API Well Number: 43047522660000

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
Morgan State 921-36N4BS

2. TYPE OF WORK
DRILL NEW WELL ■ REENTER P&A WELL ☐ DEEPEN WELL ☐

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
720 929-6515

8. ADDRESS OF OPERATOR
P.O. Box 173779, Denver, CO, 80217

9. OPERATOR E-MAIL
julie.jacobson@anadarko.com

10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)
ML 22265

11. MINERAL OWNERSHIP
FEDERAL ☐ INDIAN ☐ STATE ■ FEE ☐

12. SURFACE OWNERSHIP
FEDERAL ☐ INDIAN ☐ STATE ■ FEE ☐

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 ■ (Submit Commingling Application) NO ☐

19. SLANT
VERTICAL ☐ DIRECTIONAL ■ HORIZONTAL ☐

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	1003 FSL 1756 FWL	SESW	36	9.0 S	21.0 E	S
Top of Uppermost Producing Zone	496 FSL 2143 FWL	SESW	36	9.0 S	21.0 E	S
At Total Depth	496 FSL 2143 FWL	SESW	36	9.0 S	21.0 E	S

21. COUNTY
UINTAH

22. DISTANCE TO NEAREST LEASE LINE (Feet)
496

23. NUMBER OF ACRES IN DRILLING UNIT
639

25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)
575

26. PROPOSED DEPTH
MD: 10547 TVD: 10477

27. ELEVATION - GROUND LEVEL
5025

28. BOND NUMBER
22013542

29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE
43-8496

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	12.25	8.625	0 - 2550	28.0	J-55 LT&C	0.2	Type V	180	1.15	15.8
							Class G	270	1.15	15.8
Prod	7.875	4.5	0 - 10547	11.6	HCP-110 LT&C	13.0	Premium Lite High Strength	320	3.38	12.0
							50/50 Poz	1530	1.31	14.3

ATTACHMENTS

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

- ✔ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ✔ COMPLETE DRILLING PLAN
- ☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)
- ☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
- ✔ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)
- ✔ TOPOGRAPHICAL MAP

NAME Danielle Piernot | **TITLE** Regulatory Analyst | **PHONE** 720 929-6156

SIGNATURE | **DATE** 12/20/2011 | **EMAIL** danielle.piernot@anadarko.com

API NUMBER ASSIGNED
43047522660000

APPROVAL

Permit Manager

RECEIVED: March 20, 2012

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

MORGAN STATE 921-36N4BS

Surface: 1003 FSL / 1756 FWL SESW
BHL: 496 FSL / 2143 FWL SESW

Section 36 T9S R21E

Unitah County, Utah
Mineral Lease: ML-22265

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

Formation	Depth	Resource
Uinta	0 - Surface	
Green River	1,327'	
Birds Nest	1,609'	Water
Mahogany	2,103'	Water
Wasatch	4,550'	Gas
Mesaverde	7,184'	Gas
Sego	9,401'	Gas
Castlegate	9,457'	Gas
MN5	9,877'	Gas
TVD =	10,477'	
TD =	10,547'	

2.c Kerr McGee Oil & Gas Onshore LP (Kerr McGee) will either drill to the the Blackhawk formation, which is part of the Mesaverde formation, or the Wasatch/Mesaverde formation. If Kerr McGee drills to the Blackhawk formation (part of the Mesaverde formation), please refer to MN5 as the bottom formation. The attached Blackhawk Drilling Program includes Total Vertical Depth, Total Depth, and appropriate casing and cement programs for the deeper formation.

If Kerr McGee drills to the Wasatch/Mesaverde formation please refer to Sego as the bottom formation. The attached Wasatch/Mesaverde Drilling Program includes Total Vertical Depth, Total Depth, and appropriate casing and cement programs for the depths the Wasatch/Mesaverde formations are found.

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

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4. Proposed Casing & Cementing Program:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

5. Drilling Fluids Program:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

6. Evaluation Program:

Please refer to the attached Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

7. Abnormal Conditions:

7.a Blackhawk (Part of Mesaverde Formation) Target Formation

Maximum anticipated bottom hole pressure calculated at 10477' TVD, approximately equals 6,915 psi (0.66 psi/ft = actual bottomhole gradient)

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

Maximum anticipated surface pressure equals approximately 4,658 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))

7.b Wasach/Mesaverde Target Formation

Maximum anticipated bottom hole pressure calculated at 9401' TVD, approximately equals 6,017 psi (0.64 psi/ft = actual bottomhole gradient)

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

Maximum anticipated surface pressure equals approximately 3,935 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 Blackhawk Drilling Program and the Wasatch/Mesaverde 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.

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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 11inch 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.

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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 Blackhawk Drilling Program and the Wasatch/Mesaverde Drilling Program

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KerrMcGee

KERR-McGEE OIL & GAS ONSHORE LP

BLACKHAWK DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	December 19, 2011
WELL NAME	**MORGAN STATE 921-36N4BS**	TD	10,477' TVD 10,547' MD
FIELD	Natural Buttes	COUNTY Uintah STATE Utah	FINISHED ELEVATION 5025.4
SURFACE LOCATION	SESW 1003 FSL 1756 FWL Sec 36 T 9S R 21E		
	Latitude: 39.988192 Longitude: -109.502517		NAD 27
BTM HOLE LOCATION	SESW 496 FSL 2143 FWL Sec 36 T 9S R 21E		
	Latitude: 39.986818 Longitude: -109.501138		NAD 27
OBJECTIVE ZONE(S)	BLACKHAWK		
ADDITIONAL INFO	Regulatory Agencies: UDOGM (Minerals), UDOGM (Surface), UDOGM Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4	8-5/8", 28#, IJ-55, LTC	Air mist
		200'			
			11.00'	8-5/8", 28#, IJ-55, LTC	Air mist
	Green River @	1,327'			
	Top of Birds Nest @	1,609'			
	Mahogany @	2,103'			
	Preset f/ GL @	2,550' TVD			
	Wasatch @	4,550'			
			7-7/8"	4-1/2" 11.6# HCP-110 Ultra DQX/LTC csg	Water / Fresh Water Mud 8.3-13.0 ppg
	Mesaverde @	7,184' TVD			
	Sego @	9,401' TVD			
	Castlegate @	9,457' TVD			
	MN5 @	9,877' TVD			
	TD @	10,477' TVD 10,547' MD			

All water flows encountered while drilling will be reported to the appropriate agencies.

Note: 11" surface hole will usually be drilled ±400' below the lost circulation zone (aka bird's nest). Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone.

Mud logging program TBD
Cased hole logging program from TD - surf csg

Max anticipated Mud required 13.0 ppg

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KERR-McGEE OIL & GAS ONSHORE LP

BLACKHAWK DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION LTC	TENSION DQX
CONDUCTOR	14"	0-40'									
								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,550	28.00	IJ-55	LTC	2.11	1.58	5.57	N/A
								10,690	8,650	279,000	367,174
PRODUCTION	4-1/2"	0	to	5,000	11.60	HCP-110	DQX	1.19	1.22		3.75
	4-1/2"	5,000	to	10,547'	11.60	HCP-110	LTC	1.19	1.22	5.41	

Surface Casing:

(Burst Assumptions: TD = 13.0 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 @ 9000 psi) 0.66 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	180	60%	15.80		1.15
Option 1			+ 0.25 pps flocele					
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80		1.15
			+ 2% CaCl + 0.25 pps flocele					
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**					
Option 2	LEAD	2,050'	65/35 Poz + 6% Gel + 10 pps gilsonite	190	35%	11.00		3.82
			+ 0.25 pps Flocele + 3% salt BWOW					
	TAIL	500'	Premium cmt + 2% CaCl	150	35%	15.80		1.15
			+ 0.25 pps flocele					
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80		1.15
PRODUCTION	LEAD	4,047'	Premium Lite II +0.25 pps	320	35%	12.00		3.38
			celloflake + 5 pps gilsonite + 10% gel					
			+ 0.5% extender					
	TAIL	6,500'	50/50 Poz/G + 10% salt + 2% gel	1,530	35%	14.30		1.31
			+ 0.1% R-3					

*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.

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: Nick Spence / Danny Showers / Chad Loesel **DATE:**

DRILLING SUPERINTENDENT: Kenny Gathings / Lovel Young **DATE:**

RECEIVED: December 20, 2011

KerrMcGee

KERR-McGEE OIL & GAS ONSHORE LP
WASATCH/MESAVERDE DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	December 19, 2011
WELL NAME	**MORGAN STATE 921-36N4BS**	TD	9,401' TVD 9,471' MD
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah
		FINISHED ELEVATION	5025.4
SURFACE LOCATION	SESW 1003 FSL 1756 FWL Sec 36 T 9S R 21E		
	Latitude: 39.988192 Longitude: -109.502517 NAD 27		
BTM HOLE LOCATION	SESW 496 FSL 2143 FWL Sec 36 T 9S R 21E		
	Latitude: 39.986818 Longitude: -109.501138 NAD 27		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: UDOGM (Minerals), UDOGM (Surface), UDOGM Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
		200'	12-1/4	8-5/8", 28#, IJ-55, LTC	Air mist
			11.00'	8-5/8", 28#, IJ-55, LTC	Air mist
			7-7/8"	4-1/2" 11.6# I-80 Ultra DQX/LTC csg	Water / Fresh Water Mud 8.3-12.5 ppg

All water flows encountered while drilling will be reported to the appropriate agencies.

Green River @ 1,327'
Top of Birds Nest @ 1,609'
Mahogany @ 2,103'

Preset f/ GL @ 2,550' TVD

Note: 11" surface hole will usually be drilled ±400' below the lost circulation zone (aka bird's nest). Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone.

Wasatch @ 4,550'

Mud logging program TBD
Cased hole logging program from TD - surf csg

Mesaverde @ 7,184' TVD

Sego 9,401' TVD

Max anticipated Mud required 12.5 ppg

TD @ 9,401' TVD 9,471' MD

KERR-McGEE OIL & GAS ONSHORE LP

WASATCH/MESAVERDE DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION	TENSION LTC	TENSION DQX
CONDUCTOR	14"	0-40'										
								3,390	1,880	348,000	N/A	
SURFACE	8-5/8"	0	to	2,550	28.00	IJ-55	LTC	2.11	1.58	5.57	N/A	
								7,780	6,350		267,035	
PRODUCTION	4-1/2"	0	to	5,000	11.60	I-80	DQX	1.11	1.04		3.00	
								7,780	6,350	223,000		
	4-1/2"	5,000	to	9,471'	11.60	I-80	LTC	1.11	1.04	5.31		

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	180	60%	15.80		1.15
Option 1			+ 0.25 pps flocele					
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80		1.15
			+ 2% CaCl + 0.25 pps flocele					
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**					
Option 2	LEAD	2,050'	65/35 Poz + 6% Gel + 10 pps gilsonite	190	35%	11.00		3.82
			+ 0.25 pps Flocele + 3% salt BWOW					
	TAIL	500'	Premium cmt + 2% CaCl	150	35%	15.80		1.15
			+ 0.25 pps flocele					
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80		1.15
PRODUCTION	LEAD	4,041'	Premium Lite II +0.25 pps	320	35%	12.00		3.38
			celloflake + 5 pps gilsonite + 10% gel					
			+ 0.5% extender					
	TAIL	5,430'	50/50 Poz/G + 10% salt + 2% gel	1,280	35%	14.30		1.31
			+ 0.1% R-3					

*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.

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:** _____

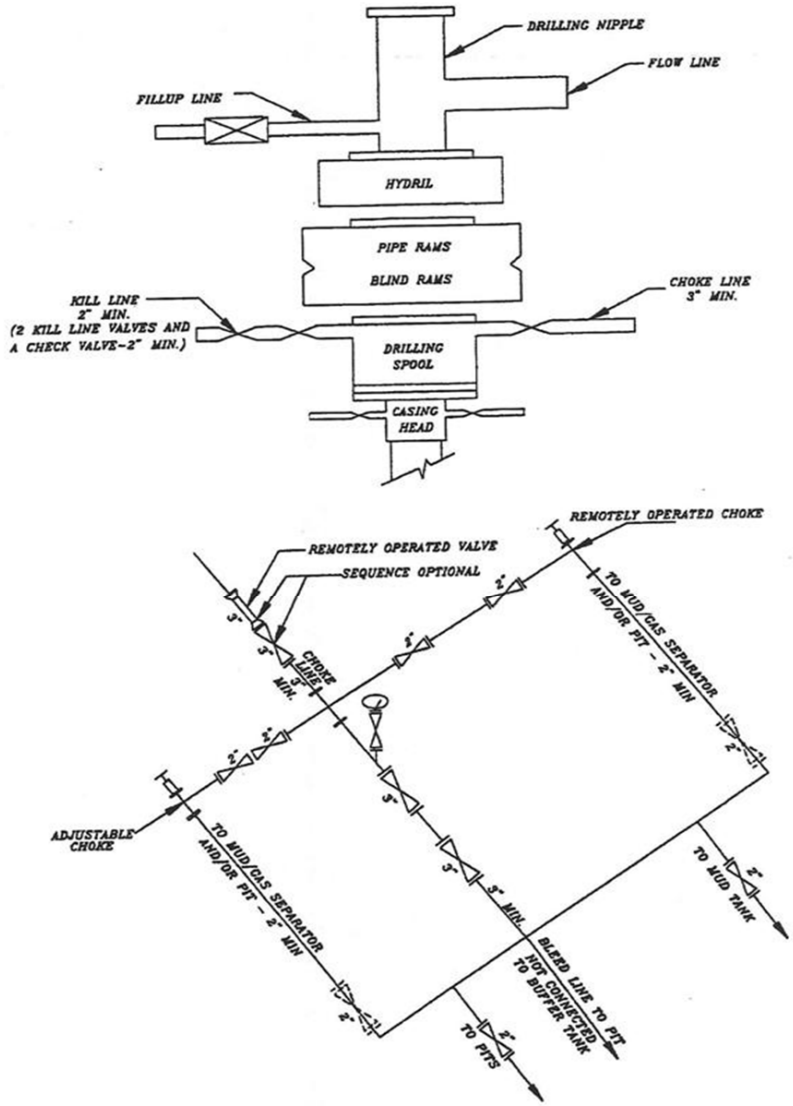
Nick Spence / Danny Showers / Chad Loesel

DRILLING SUPERINTENDENT: _____ **DATE:** _____

Kenny Gathings / Lovel Young

RECEIVED: December 20, 2011

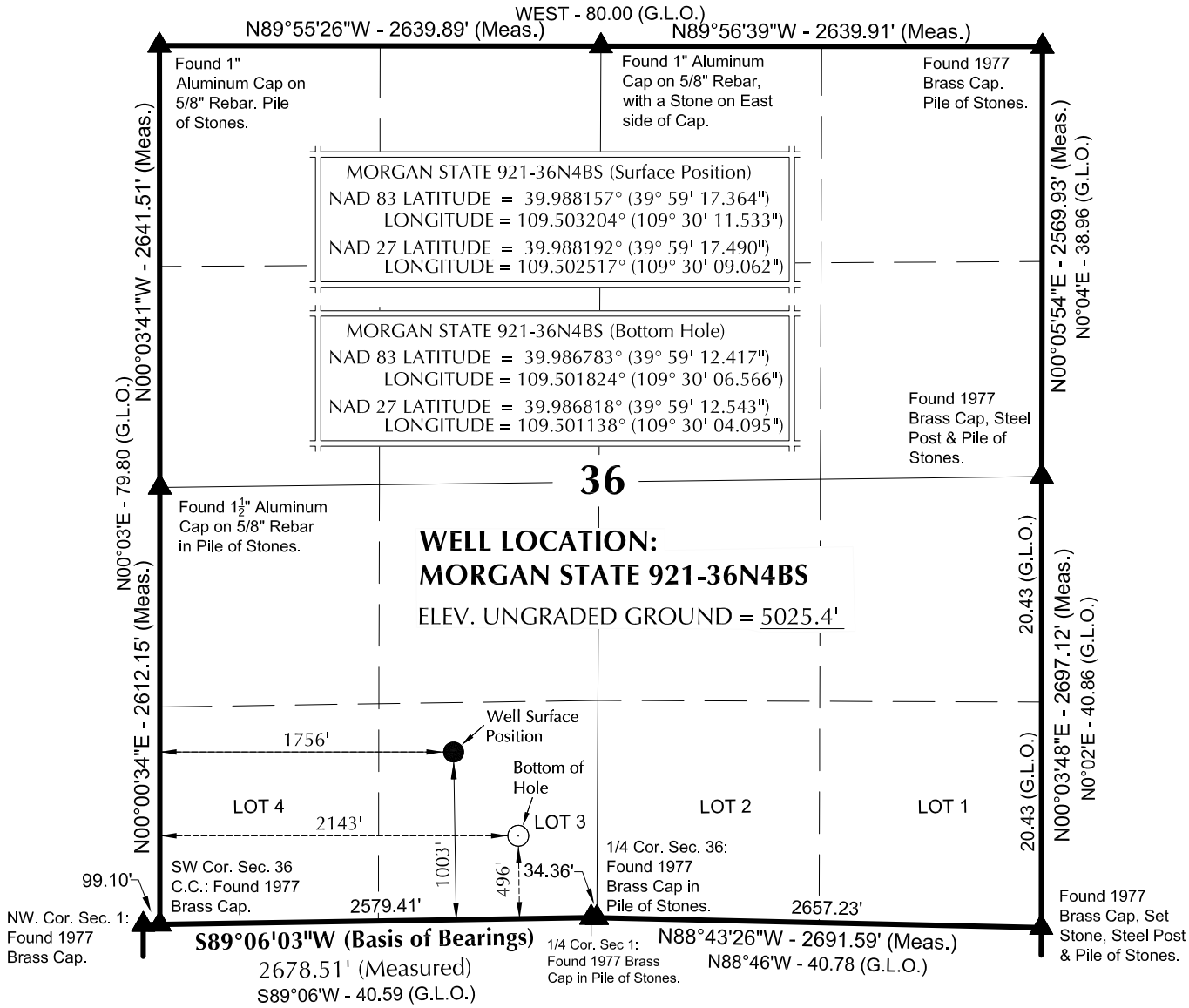
EXHIBIT A
MORGAN STATE 921-36N4BS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

RECEIVED: December 20, 2011

T9S, R21E, 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 S37°39'19"E 632.65' 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'.

N

1000' 500' 0' 1000'

SCALE

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.

11-11-11

PROFESSIONAL LAND SURVEYOR No.6028691 JOHN R LAUGHLIN STATE OF UTAH

PROFESSIONAL LAND SURVEYOR
REGISTRATION No. 6028691
STATE OF UTAH

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

WELL PAD: MORGAN STATE 921-36N

MORGAN STATE 921-36N4BS
WELL PLAT
496' FSL, 2143' FWL (Bottom Hole)
LOT 3 OF SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

609 CONSULTING, LLC
2155 North Main Street
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

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

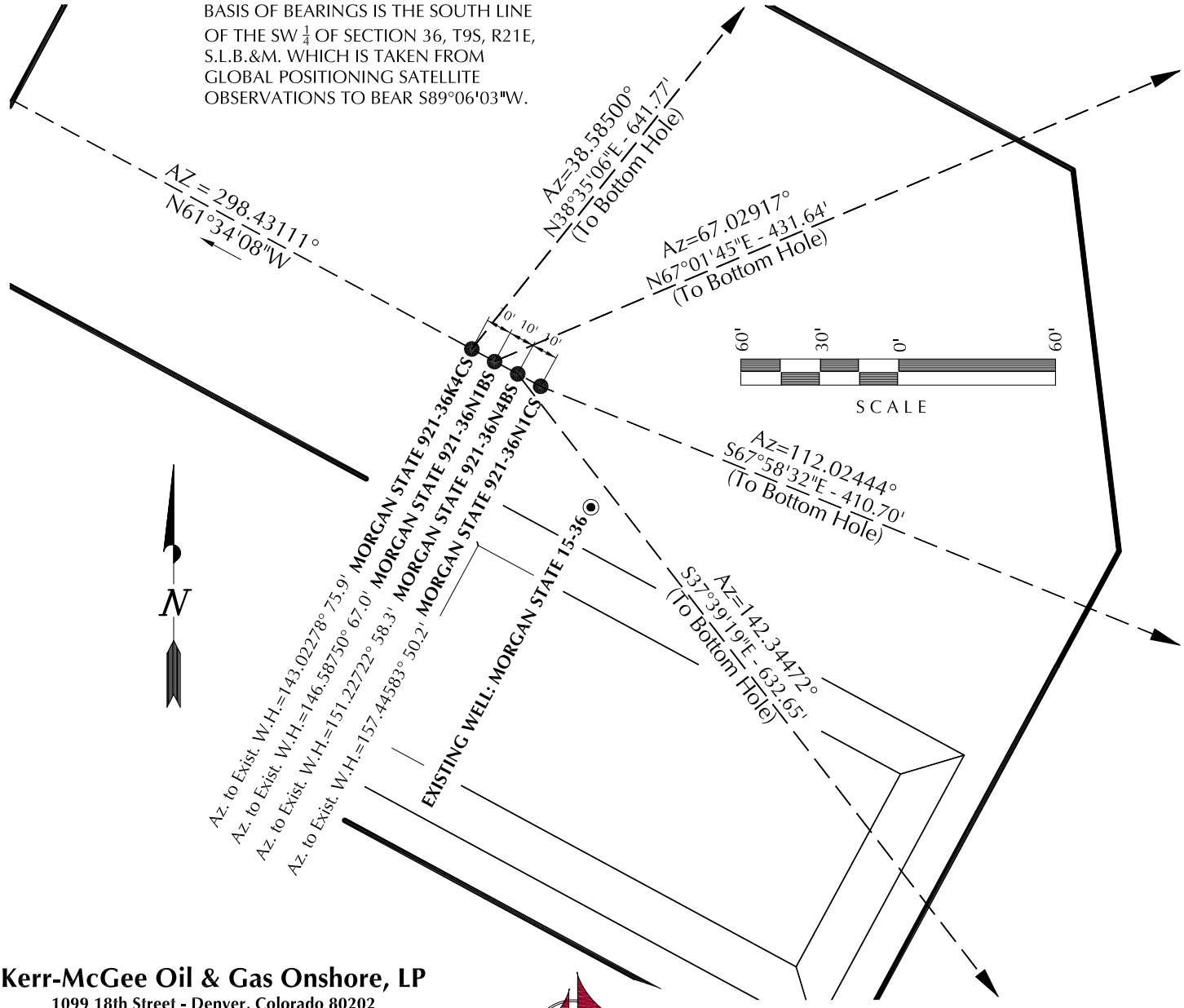
DATE SURVEYED: 9-20-11	SURVEYED BY: J.W.	SHEET NO: 2
DATE DRAWN: 11-03-11	DRAWN BY: T.J.R.	
SCALE: 1" = 1000'	Date Last Revised:	2 OF 16

API Well Number: 43047522660000

WELL NAME	SURFACE POSITION					BOTTOM HOLE				
	NAD83		NAD27			NAD83		NAD27		
	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	FOOTAGES	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	FOOTAGES
MORGAN STATE 921-36N1CS	39°59'17.317" 39.988144°	109°30'11.419" 109.503172°	39°59'17.443" 39.988179°	109°30'08.948" 109.502486°	998' FSL 1765' FWL	39°59'15.797" 39.987721°	109°30'06.528" 109.501813°	39°59'15.923" 39.987756°	109°30'04.058" 109.501127°	838' FSL 2146' FWL
MORGAN STATE 921-36N4BS	39°59'17.364" 39.988157°	109°30'11.533" 109.503204°	39°59'17.490" 39.988192°	109°30'09.062" 109.502517°	1003' FSL 1756' FWL	39°59'12.417" 39.986783°	109°30'06.566" 109.501824°	39°59'12.543" 39.986818°	109°30'04.095" 109.501138°	496' FSL 2143' FWL
MORGAN STATE 921-36N1BS	39°59'17.412" 39.988170°	109°30'11.646" 109.503235°	39°59'17.538" 39.988205°	109°30'09.175" 109.502549°	1008' FSL 1748' FWL	39°59'19.078" 39.988633°	109°30'06.542" 109.501817°	39°59'19.204" 39.988668°	109°30'04.072" 109.501131°	1170' FSL 2145' FWL
MORGAN STATE 921-36K4CS	39°59'17.458" 39.988183°	109°30'11.759" 109.503266°	39°59'17.584" 39.988218°	109°30'09.288" 109.502580°	1013' FSL 1739' FWL	39°59'22.416" 39.989560°	109°30'06.621" 109.501839°	39°59'22.542" 39.989595°	109°30'04.150" 109.501153°	1508' FSL 2139' FWL
MORGAN STATE 15-36	39°59'16.859" 39.988017°	109°30'11.172" 109.503103°	39°59'16.985" 39.988051°	109°30'08.701" 109.502417°	951' FSL 1785' FWL					

RELATIVE COORDINATES - From Surface Position to Bottom Hole

WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST
MORGAN STATE 921-36N1CS	-154.0'	380.7'	MORGAN STATE 921-36N4BS	-500.9'	386.5'	MORGAN STATE 921-36N1BS	168.5'	397.4'	MORGAN STATE 921-36K4CS	501.7'	400.3'



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

WELL PAD - MORGAN STATE 921-36N

WELL PAD INTERFERENCE PLAT
WELLS - MORGAN STATE 921-36N1CS, MORGAN STATE 921-36N4BS, MORGAN STATE 921-36N1BS & MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH.

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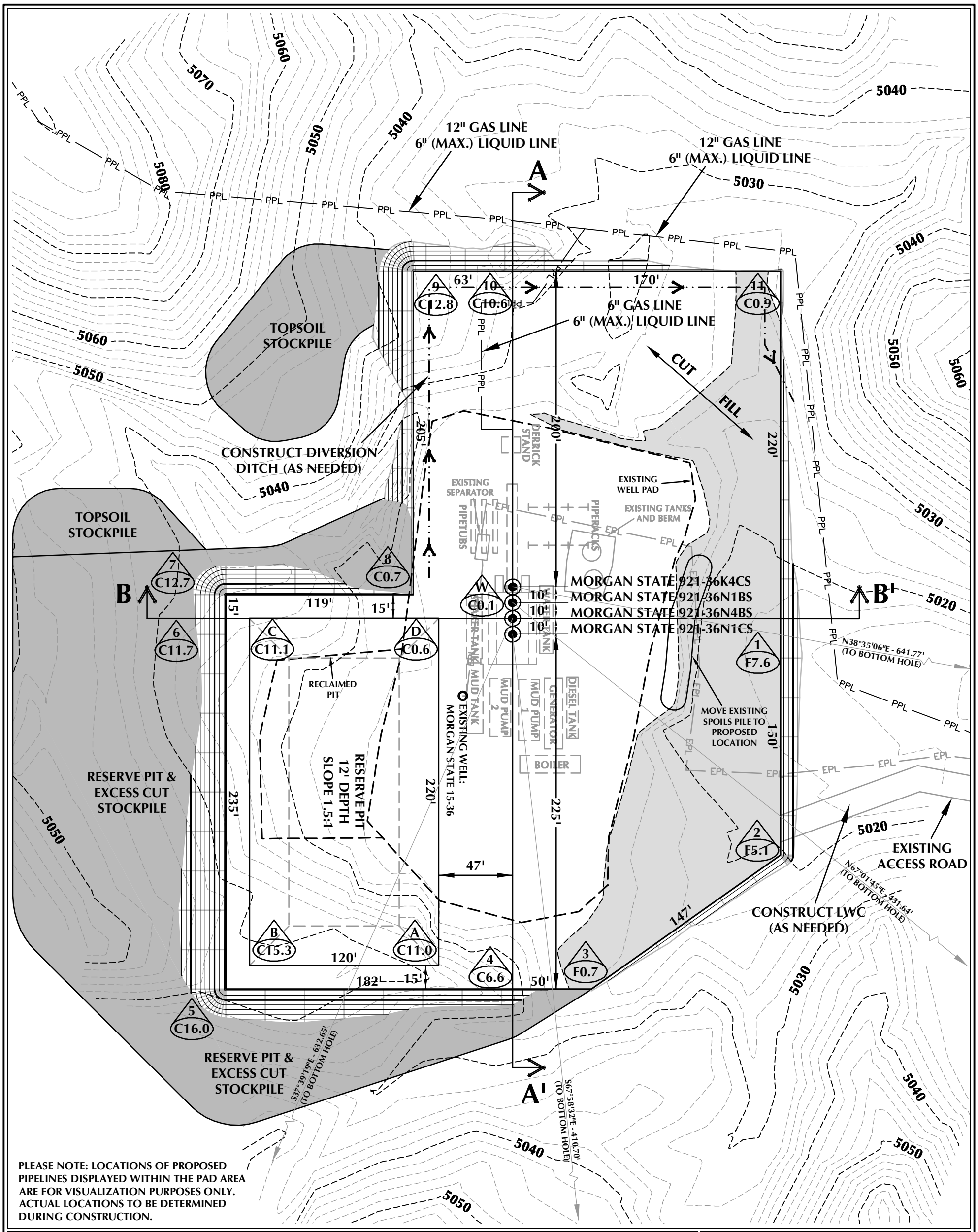
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 9-20-11	SURVEYED BY: J.W.	SHEET NO:
DATE DRAWN: 11-03-11	DRAWN BY: T.J.R.	5
SCALE: 1" = 60'	Date Last Revised:	5 OF 16

RECEIVED: December 20, 2011



WELL PAD - MORGAN STATE 921-36N DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 5025.4'
FINISHED GRADE ELEVATION = 5025.3'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1
TOTAL WELL PAD AREA = 3.44 ACRES
TOTAL DISTURBANCE AREA = 4.83 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00

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

WELL PAD QUANTITIES

TOTAL CUT FOR WELL PAD = 14,188 C.Y.
TOTAL FILL FOR WELL PAD = 5,467 C.Y.
TOPSOIL @ 6" DEPTH = 1,897 C.Y.
EXCESS MATERIAL = 8,721 C.Y.

RESERVE PIT QUANTITIES

TOTAL CUT FOR RESERVE PIT
+/- 9,210 C.Y.
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 35,230 BARRELS

WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PPL — PROPOSED PIPELINE
- EPL — EXISTING PIPELINE

HORIZONTAL 0 30' 60' 1" = 60'
2' CONTOURS

WELL PAD - MORGAN STATE 921-36N

WELL PAD - LOCATION LAYOUT
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

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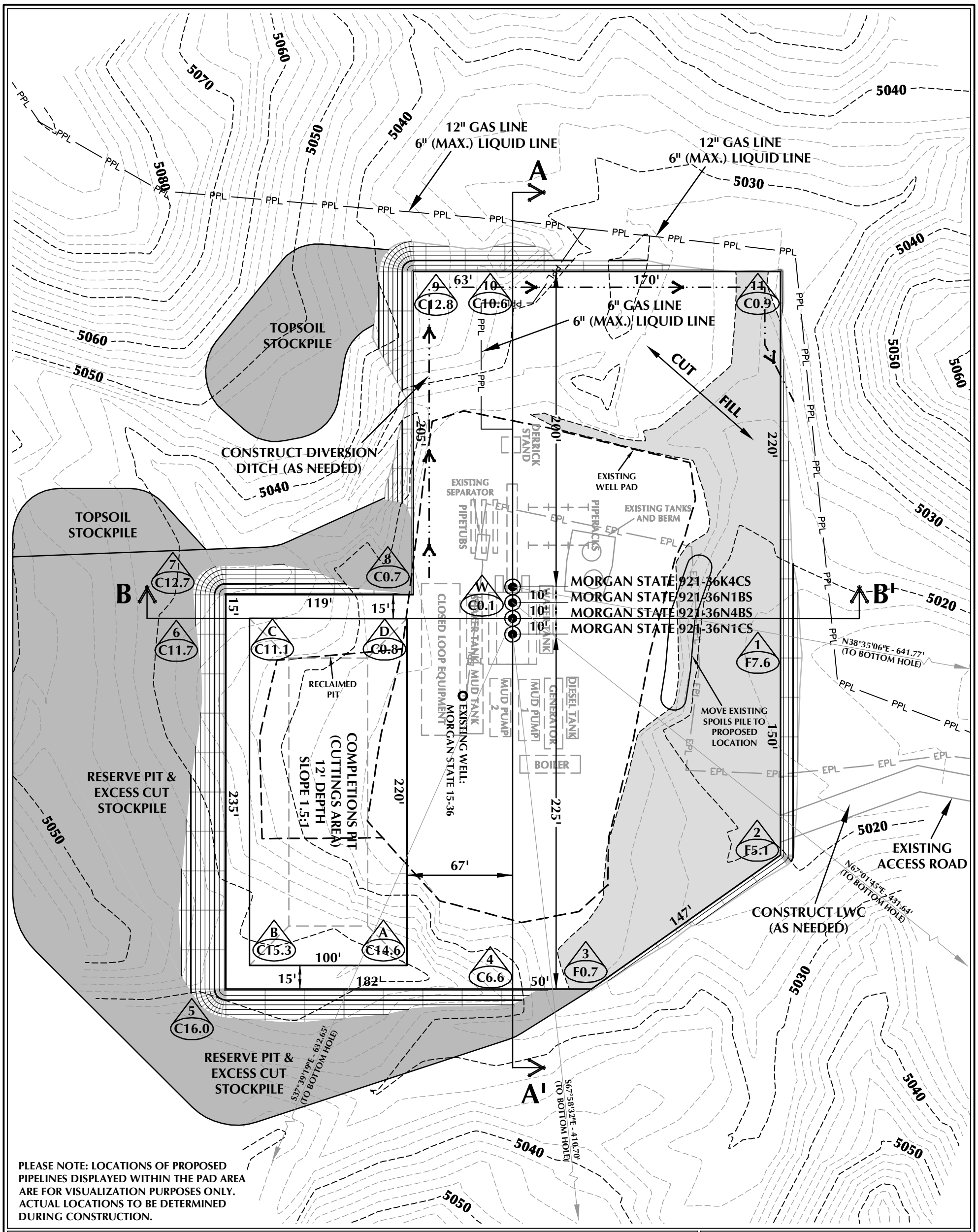
TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

SCALE: 1"=60' | DATE: 11/11/11 | SHEET NO: 6
REVISED:
6 OF 16

RECEIVED: December 20, 2011



WELL PAD - MORGAN STATE 921-36N (CLOSED LOOP) DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 5025.4'
FINISHED GRADE ELEVATION = 5025.3'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1
TOTAL WELL PAD AREA = 3.44 ACRES
TOTAL DISTURBANCE AREA = 4.83 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00

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

WELL PAD - MORGAN STATE 921-36N

WELL PAD - LOCATION LAYOUT
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

WELL PAD QUANTITIES

TOTAL CUT FOR WELL PAD = 14,188 C.Y.
TOTAL FILL FOR WELL PAD = 5,467 C.Y.
TOPSOIL @ 6" DEPTH = 1,897 C.Y.
EXCESS MATERIAL = 8,721 C.Y.

COMPLETIONS PIT QUANTITIES

TOTAL CUT FOR COMPLETIONS PIT
+/- 7,410 C.Y.
COMPLETIONS PIT CAPACITY
(2' OF FREEBOARD)
+/- 28,140 BARRELS

WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PPL — PROPOSED PIPELINE
- EPL — EXISTING PIPELINE

HORIZONTAL 0 30' 60' 1" = 60'
2' CONTOURS

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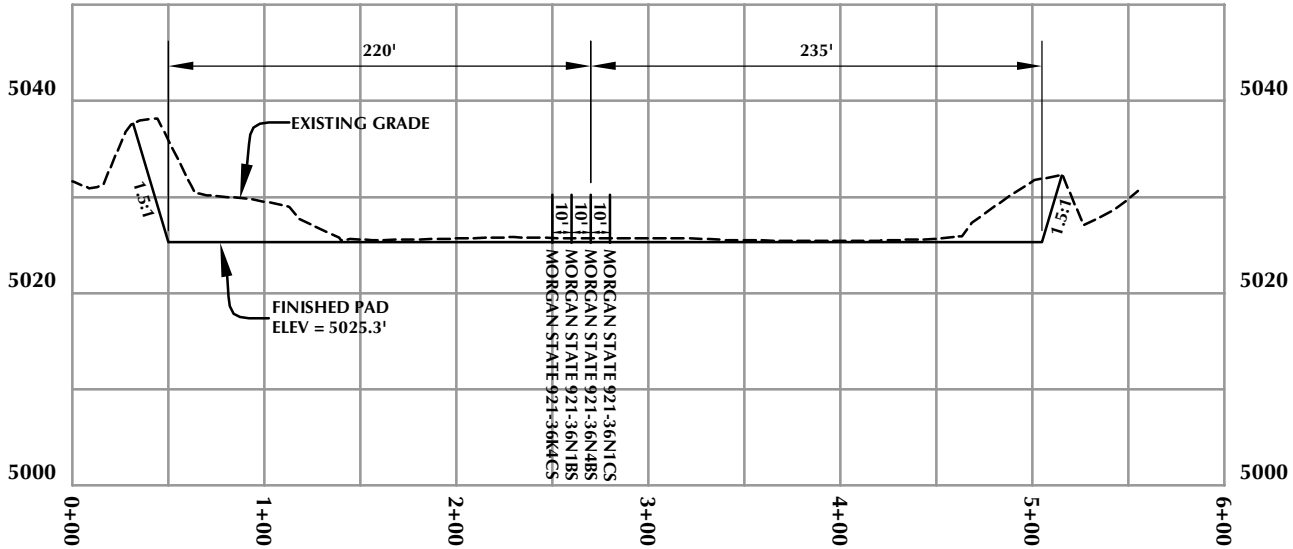
TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

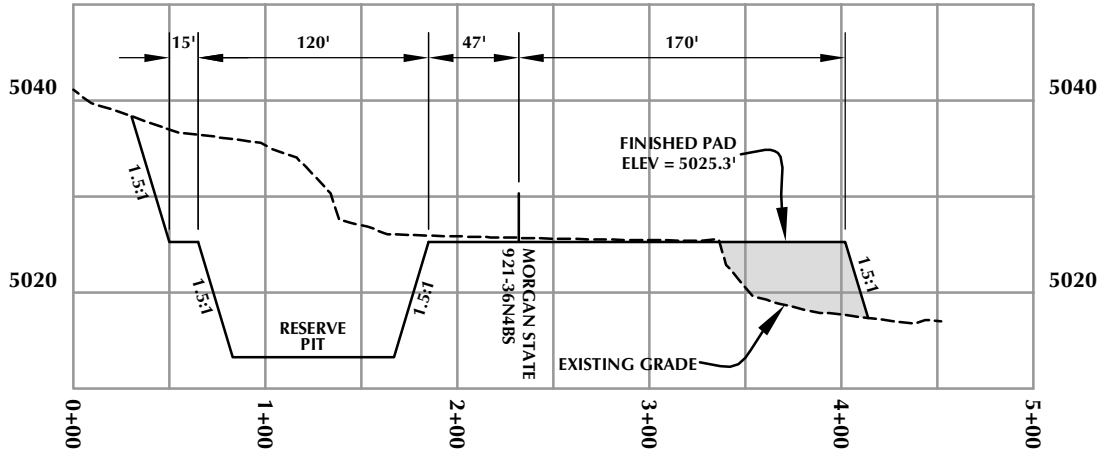
SCALE: 1"=60' | DATE: 11/15/11 | SHEET NO: 6B 6B OF 16
REVISED:

K:\ANADARKO\2011\2011_65_NBU_FOCUS_921-36\DWGS\MORGAN STATE 921-36N\MORGAN STATE 921-36N.dwg, 11/15/2011 9:39:36 PM, andy

RECEIVED: December 20, 2011



CROSS SECTION A-A'



CROSS SECTION B-B'

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

WELL PAD - MORGAN STATE 921-36N

WELL PAD - CROSS SECTIONS
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

609
CONSULTING, LLC
2155 North Main Street
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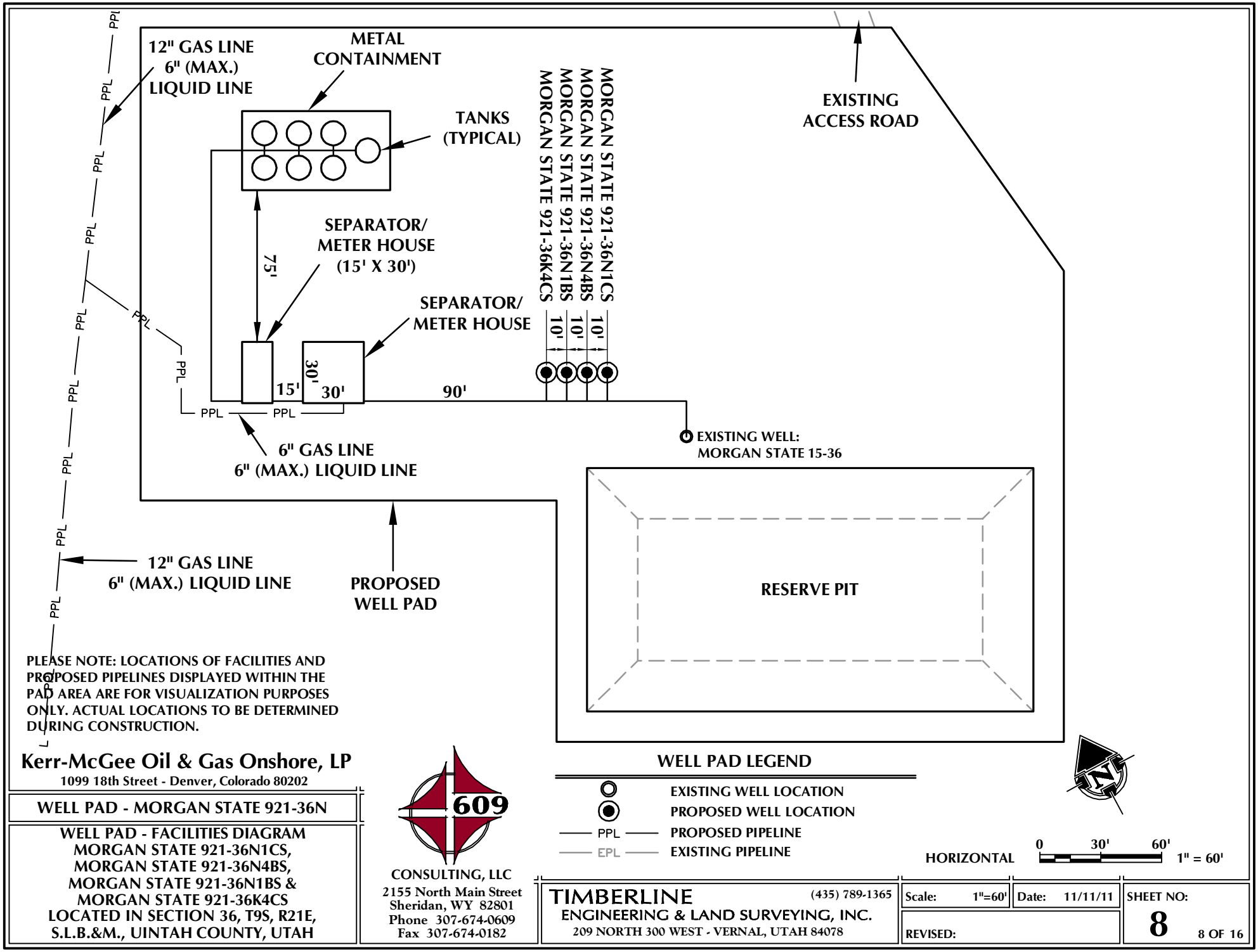
Phone 307-674-0609
Fax 307-674-0182

HORIZONTAL 0 50' 100' 1" = 100'
VERTICAL 0 10' 20' 1" = 20'

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

Scale: 1"=100' | Date: 11/11/11 | SHEET NO: 7
REVISED:
7 OF 16

K:\ANADARKO\2011\2011_65_NBU_FOCUS_921-36\DWGS\MORGAN STATE 921-36N\MORGAN STATE 921-36N.dwg, 11/12/2011 11:52:44 AM, getty



RECEIVED: December 20, 2011

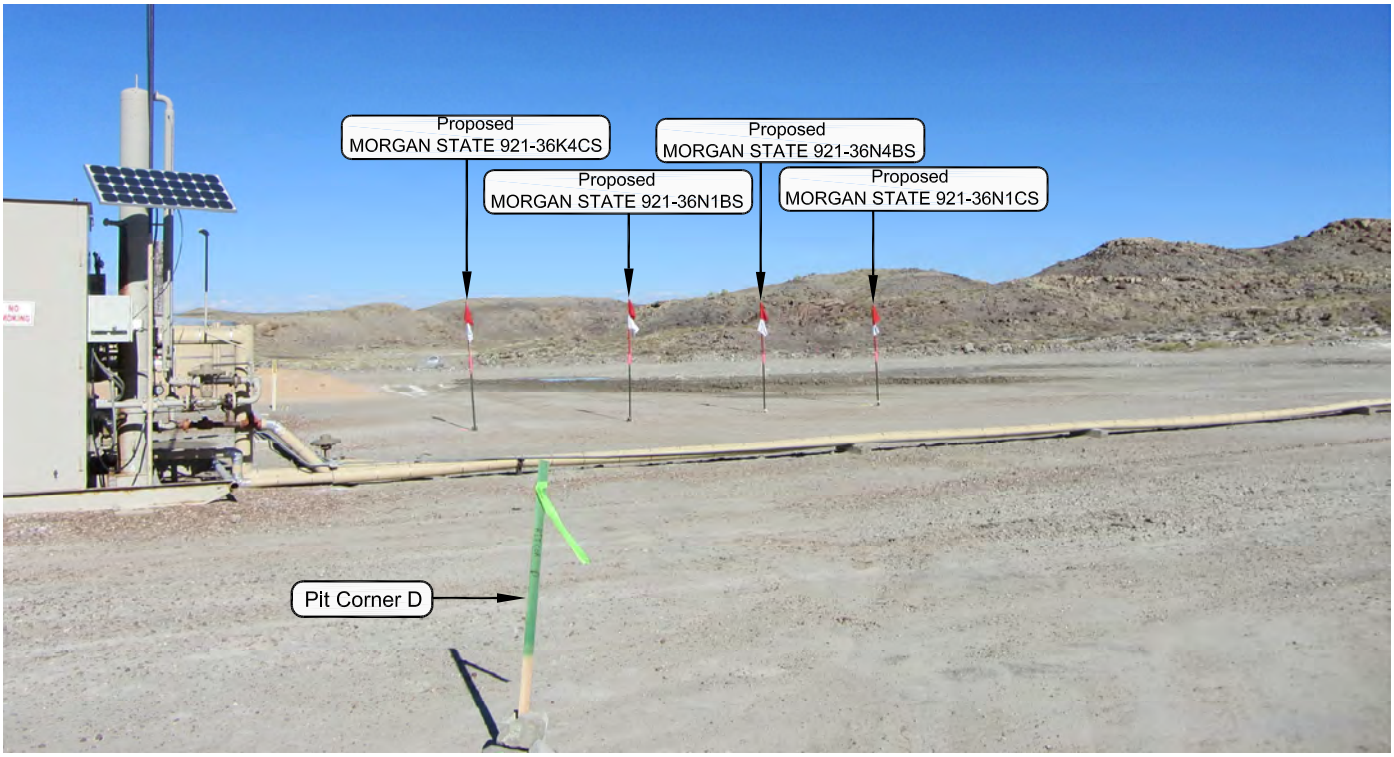


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE **CAMERA ANGLE: NORTHEASTERLY**

PHOTO VIEW: FROM EXISTING ACCESS ROAD **CAMERA ANGLE: SOUTHWESTERLY**

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

WELL PAD - MORGAN STATE 921-36N

LOCATION PHOTOS
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

609
CONSULTING, LLC
2155 North Main Street
Sheridan WY 82801
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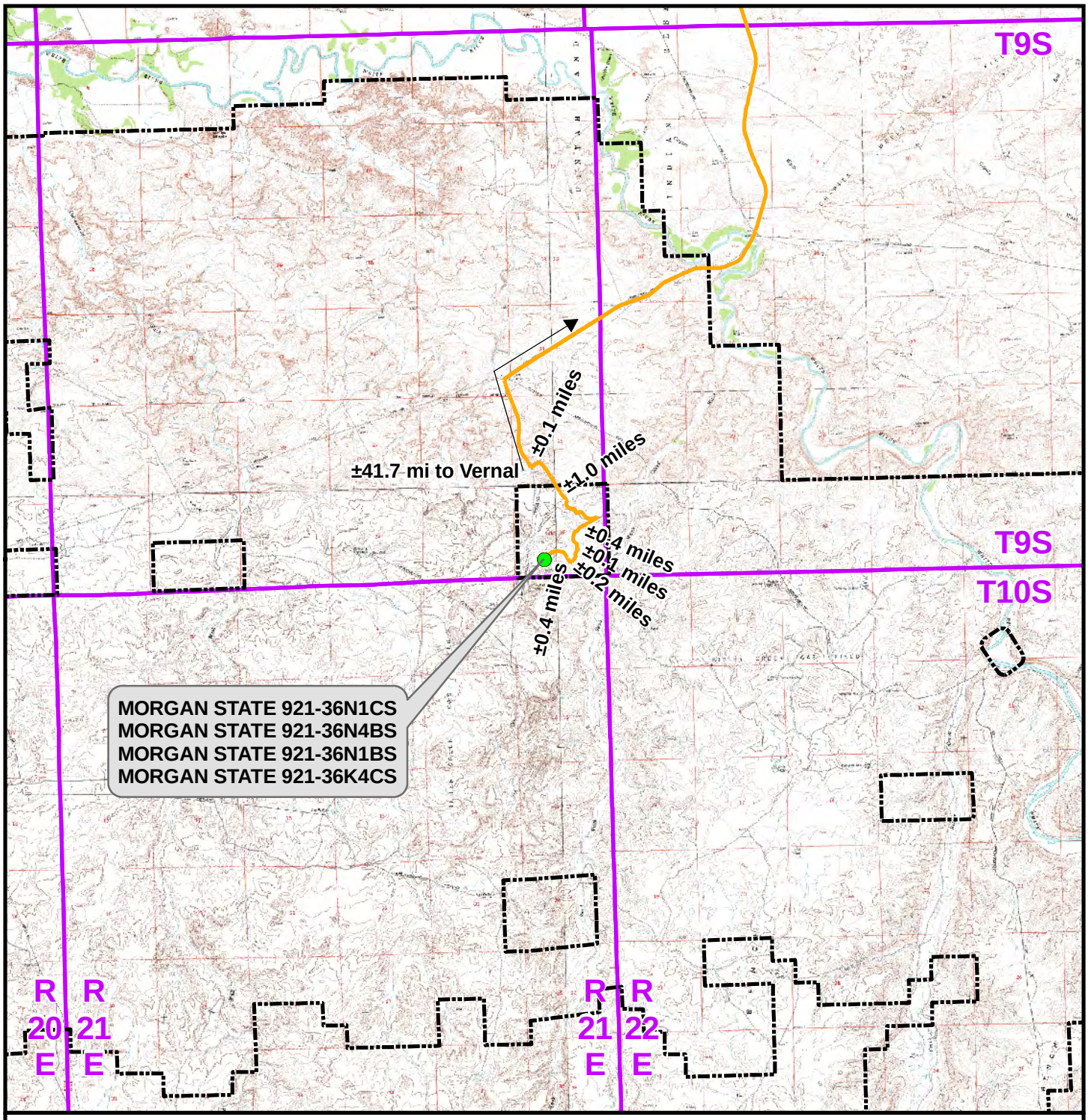
TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN: 9-20-11	PHOTOS TAKEN BY: J.W.	SHEET NO:
DATE DRAWN: 11-03-11	DRAWN BY: T.J.R.	9
Date Last Revised:		9 OF 16

RECEIVED: December 20, 2011

API Well Number: 43047522660000



Legend

Distance From Well Pad - MORGAN STATE 921-36N To Unit Boundary: ±998ft

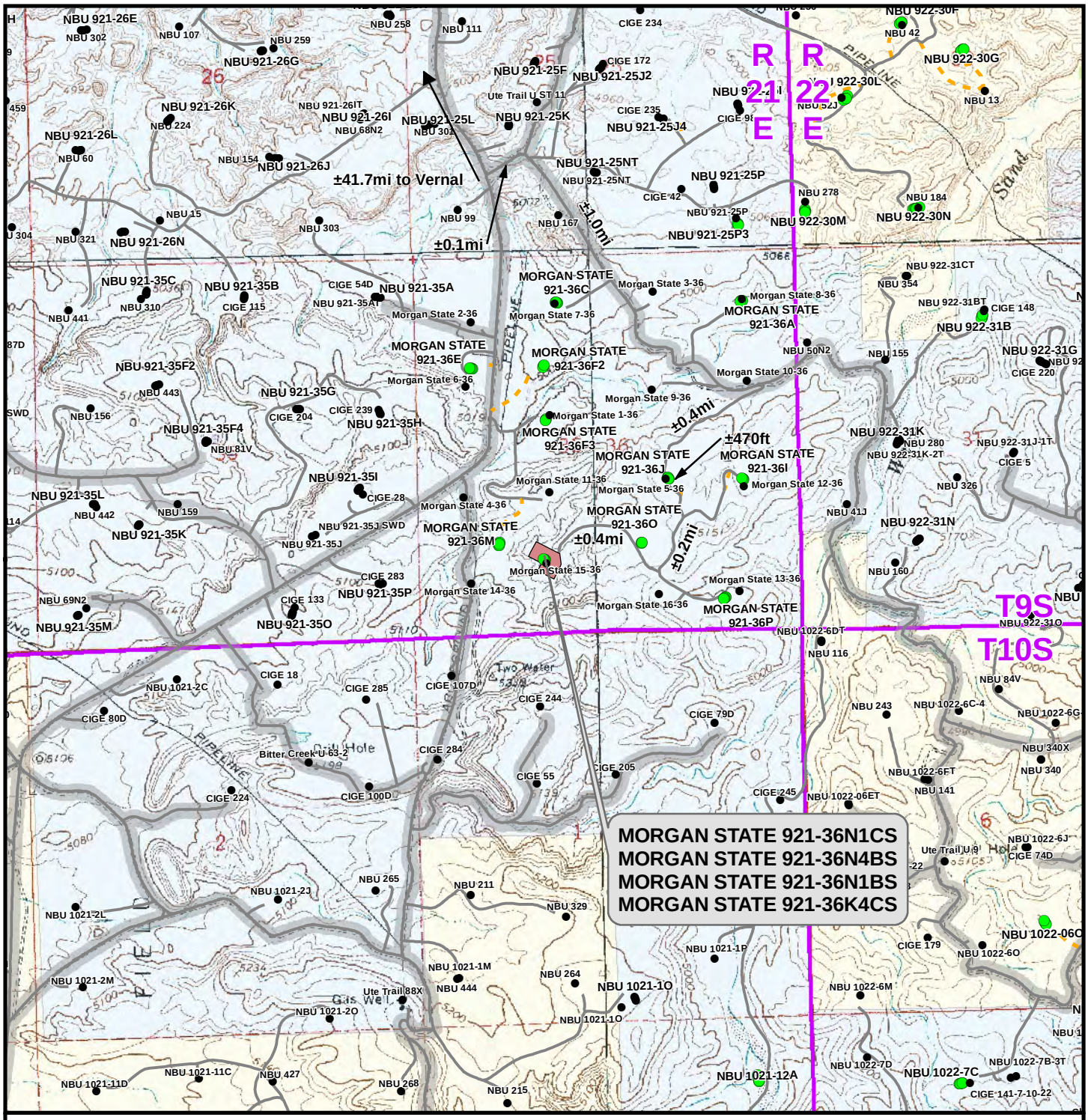
- Proposed Well Location
- Natural Buttes Unit Boundary
- Access Route - Proposed

WELL PAD - MORGAN STATE 921-36N	**Kerr-McGee Oil & Gas Onshore L.P.**	**609 CONSULTING, LLC** 2155 North Main Street Sheridan, Wyoming 82801 Phone 307-674-0609 Fax 307-674-0182
TOPO A MORGAN STATE 921-36N1CS, MORGAN STATE 921-36N4BS, MORGAN STATE 921-36N1BS & MORGAN STATE 921-36K4CS LOCATED IN SECTION 36, T9S, R21E, S.L.B.&M., UINTAH COUNTY, UTAH	**1099 18th Street Denver, Colorado 80202**	SCALE: 1:100,000 · NAD83 USP Central · SHEET NO: 10 · DRAWN: TL · DATE: 11 Nov 2011 · REVISED: · DATE: · 10 OF 16

N

RECEIVED: December 20, 2011

API Well Number: 43047522660000



Legend

Total Proposed Road Length: ±0ft

- Well - Proposed
- Well - Existing
- Well Pad
- Road - Proposed
- Road - Existing
- County Road
- Bureau of Land Management
- Indian Reservation
- State
- Private

WELL PAD - MORGAN STATE 921-36N

TOPO B
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.

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Denver, Colorado 80202

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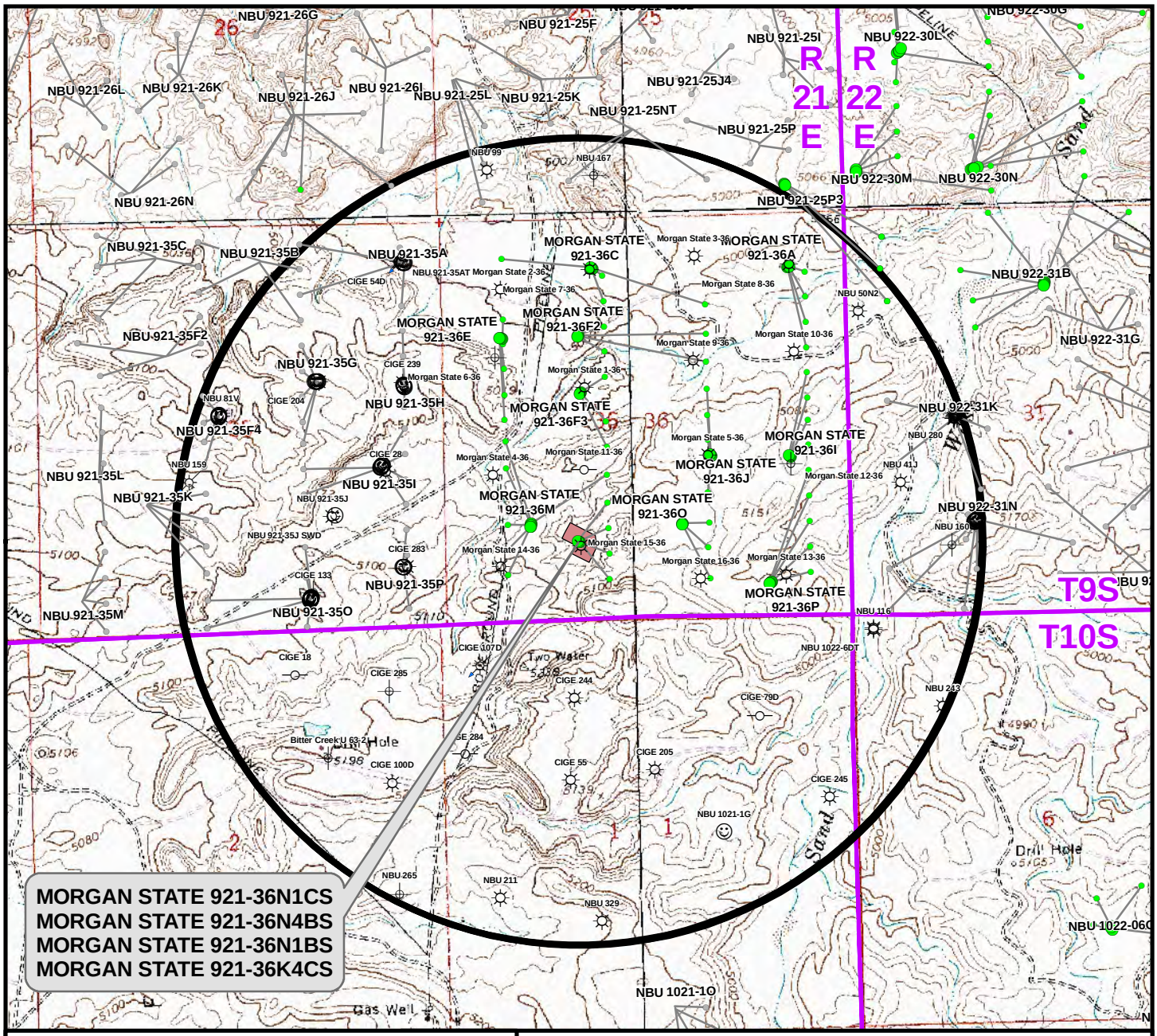
N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO: 11
DRAWN: TL	DATE: 11 Nov 2011	11 OF 16
REVISED:	DATE:	

RECEIVED: December 20, 2011



Well locations derived from Utah Division of Oil, Gas and Mining (UDOGM) (oilgas.ogm.utah.gov). The estimated distances from proposed bore locations to the nearest existing bore locations are based on UDOGM data.

Proposed Well	Nearest Well Bore	Footage
MORGAN STATE 921-36N1CS	Morgan State 15-36	377ft
MORGAN STATE 921-36N4BS	Morgan State 15-36	575ft
MORGAN STATE 921-36N1BS	Morgan State 15-36	424ft
MORGAN STATE 921-36K4CS	Morgan State 11-36	522ft

Legend

- Well - Proposed
- Bottom Hole - Proposed
- Bottom Hole - Existing
- Well Path
- Well Pad
- Well - 1 Mile Radius
- Producing
- Spudded
- APD Approved
- Preliminary Location
- Deferred
- Cancelled
- Temporarily Abandoned
- Active Injector
- Location Abandoned
- Plugged & Abandoned
- Shut-In

WELL PAD - MORGAN STATE 921-36N

TOPO C
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

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Denver, Colorado 80202

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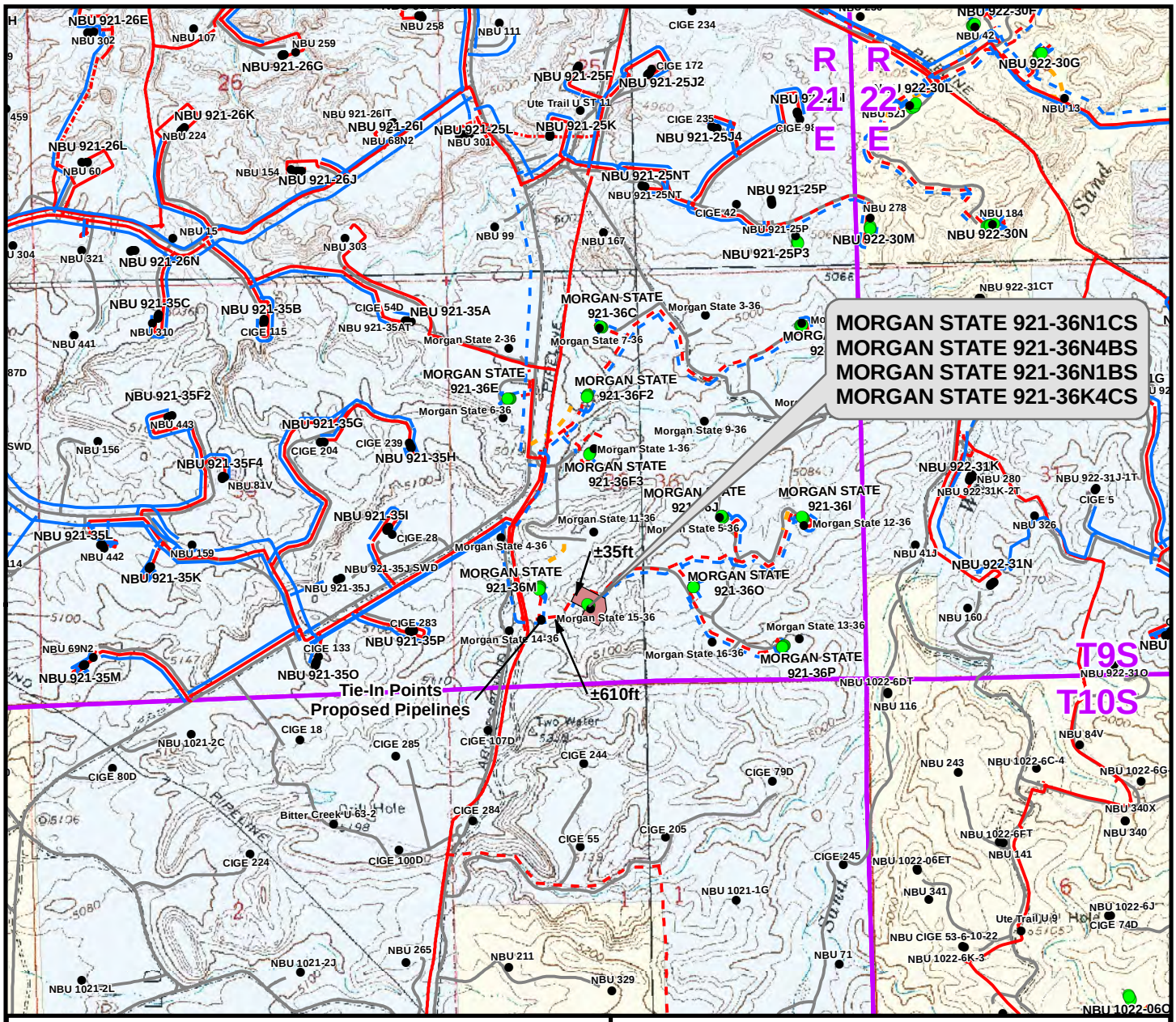
N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO: 12
DRAWN: TL	DATE: 11 Nov 2011	12 OF 16
REVISED:	DATE:	

RECEIVED: December 20, 2011



Proposed Liquid Pipeline	Length
Buried 6"(Max.) (Meter House to Edge of Pad)	±160ft
Buried 6"(Max.) (Edge of Pad to 36O Intersection)	±35ft
Buried 6"(Max.) (36O Intersection to 36M Intersection)	±610ft
TOTAL PROPOSED BURIED LIQUID PIPELINE =	±805ft

Proposed Gas Pipeline	Length
Buried 6" (Meter House to Edge of Pad)	±160ft
Buried 6" (Edge of Pad to 36O Intersection)	±35ft
Buried 12" (36O Intersection to 36M Intersection)	±610ft
TOTAL PROPOSED BURIED GAS PIPELINE =	±805ft

Legend

- Well - Proposed
- Well - Existing
- Well Pad
- Gas Pipeline - Proposed
- Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- Liquid Pipeline - Proposed
- Liquid Pipeline - Existing
- Road - Proposed
- Road - Existing
- Bureau of Land Management
- Indian Reservation
- State
- Private

WELL PAD - MORGAN STATE 921-36N

TOPO D
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

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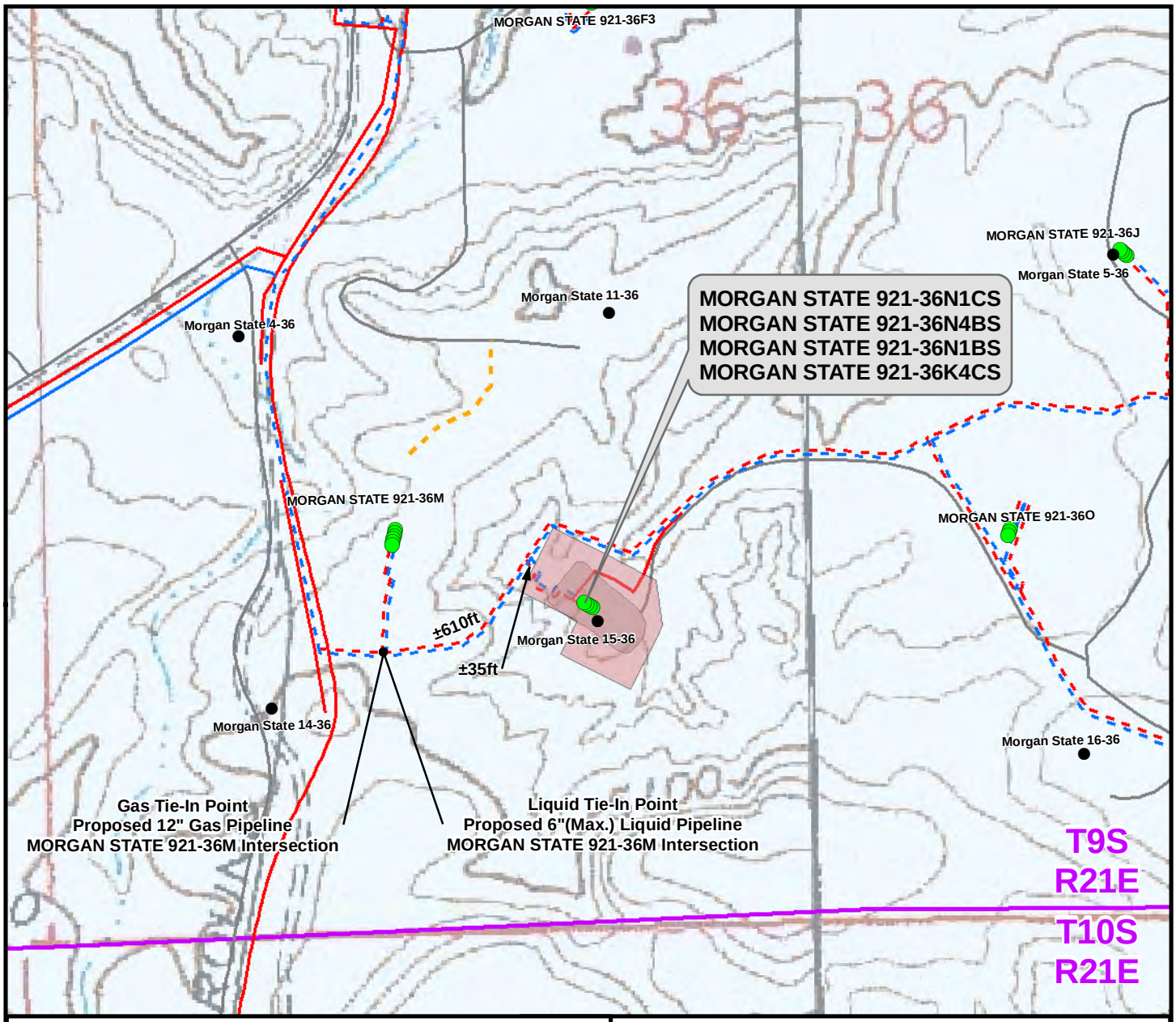
N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO: 13
DRAWN: TL	DATE: 11 Nov 2011	13 OF 16
REVISED:	DATE:	

RECEIVED: December 20, 2011



Proposed Liquid Pipeline	Length
Buried 6"(Max.) (Meter House to Edge of Pad)	±160ft
Buried 6"(Max.) (Edge of Pad to 36O Intersection)	±35ft
Buried 6"(Max.) (36O Intersection to 36M Intersection)	±610ft
TOTAL PROPOSED BURIED LIQUID PIPELINE =	±805ft

Proposed Gas Pipeline	Length
Buried 6" (Meter House to Edge of Pad)	±160ft
Buried 6" (Edge of Pad to 36O Intersection)	±35ft
Buried 12" (36O Intersection to 36M Intersection)	±610ft
TOTAL PROPOSED BURIED GAS PIPELINE =	±805ft

Legend

- Well - Proposed
- Well - Existing
- Well Pad - Proposed
- Well Pad - Existing
- Gas Pipeline - Proposed
- Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- Liquid Pipeline - Proposed
- Liquid Pipeline - Existing
- Road - Existing
- Road - Proposed
- Bureau of Land Management
- Indian Reservation
- State
- Private

WELL PAD - MORGAN STATE 921-36N

TOPO D2 (PAD & PIPELINE DETAIL)
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.

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Denver, Colorado 80202

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2155 North Main Street
Sheridan, Wyoming 82801
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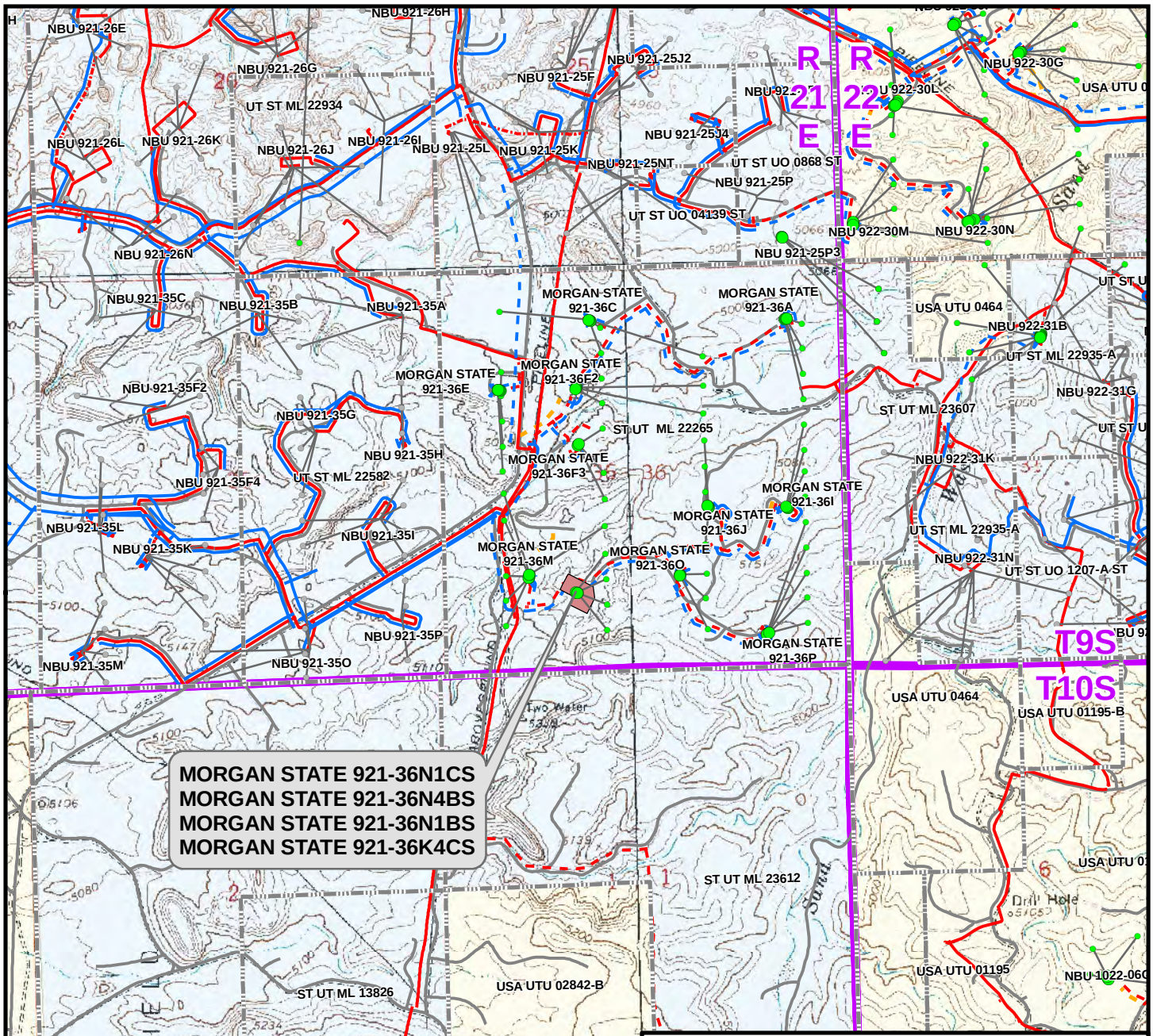
Fax 307-674-0182

N

SCALE: 1" = 500ft	NAD83 USP Central	SHEET NO: 14
DRAWN: TL	DATE: 11 Nov 2011	14 OF 16
REVISED:	DATE:	

RECEIVED: December 20, 2011

API Well Number: 43047522660000



Proposed Well	Distance To Nearest Lease Boundary
MORGAN STATE 921-36N1CS	838ft
MORGAN STATE 921-36N4BS	496ft
MORGAN STATE 921-36N1BS	1,170ft
MORGAN STATE 921-36K4CS	1,508ft

Legend

- Well - Proposed
- Bottom Hole - Proposed
- Bottom Hole - Existing
- Well Path
- Well Pad
- Lease Boundary
- Gas Pipeline - Proposed
- Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- Liquid Pipeline - Proposed
- Liquid Pipeline - Existing
- Road - Proposed
- Road - Existing
- Bureau of Land Management
- Indian Reservation
- State
- Private

WELL PAD - MORGAN STATE 921-36N

TOPO E
MORGAN STATE 921-36N1CS,
MORGAN STATE 921-36N4BS,
MORGAN STATE 921-36N1BS &
MORGAN STATE 921-36K4CS
LOCATED IN SECTION 36, T9S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.

1099 18th Street
Denver, Colorado 80202

609 CONSULTING, LLC
2155 North Main Street
Sheridan, Wyoming 82801
Phone 307-674-0609
Fax 307-674-0182

N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO: 15
DRAWN: TL	DATE: 11 Nov 2011	15 OF 16
REVISED:	DATE:	

RECEIVED: December 20, 2011

Kerr-McGee Oil & Gas Onshore, LP
WELL PAD – MORGAN STATE 921-36N
WELLS – MORGAN STATE 921-36N1CS, MORGAN STATE 921-36N4BS, MORGAN STATE 921-36N1BS & MORGAN STATE 921-36K4CS
Section 36, T9S, R21E, S.L.B.&M.

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly, then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 20.2 miles to the junction of the Glen Bench Road (County B Road 3260). Exit right and proceed in a southwesterly direction along the Glen Bench Road approximately 18.2 miles to a Class D County Road to the northeast. Exit left and proceed in a northeasterly direction along the Class D County Road approximately 0.1 miles to a second Class D County Road to the southeast. Exit right and proceed in a southeasterly direction along the second Class D County Road approximately 1.0 miles to a service road to the southwest. Exit right and proceed in a southwesterly direction approximately 0.4 miles to the proposed MORGAN STATE 921-36J well pad. Proceed in a southeasterly direction approximately 470 feet through the proposed MORGAN STATE 921-36J well pad to a second service road to the south. Proceed in a southerly direction along the second service road approximately 0.2 miles to a third service road to the northwest. Exit right and proceed in a northwesterly, then southwesterly direction approximately 0.4 miles to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 43.9 miles in a southerly direction.

RECEIVED: December 20, 2011

API Well Number: 43047522660000

Scientific Drilling
Rocky Mountain Operations

Project: UTAH - UTM (feet), NAD27, Zone 12N
Site: MORGAN STATE 921-36N PAD
Well: MORGAN STATE 921-36N4BS
Wellbore: OH
Design: PLAN #1 PRELIMINARY

Anadarko Petroleum Corporation

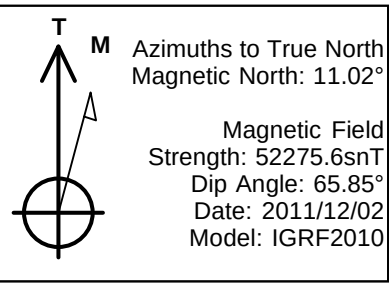
WELL DETAILS: MORGAN STATE 921-36N4BS

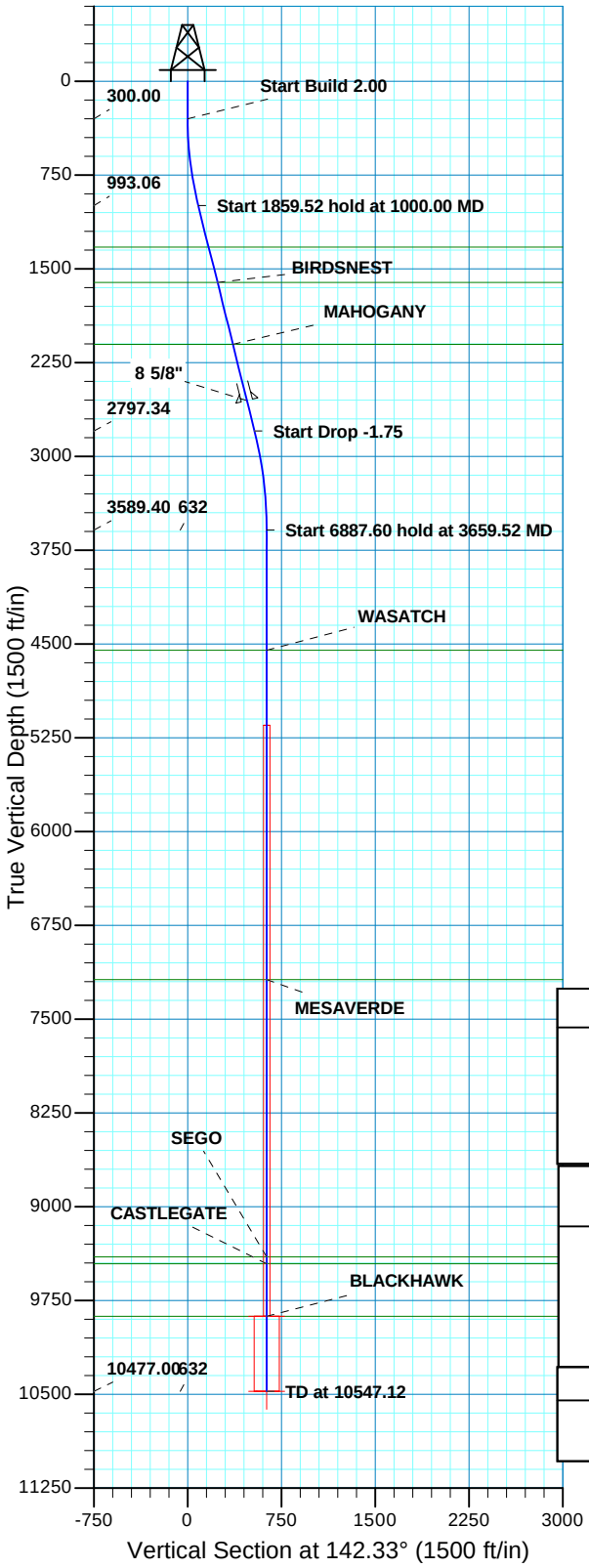
GL 5025 & KB 4 @ 5029.00ft (ASSUMED)

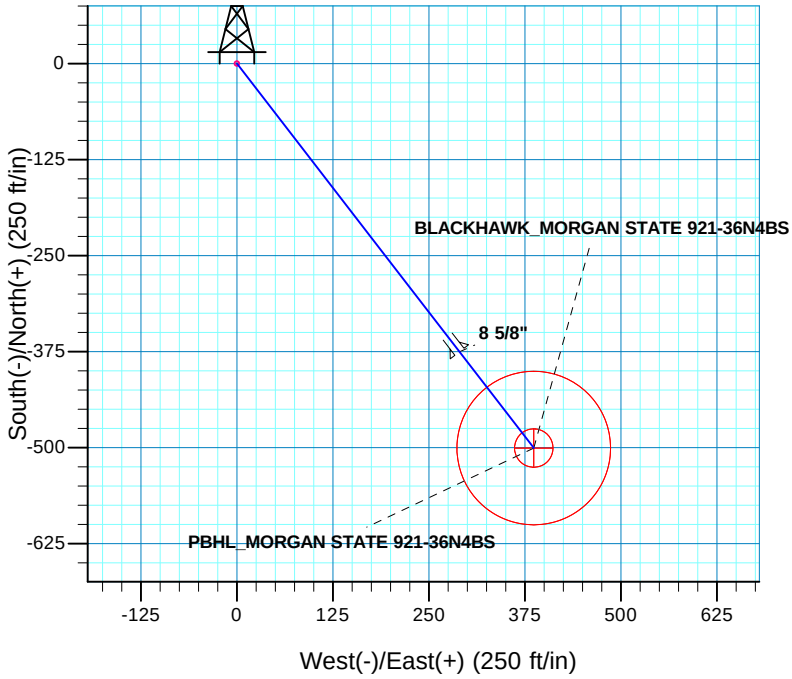
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	14525267.73	2059879.86	39° 59' 17.491 N	109° 30' 9.061 W

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
BLACKHAWK	9877.00	-500.42	386.35	14524773.87	2060274.56	39° 59' 12.545 N	109° 30' 4.097 W	Circle (Radius: 25.00)
- plan hits target center								
PBHL	10477.00	-500.42	386.35	14524773.87	2060274.56	39° 59' 12.545 N	109° 30' 4.097 W	Circle (Radius: 100.00)
- 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	
1000.00	14.00	142.33	993.06	-67.36	52.00	2.00	142.33	85.10	
2859.52	14.00	142.33	2797.34	-423.44	326.92	0.00	0.00	534.95	
3659.52	0.00	0.00	3589.40	-500.42	386.35	1.75	180.00	632.21	
10547.12	0.00	0.00	10477.00	-500.42	386.35	0.00	0.00	632.21	PBHL_MORGAN STATE 921-36N4BS

PROJECT DETAILS: UTAH - UTM (feet), NAD27, Zone 12N

Geodetic System: Universal Transverse Mercator (US Survey Feet)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: Zone 12N (114 W to 108 W)
Location: SECTION 36 T9S R21E
System Datum: Mean Sea Level

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1327.00	1344.17	GREENRIVER
1609.00	1634.80	BIRDSNEST
2103.00	2143.92	MAHOGANY
4550.00	4620.12	WASATCH
7184.00	7254.12	MESAVERDE
9401.00	9471.12	SEGO
9457.00	9527.12	CASTLEGATE
9877.00	9947.12	BLACKHAWK

CASING DETAILS

TVD	MD	Name	Size
2553.00	2607.70	8 5/8"	8.625

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Plan: PLAN #1 PRELIMINARY (MORGAN STATE 921-36N4BS/OH)

Created By: RobertScott Date: 13:35, December 02 2011

API Well Number: 43047522660000

Scientific Drilling
Rocky Mountain Operations

US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N
MORGAN STATE 921-36N PAD
MORGAN STATE 921-36N4BS

OH

Plan: PLAN #1 PRELIMINARY

Standard Planning Report

02 December, 2011

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Petroleum Corporation

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Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well MORGAN STATE 921-36N4BS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Site:	MORGAN STATE 921-36N PAD	**North Reference:**	True
Well:	MORGAN STATE 921-36N4BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

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 MORGAN STATE 921-36N PAD, SECTION 36 T9S R21E

Site Position:		**Northing:**	14,525,276.91 usft	**Latitude:**	39° 59' 17.585 N
From:	Lat/Long	**Easting:**	2,059,862.05 usft	**Longitude:**	109° 30' 9.288 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	13.200 in	**Grid Convergence:**	0.96 °

Well MORGAN STATE 921-36N4BS, 1003 FSL 1756 FWL

Well Position	**+N/-S**	-9.47 ft	**Northing:**	14,525,267.73 usft	**Latitude:**	39° 59' 17.491 N
	+E/-W	17.65 ft	**Easting:**	2,059,879.86 usft	**Longitude:**	109° 30' 9.061 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**		**Ground Level:**	5,025.00 ft

Wellbore OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	2011/12/02	11.01	65.85	52,276

Design PLAN #1 PRELIMINARY

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	142.33

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	
1,000.00	14.00	142.33	993.06	-67.36	52.00	2.00	2.00	0.00	142.33	
2,859.52	14.00	142.33	2,797.34	-423.44	326.92	0.00	0.00	0.00	0.00	
3,659.52	0.00	0.00	3,589.40	-500.42	386.35	1.75	-1.75	0.00	180.00	
10,547.12	0.00	0.00	10,477.00	-500.42	386.35	0.00	0.00	0.00	0.00	PBHL_MORGAN STA

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Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well MORGAN STATE 921-36N4BS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Site:	MORGAN STATE 921-36N PAD	**North Reference:**	True
Well:	MORGAN STATE 921-36N4BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

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	142.33	399.98	-1.38	1.07	1.75	2.00	2.00	0.00
500.00	4.00	142.33	499.84	-5.52	4.26	6.98	2.00	2.00	0.00
600.00	6.00	142.33	599.45	-12.42	9.59	15.69	2.00	2.00	0.00
700.00	8.00	142.33	698.70	-22.07	17.04	27.88	2.00	2.00	0.00
800.00	10.00	142.33	797.47	-34.45	26.60	43.52	2.00	2.00	0.00
900.00	12.00	142.33	895.62	-49.55	38.26	62.60	2.00	2.00	0.00
1,000.00	14.00	142.33	993.06	-67.36	52.00	85.10	2.00	2.00	0.00
Start 1859.52 hold at 1000.00 MD									
1,100.00	14.00	142.33	1,090.08	-86.51	66.79	109.29	0.00	0.00	0.00
1,200.00	14.00	142.33	1,187.11	-105.66	81.57	133.48	0.00	0.00	0.00
1,300.00	14.00	142.33	1,284.14	-124.80	96.36	157.67	0.00	0.00	0.00
1,344.17	14.00	142.33	1,327.00	-133.26	102.89	168.36	0.00	0.00	0.00
GREENRIVER									
1,400.00	14.00	142.33	1,381.17	-143.95	111.14	181.87	0.00	0.00	0.00
1,500.00	14.00	142.33	1,478.20	-163.10	125.93	206.06	0.00	0.00	0.00
1,600.00	14.00	142.33	1,575.23	-182.25	140.71	230.25	0.00	0.00	0.00
1,634.80	14.00	142.33	1,609.00	-188.92	145.85	238.67	0.00	0.00	0.00
BIRDSNEST									
1,700.00	14.00	142.33	1,672.26	-201.40	155.49	254.44	0.00	0.00	0.00
1,800.00	14.00	142.33	1,769.29	-220.55	170.28	278.63	0.00	0.00	0.00
1,900.00	14.00	142.33	1,866.32	-239.70	185.06	302.83	0.00	0.00	0.00
2,000.00	14.00	142.33	1,963.35	-258.85	199.85	327.02	0.00	0.00	0.00
2,100.00	14.00	142.33	2,060.38	-278.00	214.63	351.21	0.00	0.00	0.00
2,143.92	14.00	142.33	2,103.00	-286.41	221.12	361.84	0.00	0.00	0.00
MAHOGANY									
2,200.00	14.00	142.33	2,157.41	-297.15	229.41	375.40	0.00	0.00	0.00
2,300.00	14.00	142.33	2,254.44	-316.30	244.20	399.59	0.00	0.00	0.00
2,400.00	14.00	142.33	2,351.47	-335.44	258.98	423.79	0.00	0.00	0.00
2,500.00	14.00	142.33	2,448.50	-354.59	273.77	447.98	0.00	0.00	0.00
2,600.00	14.00	142.33	2,545.53	-373.74	288.55	472.17	0.00	0.00	0.00
2,607.70	14.00	142.33	2,553.00	-375.22	289.69	474.03	0.00	0.00	0.00
8 5/8"									
2,700.00	14.00	142.33	2,642.56	-392.89	303.34	496.36	0.00	0.00	0.00
2,800.00	14.00	142.33	2,739.59	-412.04	318.12	520.56	0.00	0.00	0.00
2,859.52	14.00	142.33	2,797.34	-423.44	326.92	534.95	0.00	0.00	0.00
Start Drop -1.75									
2,900.00	13.29	142.33	2,836.68	-431.00	332.76	544.51	1.75	-1.75	0.00
3,000.00	11.54	142.33	2,934.33	-448.02	345.90	566.01	1.75	-1.75	0.00
3,100.00	9.79	142.33	3,032.60	-462.67	357.21	584.51	1.75	-1.75	0.00
3,200.00	8.04	142.33	3,131.39	-474.94	366.68	600.01	1.75	-1.75	0.00
3,300.00	6.29	142.33	3,230.60	-484.81	374.30	612.49	1.75	-1.75	0.00
3,400.00	4.54	142.33	3,330.15	-492.28	380.07	621.93	1.75	-1.75	0.00
3,500.00	2.79	142.33	3,429.95	-497.34	383.98	628.32	1.75	-1.75	0.00
3,600.00	1.04	142.33	3,529.89	-499.99	386.02	631.67	1.75	-1.75	0.00
3,659.52	0.00	0.00	3,589.40	-500.42	386.35	632.21	1.75	-1.75	0.00
Start 6887.60 hold at 3659.52 MD									
3,700.00	0.00	0.00	3,629.88	-500.42	386.35	632.21	0.00	0.00	0.00
3,800.00	0.00	0.00	3,729.88	-500.42	386.35	632.21	0.00	0.00	0.00

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Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

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Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Site:	MORGAN STATE 921-36N PAD	**North Reference:**	True
Well:	MORGAN STATE 921-36N4BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

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)
3,900.00	0.00	0.00	3,829.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,000.00	0.00	0.00	3,929.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,100.00	0.00	0.00	4,029.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,200.00	0.00	0.00	4,129.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,300.00	0.00	0.00	4,229.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,400.00	0.00	0.00	4,329.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,500.00	0.00	0.00	4,429.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,600.00	0.00	0.00	4,529.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,620.12	0.00	0.00	4,550.00	-500.42	386.35	632.21	0.00	0.00	0.00
WASATCH									
4,700.00	0.00	0.00	4,629.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,800.00	0.00	0.00	4,729.88	-500.42	386.35	632.21	0.00	0.00	0.00
4,900.00	0.00	0.00	4,829.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,000.00	0.00	0.00	4,929.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,100.00	0.00	0.00	5,029.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,200.00	0.00	0.00	5,129.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,300.00	0.00	0.00	5,229.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,400.00	0.00	0.00	5,329.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,500.00	0.00	0.00	5,429.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,600.00	0.00	0.00	5,529.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,700.00	0.00	0.00	5,629.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,800.00	0.00	0.00	5,729.88	-500.42	386.35	632.21	0.00	0.00	0.00
5,900.00	0.00	0.00	5,829.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,000.00	0.00	0.00	5,929.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,100.00	0.00	0.00	6,029.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,200.00	0.00	0.00	6,129.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,300.00	0.00	0.00	6,229.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,400.00	0.00	0.00	6,329.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,500.00	0.00	0.00	6,429.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,600.00	0.00	0.00	6,529.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,700.00	0.00	0.00	6,629.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,800.00	0.00	0.00	6,729.88	-500.42	386.35	632.21	0.00	0.00	0.00
6,900.00	0.00	0.00	6,829.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,000.00	0.00	0.00	6,929.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,100.00	0.00	0.00	7,029.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,200.00	0.00	0.00	7,129.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,254.12	0.00	0.00	7,184.00	-500.42	386.35	632.21	0.00	0.00	0.00
MESAVERDE									
7,300.00	0.00	0.00	7,229.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,400.00	0.00	0.00	7,329.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,500.00	0.00	0.00	7,429.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,600.00	0.00	0.00	7,529.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,700.00	0.00	0.00	7,629.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,800.00	0.00	0.00	7,729.88	-500.42	386.35	632.21	0.00	0.00	0.00
7,900.00	0.00	0.00	7,829.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,000.00	0.00	0.00	7,929.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,100.00	0.00	0.00	8,029.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,200.00	0.00	0.00	8,129.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,300.00	0.00	0.00	8,229.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,400.00	0.00	0.00	8,329.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,500.00	0.00	0.00	8,429.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,600.00	0.00	0.00	8,529.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,700.00	0.00	0.00	8,629.88	-500.42	386.35	632.21	0.00	0.00	0.00
8,800.00	0.00	0.00	8,729.88	-500.42	386.35	632.21	0.00	0.00	0.00

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Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well MORGAN STATE 921-36N4BS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Site:	MORGAN STATE 921-36N PAD	**North Reference:**	True
Well:	MORGAN STATE 921-36N4BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

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)
8,900.00	0.00	0.00	8,829.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,000.00	0.00	0.00	8,929.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,100.00	0.00	0.00	9,029.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,200.00	0.00	0.00	9,129.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,300.00	0.00	0.00	9,229.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,400.00	0.00	0.00	9,329.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,471.12	0.00	0.00	9,401.00	-500.42	386.35	632.21	0.00	0.00	0.00
SEGO									
9,500.00	0.00	0.00	9,429.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,527.12	0.00	0.00	9,457.00	-500.42	386.35	632.21	0.00	0.00	0.00
CASTLEGATE									
9,600.00	0.00	0.00	9,529.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,700.00	0.00	0.00	9,629.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,800.00	0.00	0.00	9,729.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,900.00	0.00	0.00	9,829.88	-500.42	386.35	632.21	0.00	0.00	0.00
9,947.12	0.00	0.00	9,877.00	-500.42	386.35	632.21	0.00	0.00	0.00
BLACKHAWK - BLACKHAWK_MORGAN STATE 921-36N4BS									
10,000.00	0.00	0.00	9,929.88	-500.42	386.35	632.21	0.00	0.00	0.00
10,100.00	0.00	0.00	10,029.88	-500.42	386.35	632.21	0.00	0.00	0.00
10,200.00	0.00	0.00	10,129.88	-500.42	386.35	632.21	0.00	0.00	0.00
10,300.00	0.00	0.00	10,229.88	-500.42	386.35	632.21	0.00	0.00	0.00
10,400.00	0.00	0.00	10,329.88	-500.42	386.35	632.21	0.00	0.00	0.00
10,500.00	0.00	0.00	10,429.88	-500.42	386.35	632.21	0.00	0.00	0.00
10,547.12	0.00	0.00	10,477.00	-500.42	386.35	632.21	0.00	0.00	0.00
TD at 10547.12 - PBHL_MORGAN STATE 921-36N4BS									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BLACKHAWK_MORGAI - plan hits target center - Circle (radius 25.00)	0.00	0.00	9,877.00	-500.42	386.35	14,524,773.88	2,060,274.56	39° 59' 12.545 N	109° 30' 4.097 W
PBHL_MORGAN STATE - plan hits target center - Circle (radius 100.00)	0.00	0.00	10,477.00	-500.42	386.35	14,524,773.88	2,060,274.56	39° 59' 12.545 N	109° 30' 4.097 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
2,607.70	2,553.00	8 5/8"	8.625	11.000

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Database:	EDM5000-RobertS-Local	**Local Co-ordinate Reference:**	Well MORGAN STATE 921-36N4BS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5025 & KB 4 @ 5029.00ft (ASSUMED)
Site:	MORGAN STATE 921-36N PAD	**North Reference:**	True
Well:	MORGAN STATE 921-36N4BS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1 PRELIMINARY		

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,344.17	1,327.00	GREENRIVER			
1,634.80	1,609.00	BIRDSNEST			
2,143.92	2,103.00	MAHOGANY			
4,620.12	4,550.00	WASATCH			
7,254.12	7,184.00	MESAVERDE			
9,471.12	9,401.00	SEGO			
9,527.12	9,457.00	CASTLEGATE			
9,947.12	9,877.00	BLACKHAWK			

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
300.00	300.00	0.00	0.00	Start Build 2.00
1,000.00	993.06	-67.36	52.00	Start 1859.52 hold at 1000.00 MD
2,859.52	2,797.34	-423.44	326.92	Start Drop -1.75
3,659.52	3,589.40	-500.42	386.35	Start 6887.60 hold at 3659.52 MD
10,547.12	10,477.00	-500.42	386.35	TD at 10547.12

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MORGAN STATE 921-36K4CS

Surface:	1013 FSL / 1739 FWL	SESW	Lot 3
BHL:	1508 FSL / 2139 FWL	NESW	Lot

MORGAN STATE 921-36N1BS

Surface:	1008 FSL / 1748 FWL	SESW	Lot 3
BHL:	1170 FSL / 2145 FWL	SESW	Lot 3

MORGAN STATE 921-36N1CS

Surface:	998 FSL / 1765 FWL	SESW	Lot 3
BHL:	838 FSL / 2146 FWL	SESW	Lot 3

MORGAN STATE 921-36N4BS

Surface:	1003 FSL / 1756 FWL	SESW	Lot 3
BHL:	496 FSL / 2143 FWL	SESW	Lot 3

Pad: MORGAN STATE 921-36N PAD

Section 36 T9S R21E

Mineral Lease: ML-22265

Uintah County, Utah

Operator: Kerr-McGee Oil & Gas Onshore LP

This SUPO contains surface operating procedures for Kerr-McGee Oil & Gas Onshore LP (KMG), a wholly owned subsidiary of Anadarko Petroleum Corporation (APC) pertaining to actions that involve the State of Utah School and Institutional Trust Lands Administration (SITLA) in the development of minerals leased to APC/KMG (including but not limited to, APDs/SULAs/ROEs/ROWs and/or easements.)

See associated Utah Division of Oil, Gas, and Mining (UDOGM) Form 3(s), plats, maps, and other attachments for site-specific information on projects represented herein.

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.

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A. Existing Roads:

Existing roads consist of county and improved/unimproved lease roads. KMG will maintain existing roads in a condition that is the same as or better than before operations began and in a safe and usable condition. Maintenance of existing roads will continue until final abandonment and reclamation of well pads and/or other facilities. The road maintenance may include, but is not limited to, blading, ditching, culvert installation/cleanout, surfacing, and dust control.

Typically, roads, gathering lines and electrical distribution lines will occupy common disturbance corridors and roadways will be used as working space. All disturbances located in the same corridor will overlap each other to the maximum extent possible; in no case will the maximum disturbance width of the access road and utility corridors exceed 50', unless otherwise approved.

B. Planned Access Roads:

No new access road is proposed. (see Topo Map B). Applicable Uintah County encroachment and/or pipeline crossing permits will be obtained prior to construction/development. No other pipelines will be crossed at this location.

If there are roads that are new or to be reconstructed, they will be located, designed, and maintained to meet the standards of SITLA and other commonly accepted Best Management Practices (BMPs). If a new road/corridor were to cross a water of the United States, KMG will adhere to the requirements of applicable Nationwide or Individual Permits of the Department of Army Corps of Engineers.

During the onsite, turnouts, major cut and fills, culverts, bridges, gates, cattle guards, low water crossings, or modifications needed to existing infrastructure/facilities were determined, as applicable, are typically shown on attached Exhibits and Topo maps.

C. Location of Existing and Proposed Facilities:

This pad will expand the existing pad for the Morgan State 15-36. The Morgan State 15-36 well location is a producing well according to Utah Division of Oil, Gas and Mining (UDOGM) records as of December 5, 2011.

Production facilities (see Well Pad Design Summary and Facilities Diagram):

Production facilities will be installed on the disturbed portion of the well pad and may include bermed components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will be constructed of compacted subsoil or corrugated metal, impervious, designed to hold 110% of the capacity of the largest tank, and be independent of the back cut. All permanent (on-site six months or longer) above ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with SITLA.

Gathering Facilities:

The following pipeline transmission facilities will apply if the well is productive (see Topo D):

The total gas gathering (steel line pipe with fusion bond epoxy coating) pipeline distances from the meter to the tie in point is ±805' and the individual segments are broken up as follows:

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±160' (0.03 miles) –New 6" buried gas pipeline from the meter to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.
±35' (0.01 miles) –New 6" buried gas pipeline from the edge of pad to the 921-36O intersection. Please refer to Topo D2 - Pad and Pipeline Detail.
±610' (0.1 miles) –New 12" buried gas pipeline from the 921-36O intersection to the 921-36M intersection. Please refer to Topo D2 - Pad and Pipeline Detail.

The total liquid gathering pipeline distance from the separator to the tie in point is ±805'and the individual segments are broken up as follows:

±160' (0.03 miles) –New 6" buried liquid pipeline from the separator to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.
±35' (0.01 miles) –New 6" buried liquid pipeline from the edge of pad to the 921-36O intersection. Please refer to Topo D2 - Pad and Pipeline Detail.
±610' (0.1 miles) –New 6" buried liquid pipeline from the 921-36O intersection to the 921-36M intersection. Please refer to Topo D2 - Pad and Pipeline Detail.

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 pipelines will be buried and will include gas gathering and liquid gathering pipelines in the same trench. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. KMG requests a permanent 30' right-of-way adjacent to the road for life-of-project for maintenance, repairs, and/or upgrades, no additional right-of-way will be needed beyond the 30'. Where the pipeline is not adjacent to the road or well pad, KMG requests a temporary 45' construction right-of-way 30' permanent right-of-way.

The proposed trench width for the pipeline would range from 18-48 inches and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. During construction blasting may occur along the proposed right-of-way where trenching equipment cannot 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 pipelines will be pressure tested pneumatically (depending on size) or with fluids (either fresh or produced). If fluids are used, there will be no discharge to the surface.

Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity and ownership, as well as to provide emergency contact phone numbers. Above ground valves, T's, and/or cathodic protection will be installed at various locations for connection, corrosion prevention and/or for safety purposes.

D. <u>Location and Type of Water Supply</u>:

Water for drilling purposes will be obtained from one of the following sources:

- Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32 T4S R3E, Water User Claim number 43-8496, application number 53617.
- Price Water Pumping Inc. Green River and White River, various sources, Water Right Number 49-1659, application number: a35745.

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

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No water well is to be drilled on this lease.

E. Source of Construction Materials:

Construction operations will typically be completed with native materials found on location. If needed, construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source and described in subsequent Sundry requests. No construction materials will be removed from State lands without prior approval from SITLA.

F. Methods for Handling Waste Materials:

Should the well be productive, produced water will be contained in a water tank and will be transported by pipeline and/or truck to an approved disposal sites facilities and/or Salt Water Disposal (SWD) injection well. Currently, those facilities are:

RNI in Sec. 5 T9S R22E
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
Ouray #1 SWD in Sec. 1 T9S R21E
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. 33 T9S R21E
NBU 921-34L SWD in Sec. 34 T9S R21E

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.

Unless otherwise approved, no oil or other oil based drill additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water, biodegradable polymer soap, bentonite clay, and /or non-toxic additives will be used in the system.

Pits will be constructed to minimize the accumulation of surface runoff. Should fluid hydrocarbons be encountered during drilling, completions, or well testing, product will either be contained in test tanks on the well site or evacuated by vacuum

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trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be release into the pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternative is approved by SITLA. Should timely removal prove infeasible, the pit will be netted with mesh no larger than 1 inch until such time as the hydrocarbons can be removed. Hydrocarbon removal will also take place prior to the closure of the pit, unless authorization is provided for disposal via alternative pit closure methods. (e.g. solidification)

Any additional pits necessary for subsequent operations, such as temporary flare pits, or workover pits, will contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of the work.

For the protection of livestock and wildlife, all open pits and cellars will be fenced/covered to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after after six (6) months from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Additional drying methods may include fly-ash solidification or sprinkler evaporation. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift. Reserve pit liners will be cut off or folded as near to the mud surface as possible and as safety considerations allow and buried on location.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Any undesirable event, including accidental release of fluids, or release in excess of reportable quantities, will be managed according to the notification requirements of UDOGMs “Reporting Oil and Gas Undesirable Events” rule. Where State wells are participatory to a Federal agreement, according to NTL-3A, the appropriate Federal agencies will be notified.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term “hazardous materials” as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

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Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities and may be kept in limited quantities on drilling sites and well locations for short periods of time during drilling or completion activities.

G. Ancillary Facilities:

None are anticipated.

H. Well Site Layout (see Well Pad Design Summary):

The location, orientation and aerial extent of each drill pad; reserve/completion/flare pit; access road ingress/ egress points, drilling rig, dikes/ditches, existing wells/infrastructure; proposed cuts and fills; and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment and facility layout; however, the area of disturbance, as described in the survey, will not be exceeded.

Coordinates are provided in the National Spatial Reference System, North American Datum, 1927 (NAD27) or latest edition. Distances are depicted on each plat to the nearest two adjacent section lines.

I. Plans for Reclamation of the Surface:

Surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. This reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation includes pit closure, re-contouring (where possible), soil bed preparation, topsoil placement, seeding, and/or weed control.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left “rough” after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/

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completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit.

Final Reclamation

Final reclamation will be performed for newly drilled unproductive wells and/or at the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by KMG. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring, final grading will be conducted over the entire surface of the well site and access road. Where practical, the area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers and surface materials will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep perpendicular to the natural flow of water.

All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-contoured to approximate the original contour of the ground and seeded.

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to UDOGM.

Seeding and Measures Common to Interim and Final Reclamation

Reclaimed areas may be fenced to exclude grazing and encourage re-vegetation.

On slopes where severe erosion can become a problem and the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. The slope will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to, erosion control blankets and bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage.

Seeding will occur year-round as conditions allow. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The site specific seed mix will be provided by SITLA.

J. Surface/Mineral Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

L. Other Information:

None

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

Danielle Piernot
Regulatory Analyst II
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6156

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 for State lease activities is provided by State Surety Bond 22013542, and for applicable Federal lease activities and pursuant to 43 CFR 3104, 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.

Danielle Piernot

December 19, 2011
Date

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

December 14, 2011

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

Re: Directional Drilling R649-3-11
Morgan State 921-36N4BS
T9S-R21E
Section 36: SESW (Surface), SESW (Bottom Hole)
Surface: 1003' FSL, 1756' FWL
Bottom Hole: 496' FSL, 2143' FWL
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 R649-3-11 pertaining to Directional Drilling.

- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing roads and pipelines in the area.

- 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 R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

Joe Matney

Joe Matney
Sr. Staff Landman

RECEIVED: December 20, 2011

From: Jim Davis
To: APD APPROVAL
CC: Danielle Piernot; Julie Jacobson
Date: 2/23/2012 3:22 PM
Subject: APD Approval: the Kerr McGee Morgan State wells

The following wells have been approved by SITLA including arch and paleo clearance.

4304752246	Morgan State 921-36G4BS
4304752253	Morgan State 921-36G4CS
4304752255	Morgan State 921-36J1CS
4304752256	Morgan State 921-36J4BS
4304752281	Morgan State 921-36F1BS
4304752282	Morgan State 921-36F1CS
4304752283	Morgan State 921-36G1BS
4304752284	Morgan State 921-36G1CS
4304752285	Morgan State 921-36F4BS
4304752286	Morgan State 921-36K1BS
4304752287	Morgan State 921-36K1CS
4304752247	Morgan State 921-36P1BS
4304752248	Morgan State 921-36P1CS
4304752249	Morgan State 921-36I4BS
4304752250	Morgan State 921-36I4CS
4304752252	Morgan State 921-36P4BS
4304752263	Morgan State 921-36K4CS
4304752264	Morgan State 921-36N1BS
4304752265	Morgan State 921-36N1CS
4304752266	Morgan State 921-36N4BS
4304752276	Morgan State 921-36D4CS
4304752277	Morgan State 921-36E1BS
4304752278	Morgan State 921-36E1CS
4304752279	Morgan State 921-36E4BS
4304752280	Morgan State 921-36E4CS
4304752245	Morgan State 921-36O4CS
4304752254	Morgan State 921-36O1CS
4304752267	Morgan State 921-36O1BS
4304752257	Morgan State 921-36K4BS
4304752258	Morgan State 921-36L1BS
4304752259	Morgan State 921-36L1CS
4304752260	Morgan State 921-36M1BS
4304752261	Morgan State 921-36M1CS
4304752262	Morgan State 921-36M4BS
4304752272	Morgan State 921-36B4CS
4304752273	Morgan State 921-36C4BS
4304752274	Morgan State 921-36C4CS
4304752275	Morgan State 921-36D1CS

There are eight more wells on two pads in this section, the 36A pad and the 36I pad, that have not yet been approved. Anadarko is gathering reclamation cost figures on pads similar to those as part of the process of acquiring adequate SITLA bonds.
-Jim

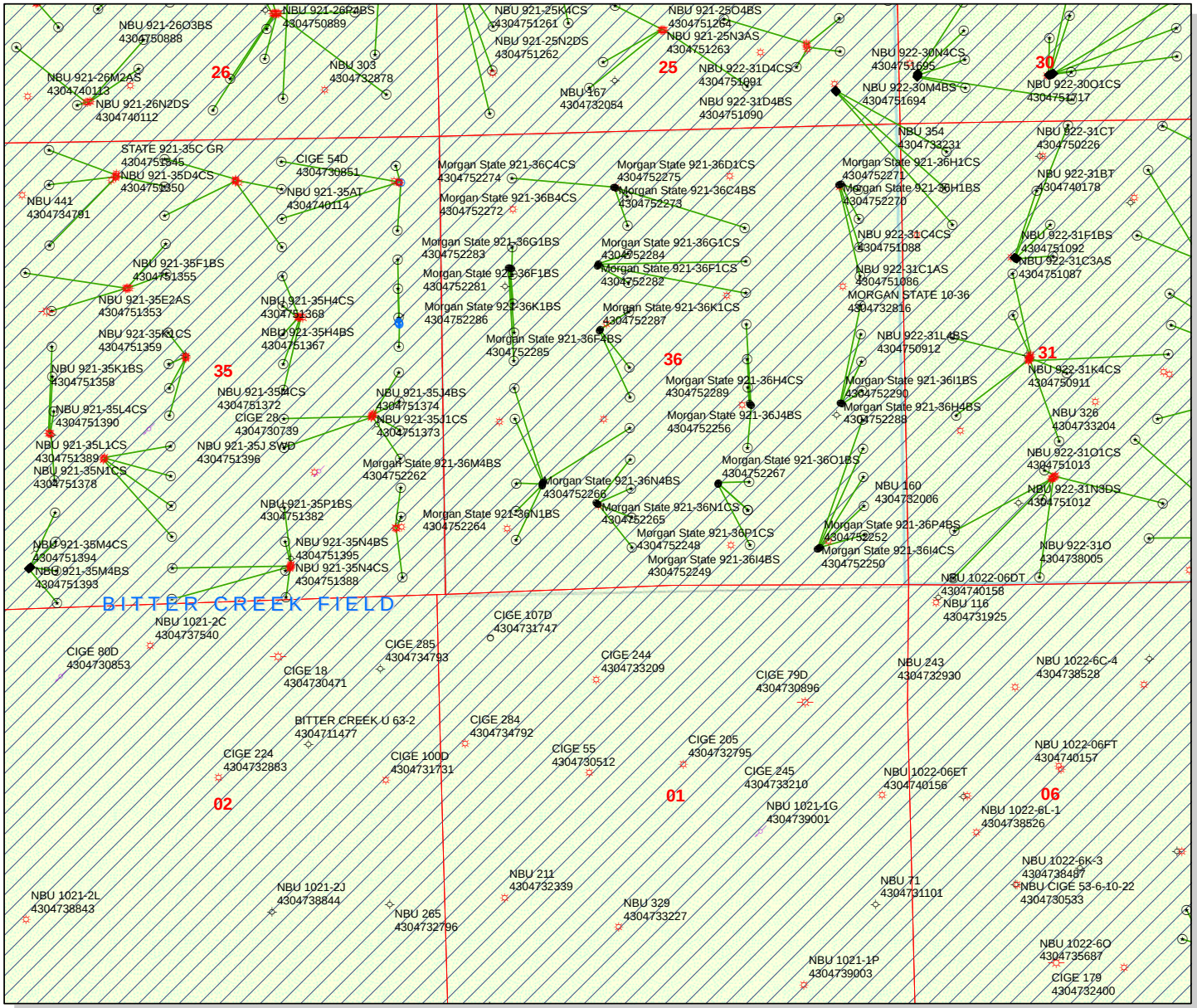
Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov

RECEIVED: February 23, 2012

Phone: (801) 538-5156

RECEIVED: February 23, 2012

API Well Number: 43047522660000



API Number: 4304752266

Well Name: Morgan State 921-36N4BS

Township T0.9 . Range R2.1 . Section 36

Meridian: SLBM

Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
Map Produced by Diana Mason

Units
STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields
STATUS
- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED

Wells Query
Status
- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LA - Location Abandoned
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- RET - Returned APD
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well

1,500 750 0 1,500 Feet

1:14,184

RECEIVED: February 24, 2012

API Well Number: 43047522660000

BOPE REVIEW **KERR-MCGEE OIL & GAS ONSHORE, L.P. Morgan State 921-36N4BS 43047522660000**

Well Name	KERR-MCGEE OIL & GAS ONSHORE, L.P. Morgan State 921-36N4BS			
String	Surf	Prod		
Casing Size(")	8.625	4.500		
Setting Depth (TVD)	2497	10477		
Previous Shoe Setting Depth (TVD)	0	2497		
Max Mud Weight (ppg)	8.4	13.0		
BOPE Proposed (psi)	500	5000		
Casing Internal Yield (psi)	3390	10690		
Operators Max Anticipated Pressure (psi)	6915	12.7		

Calculations	Surf String	8.625	"	
Max BHP (psi)	.052*Setting Depth*MW=	1091		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	791	NO	air drill
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	542	NO	Reasonable depth in area
			***Can Full Expected Pressure Be Held At Previous Shoe?**	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	542	NO	
Required Casing/BOPE Test Pressure=		2373	psi	
***Max Pressure Allowed @ Previous Casing Shoe=**		0	psi	*Assumes 1psi/ft frac gradient

Calculations	Prod String	4.500	"	
Max BHP (psi)	.052*Setting Depth*MW=	7082		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	5825	NO	
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	4777	YES	OK
			***Can Full Expected Pressure Be Held At Previous Shoe?**	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	5326	NO	REasonable
Required Casing/BOPE Test Pressure=		5000	psi	
***Max Pressure Allowed @ Previous Casing Shoe=**		2497	psi	*Assumes 1psi/ft frac gradient

Calculations	String		"	
Max BHP (psi)	.052*Setting Depth*MW=			
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO	
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO	
			***Can Full Expected Pressure Be Held At Previous Shoe?**	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO	
Required Casing/BOPE Test Pressure=			psi	
***Max Pressure Allowed @ Previous Casing Shoe=**			psi	*Assumes 1psi/ft frac gradient

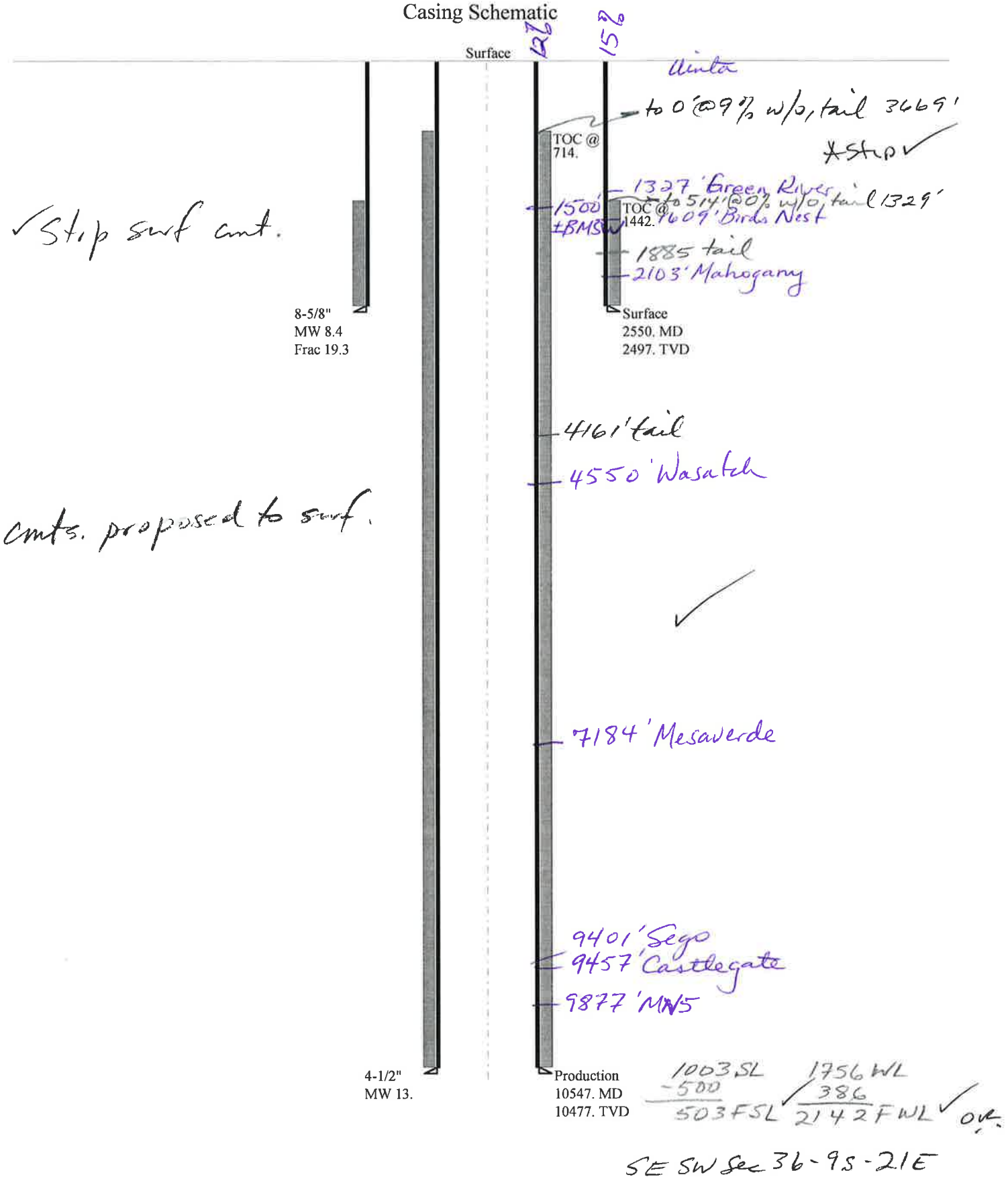
Calculations	String		"	
Max BHP (psi)	.052*Setting Depth*MW=			
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO	
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO	
			***Can Full Expected Pressure Be Held At Previous Shoe?**	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO	
Required Casing/BOPE Test Pressure=			psi	
***Max Pressure Allowed @ Previous Casing Shoe=**			psi	*Assumes 1psi/ft frac gradient

RECEIVED: February 28, 2012

API Well Number: 43047522660000

43047522660000 Morgan State 921-36N4BS

Casing Schematic



✓ Stip surf cmt.

cmts. proposed to surf.

API Well Number: 43047522660000

Well name:	**43047522660000 Morgan State 921-36N4BS**
Operator:	**KERR-MCGEE OIL & GAS ONSHORE, L.P.**
String type:	Surface
Project ID:	43-047-52266
Location:	UINTAH COUNTY

Design parameters:

Collapse

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,197 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 2,497 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.70 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.

Neutral point: 2,231 ft

Environment:

H2S considered?	No
Surface temperature:	74 °F
Bottom hole temperature:	109 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	100 ft
Cement top:	1,442 ft

Directional Info - Build & Drop

Kick-off point	300 ft
Departure at shoe:	460 ft
Maximum dogleg:	2 °/100ft
Inclination at shoe:	14 °

Re subsequent strings:

Next setting depth:	10,477 ft
Next mud weight:	13.000 ppg
Next setting BHP:	7,075 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	2,497 ft
Injection pressure:	2,497 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	2550	8.625	28.00	I-55	LT&C	2497	2550	7.892	100980

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	1090	1880	1.725	2497	3390	1.36	69.9	348	4.98 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940

Date: February 27,2012
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2497 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

API Well Number: 43047522660000

Well name:	**43047522660000 Morgan State 921-36N4BS**
Operator:	**KERR-MCGEE OIL & GAS ONSHORE, L.P.**
String type:	Production
Project ID:	43-047-52266
Location:	UINTAH COUNTY

Design parameters:

Collapse

Mud weight: 13.000 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 4,770 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 7,075 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.60 (B)

Tension is based on air weight.
Neutral point: 8,511 ft

Estimated cost: 158,725 ($)

Environment:

H2S considered?	No
Surface temperature:	74 °F
Bottom hole temperature:	221 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	100 ft
Cement top:	714 ft

Directional Info - Build & Drop

Kick-off point	300 ft
Departure at shoe:	632 ft
Maximum dogleg:	2 °/100ft
Inclination at shoe:	0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
2	5000	4.5	11.60	HCP-110	DQX	4930	5000	3.875	132000
1	5547	4.5	11.60	HCP-110	LT&C	10477	10547	3.875	26725

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
2	3329	8131	2.442	5855	10690	1.83	121.5	367.2	3.02 B
1	7075	8650	1.223	7075	10690	1.51	64.3	279	4.34 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940
Date: February 27,2012
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 10477 ft, a mud weight of 13 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

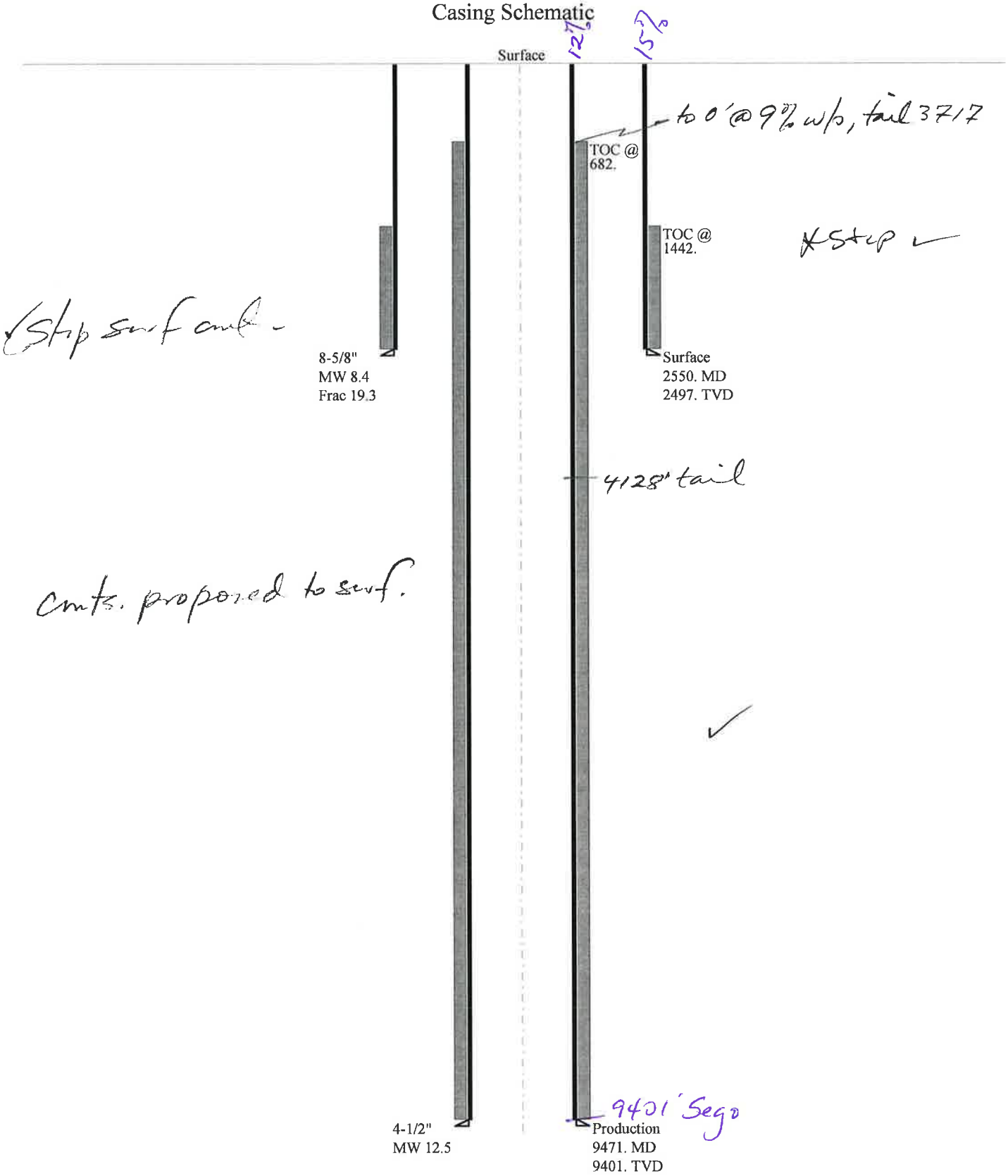
Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

API Well Number: 43047522660000

43047522660000 Morgan State 921-36N4BS

Casing Schematic



API Well Number: 43047522660000

Well name:	**43047522660000 Morgan State 921-36N4BS**
Operator:	**KERR-MCGEE OIL & GAS ONSHORE, L.P.**
String type:	Surface
Project ID:	43-047-52266
Location:	UINTAH COUNTY

Design parameters:

Collapse

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,197 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 2,497 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.70 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.

Neutral point: 2,231 ft

Environment:

H2S considered?	No
Surface temperature:	74 °F
Bottom hole temperature:	109 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	100 ft
Cement top:	1,442 ft

Directional Info - Build & Drop

Kick-off point	300 ft
Departure at shoe:	460 ft
Maximum dogleg:	2 °/100ft
Inclination at shoe:	14 °

Re subsequent strings:

Next setting depth:	9,401 ft
Next mud weight:	12.500 ppg
Next setting BHP:	6,104 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	2,497 ft
Injection pressure:	2,497 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	2550	8.625	28.00	I-55	LT&C	2497	2550	7.892	100980

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	1090	1880	1.725	2497	3390	1.36	69.9	348	4.98 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940

Date: February 27,2012
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2497 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

API Well Number: 43047522660000

Well name:	**43047522660000 Morgan State 921-36N4BS**
Operator:	**KERR-MCGEE OIL & GAS ONSHORE, L.P.**
String type:	Production
Project ID:	43-047-52266
Location:	UINTAH COUNTY

Design parameters:

Collapse

Mud weight:	12.500 ppg
Internal fluid density:	1.000 ppg

Burst

Max anticipated surface pressure:	4,036 psi
Internal gradient:	0.220 psi/ft
Calculated BHP	6,104 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor	1.125

Burst:

Design factor	1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.60 (B)

Tension is based on air weight.
Neutral point: 7,714 ft

Estimated cost: 191,017 ($)

Environment:

H2S considered?	No
Surface temperature:	74 °F
Bottom hole temperature:	206 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	100 ft
Cement top:	682 ft

Directional Info - Build & Drop

Kick-off point	300 ft
Departure at shoe:	632 ft
Maximum dogleg:	2 °/100ft
Inclination at shoe:	0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
2	5000	4.5	11.60	I-80	DQX	4930	5000	3.875	132000
1	4471	4.5	11.60	I-80	LT&C	9401	9471	3.875	59017

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
2	2945	5917	2.009	5121	7780	1.52	109.1	267	2.45 J
1	5616	6360	1.132	6104	7780	1.27	51.9	212	4.09 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940
Date: February 27,2012
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 9401 ft, a mud weight of 12.5 ppg An internal gradient of .052 psi/ft was used for collapse from TD
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

ON-SITE PREDRILL EVALUATION
Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.
Well Name Morgan State 921-36N4BS
API Number 43047522660000 **APD No** 5093 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SESW **Sec** 36 **Tw** 9.0S **Rng** 21.0E 1003 FSL 1756 FWL
GPS Coord (UTM) 627790 4427515 **Surface Owner**

Participants

Sheila Wopsock, Charles Chase, Danielle Piernot, Doyle Holmes, (Anadarko). John Slaugh, Mitch Batty, (Timberline). Jim Davis (SITLA). Alex Hansen (DWR). Chris Jensen and David Hackford, (DOGM).

Regional/Local Setting & Topography

This site is on an existing location, and very little new construction will be necessary.

This location is within the Natural Buttes Unit but this section is not part of the Natural Buttes Unit. It is approximately 14 road miles southeast of Ouray, Utah. The general area is at the head of a long unnamed wash east of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles to the north. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws that drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimmed with steep side hills, which have exposed sandstone bedrock cliffs along the rims.

Four new directional wells will be drilled from this location which currently has one well, the Morgan State 15-36. The decision to PA or TA this well has not been made at this time.

Surface Use Plan

Current Surface Use
Grazing
Wildlfe Habitat
Existing Well Pad

New Road Miles	Well Pad	Src Const Material	Surface Formation
0	**Width** 352 **Length** 425	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Prickly pear, wild onion, shadscale, mat saltbrush, Indian ricegrass, halogeton, pepper grass. Principal species present are cheatgrass, black sagebrush, stipa, mesquite grass.

Sheep, antelope, coyote, raptors, small mammals and birds.

Soil Type and Characteristics

Rocky sandy clay loam.

Erosion Issues Y

Diversion ditch must be maintained.

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? Y

Around west side of location.

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y **Paleo Potental Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit

Site-Specific Factors		Site Ranking	
Distance to Groundwater (feet)	>200	0	
Distance to Surface Water (feet)	>1000	0	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)		20	
Native Soil Type	Mod permeability	10	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)		0	
Affected Populations			
Presence Nearby Utility Conduits	Not Present	0	
	Final Score	35	1 Sensitivity Level

Characteristics / Requirements

The reserve pit is planned in an area of cut on the south corner of the location. Dimensions are 220’ x 100’ x 12’ deep with two feet of freeboard. Kerr McGee has agreed to line this pit with a 30 mil synthetic liner and a layer of felt sub-liner.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 30 **Pit Underlayment Required?** Y

Other Observations / Comments

David Hackford	1/11/2012
Evaluator	**Date / Time**

Application for Permit to Drill
Statement of Basis

Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
5093	43047522660000	SITLA	GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.		**Surface Owner-APD**		
Well Name	Morgan State 921-36N4BS		**Unit**		
Field	NATURAL BUTTES		**Type of Work**	DRILL	
Location	SESW 36 9S 21E S 1003 FSL 1756 FWL GPS Coord (UTM) 627794E 4427502N				

Geologic Statement of Basis

Kerr McGee proposes to set 2,550’ of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 1,500'. A search of Division of Water Rights records shows one water well within a 10,000 foot radius of the center of Section 36. The well is listed as 2,640 feet deep and used for drilling water. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The proposed casing and cement should adequately protect. Any usable ground water.

Brad Hill	2/1/2012
APD Evaluator	**Date / Time**

Surface Statement of Basis

The general area is in the central portion of the Natural Buttes Unit. Within this area is the White River and rugged drainages that drain into it. Topography is varied and frequently dissected by short draws or washes, which become overly steep as they approach the White River breaks or rim. Distance to the White River is six miles. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. Vernal, Utah is approximately 43.9 miles to the northwest. Access from Vernal is by following Utah State, Uintah County and oilfield development roads.

Four wells will be directionally drilled from this location. They are the Morgan State 921-36N1CS, Morgan State 921-36N4BS, Morgan State 921-36N1BS and the Morgan State 921-36K4CS. The existing location currently has one well. This well is the Morgan State 15-36. The decision to PA or TA this well has not been made at this time. A drainage ditch will be necessary around the west side of the location. The pad as modified should be stable and sufficient for five wells, and is the best site for a location in the immediate area.

New construction will consist of approximately 150 feet on the south, 75 feet on the west, 50 feet on the north, and 50 feet on the east side of the existing location.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA and Alex Hansen with DWR were invited by email to the pre-site evaluation. Both were present. Kerr McGee personnel were told to consult with SITLA for reclamation standards including seeding mixes to be used.

David Hackford	1/11/2012
Onsite Evaluator	**Date / Time**

RECEIVED: March 20, 2012

Application for Permit to Drill
Statement of Basis

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Pits	The reserve pit should be located on the south side of the location.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

RECEIVED: March 20, 2012

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/20/2011
API NO. ASSIGNED: 43047522660000
WELL NAME: Morgan State 921-36N4BS
OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)
PHONE NUMBER: 720 929-6156
CONTACT: Danielle Piernot

PROPOSED LOCATION: SESW 36 090S 210E
Permit Tech Review: ✔

SURFACE: 1003 FSL 1756 FWL
Engineering Review: ✔

BOTTOM: 0496 FSL 2143 FWL
Geology Review: ✔

COUNTY: UINTAH
LATITUDE: 39.98804
LONGITUDE: -109.50317
UTM SURF EASTINGS: 627794.00
NORTHINGS: 4427502.00
FIELD NAME: NATURAL BUTTES
LEASE TYPE: 3 - State
LEASE NUMBER: ML 22265
PROPOSED PRODUCING FORMATION(S): BLACKHAWK
SURFACE OWNER: 3 - State
COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ✔ **PLAT**
- ✔ **Bond:** STATE/FEE - 22013542
- ☐ **Potash**
- ✔ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ✔ **Water Permit:** 43-8496
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ✔ **Intent to Commingle**

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit:

- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ✔ **Drilling Unit**

Board Cause No: Cause 173-24
Effective Date: 10/5/2009
Siting: 460' Fr Exterior Lease Boundary

- ✔ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
3 - Commingling - ddoucet
5 - Statement of Basis - bhill
15 - Directional - dmason
17 - Oil Shale 190-5(b) - dmason
25 - Surface Casing - hmacdonald

RECEIVED: March 20, 2012

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: Morgan State 921-36N4BS
API Well Number: 43047522660000
Lease Number: ML 22265
Surface Owner: STATE
Approval Date: 3/20/2012

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

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

Duration:
This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

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

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

Conditions of Approval:
Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

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.

In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil

shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

Surface casing shall be cemented to the surface.

Additional Approvals:
The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan - contact Dustin Doucet
- Significant plug back of the well - contact Dustin Doucet
- Plug and abandonment of the well - contact Dustin Doucet

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 OR submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at http://oilgas.ogm.utah.gov
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program - contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well contact Dan Jarvis

Contact Information:
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
  801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
  801-231-8956 - after office hours

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:

For John Rogers
Associate Director, Oil & Gas

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML 22265

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:
MORGAN STATE 921-36N4BS

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

9. API NUMBER:
43047522660000

3. ADDRESS OF OPERATOR:
P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779

PHONE NUMBER:
720 929-6515 EXT

9. FIELD and POOL or WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
1003 FSL 1756 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SESW Section: 36 Township: 09.0S Range: 21.0E 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		
✓ NOTICE OF INTENT Approximate date work will start: 3/20/2013	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: March 04, 2013

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Luke Urban	720 929-6501	Regulatory Specialist
SIGNATURE		**DATE**
N/A		2/28/2013

RECEIVED: Feb. 28, 2013

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 43047522660000

API: 43047522660000
Well Name: MORGAN STATE 921-36N4BS
Location: 1003 FSL 1756 FWL QTR SESW SEC 36 TWNP 090S RNG 210E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 3/20/2012

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: Luke Urban **Date:** 2/28/2013
Title: Regulatory Specialist **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Feb. 28, 2013

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: ML 22265

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: MORGAN STATE 921-36N4BS

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

9. API NUMBER: 43047522660000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779

PHONE NUMBER: 720 929-6100 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1003 FSL 1756 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 36 Township: 09.0S Range: 21.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION

- ✓ NOTICE OF INTENT — Approximate date work will start: 3/20/2014
- ☐ SUBSEQUENT REPORT — Date of Work Completion:
- ☐ SPUD REPORT — Date of Spud:
- ☐ DRILLING REPORT — Report Date:

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
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☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: February 12, 2014

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Teena Paulo	720 929-6236	Staff Regulatory Specialist

SIGNATURE	DATE
N/A	2/7/2014

RECEIVED: Feb. 07, 2014

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 43047522660000

API: 43047522660000
Well Name: MORGAN STATE 921-36N4BS
Location: 1003 FSL 1756 FWL QTR SESW SEC 36 TWNP 090S RNG 210E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 3/20/2012

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.

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- **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: Teena Paulo **Date:** 2/7/2014
Title: Staff Regulatory Specialist **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Feb. 07, 2014

GARY R. HERBERT
Governor

SPENCER J. COX
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

March 26, 2015

Kerr-McGee Oil & Gas Onshore, LP.
1099 18th Street, Suite 600
Denver, CO 80217

Re: APDs Rescinded Kerr-McGee Oil & Gas Onshore, LP., Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that is being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded as of March 26, 2015.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner
Bureau of Land Management, Vernal

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

MORGAN STATE	921-36K4BS	43-047-52257
MORGAN STATE	921-36L1BS	43-047-52258
MORGAN STATE	921-36L1CS	43-047-52259
MORGAN STATE	921-36M1BS	43-047-52260
MORGAN STATE	921-36M1CS	43-047-52261
MORGAN STATE	921-36M4BS	43-047-52262
MORGAN STATE	921-36K4CS	43-047-52263
MORGAN STATE	921-36N1BS	43-047-52264
MORGAN STATE	921-36N1CS	43-047-52265
MORGAN STATE	921-36N4BS	43-047-52266
SRW 823-03O GR		43-047-53974
SRW 823-13G1CS		43-047-53976
SRW 823-22A1CS		43-047-53977