CLEAN. LOSS 15 BBLs WHILE CIRCULATING. MUD IN WT 11.5 VIS 44. MUD OUT WT 11.4 VIS 46. MIX 40 BBL 13# PILL AND HOLD FOR DRY JOB. CHECK FOR FLOW NO FLOW.
	19:00 - 20:30	1.50	EVALPR	06	B	P		PUMP AND ROTATE OUT OF HOLE 60 K OVER OFF BOTTOM TO 7600'. HOLE TOOK PROPER FLUID. CHECK FLOW AND PUMP DRY JOB. NO EXTRA LOSSES ON TRIP OUT.
	20:30 - 0:00	3.50	EVALPR	06	B	P		TRIP OUT OF HOLE FOR LOGS. HOLE TAKING PROPER FLUID. WASH THROUGH TIGHT HOLE @ 6500'. NO EXTRA LOSSES ON TRIP. TRIPPING OUT AT 2700'. (CLEAN MUD TANKS WITH VAC TRUCK WHILE TRIPPING)
3/21/2012	0:00 - 3:00	3.00	EVALPR	06	B	P		TRIP OUT OF HOLE. PULL ROTATING HEAD RUBBER AT HEAVY WEIGHT DRILL PIPE. TRIP OUT AND LAY DOWN DIRECTIONAL TOOLS. BREAK BIT AND LD MUD MOTOR. 20 BBLs LOSS ON TRIP OUT. NO FLOW ON FLOW CHECKS.
	3:00 - 3:30	0.50	EVALPR	07	A	P		RIG SERVICE. SERVICE TOP DRIVE. CHECK BRAKES FOR ADJUSTMENT. CHECK E-STOP.
	3:30 - 9:30	6.00	EVALPR	11	D	P		HOLD SAFETY MEETING WITH HALLIBURTON LOGGERS. RUN IN HOLE WITH TRIPLE COMBO TOOLS. TOOLS BRIDGED OUT @ 8042'. LOG HOLE FROM 8042'- 2450'. RIG DOWN LOGGERS.
	9:30 - 10:30	1.00	CSG	12	A	P		PULL WEAR BUSHING. HOLD SAFETY MEETING WITH KIMZEY CASING CREW AND WILL WITH TSI. BREAK OFF SAVER SUB. CHANGE ELEVATORS. RIG UP CASING TONGES.
	10:30 - 14:00	3.50	CSG	12	C	P		MAKE UP 4.5" L-80 LTC AUTO FILL FLOAT SHOE ON SHOE SHOE JT WITH THREAD LOCK. MAKE UP 4.5" L-80 AUTO FILL FLOAT COLLAR W/ THREAD LOCK ON TOP OF SHOE JT. RUN CENTRALIZERS ON FIRST 3 JTS AND EVERY THIRD JT FOR TOTAL OF 15 JTS. INSTALL ROTATING HEAD @ 1800'. LAY DOWN 2 JTS OF LTC WITH BAD PINS. REPLACE WITH 2 GOOD JT ON LOCATION. RUN A TOTAL OF 88 JTS OF 4.5" 11.6# I-80 LTC CASING (3731'). MAKE UP DQX CROSS OVER JT AND RIG UP TORQUE TURN.
	14:00 - 15:30	1.50	CSG	22	L	Z		PROBLEM WITH READING TURN. TROUBLE SHOOT PROBLEM. PIN HOLE LEAK IN HYDRAULIC HOSE FOR CASING TONGS. REPLACE HYDRAULIC HOSE WITH SPARE HOSE ON TRUCK.

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: PROPETRO 11/11, XTC 12/12

Event: DRILLING

Start Date: 12/8/2011

End Date: 3/22/2012

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	15:30 - 16:00	0.50	CSG	12	C	P		PERFORM DUMP TEST. RUN 22 JTS OF 4.5" 11.6# I-80 DQX CSG WITH TORQUE TURN TO 4300'. CASING TONGE HYDRAULIC HOSE DEVELOPED ANOTHER PIN HOLE LEAK.
	16:00 - 18:30	2.50	CSG	22	L	Z		LAI D DOWN 2 JTS OF DQX FOR BAD THREADS. WAIT FOR HAND TO TRAVEL TO TOWN AND THEN TRAVEL BACK WITH NEW HOSE. CIRCULATE HOLE AT 40 STROKES PER MINUTE (180 GPM). MOVE PIPE EVERY 5 MIN. INSTALL NEW HOSE.
	18:30 - 19:00	0.50	CSG	12	C	P		RUN 13 MORE JTS OF SAME CASING TO 4814'. STARTED HAVING TORQUE CELL ISSUES AND TORQUE TURN ISSUES. CHANGE FROM PANCAKE LOAD CELL TO TENSION LOAD CELL. CIRCULATE HOLE 40 STOKES PER MINUTE (180 GPM). WORK PIPE EVERY 5 MIN.
	19:00 - 22:00	3.00	CSG	22	L	Z		WAIT FOR NEW TORQUE TURN EQUIPMENT. RIG DOWN TORQUE TURN EQUIPMENT AND RIG UP NEW EQUIPMENT. PERFORM DUMP TEST TO CHECK EQUIPMENT.
	22:00 - 22:30	0.50	CSG	12	C	P		RUN 10 MORE JTS OF 4.5" 11.6# I-80 DQX CSG TO 5459'. HAVING ISSUES WITH TORQUE TURN. 1 MINUTE READING TO MUCH TORQUE. NEXT MINUTE NOT READING ANY TORQUE.
	22:30 - 0:00	1.50	CSG	22	L	Z		TROUBLE SHOOT TORQUE TURN. CHANGE CABLES. SWITCH TO TORQUE TIME PROGRAM. PERFORM DUMP TEST.
3/22/2012	0:00 - 2:30	2.50	CSG	12	C	P		CONTINUED TO RUN 4.5" 11.6# I-80 DQX CSG WITH TORQUE TURN. (WILL W/ TSI WITNESSING CSG JOB). RUN CASING TO BOTTOM. TOTAL OF 88 JTS OF 4.5" 11.6# I-80 LTC (3731') 117 JTS OF 4.5" 11.6# I-80 DQX CSG (4959') SET FLOAT SHOE @ 8690.9' KB SET TOP OF FLOAT COLLAR @ 8645.8' KB. SET TOP OF MESA MARKER JT @ 6477.2' KB. SET TOP DQX TO LTC CROSS OVER JT @ 4938.2' KB.
	2:30 - 3:30	1.00	CSG	05	D	P		NO FILL ON BOTTOM. INSTALL BAKER HUGHES CEMENT HEAD WITH TOP PLUG INSTALLED. CIRC BOTTOMS UP. (30' FLARE ON BOTTOMS UP). MUD WT 11.5 VIS 38. HOLD SAFETY MEETING WITH CASING CREW. RIG DOWN CASING CREW. HOLD SAFETY MEETING WITH BAKER HUGHES CEMENTERS. TIE BAKER HUGHES INTO CEMENT HEAD.

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-601BS (RED)		Spud Date: 2/6/2012	
Project: UTAH-UINTAH		Site: BONANZA 1023-60 PAD	Rig Name No: PROPETRO 11/11, XTC 12/12
Event: DRILLING		Start Date: 12/8/2011	End Date: 3/22/2012
Active Datum: RKB @5,280.00usft (above Mean Sea Level)		UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	3:30 - 6:30	3.00	CSG	12	E	P		<p>PRESSURE TEST LINES TO 5400 PSI. PUMP 25 BBLS OF FRESH WATER. PUMP 159.6 BBLS (397 SX) OF 12.0# 2.28 YIELD 12.48 GAL/SK OF LEAD CEMENT. PUMP 260 BBLS (1115 SX) OF 14.3# 1.31 YIELD 5.90 GAL/SK POZ 50/50 TAIL CEMENT. SHUT DOWN AND FLUSH LINES. DROP TOP PLUG DISPLACE W/ 134.4 BBLS OF FRESH WATER TREATED WITH CLAYFIX AND MAGNACIDE. RETURNED WITH 5 BBLS CEMENT TO SURFACE LIFT PSI OF 2175 @ 3 BBLS MINUTE. BUMP PLUG 2819 PSI. . PRESSURE HELD 5 MINUTES. FLOAT HELD. FLOW BACK 1.5 BBLS. ESTIMATED TOP OF CEMENT FOR LEAD SURFACE @ 15' , ESTIMATED TOP OF CEMENT FOR TAIL 3800'. RIG DOWN CEMENTERS. FLUSH STACK WITH FRESH WATER.</p> <p>STORED 780 BBLS OF 11.5# MUD IN UPRIGHTS. TRANSFER 400 BBLS OF DRILL WATER INTO MUD TANKS.</p>
	6:30 - 8:00	1.50	CSG	14	A	P		<p>REMOVE FLOW LINE. NIPPLE DOWN BOPE. HOLD SAFETY MEETING WITH WEATHERFORD SLIP HAND. LIFT UP STACK AND SET C-22 SLIPS WITH 98K. CUT OFF CASING. CLEANED PITS WHILE TRIPPING OUT FOR LOGS.</p> <p>RELEASE RIG 3/22/2012 08:00.</p>

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	BONANZA 1023-6O1BS (RED)	Wellbore No.	OH
Well Name	BONANZA 1023-6O1BS	Wellbore Name	BONANZA 1023-6O1BS
Report No.	1	Report Date	7/18/2012
Project	UTAH-UINTAH	Site	BONANZA 1023-6O PAD
Rig Name/No.		Event	COMPLETION
Start Date	7/18/2012	End Date	
Spud Date	2/6/2012	Active Datum	RKB @5,280.00usft (above Mean Sea Level)
UWI	SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0		

1.3 General

Contractor		Job Method		Supervisor	
Perforated Assembly		Conveyed Method			

1.4 Initial Conditions

Fluid Type		Fluid Density	
Surface Press		Estimate Res Press	
TVD Fluid Top		Fluid Head	
Hydrostatic Press		Press Difference	
Balance Cond	NEUTRAL		

1.5 Summary

Gross Interval	5,532.0 (usft)-8,584.0 (usft)	Start Date/Time	7/19/2012 12:00AM
No. of Intervals	32	End Date/Time	7/19/2012 12:00AM
Total Shots	192	Net Perforation Interval	48.00 (usft)
Avg Shot Density	4.00 (shot/ft)	Final Surface Pressure	
		Final Press Date	

2 Intervals

2.1 Perforated Interval

Date	Formation/Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
7/19/2012 12:00AM	WASATCH/			5,532.0	5,533.0	4.00		0.360	EXP/	3.375	90.00			23.00	PRODUCTIO N

2.1 Perforated Interval (Continued)

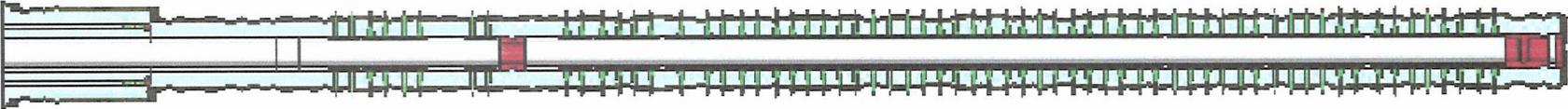
Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
7/19/2012 12:00AM	WASATCH/			5,604.0	5,608.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	WASATCH/			5,643.0	5,644.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	WASATCH/			6,385.0	6,391.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,172.0	7,174.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,278.0	7,280.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,298.0	7,300.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,436.0	7,437.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,500.0	7,501.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,560.0	7,561.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,626.0	7,627.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,642.0	7,643.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,655.0	7,656.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,698.0	7,699.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,749.0	7,750.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,786.0	7,788.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,816.0	7,818.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,873.0	7,874.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,898.0	7,899.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,940.0	7,942.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			7,970.0	7,971.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,031.0	8,032.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
7/19/2012 12:00AM	MESAVERDE/			8,098.0	8,099.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,131.0	8,132.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,167.0	8,168.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,237.0	8,238.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,256.0	8,257.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,285.0	8,286.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,445.0	8,446.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,484.0	8,485.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,506.0	8,508.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
7/19/2012 12:00AM	MESAVERDE/			8,582.0	8,584.0	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: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: GWS 1/1

Event: COMPLETION

Start Date: 7/18/2012

End Date:

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
2/6/2012	-							
7/18/2012	9:00 - 11:00	2.00	COMP	33	C	P		<p>HSM. FILL SURFACE AND CSG W/ TMAC. RU B&C. PRES TEST CSG AND VALVES.</p> <p>BEGIN END LOST 1165# FOR 15 MIN 1165# 0# 3580# FOR 15 MIN 3560# -20# 7125# FOR 30 MIN 7070# -55# GOOD TEST. NO COMMUNICATION.</p> <p>BLEED OFF. RD B&C.</p>
7/19/2012	7:00 - 13:00	6.00	COMP	37	B	P		<p>HSM. MIRU CASD HOLE. RIH W/ 3-1/8" EXP PERF GUN (23 GR, 40" PENT, .36" EOD) AND PERF 8445'-8584' (24 HOLES) AS PER PROCEEDURE. SWMFWE.</p>
7/23/2012	11:00 - 18:00	7.00	COMP	36	B	P		<p>FRAC STG 1)WHP 1460 PSI, BRK 3766 PSI @ 4.7 BPM. ISIP 2208 PSI, FG .70. CALC PERFS OPEN @ 50.9 BPM @ 4204 PSI = 100% HOLES OPEN. (24/24 HOLES OPEN) ISIP 2362 PSI, FG .72, NPI 154 PSI. MP 6188 PSI, MR 50.9 BPM, AP 4888 PSI, AR 50.1 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 2)PU 4 1/2 8K HAL CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 8316' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 2)WHP 1868 PSI, BRK 3042 PSI @ 4.5 BPM. ISIP 2062 PSI, FG .69. CALC PERFS OPEN @ 50.8 BPM @ 4185 PSI = 100% HOLES OPEN. (24/24 HOLES OPEN) ISIP 2417 PSI, FG .73, NPI 355 PSI. MP 5163 PSI, MR 51 BPM, AP 4484 PSI, AR 50.9 BPM, PUMPED 30/50 OWATTA SAND. SWIFN.</p> <p>PERF STG 3)PU 4 1/2 8K HAL CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 8062' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p>
7/24/2012	6:30 - 6:45	0.25	COMP	48		P		JSA-SAFETY MEETING

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: GWS 1/1

Event: COMPLETION

Start Date: 7/18/2012

End Date:

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	8:45 - 18:00	11.25	COMP	36	E	P		<p>PSI TEST LINES T/ 8500 PSI. LOST 100 PSI. SET POP-OFF T/ 6851 PSI.</p> <p>FRAC STG 3)WHP 1080 PSI, BRK 2975 PSI @ 4.4 BPM. ISIP 1471 PSI, FG .62. CALC PERFS OPEN @ 50.9 BPM @ 4208 PSI = 92% HOLES OPEN. (22/24 HOLES OPEN) ISIP 2155 PSI, FG .71, NPI 684 PSI. MP 5058 PSI, MR 50.8 BPM, AP 4483 PSI, AR 50.6 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 4)PU 4 1//2 8K HAL CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 7848 ' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 4)WHP 496 PSI, BRK 2892PSI @ 4.5 BPM. ISIP 1859 PSI, FG .68. CALC PERFS OPEN @ 50.8 BPM @ 2458 PSI = 96% HOLES OPEN. (23/24 HOLES OPEN) ISIP 1856 PSI, FG .68, NPI - 3 PSI. MP 4664 PSI, MR 51 BPM, AP 4172 PSI, AR 50.9 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 5)PU 4 1//2 8K HAL CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 7886' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 5)WHP 1280 PSI, BRK 2584 PSI @ 4.4 BPM. ISIP 1533 PSI, FG .64. CALC PERFS OPEN @ 50.4 BPM @ 4121 PSI = 92% HOLES OPEN. (22/24 HOLES OPEN) ISIP 1783 PSI, FG .67, NPI 250 PSI. MP 4755 PSI, MR 50.6 BPM, AP 3741 PSI, AR 50.4 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 6)PU 4 1//2 8K HAL CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 7330' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 6)WHP 118 PSI, BRK 2693 PSI @ 4.6 BPM. ISIP 1430 PSI, FG .64. CALC PERFS OPEN @ 50.9 BPM @ 4180 PSI = 88% HOLES OPEN. (21/24 HOLES OPEN) ISIP 2417 PSI, FG .77, NPI 987 PSI. MP 4572 PSI, MR 51.1 BPM, AP 4280 PSI, AR 50.9 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR</p>

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-601BS (RED)		Spud Date: 2/6/2012	
Project: UTAH-UJINTAH		Site: BONANZA 1023-60 PAD	Rig Name No: GWS 1/1
Event: COMPLETION		Start Date: 7/18/2012	End Date:
Active Datum: RKB @5,280.00usft (above Mean Sea Level)		UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
								<p>WL.</p> <p>PERF STG 7)PU 4 1//2 8K HAL CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 6421' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 7)WHP 142 PSI, BRK 1526 PSI @ 4.5 BPM. ISIP 1099 PSI, FG .81. CALC PERFS OPEN @ 50.9 BPM @ 3645 PSI = 88% HOLES OPEN. (21/24 HOLES OPEN) ISIP 1975 PSI, FG .75, NPI 876 PSI. MP 4200 PSI, MR 51.2 BPM, AP 3528 PSI, AR 51.1 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 8)PU 4 1//2 8K HAL CBP & 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 5674' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 8)WHP 133 PSI, BRK 1458 PSI @ 3.3 BPM. ISIP 653 PSI, FG .56. CALC PERFS OPEN @ 51.2 BPM @ 2992 PSI = 92% HOLES OPEN. (22/24 HOLES OPEN) ISIP 1481 PSI, FG .70, NPI 828 PSI. MP 3176 PSI, MR 51.4 BPM, AP 2731 PSI, AR 51.3 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>KILL PLUG) RIH W/ HAL 8K CBP SET CBP @ 5482', R/D WIRELINE AND FRAC, SHUT WELL IN,</p> <p>TOTAL WATER = 7212 BBLS TOTAL SAND = 170795 # SAFETY=JSA</p>
8/30/2012	7:00 - 7:15	0.25	DRLOUT	48		P		

**US ROCKIES REGION
Operation Summary Report**

Well: BONANZA 1023-6O1BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6O PAD

Rig Name No: GWS 1/1

Event: COMPLETION

Start Date: 7/18/2012

End Date:

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/226/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:15 - 17:00	9.75	DRLOUT	31		P		<p>MIRU. NDWH. NUBOP. P/U & RIH W/ 3-7/8" BIT + POBS + XN + 173 JTS (NEW) 2-3/8" L-80 TBNG. T/U ON KILL CBP @5482'. PRESSURE TEST BOP'S GOOD @ 3000#.</p> <p>CBP #1) DRLG OUT BAKER 8K CBP @ 5482' IN 4MIN. 0 LBS DIFF. PSI. RIH, TAG SND @ 5659'. C/O 15' OF SND. FCP = 0 PSI.</p> <p>CBP #2) DRLG OUT BAKER 8K CBP @ 5674' IN 11MIN. 0 LBS DIFF. PSI. RIH, TAG SND @6401'. C/O 20' OF SND. FCP = 0 PSI.</p> <p>CBP #3) DRLG OUT BAKER 8K CBP @ 6421' IN 7 MIN. 300 LBS DIFF. PSI. RIH, TAG SND @ 7315'.C/O 15' OF SND. FCP = 100 PSI.</p> <p>CBP #4) DRLG OUT BAKER 8K CBP @ 7330' IN 7 MIN. 400 LBS DIFF. PSI. RIH, TAG SND @ 7671'. C/O 15' OF SND. FCP = 200 PSI. T/U ON CBP @7686'. CIRC WELL CLEAN. L/D 1JT. SWIFN. SAFETY = JSA.</p>
8/31/2012	7:00 - 7:15	0.25	DRLOUT	48		P		

US ROCKIES REGION
Operation Summary Report

Well: BONANZA 1023-601BS (RED)

Spud Date: 2/6/2012

Project: UTAH-UJINTAH

Site: BONANZA 1023-60 PAD

Rig Name No: GWS 1/1

Event: COMPLETION

Start Date: 7/18/2012

End Date:

Active Datum: RKB @5,280.00usft (above Mean Sea Level)

UWI: SW/SE/0/10/S/23/E/6/0/0/26/PM/S/228/E/0/2080/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	7:15 - 12:00	4.75	DRLOUT	31		P		<p>SICP= 1900#. SITP= 0#. OPEN WELL TO PIT. BREAK CIRC. FINISH D/O CBP'S AS FOLLOWS:</p> <p>CBP #5) DRLG OUT BAKER 8K CBP @ 7686' IN 7 MIN. 200 LBS DIFF. PSI. RIH, TAG SND @ 7828'. C/O 20' OF SND. FCP = 225 PSI.</p> <p>CBP #6) DRLG OUT BAKER 8K CBP @ 7848' IN 10 MIN. 100 LBS DIFF. PSI. RIH, TAG SND @ 8052'. C/O 10' OF SND. FCP = 250 PSI.</p> <p>CBP #7) DRLG OUT BAKER 8K CBP @ 8062' IN 9 MIN. 300 LBS DIFF. PSI. RIH, TAG SND @ 8296'. C/O 20' OF SND. FCP = 300 PSI.</p> <p>CBP #8) DRLG OUT BAKER 8K CBP @ 8316' IN 7 MIN. 250 LBS DIFF. PSI. RIH, TAG SND @ 8605'. C/O TO PBTD @ 8646' W/ 272 JTS 2-3/8" L-80 TBNG + BHA. CIRC WELL CLEAN. FCP = 400 PSI. R/D POWER SWIVEL. L/D 18 JTS TBNG. LAND WELL ON HANGER AS FOLLOWS:</p> <p>KB= 15.00' HANGER= .83' 254 JTS 2-3/8" L-80 4.7# TBNG = 8064.57' XN= 1.33' POBS= .80' EOT@ 8082.53'</p> <p>NDBOP. NUWH. PUMP OFF BIT @ 1600 PSI. PRESSURE TEST FLOWLINES GOOD @ 3500 PSI. BRING WELL ON LINE. SICP= 2000#. SITP= 1650#. RDMO.</p>
	12:00 - 12:00	0.00	DRLOUT	50				<p>WELL TURNED TO SALES AT 1200 HR ON 8/31/2012. 2,400 MCFD, 1920 BWPDP, FCP 2079#, FTP 1650#, 20/64" CK.</p>
9/1/2012	7:00 -			50				<p>WELL IP'D ON 9/1/12 - 2289 MCFD, 0 BWPDP, 0 BOPD, CP 1940#, FTP 1467#, LP 128#, 24 HRS, CK 20/64</p>

Project: UTAH - UTM (feet), NAD27, Zone 12N
 Site: UINTAH_BONANZA 1023-60 Pad
 Well: BONANZA 1023-601BS
 Wellbore: BONANZA 1023-601BS
 Section:
 SHL:
 Design: BONANZA 1023-601BS
 Latitude: 39.971349
 Longitude: -109.366858
 GL: 5265.00
 KB: 15' rkb + 5265' GL @ 5280.00ft

FORMATION TOP DETAILS		
TVDPATH	MDPATH	FORMATION
4225.00	4375.01	WASATCH
4825.00	4975.02	top of cylinder
6332.00	6482.05	MESAVERDE
8525.00	8675.09	SEGO

WELL DETAILS: BONANZA 1023-601BS						
+N/-S	+E/-W	Northing	Ground Level: Easting	5265.00 Latitude	39.971349	Slot
0.00	0.00	14519801.55	2097993.70			

CASING DETAILS			
TVD	MD	Name	Size
2345.57	2439.00	8-5/8"	8-5/8"

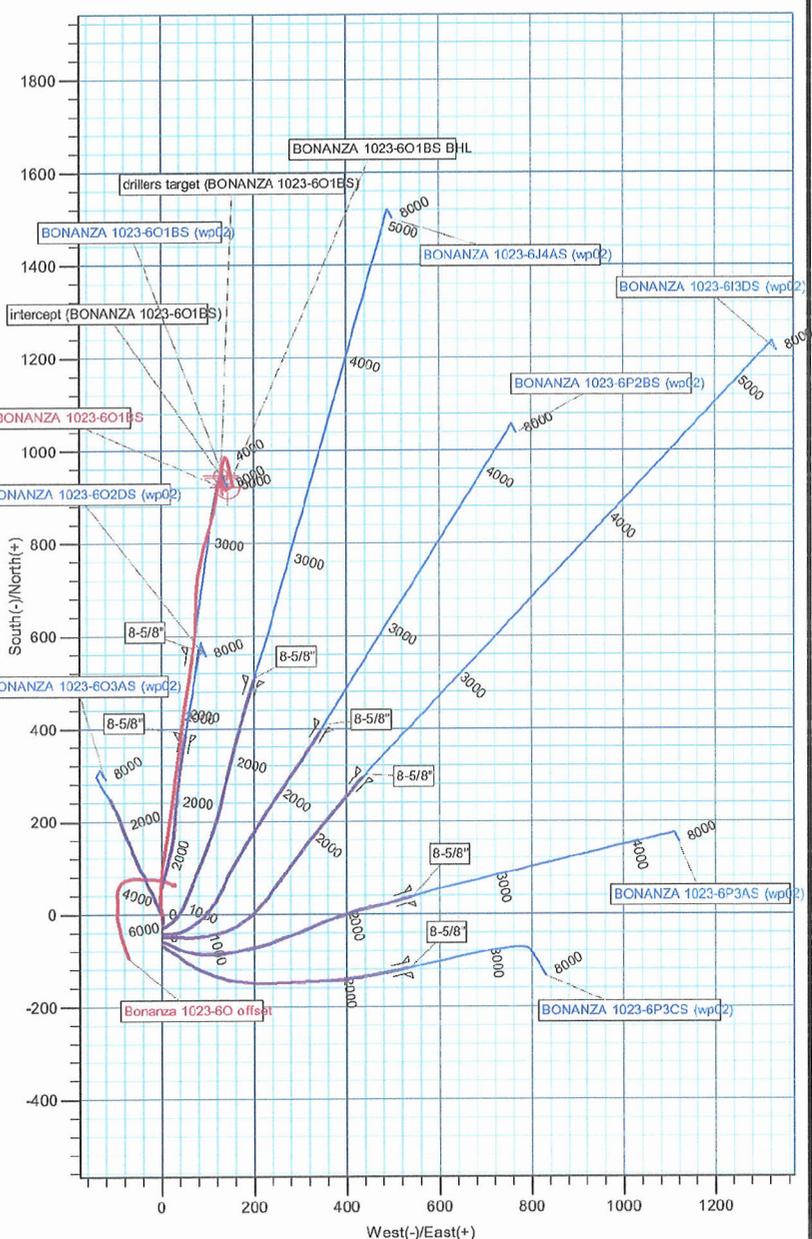
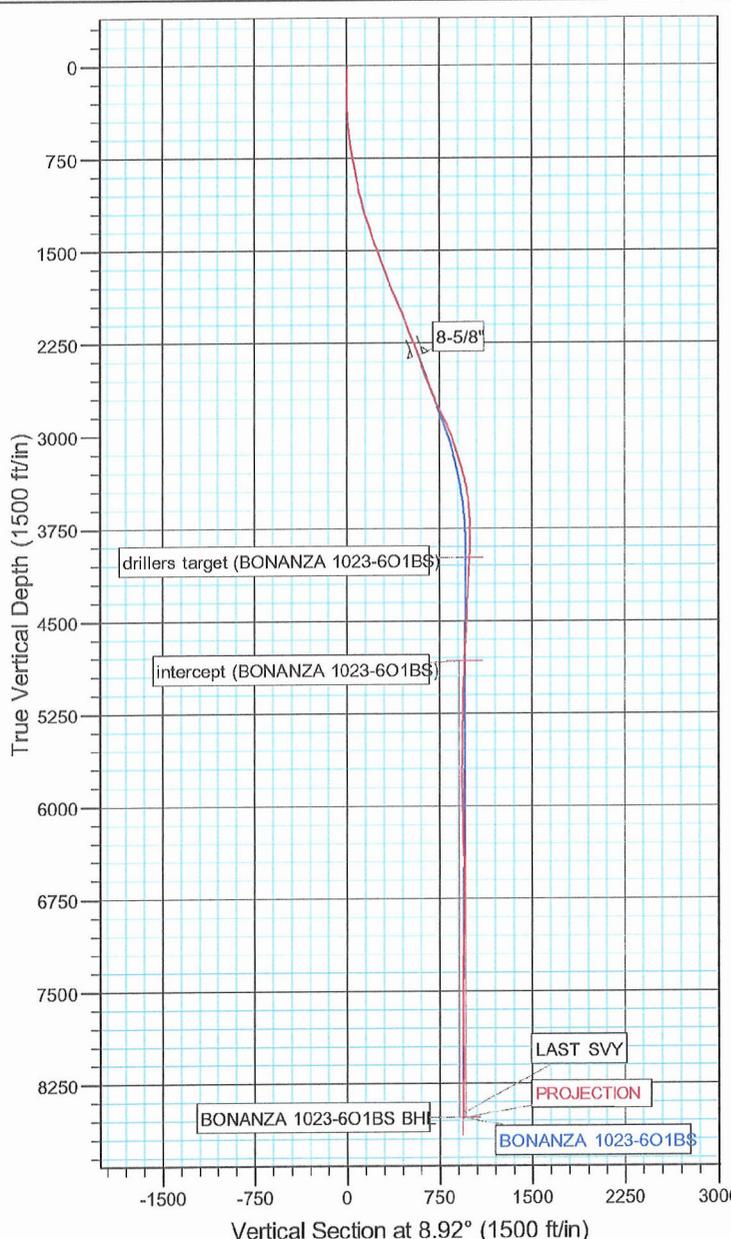
T M

Azimuths to True North
 Magnetic North: 10.93°

Magnetic Field
 Strength: 52267.1snT
 Dip Angle: 65.85°
 Date: 1/30/2012
 Model: IGRF2010

DESIGN TARGET DETAILS									
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape	
drillers target (BONANZA 1023-601BS)	3985.00	946.48	129.60	14520750.24	2098105.94	39.973948	-109.366396	Circle (Radius: 15.00)	
Intercept (BONANZA 1023-601BS)	4825.00	942.19	133.48	14520746.02	2098109.90	39.973936	-109.366382	Point	
BONANZA 1023-601BS BHL	8525.00	921.48	144.60	14520725.51	2098121.40	39.973879	-109.366342	Circle (Radius: 25.00)	

SECTION DETAILS									
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	
2430.00	20.13	7.97	2337.12	570.80	67.88	0.00	0.00	574.42	
3027.00	20.13	7.97	2897.65	774.27	96.37	0.00	0.00	779.85	
4034.38	0.85	98.00	3884.40	946.69	128.12	2.00	177.53	955.10	
4134.99	0.85	98.00	3985.00	946.48	129.60	0.00	0.00	955.13	
4367.90	0.36	151.77	4217.90	945.59	131.66	0.30	155.15	954.57	
8675.09	0.36	151.77	8525.00	921.48	144.60	0.00	0.00	932.75	



Anadarko Petroleum Corp

Survey Report

Company:	US ROCKIES REGION PLANNING	Local Co-ordinate Reference:	Well BONANZA 1023-601BS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	TVD Reference:	15' rkb + 5265' GL @ 5280.00ft
Site:	UINTAH_BONANZA 1023-60 Pad	MD Reference:	15' rkb + 5265' GL @ 5280.00ft
Well:	BONANZA 1023-601BS	North Reference:	True
Wellbore:	BONANZA 1023-601BS	Survey Calculation Method:	Minimum Curvature
Design:	BONANZA 1023-601BS	Database:	edmp

Project	UTAH - UTM (feet), NAD27, Zone 12N		
Map System:	Universal Transverse Mercator (US Survey Feet)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Zone 12N (114 W to 108 W)		

Site UINTAH_BONANZA 1023-60 Pad			
Site Position:		Northing:	14,519,801.55 usft
From:	Lat/Long	Easting:	2,097,993.69 usft
Position Uncertainty:	0.00 ft	Slot Radius:	13-3/16 "
		Latitude:	39.971349
		Longitude:	-109.366858
		Grid Convergence:	1.05 °

Well BONANZA 1023-601BS			
Well Position	+N/-S 0.00 ft	Northing:	14,519,801.55 usft
	+E/-W 0.00 ft	Easting:	2,097,993.69 usft
Position Uncertainty	0.00 ft	Wellhead Elevation:	ft
		Latitude:	39.971349
		Longitude:	-109.366858
		Ground Level:	5,265.00 ft

Wellbore BONANZA 1023-601BS					
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF2010	1/30/2012	(°)	(°)	(nT)
			10.93	65.85	52,267

Design BONANZA 1023-601BS					
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	11.00
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction	
	(ft)	(ft)	(ft)	(°)	
	11.00	0.00	0.00	8.92	

Survey Program Date 3/20/2012					
From	To	Survey (Wellbore)	Tool Name	Description	
(ft)	(ft)				
181.00	2,430.00	Survey #1 (BONANZA 1023-601BS)	MWD	MWD - STANDARD	
2,532.00	8,698.00	Survey #2 (BONANZA 1023-601BS)	MWD	MWD - STANDARD	

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
11.00	0.00	0.00	11.00	0.00	0.00	0.00	0.00	0.00	0.00
181.00	0.61	120.79	181.00	-0.46	0.78	-0.34	0.36	0.36	0.00
264.00	0.56	10.86	263.99	-0.29	1.23	-0.10	1.15	-0.06	-132.45
351.00	2.40	351.28	350.96	1.93	1.04	2.06	2.16	2.11	-22.51
441.00	4.31	351.60	440.80	7.14	0.26	7.09	2.12	2.12	0.36
531.00	6.06	355.10	530.43	15.22	-0.64	14.93	1.98	1.94	3.89
621.00	7.75	355.22	619.78	26.00	-1.55	25.44	1.88	1.88	0.13
711.00	9.25	358.35	708.79	39.28	-2.27	38.45	1.74	1.67	3.48
801.00	10.56	0.35	797.44	54.75	-2.43	53.72	1.50	1.46	2.22
891.00	11.06	4.35	885.85	71.61	-1.72	70.48	1.00	0.56	4.44

Anadarko Petroleum Corp

Survey Report

Company: US ROCKIES REGION PLANNING
Project: UTAH - UTM (feet), NAD27, Zone 12N
Site: UINTAH_BONANZA 1023-60 Pad
Well: BONANZA 1023-601BS
Wellbore: BONANZA 1023-601BS
Design: BONANZA 1023-601BS

Local Co-ordinate Reference: Well BONANZA 1023-601BS
TVD Reference: 15' rkb + 5265' GL @ 5280.00ft
MD Reference: 15' rkb + 5265' GL @ 5280.00ft
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: edmp

Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
981.00	12.06	8.35	974.02	89.52	0.30	88.48	1.42	1.11	4.44
1,071.00	13.56	8.97	1,061.78	109.24	3.31	108.44	1.67	1.67	0.69
1,161.00	14.94	7.97	1,149.01	131.16	6.56	130.59	1.56	1.53	-1.11
1,251.00	16.75	9.47	1,235.58	155.44	10.31	155.16	2.06	2.01	1.67
1,341.00	18.89	8.60	1,321.31	182.49	14.60	182.55	2.18	2.16	-0.97
1,431.00	19.75	8.22	1,406.29	211.80	18.93	212.18	1.19	1.18	-0.42
1,521.00	19.88	6.35	1,490.96	242.06	22.79	242.67	0.72	0.14	-2.08
1,611.00	20.06	5.85	1,575.55	272.62	26.06	273.37	0.28	0.20	-0.56
1,701.00	21.25	9.60	1,659.77	304.06	30.35	305.09	1.98	1.32	4.17
1,791.00	21.88	7.72	1,743.47	336.76	35.33	338.17	1.04	0.70	-2.09
1,881.00	21.94	6.35	1,826.97	370.09	39.44	371.73	0.57	0.07	-1.52
1,971.00	22.31	7.35	1,910.34	403.74	43.48	405.60	0.59	0.41	1.11
2,061.00	22.31	8.10	1,993.81	437.60	48.08	439.76	0.32	0.00	0.83
2,151.00	22.25	8.97	2,076.89	471.34	53.14	473.88	0.37	-0.07	0.97
2,241.00	21.63	8.35	2,160.37	504.58	58.21	507.51	0.74	-0.69	-0.69
2,331.00	20.63	8.47	2,244.32	536.68	62.95	539.95	1.11	-1.11	0.13
2,430.00	20.13	7.97	2,337.12	570.80	67.88	574.42	0.53	-0.51	-0.51
2,532.00	18.23	6.02	2,433.45	604.05	71.99	607.91	1.97	-1.86	-1.91
2,623.00	20.44	0.67	2,519.32	634.10	73.67	637.86	3.11	2.43	-5.88
2,714.00	20.92	1.39	2,604.46	666.23	74.25	669.69	0.60	0.53	0.79
2,804.00	22.88	3.21	2,687.96	699.77	75.62	703.03	2.30	2.18	2.02
2,895.00	25.94	9.46	2,770.83	737.08	79.88	740.55	4.40	3.36	6.87
2,986.00	25.94	12.59	2,852.67	776.14	87.49	780.32	1.50	0.00	3.44
3,076.00	23.31	16.84	2,934.48	812.40	96.94	817.61	3.52	-2.92	4.72
3,167.00	20.25	16.84	3,018.98	844.71	106.72	851.05	3.36	-3.36	0.00
3,258.00	16.19	12.21	3,105.40	872.20	113.97	879.32	4.73	-4.46	-5.09
3,349.00	17.13	7.21	3,192.58	897.90	118.34	905.39	1.88	1.03	-5.49
3,439.00	15.81	10.59	3,278.89	923.10	122.25	930.89	1.81	-1.47	3.76
3,530.00	12.25	12.59	3,367.16	944.71	126.64	952.92	3.95	-3.91	2.20
3,621.00	10.00	13.21	3,456.45	961.83	130.55	970.44	2.48	-2.47	0.68
3,712.00	6.38	13.71	3,546.50	974.44	133.55	983.36	3.98	-3.98	0.55
3,802.00	3.44	12.09	3,636.16	981.94	135.30	991.04	3.27	-3.27	-1.80
3,893.00	1.63	23.09	3,727.07	985.80	136.38	995.02	2.05	-1.99	12.09
3,984.00	0.94	86.84	3,818.05	987.03	137.64	996.43	1.62	-0.76	70.06
4,074.00	2.31	134.96	3,908.02	985.79	139.66	995.52	2.02	1.52	53.47
4,152.26	3.48	150.07	3,986.17	982.61	141.96	992.74	1.78	1.50	19.30
drillers target (BONANZA 1023-601BS)									
4,165.00	3.69	151.59	3,998.89	981.92	142.35	992.11	1.78	1.61	11.95
4,256.00	4.38	170.59	4,089.67	975.91	144.31	986.49	1.64	0.76	20.88
4,347.00	4.00	167.71	4,180.43	969.38	145.55	980.23	0.48	-0.42	-3.16
4,437.00	3.81	169.84	4,270.22	963.37	146.75	974.48	0.27	-0.21	2.37
4,528.00	3.56	170.09	4,361.03	957.61	147.77	968.95	0.28	-0.27	0.27
4,619.00	3.44	165.96	4,451.86	952.18	148.92	963.76	0.31	-0.13	-4.54

Anadarko Petroleum Corp

Survey Report

Company: US ROCKIES REGION PLANNING
Project: UTAH - UTM (feet), NAD27, Zone 12N
Site: UINTAH_BONANZA 1023-6O Pad
Well: BONANZA 1023-6O1BS
Wellbore: BONANZA 1023-6O1BS
Design: BONANZA 1023-6O1BS

Local Co-ordinate Reference: Well BONANZA 1023-6O1BS
TVD Reference: 15' rkb + 5265' GL @ 5280.00ft
MD Reference: 15' rkb + 5265' GL @ 5280.00ft
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: edmp

Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,710.00	3.06	165.84	4,542.71	947.18	150.17	959.01	0.42	-0.42	-0.13
4,800.00	2.69	168.84	4,632.60	942.78	151.17	954.82	0.44	-0.41	3.33
4,891.00	2.75	168.84	4,723.50	938.54	152.01	950.76	0.07	0.07	0.00
4,982.00	2.56	166.46	4,814.40	934.42	152.90	946.83	0.24	-0.21	-2.62
4,992.04	2.56	166.28	4,824.43	933.99	153.01	946.42	0.08	0.00	-1.80
Intercept (BONANZA 1023-6O1BS)									
5,072.00	2.56	164.84	4,904.31	930.53	153.90	943.14	0.08	0.00	-1.80
5,163.00	2.38	165.84	4,995.23	926.74	154.89	939.54	0.20	-0.20	1.10
5,254.00	1.69	209.21	5,086.17	923.73	154.70	936.55	1.80	-0.76	47.66
5,345.00	2.26	258.56	5,177.12	922.21	152.29	934.66	1.90	0.63	54.23
5,435.00	1.94	248.71	5,267.06	921.30	149.13	933.28	0.53	-0.36	-10.94
5,526.00	1.88	237.21	5,358.01	919.93	146.44	931.51	0.43	-0.07	-12.64
5,617.00	1.00	263.96	5,448.98	919.04	144.39	930.31	1.19	-0.97	29.40
5,708.00	1.19	242.59	5,539.97	918.52	142.77	929.55	0.49	0.21	-23.48
5,798.00	1.19	220.59	5,629.95	917.38	141.33	928.20	0.50	0.00	-24.44
5,889.00	0.88	249.21	5,720.94	916.42	140.06	927.05	0.65	-0.34	31.45
5,980.00	1.50	311.96	5,811.92	916.96	138.52	927.35	1.48	0.68	68.96
6,071.00	1.00	312.46	5,902.90	918.30	137.05	928.44	0.55	-0.55	0.55
6,161.00	2.00	340.34	5,992.87	920.31	135.94	930.25	1.34	1.11	30.98
6,252.00	1.75	343.59	6,083.82	923.13	135.01	932.91	0.30	-0.27	3.57
6,343.00	1.44	333.34	6,174.78	925.49	134.11	935.09	0.46	-0.34	-11.26
6,434.00	2.63	345.59	6,265.72	928.53	133.08	937.94	1.39	1.31	13.46
6,524.00	2.19	344.96	6,355.64	932.19	132.12	941.41	0.49	-0.49	-0.70
6,615.00	1.42	339.46	6,446.60	934.93	131.27	943.98	0.87	-0.85	-6.04
6,706.00	1.00	343.96	6,537.58	936.75	130.65	945.68	0.47	-0.46	4.95
6,797.00	0.25	34.09	6,628.57	937.68	130.55	946.58	0.95	-0.82	55.09
6,888.00	0.31	151.96	6,719.57	937.62	130.77	946.56	0.53	0.07	129.53
6,978.00	0.63	157.59	6,809.57	936.95	131.08	945.94	0.36	0.36	6.26
7,069.00	0.81	175.96	6,900.56	935.85	131.31	944.89	0.32	0.20	20.19
7,160.00	1.19	159.84	6,991.55	934.32	131.68	943.44	0.52	0.42	-17.71
7,249.00	1.56	164.34	7,080.52	932.28	132.33	941.53	0.43	0.42	5.06
7,340.00	1.94	167.09	7,171.48	929.59	133.01	938.97	0.43	0.42	3.02
7,431.00	1.44	172.21	7,262.44	926.96	133.51	936.45	0.57	-0.55	5.63
7,522.00	1.44	179.34	7,353.41	924.68	133.67	934.22	0.20	0.00	7.84
7,612.00	1.38	269.09	7,443.39	923.53	132.60	932.92	2.21	-0.07	99.72
7,703.00	1.75	293.84	7,534.36	924.08	130.24	933.09	0.84	0.41	27.20
7,794.00	2.00	301.21	7,625.31	925.46	127.61	934.05	0.38	0.27	8.10
7,884.00	1.88	301.34	7,715.26	927.04	125.00	935.21	0.13	-0.13	0.14
7,975.00	1.42	318.17	7,806.22	928.66	122.98	936.50	0.73	-0.51	18.49
8,066.00	0.81	22.59	7,897.21	930.09	122.47	937.83	1.42	-0.67	70.79
8,157.00	0.50	37.21	7,988.20	931.00	122.96	938.81	0.38	-0.34	16.07
8,248.00	0.38	144.09	8,079.20	931.07	123.38	938.94	0.78	-0.13	117.45
8,338.00	0.38	185.35	8,169.20	930.54	123.52	938.43	0.30	0.00	45.84
8,429.00	0.63	182.71	8,260.19	929.74	123.47	937.64	0.28	0.27	-2.90

Anadarko Petroleum Corp

Survey Report

Company: US ROCKIES REGION PLANNING
Project: UTAH - UTM (feet), NAD27, Zone 12N
Site: UINTAH_BONANZA 1023-6O Pad
Well: BONANZA 1023-6O1BS
Wellbore: BONANZA 1023-6O1BS
Design: BONANZA 1023-6O1BS

Local Co-ordinate Reference: Well BONANZA 1023-6O1BS
TVD Reference: 15' rkb + 5265' GL @ 5280.00ft
MD Reference: 15' rkb + 5265' GL @ 5280.00ft
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: edmp

Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,520.00	0.75	180.71	8,351.19	928.64	123.44	936.55	0.13	0.13	-2.20
8,648.00	1.45	186.99	8,479.16	926.19	123.23	934.10	0.55	0.55	4.91
LAST SVY									
8,693.88	1.45	186.99	8,525.02	925.04	123.09	932.94	0.00	0.00	0.00
BONANZA 1023-6O1BS BHL									
8,698.00	1.45	186.99	8,529.15	924.94	123.08	932.84	0.00	0.00	0.00
PROJECTION									

Design Annotations				
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
8,648.00	8,479.16	926.19	123.23	LAST SVY
8,698.00	8,529.15	924.94	123.08	PROJECTION

Checked By: _____ Approved By: _____ Date: _____

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: 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
Various	Ponderosa Wells						UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
	18421	18519				5/1/2012	
Comments: Move the attached wells into the Ponderosa unit. All wells are WSMVD.						11/16/2012	

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)

JAIME SCHARNOWSKE

Name (Please Print)

Jaime Scharnowske

Signature

REGULATORY ANALYST

11/8/2012

Title

Date

RECEIVED

NOV 08 2012

Well Name	Quarter/Quarter	Section	Township	Range	APUI Number	County	New Entity Number	Formation
BONANZA 1023-6J2AS	NESW	6	10S	23E	4304751465	Uintah	18519	WSMVD
BONANZA 1023-6K1CS	NESW	6	10S	23E	4304751466	Uintah	18519	WSMVD
BONANZA 1023-6K2BS	NESW	6	10S	23E	4304751467	Uintah	18519	WSMVD
BONANZA 1023-6K2CS	NESW	6	10S	23E	4304751468	Uintah	18519	WSMVD
BONANZA 1023-6L2AS	NESW	6	10S	23E	4304751469	Uintah	18519	WSMVD
BONANZA 1023-6L2DS	NESW	6	10S	23E	4304751470	Uintah	18519	WSMVD
BONANZA 1023-6O1BS	SWSE	6	10S	23E	4304751473	Uintah	18519	WSMVD
BONANZA 1023-6O2DS	SWSE	6	10S	23E	4304751474	Uintah	18519	WSMVD
BONANZA 1023-6O3AS	SWSE	6	10S	23E	4304751475	Uintah	18519	WSMVD
BONANZA 1023-6P2BS	SWSE	6	10S	23E	4304751476	Uintah	18519	WSMVD
BONANZA 1023-6P3CS	SWSE	6	10S	23E	4304751478	Uintah	18519	WSMVD
BONANZA 1023-5J2DS	NESW	5	10S	23E	4304752063	Uintah	18519	WSMVD
BONANZA 1023-5K1BS	NESW	5	10S	23E	4304752064	Uintah	18519	WSMVD
BONANZA 1023-5K1CS	NESW	5	10S	23E	4304752065	Uintah	18519	WSMVD
BONANZA 1023-5K3DS	NESW	5	10S	23E	4304752066	Uintah	18519	WSMVD
BONANZA 1023-5L1DS	NESW	5	10S	23E	4304752067	Uintah	18519	WSMVD
BONANZA 1023-5L4AS	NESW	5	10S	23E	4304752068	Uintah	18519	WSMVD
BONANZA 1023-5L4DS	NESW	5	10S	23E	4304752069	Uintah	18519	WSMVD
BONANZA 1023-5O2AS	NESW	5	10S	23E	4304752070	Uintah	18519	WSMVD
BONANZA 1023-5E3BS	SWNW	5	10S	23E	4304752071	Uintah	18519	WSMVD
BONANZA 1023-5E3CS	SWNW	5	10S	23E	4304752072	Uintah	18519	WSMVD
BONANZA 1023-5L1AS	SWNW	5	10S	23E	4304752073	Uintah	18519	WSMVD
BONANZA 1023-5L3BS	SWNW	5	10S	23E	4304752074	Uintah	18519	WSMVD
BONANZA 1023-5M1AS	SWSW	5	10S	23E	4304752075	Uintah	18519	WSMVD
BONANZA 1023-5M1CS	SWSW	5	10S	23E	4304752076	Uintah	18519	WSMVD
BONANZA 1023-5M3BS	SWSW	5	10S	23E	4304752077	Uintah	18519	WSMVD
BONANZA 1023-5M3CS	SWSW	5	10S	23E	4304752078	Uintah	18519	WSMVD
BONANZA 1023-5N3CS	SWSW	5	10S	23E	4304752079	Uintah	18519	WSMVD
BONANZA 1023-5O4BS	SESE	5	10S	23E	4304752082	Uintah	18519	WSMVD
BONANZA 1023-5P1AS	SESE	5	10S	23E	4304752083	Uintah	18519	WSMVD
BONANZA 1023-5P1CS	SESE	5	10S	23E	4304752084	Uintah	18519	WSMVD
BONANZA 1023-5P4CS	SESE	5	10S	23E	4304752085	Uintah	18519	WSMVD
BONANZA 1023-5C4AS	NENW	5	10S	23E	4304752089	Uintah	18519	WSMVD
BONANZA 1023-5F2CS	NENW	5	10S	23E	4304752090	Uintah	18519	WSMVD
BONANZA 1023-5F3AS	NENW	5	10S	23E	4304752091	Uintah	18519	WSMVD
BONANZA 1023-5C2CS	NWNW	5	10S	23E	4304752092	Uintah	18519	WSMVD
BONANZA 1023-5D2DS	NWNW	5	10S	23E	4304752093	Uintah	18519	WSMVD
BONANZA 1023-5D3AS	NWNW	5	10S	23E	4304752094	Uintah	18519	WSMVD
BONANZA 1023-5E2AS	NWNW	5	10S	23E	4304752095	Uintah	18519	WSMVD
BONANZA 1023-6A1CS	NWNW	5	10S	23E	4304752096	Uintah	18519	WSMVD
BONANZA 1023-6I3AS	SWNW	5	10S	23E	4304752387	Uintah	18519	WSMVD
BONANZA 11-2	SWNW	11	10S	23E	4304734773	Uintah	18519	WSMVD
BONANZA 1023-6E4AS	SENE	6	10S	23E	4304751453	Uintah	18519	WSMVD
BONANZA 1023-6F1AS	SENE	6	10S	23E	4304751454	Uintah	18519	WSMVD
BONANZA 1023-6F1CS	SENE	6	10S	23E	4304751455	Uintah	18519	WSMVD
BONANZA 1023-6F4CS	SENE	6	10S	23E	4304751456	Uintah	18519	WSMVD
BONANZA 1023-6G2AS	SENE	6	10S	23E	4304751457	Uintah	18519	WSMVD
BONANZA 1023-6G4CS	SENE	6	10S	23E	4304751458	Uintah	18519	WSMVD
BONANZA 1023-6A3DS	SENE	6	10S	23E	4304751459	Uintah	18519	WSMVD
BONANZA 1023-6G1DS	SENE	6	10S	23E	4304751460	Uintah	18519	WSMVD
BONANZA 1023-6H1BS	SENE	6	10S	23E	4304751461	Uintah	18519	WSMVD
BONANZA 1023-6H2CS	SENE	6	10S	23E	4304751462	Uintah	18519	WSMVD
BONANZA 1023-6I2AS	SENE	6	10S	23E	4304751463	Uintah	18519	WSMVD
BONANZA 1023-6I3DS	SWSE	6	10S	23E	4304751471	Uintah	18519	WSMVD
BONANZA 1023-6J4AS	SWSE	6	10S	23E	4304751472	Uintah	18519	WSMVD
BONANZA 1023-6P3AS	SWSE	6	10S	23E	4304751477	Uintah	18519	WSMVD