API Well Number: 43047532330000

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

FORM 3

AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER
BONANZA 1023-7A1CS

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
PONDEROSA

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)
UTU38420

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	724 FNL 1691 FEL	NWNE	7	10.0 S	23.0 E	S
Top of Uppermost Producing Zone	623 FNL 496 FEL	NENE	7	10.0 S	23.0 E	S
At Total Depth	623 FNL 496 FEL	NENE	7	10.0 S	23.0 E	S

21. COUNTY
UINTAH

22. DISTANCE TO NEAREST LEASE LINE (Feet)
496

23. NUMBER OF ACRES IN DRILLING UNIT
637

25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)
211

26. PROPOSED DEPTH
MD: 8580 TVD: 8389

27. ELEVATION - GROUND LEVEL
5246

28. BOND NUMBER
WYB000291

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	11	8.625	0 - 2300	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 - 8580	11.6	I-80 LT&C	12.5	Premium Lite High Strength	280	3.38	12.0
							50/50 Poz	1170	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 Gina Becker | **TITLE** Regulatory Analyst II | **PHONE** 720 929-6086

SIGNATURE | **DATE** 09/28/2012 | **EMAIL** gina.becker@anadarko.com

API NUMBER ASSIGNED
43047532330000

APPROVAL
Permit Manager

RECEIVED: October 29, 2012

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

BONANZA 1023-7A1CS

Surface: 724 FNL / 1691 FEL NWNE
BHL: 623 FNL / 496 FEL NENE

Section 7 T10S R23E

Uintah County, Utah
Mineral Lease: UTU-38420

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

Formation	Depth	Resource
Uinta	0 - Surface	
Green River	1,160'	
Birds Nest	1,421'	Water
Mahogany	1,845'	Water
Wasatch	4,132'	Gas
Mesaverde	6,235'	Gas
Sego	8,389'	Gas
TVD	8,389'	
TD	8,580'	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program

5. Drilling Fluids Program:

Please refer to the attached Drilling Program

6. Evaluation Program:

Please refer to the attached Drilling Program

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7. Abnormal Conditions:

Maximum anticipated bottom hole pressure calculated at 8389' TVD, approximately equals 5,369 psi 0.64 psi/ft = actual bottomhole gradient

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

Maximum anticipated surface pressure equals approximately 3,512 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

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

8. Anticipated Starting Dates:

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

9. Variances:

Please refer to the attached Drilling Program.
Onshore Order #2 – Air Drilling Variance

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

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

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

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

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

Background

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

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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.

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

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on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

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

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

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

10. Other Information:

Please refer to the attached Drilling Program.

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KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	February 23, 2012
WELL NAME	**BONANZA 1023-7A1CS**	TD	8,389' TVD 8,580' MD
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah
FINISHED ELEVATION	5246.4		
SURFACE LOCATION	NWNE 724 FNL 1691 FEL Sec 7 T 10S R 23E		
	Latitude: 39.968701 Longitude: -109.366146 NAD 83		
BTM HOLE LOCATION	NENE 623 FNL 496 FEL Sec 7 T 10S R 23E		
	Latitude: 39.968983 Longitude: -109.361885 NAD 83		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: BLM (Minerals), BLM (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'	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 @ 1,160'
Top of Birds Nest @ 1,421'
Mahogany @ 1,845'

Preset f/ GL @ 2,300' 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 @ 4,132'

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

Mverde @ 6,235' TVD

Sego @ 8,389' TVD

Max anticipated Mud required 12.5 ppg

TD @ 8,389' TVD 8,580' MD

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KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	LTC	DQX TENSION
CONDUCTOR	14"	0-40'									
								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,300	28.00	IJ-55	LTC	2.35	1.75	6.17	N/A
								7,780	6,350	223,000	267,035
PRODUCTION	4-1/2"	0	to	5,000	11.60	I-80	DQX	1.11	1.16		3.32
	4-1/2"	5,000	to	8,580'	11.60	I-80	LTC	1.11	1.16	6.64	

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	1,800'	65/35 Poz + 6% Gel + 10 pps gilsonite	170	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	3,630'	Premium Lite II +0.25 pps	280	35%	12.00		3.38
			celloflake + 5 pps gilsonite + 10% gel					
			+ 0.5% extender					
	TAIL	4,950'	50/50 Poz/G + 10% salt + 2% gel	1,170	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. 1 centralizer on the first 3 joints and one every third joint thereafter.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

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

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

DRILLING ENGINEER: _____ **DATE:** _____

Nick Spence / Danny Showers / Chad Loesel

DRILLING SUPERINTENDENT: _____ **DATE:** _____

Kenny Gathings / Lovel Young

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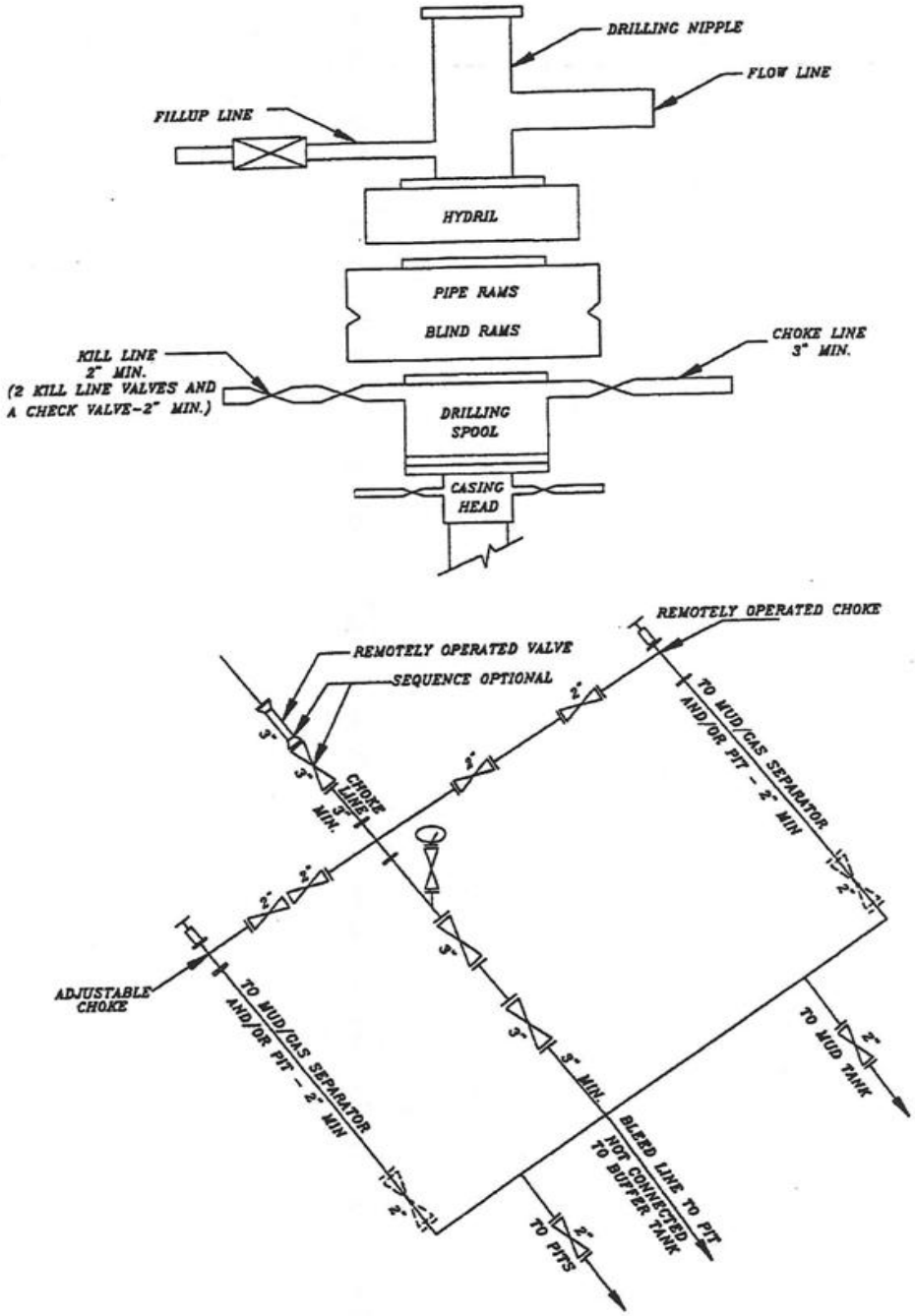
EXHIBIT A
BONANZA 1023-7A1CS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

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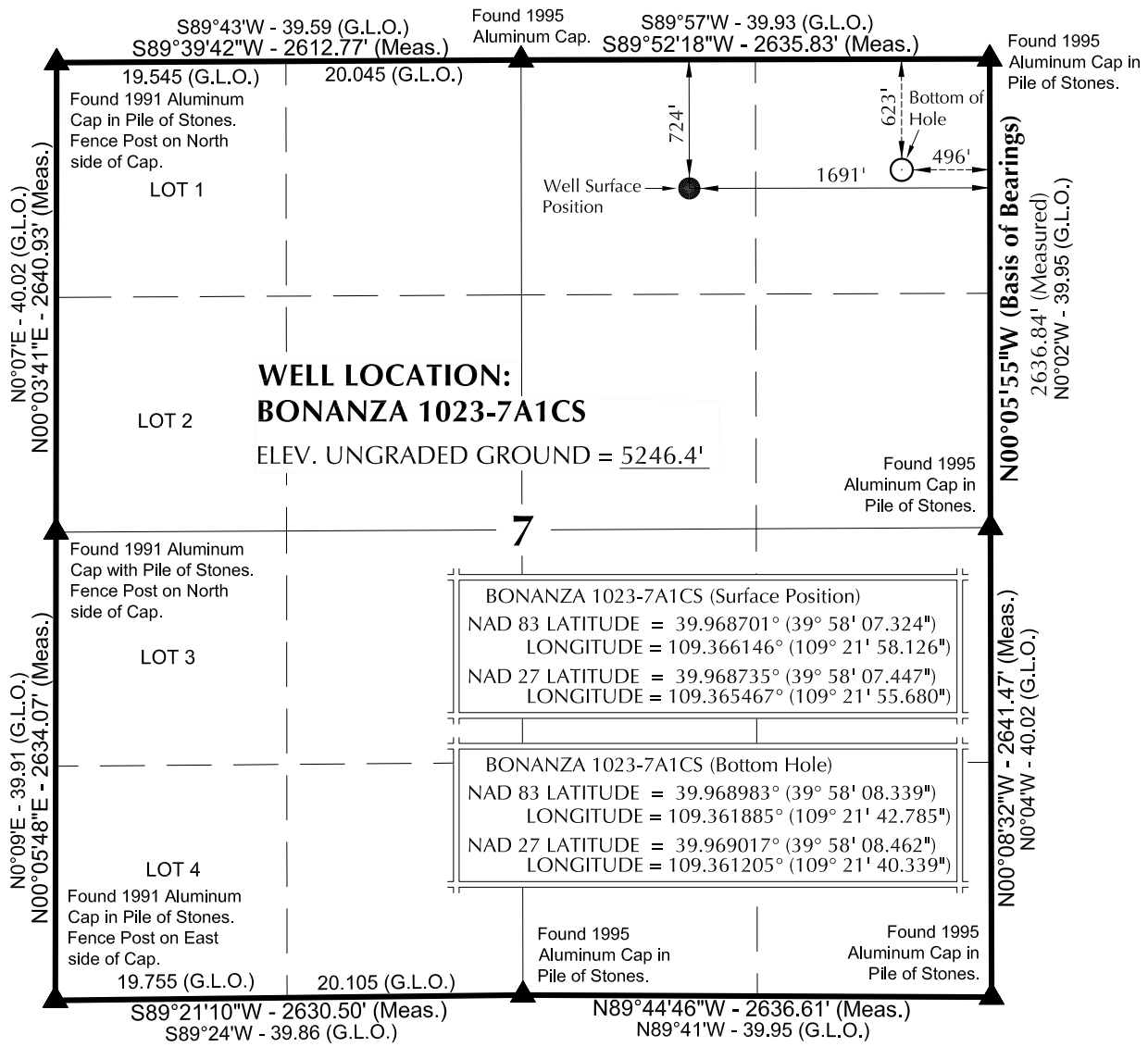
T10S, R23E, S.L.B.&M.



NOTES:

▲ = Section Corners Located

1. Well footages are measured at right angles to the Section Lines.
2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
3. The Bottom of hole bears N85°01'13"E 1199.20' 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 $\frac{1}{4}$ 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.

11-18-11

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: BONANZA 1023-7B

BONANZA 1023-7A1CS
WELL PLAT
623' FNL, 496' FEL (Bottom Hole)
NE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 7, T10S, R23E, 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

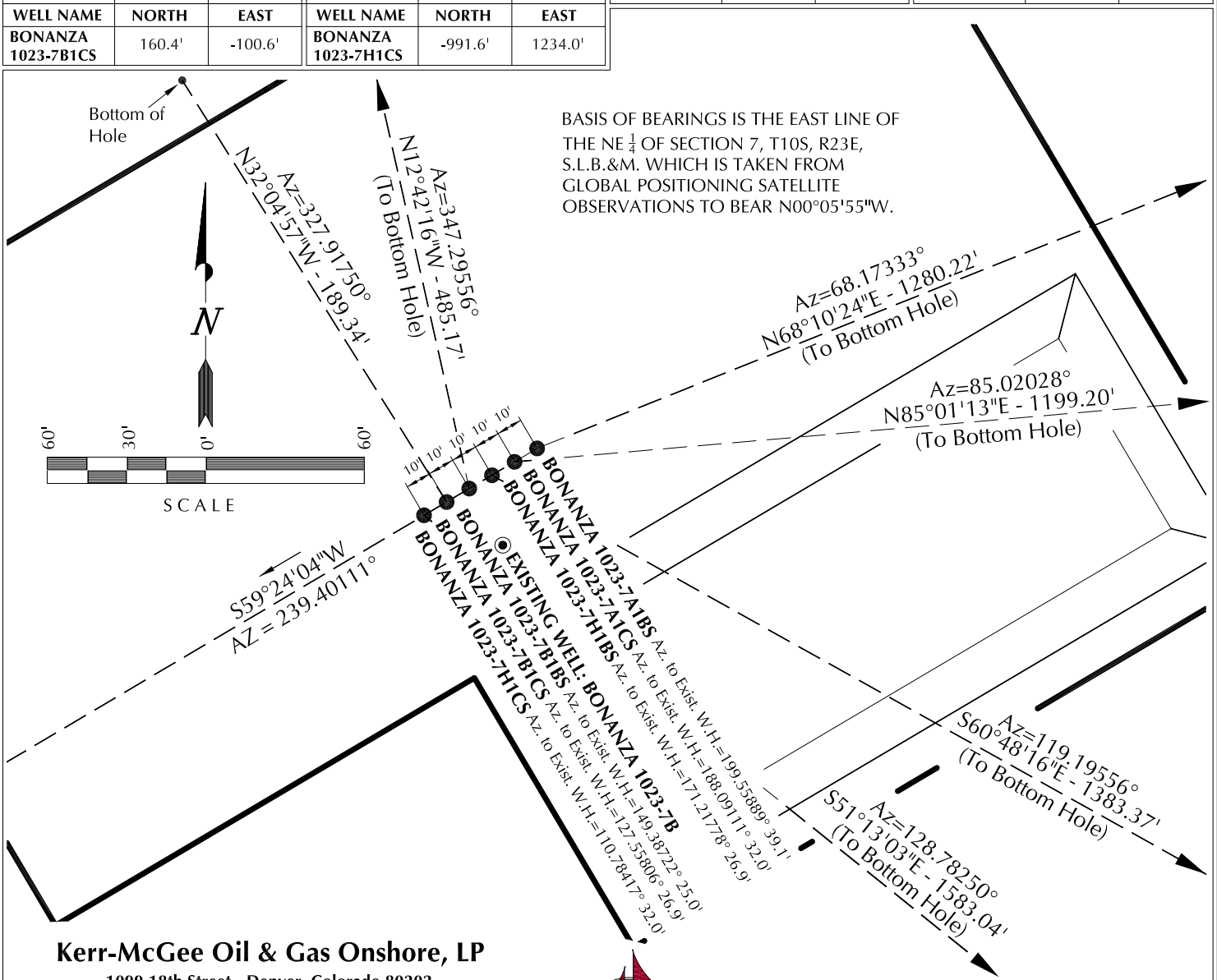
DATE SURVEYED: 10-11-11	SURVEYED BY: W.W.	SHEET NO:
DATE DRAWN: 11-10-11	DRAWN BY: T.J.R.	2
SCALE: 1" = 1000'	Date Last Revised:	2 OF 18

API Well Number: 43047532330000

WELL NAME	SURFACE POSITION					BOTTOM HOLE				
	NAD83		NAD27			NAD83		NAD27		
	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	FOOTAGES	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	FOOTAGES
BONANZA 1023-7A1BS	39°58'07.374" 39.968715°	109°21'58.016" 109.366116°	39°58'07.497" 39.968749°	109°21'55.570" 109.365436°	719' FNL 1682' FEL	39°58'12.064" 39.970018°	109°21'42.749" 109.361875°	39°58'12.187" 39.970052°	109°21'40.304" 109.361195°	246' FNL 493' FEL
BONANZA 1023-7A1CS	39°58'07.324" 39.968701°	109°21'58.126" 109.366146°	39°58'07.447" 39.968735°	109°21'55.680" 109.365467°	724' FNL 1691' FEL	39°58'08.339" 39.968983°	109°21'42.785" 109.361885°	39°58'08.462" 39.969017°	109°21'40.339" 109.361205°	623' FNL 496' FEL
BONANZA 1023-7H1BS	39°58'07.273" 39.968687°	109°21'58.237" 109.366177°	39°58'07.396" 39.968721°	109°21'55.791" 109.365498°	729' FNL 1699' FEL	39°58'00.593" 39.966831°	109°21'42.740" 109.361872°	39°58'00.716" 39.966866°	109°21'40.295" 109.361193°	1407' FNL 493' FEL
BONANZA 1023-7B1BS	39°58'07.224" 39.968673°	109°21'58.348" 109.366208°	39°58'07.346" 39.968707°	109°21'55.902" 109.365528°	735' FNL 1708' FEL	39°58'11.901" 39.969972°	109°21'59.711" 109.366587°	39°58'12.024" 39.970007°	109°21'57.265" 109.365907°	261' FNL 1814' FEL
BONANZA 1023-7B1CS	39°58'07.173" 39.968659°	109°21'58.458" 109.366238°	39°58'07.296" 39.968693°	109°21'56.012" 109.365559°	740' FNL 1717' FEL	39°58'08.759" 39.969100°	109°21'59.747" 109.366596°	39°58'08.882" 39.969134°	109°21'57.301" 109.365917°	579' FNL 1817' FEL
BONANZA 1023-7H1CS	39°58'07.123" 39.968645°	109°21'58.569" 109.366269°	39°58'07.246" 39.968679°	109°21'56.123" 109.365590°	745' FNL 1725' FEL	39°57'57.313" 39.965920°	109°21'42.738" 109.361872°	39°57'57.436" 39.965954°	109°21'40.293" 109.361192°	1739' FNL 493' FEL
BONANZA 1023-7B	39°58'7.011" 39.968614°	109°21'58.185" 109.366162°	39°58'7.133" 39.968648°	109°21'55.739" 109.365483°	756' FNL 1695' FEL					

RELATIVE COORDINATES - From Surface Position to Bottom Hole

WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST
BONANZA 1023-7A1BS	476.0'	1188.4'	BONANZA 1023-7A1CS	104.1'	1194.7'	BONANZA 1023-7H1BS	-674.8'	1207.6'	BONANZA 1023-7B1BS	473.3'	-106.7'
WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST						
BONANZA 1023-7B1CS	160.4'	-100.6'	BONANZA 1023-7H1CS	-991.6'	1234.0'						



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

WELL PAD - BONANZA 1023-7B

WELL PAD INTERFERENCE PLAT

WELLS - BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, 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
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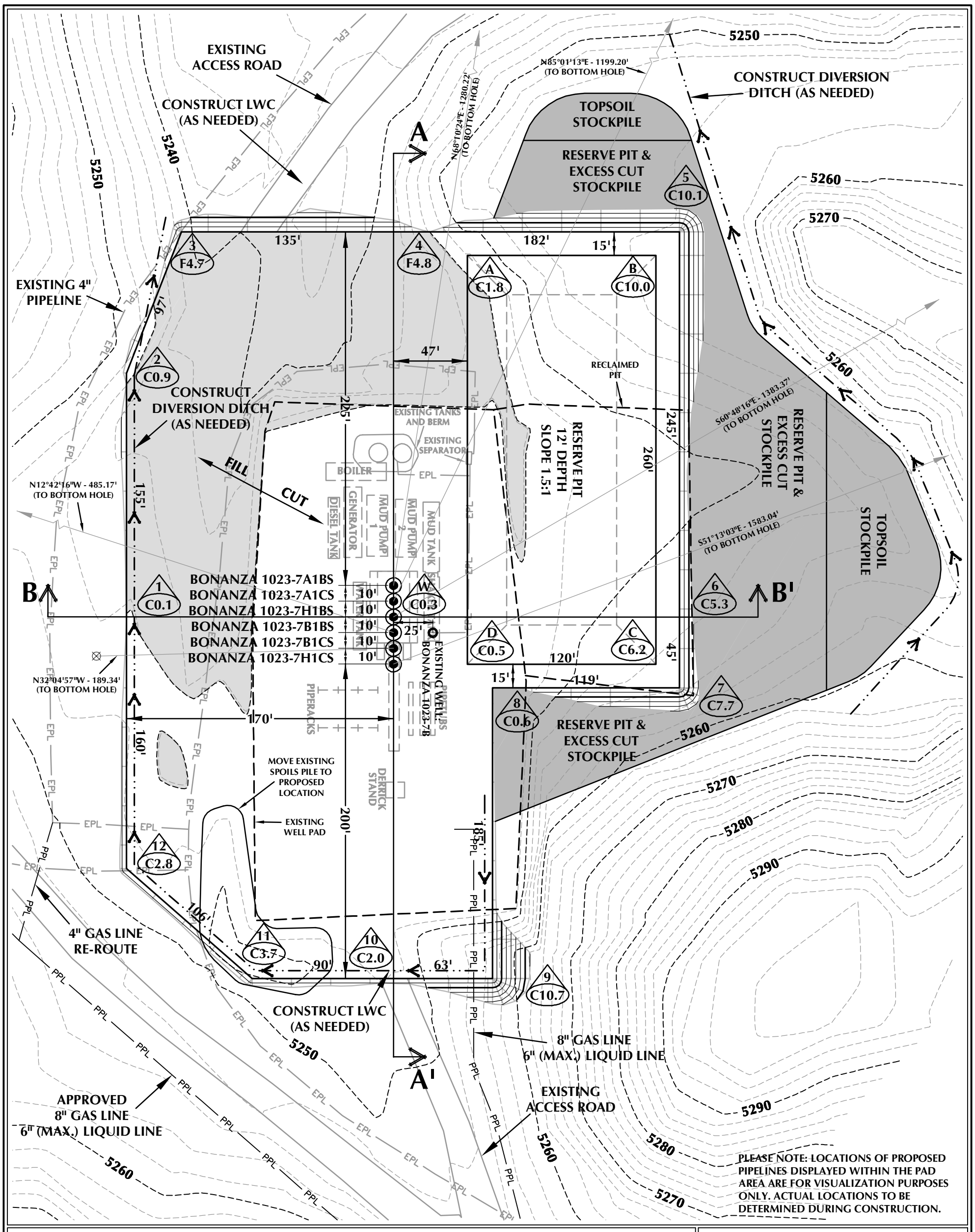
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 10-11-11	SURVEYED BY: W.W.	SHEET NO: 7
DATE DRAWN: 11-10-11	DRAWN BY: T.J.R.	
SCALE: 1" = 60'	Date Last Revised:	7 OF 18

RECEIVED: August 01, 2012



WELL PAD - BONANZA 1023-7B DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 5246.4'
FINISHED GRADE ELEVATION = 5246.1'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1
TOTAL WELL PAD AREA = 3.49 ACRES
TOTAL DISTURBANCE AREA = 4.52 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 = 7,710 C.Y.
TOTAL FILL FOR WELL PAD = 6,868 C.Y.
TOPSOIL @ 6" DEPTH = 1,875 C.Y.
EXCESS MATERIAL = 842 C.Y.

RESERVE PIT QUANTITIES

TOTAL CUT FOR RESERVE PIT
+/- 11,020 C.Y.
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 42,290 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 - BONANZA 1023-7B

WELL PAD - LOCATION LAYOUT
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH

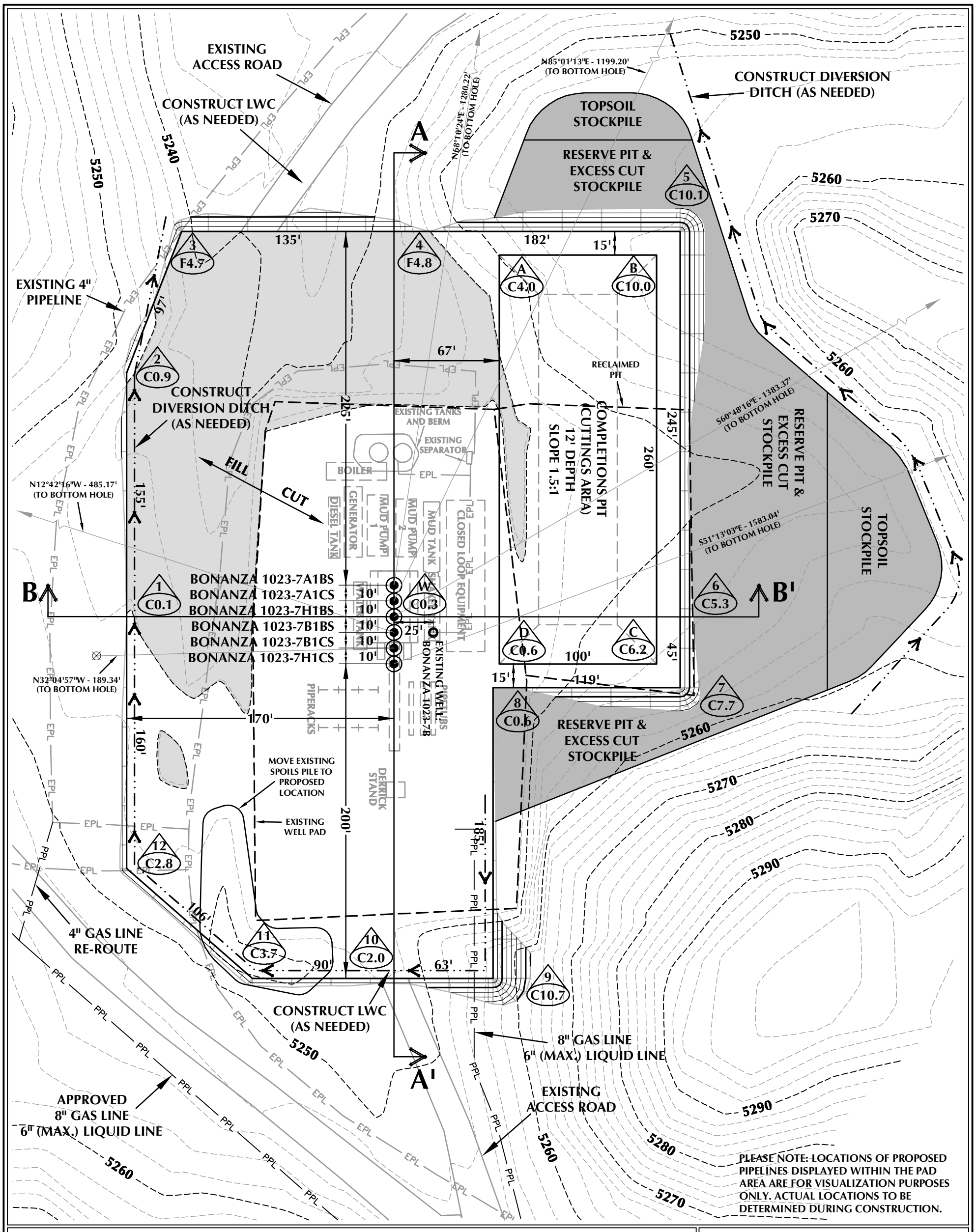
609 CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone 307-674-0609
Fax 307-674-0182

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

SCALE: 1"=60'	DATE: 11/18/11	SHEET NO:
REVISED:	APF 1/18/12	8 8 OF 18

K:\ANADARKO\2011\2011_76_NBU_FOCUS_1023-7\DWGS\BONANZA 1023-7B\BONANZA 1023-7B.dwg, 1/17/2012 2:46:53 PM, jacob

RECEIVED: August 01, 2012



WELL PAD - BONANZA 1023-7B (CLOSED LOOP) DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 5246.4'
FINISHED GRADE ELEVATION = 5246.1'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1
TOTAL WELL PAD AREA = 3.49 ACRES
TOTAL DISTURBANCE AREA = 4.52 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 = 7,710 C.Y.
TOTAL FILL FOR WELL PAD = 6,868 C.Y.
TOPSOIL @ 6" DEPTH = 1,875 C.Y.
EXCESS MATERIAL = 842 C.Y.

COMPLETIONS PIT QUANTITIES

TOTAL CUT FOR COMPLETIONS PIT
+/- 8,870 C.Y.
COMPLETIONS PIT CAPACITY
(2' OF FREEBOARD)
+/- 33,770 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 - BONANZA 1023-7B

WELL PAD - LOCATION LAYOUT
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH

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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

SCALE: 1"=60' | DATE: 1/18/12 | SHEET NO: 8B 8B OF 18
REVISED:

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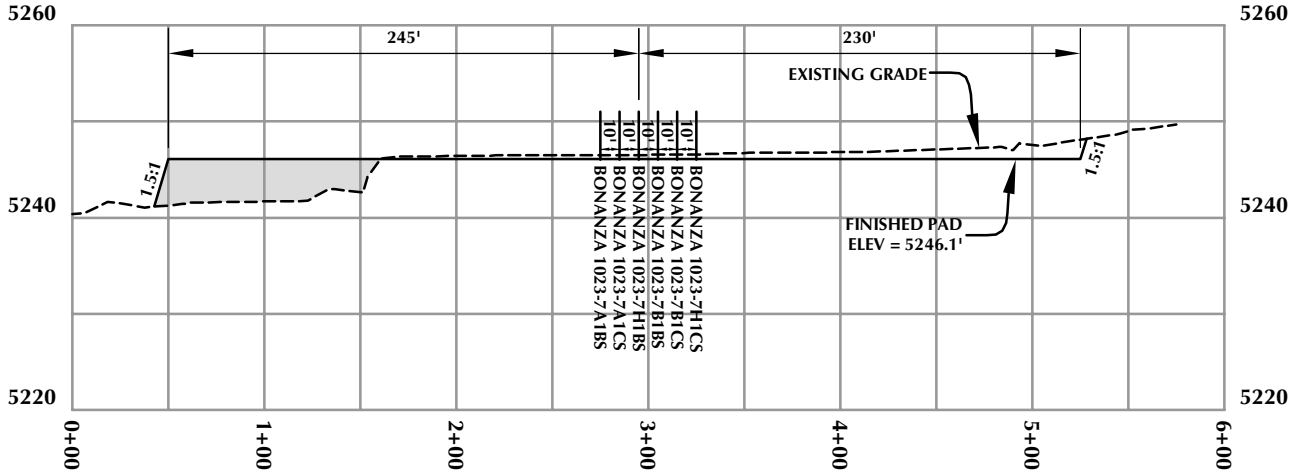
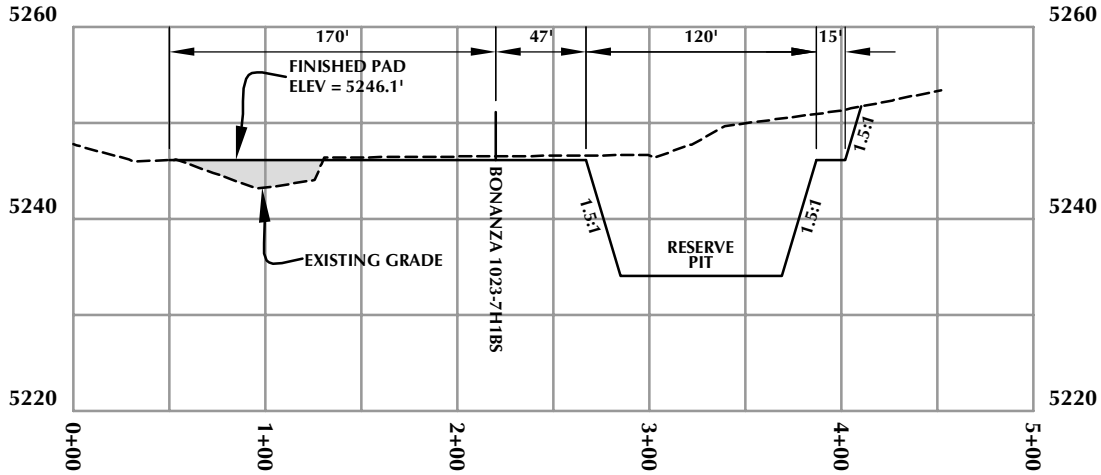
RECEIVED: August 01, 2012



CROSS SECTION A-A'



CROSS SECTION B-B'

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

WELL PAD - BONANZA 1023-7B

WELL PAD - CROSS SECTIONS
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS,
BONANZA 1023-7H1BS, BONANZA 1023-7B1BS,
BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E,
S.L.B.&M., UINTAH COUNTY, UTAH

609
CONSULTING, LLC
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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: 11/18/11 | SHEET NO: 9
REVISED:
9 OF 18

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EXISTING ACCESS ROAD
DISTURBANCE BOUNDARY
DIVERSION DITCH (TO BE RECLAIMED)
CONSTRUCT LWC (AS NEEDED)
DIVERSION DITCH (TO BE RECLAIMED)
EXISTING 4" PIPELINE
PROPOSED WELL PAD
FILL
CUT
RESERVE PIT
EXISTING WELL PAD
BONANZA 1023-7A1BS
BONANZA 1023-7A1CS
BONANZA 1023-7H1BS
BONANZA 1023-7B1BS
BONANZA 1023-7B1CS
BONANZA 1023-7H1CS
10'
EXISTING WELL: BONANZA 1023-7B
90'
TANKS (TYPICAL)
METAL CONTAINMENT
SEPARATOR/ METER HOUSE
30'
15'
75'
4" GAS LINE RE-ROUTE
CONSTRUCT LWC (AS NEEDED)
8" GAS LINE 6" (MAX.) LIQUID LINE
EXISTING ACCESS ROAD
APPROVED 8" GAS LINE 6" (MAX.) LIQUID LINE
5250
5240
5260
5270
5280
5290
EPL
PPL

PLEASE NOTE:
1. LOCATIONS OF PROPOSED FACILITIES AND PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUALIZATION PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.
2. ACTUAL RECLAMATION AREA TO BE DETERMINED DURING INTERIM RECLAMATION.

WELL PAD - BONANZA 1023-7B DESIGN SUMMARY

TOTAL DISTURBANCE AREA = 4.54 ACRES (INCLUDING EXISTING)
RECLAMATION AREA = 3.39 ACRES
TOTAL WELL PAD AREA AFTER RECLAMATION = 1.15 ACRES

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
- RECLAMATION AREA

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

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

WELL PAD - BONANZA 1023-7B

WELL PAD - RECLAMATION LAYOUT
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH

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

SCALE: 1"=60' | DATE: 1/18/12 | SHEET NO: 10 10 OF 18
REVISED:

K:\ANADARKO\2011\2011_76_NBU_FOCUS_1023-7\DWGS\BONANZA 1023-7B\BONANZA 1023-7B.dwg, 1/17/2012 2:52:58 PM, jacob

RECEIVED: August 01, 2012

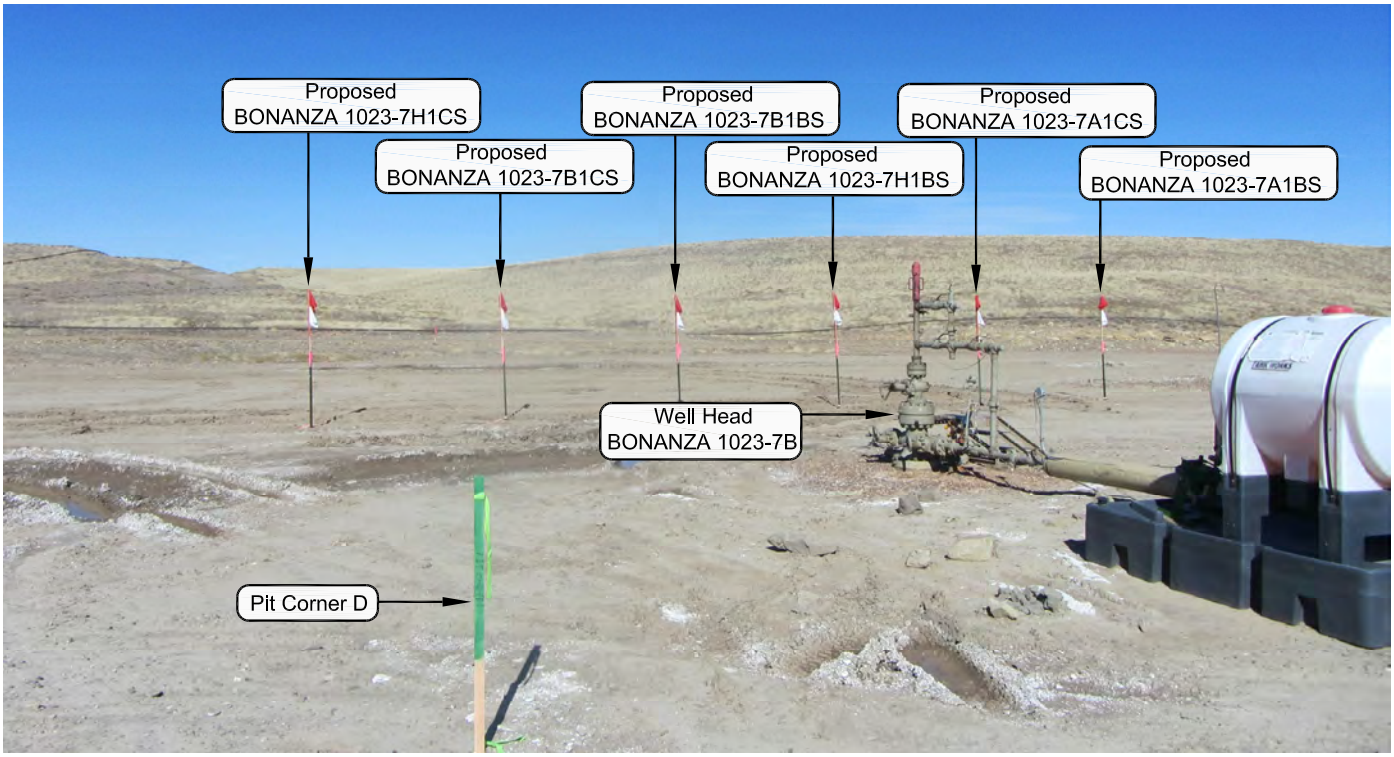

PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE **CAMERA ANGLE: NORTHERLY**

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

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

WELL PAD - BONANZA 1023-7B

LOCATION PHOTOS
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH.

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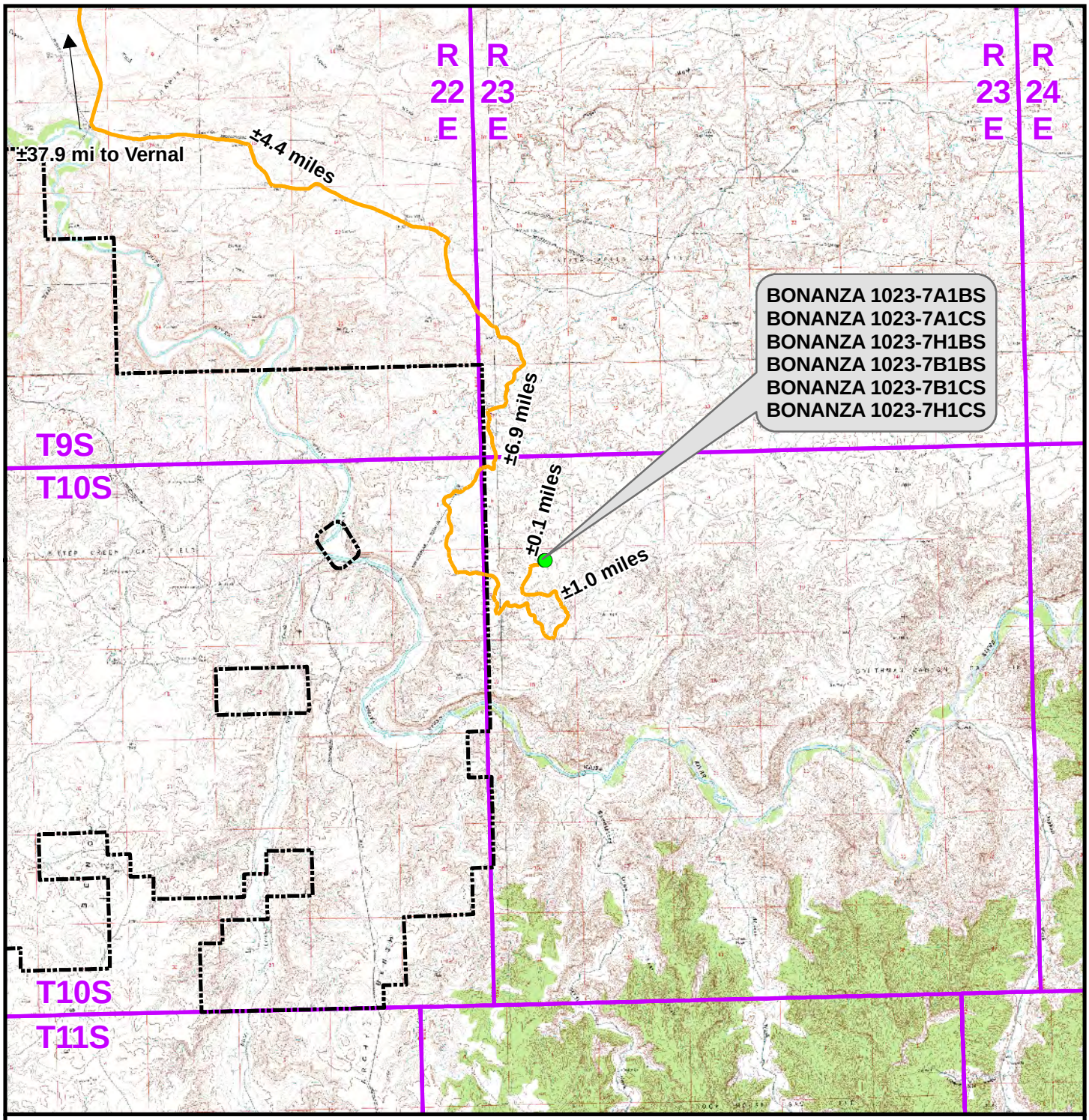
Fax 307-674-0182

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

DATE PHOTOS TAKEN: 10-11-11	PHOTOS TAKEN BY: W.W.	SHEET NO:
DATE DRAWN: 11-10-11	DRAWN BY: T.J.R.	11
Date Last Revised:		11 OF 18

RECEIVED: August 01, 2012

API Well Number: 43047532330000



Legend

Distance From Well Pad - BONANZA 1023-7B To Unit Boundary: ±3,525ft

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

WELL PAD - BONANZA 1023-7B

TOPO A
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.

1099 18th Street
Denver, Colorado 80202

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Sheridan, Wyoming 82801
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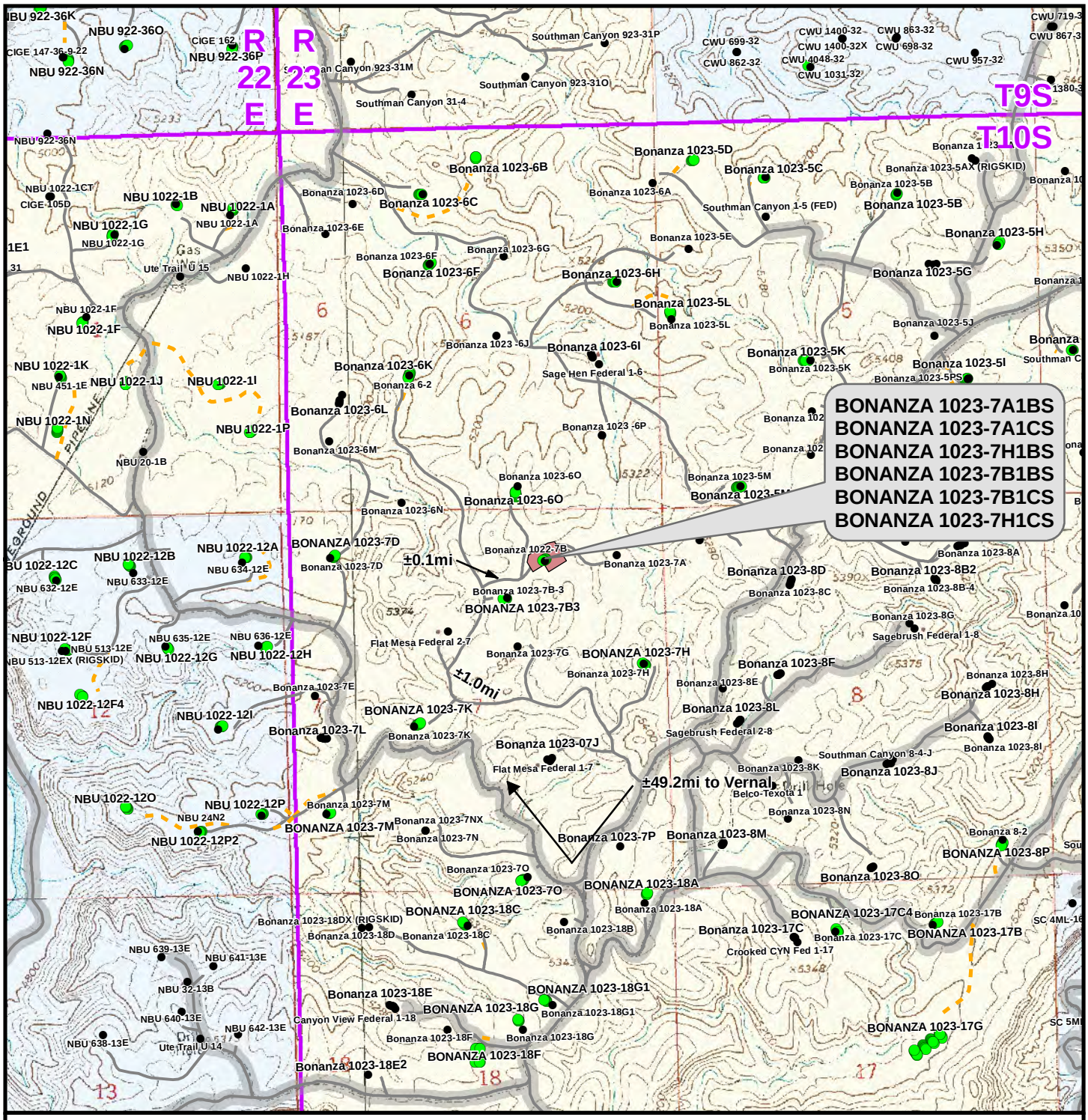
Fax 307-674-0182

N

SCALE: 1:100,000	NAD83 USP Central	SHEET NO: 12
DRAWN: TL	DATE: 18 Nov 2011	12 OF 18
REVISED:	DATE:	

RECEIVED: August 01, 2012

API Well Number: 43047532330000



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 - BONANZA 1023-7B

TOPO B
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.

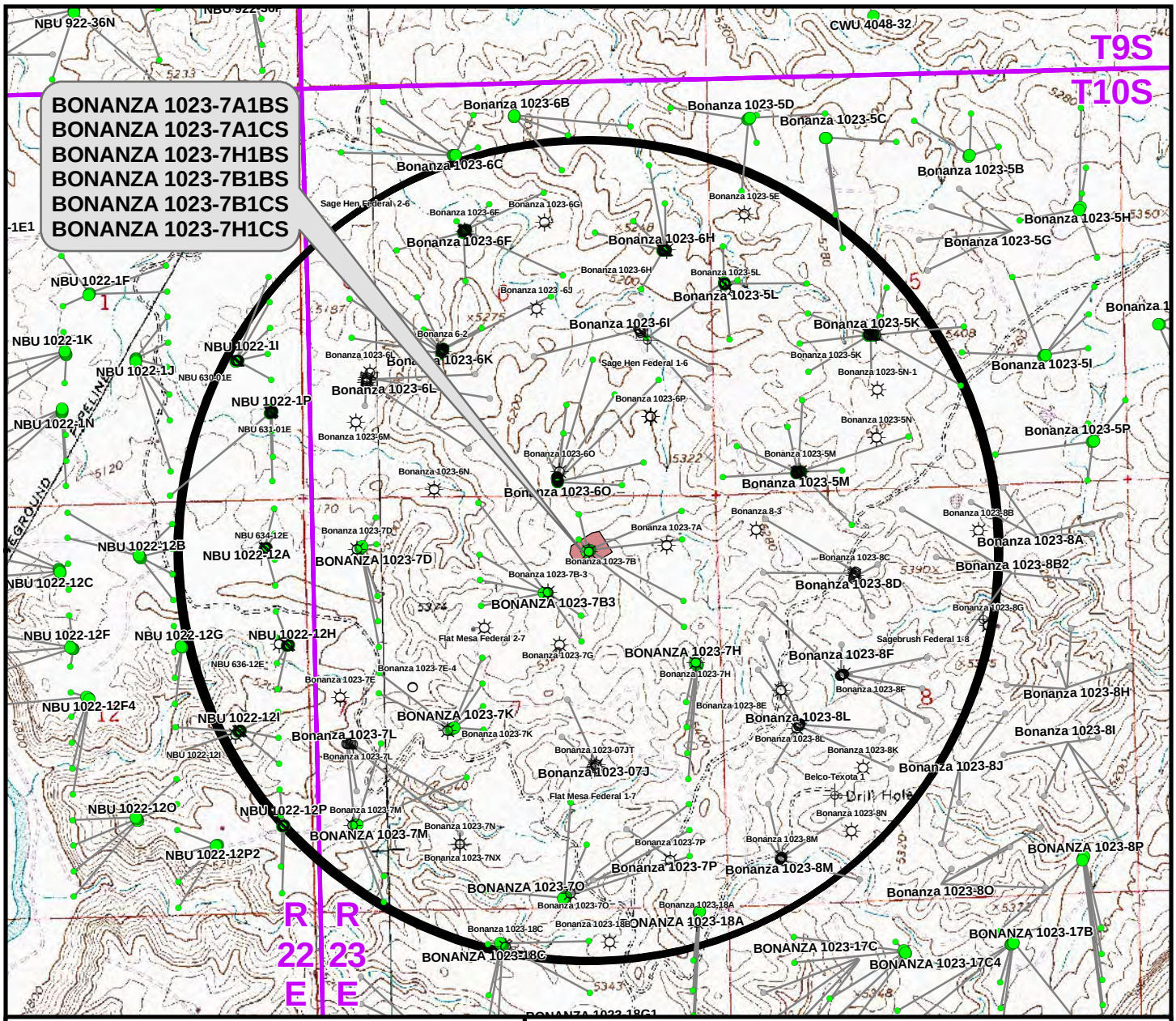
1099 18th Street
Denver, Colorado 80202

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:	13
DRAWN: TL	DATE: 18 Nov 2011		
REVISED: TL	DATE: 18 Jan 2012		13 OF 18

RECEIVED: August 01, 2012



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
BONANZA 1023-7A1BS	Bonanza 1023-7A	489ft
BONANZA 1023-7A1CS	Bonanza 1023-7A	211ft
BONANZA 1023-7H1BS	Bonanza 1023-7A	744ft
BONANZA 1023-7B1BS	Bonanza 1023-7B	507ft
BONANZA 1023-7B1CS	Bonanza 1023-7B	215ft
BONANZA 1023-7H1CS	Bonanza 1023-7H	496ft

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 - BONANZA 1023-7B

TOPO C
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.

1099 18th Street
Denver, Colorado 80202

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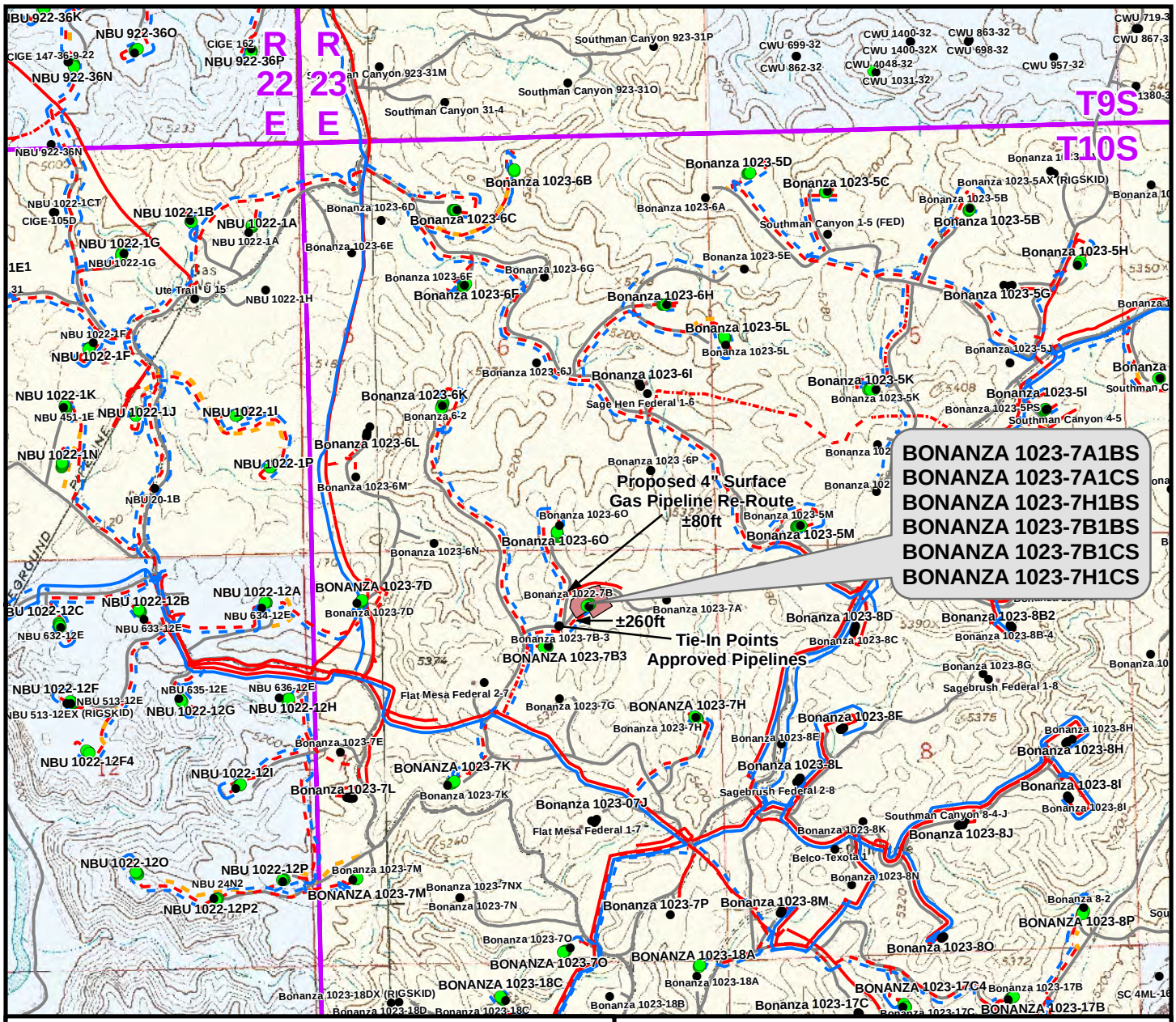
Fax 307-674-0182

N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO: 14
DRAWN: TL	DATE: 18 Jan 2012	14 OF 18
REVISED:	DATE:	

RECEIVED: August 01, 2012

API Well Number: 43047532330000



Proposed Liquid Pipeline	Length
Buried 6"(Max.) (Meter House to Edge of Pad)	±110ft
Buried 6"(Max.) (Edge of Pad to Approved Liquid Pipeline)	±260ft
TOTAL PROPOSED BURIED LIQUID PIPELINE =	±370ft

Proposed Gas Pipeline	Length
Buried 8" (Meter House to Edge of Pad)	±110ft
Buried 8" (Edge of Pad to Approved 8" Gas Pipeline	±260ft
Surface 4" (Pipeline Re-Route)	±80ft
TOTAL PROPOSED BURIED GAS PIPELINE =	±370ft
TOTAL PROPOSED SURFACE GAS PIPELINE =	±80ft

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 - BONANZA 1023-7B

TOPO D
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, 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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Sheridan, Wyoming 82801
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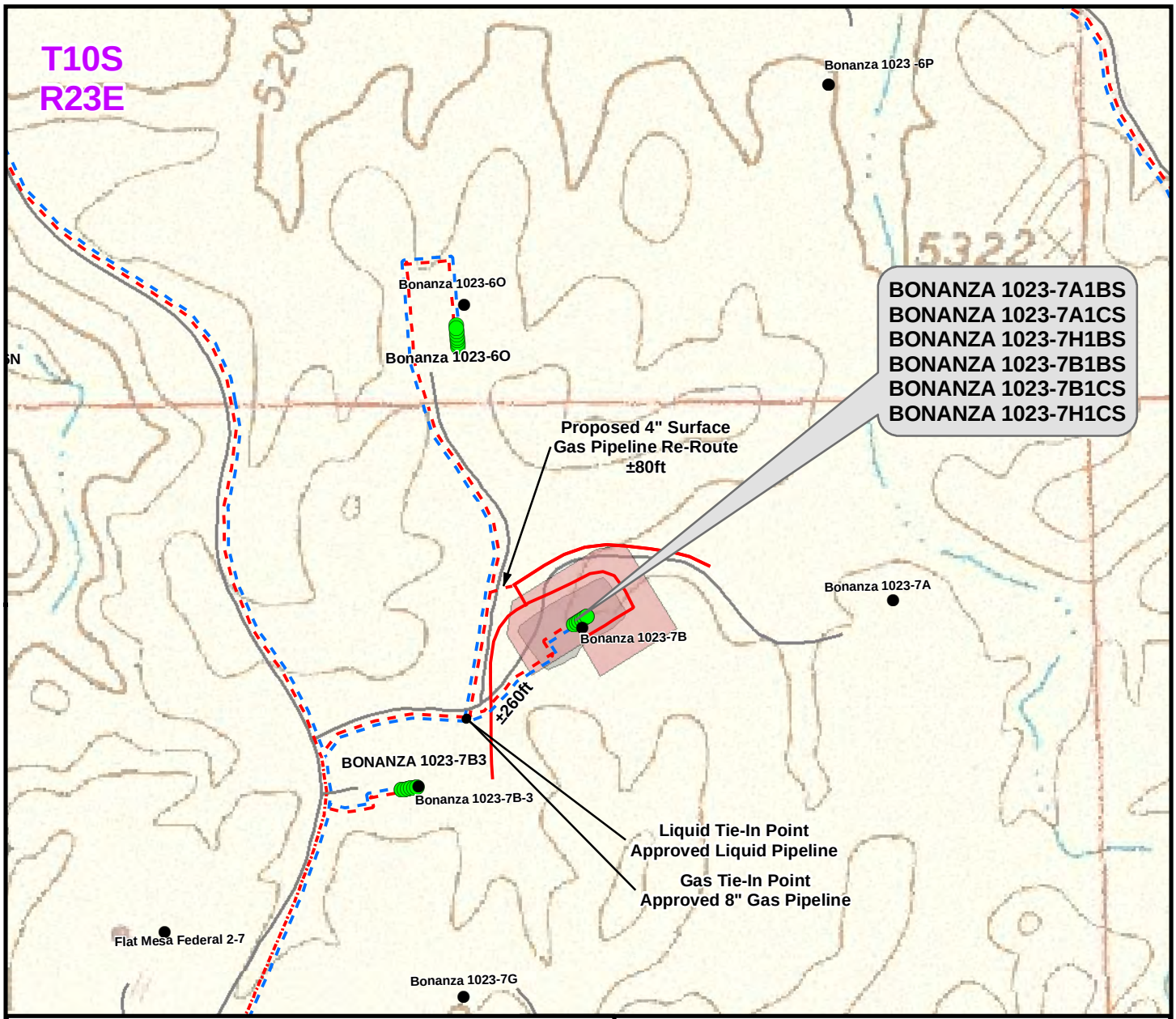
Fax 307-674-0182

N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO: 15
DRAWN: TL	DATE: 18 Jan 2012	15 OF 18
REVISED:	DATE:	

RECEIVED: August 01, 2012

API Well Number: 43047532330000



Proposed Liquid Pipeline	Length
Buried 6"(Max.) (Meter House to Edge of Pad)	±110ft
Buried 6"(Max.) (Edge of Pad to Approved Liquid Pipeline)	±260ft
TOTAL PROPOSED BURIED LIQUID PIPELINE =	±370ft

Proposed Gas Pipeline	Length
Buried 8" (Meter House to Edge of Pad)	±110ft
Buried 8" (Edge of Pad to Approved 8" Gas Pipeline	±260ft
Surface 4" (Pipeline Re-Route)	±80ft
TOTAL PROPOSED BURIED GAS PIPELINE =	±370ft
TOTAL PROPOSED SURFACE GAS PIPELINE =	±80ft

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

WELL PAD - BONANZA 1023-7B

TOPO D2 (PAD & PIPELINE DETAIL)
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS,
BONANZA 1023-7H1BS, BONANZA 1023-7B1BS,
BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E,
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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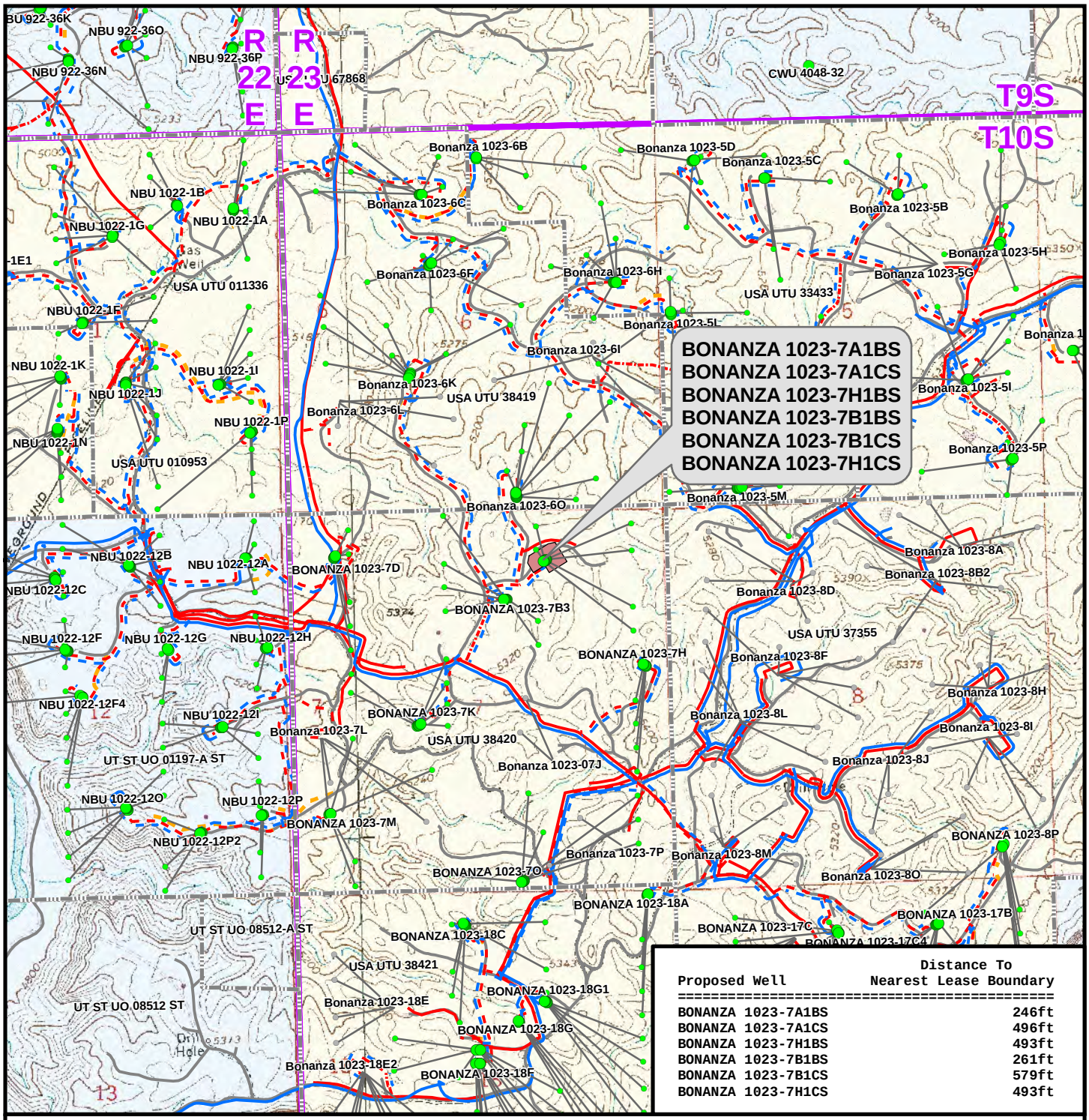
Fax 307-674-0182

N

SCALE: 1" = 500ft	NAD83 USP Central	SHEET NO:	
DRAWN: TL	DATE: 18 Nov 2011	16	
REVISED: TL	DATE: 18 Jan 2012	16 OF 18	

RECEIVED: August 01, 2012

API Well Number: 43047532330000



Proposed Well	Distance To Nearest Lease Boundary
BONANZA 1023-7A1BS	246ft
BONANZA 1023-7A1CS	496ft
BONANZA 1023-7H1BS	493ft
BONANZA 1023-7B1BS	261ft
BONANZA 1023-7B1CS	579ft
BONANZA 1023-7H1CS	493ft

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 - BONANZA 1023-7B

TOPO E
BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
LOCATED IN SECTION 7, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.

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Denver, Colorado 80202

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

N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO: 17
DRAWN: TL	DATE: 18 Jan 2012	17 OF 18
REVISED:	DATE:	

RECEIVED: August 01, 2012

Kerr-McGee Oil & Gas Onshore, LP
WELL PAD – BONANZA 1023-7B
WELLS – BONANZA 1023-7A1BS, BONANZA 1023-7A1CS, BONANZA 1023-7H1BS, BONANZA 1023-7B1BS, BONANZA 1023-7B1CS & BONANZA 1023-7H1CS
Section 7, T10S, R23E, 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 14.4 miles to the intersection of the Fidlar Road (County B Road 3410) which road intersection is approximately 400 feet northeast of the Mountain Fuel Bridge at the White River. Exit left and proceed in a southeasterly direction along the Fidlar Road approximately 4.4 miles to the intersection of the Seven Sisters Road (County B Road 3420). Exit right and proceed in a southeasterly, then southerly, then southeasterly, then northeasterly direction along the Seven Sisters Road approximately 6.9 miles to an existing service road to the northwest. Exit left and proceed in a northwesterly direction along the service road approximately 1.0 miles to a second service road to the northeast. Exit right and proceed in a northeasterly direction along the second service road approximately 0.1 miles to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 50.3 miles in a southerly direction.

RECEIVED: August 01, 2012

API Well Number: 43047532380000

Scientific Drilling
Rocky Mountain Operations

Project: UTAH - UTM (feet), NAD27, Zone 12N
Site: BONANZA 1023-7B PAD
Well: BONANZA 1023-7A1CS
Wellbore: OH
Design: PLAN #1

Anadarko Petroleum Corporation

WELL DETAILS: BONANZA 1023-7A1CS

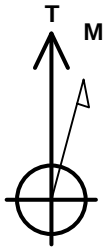
GL 5246 & KB 4 @ 5250.00ft (ASSUMED)

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	14518856.78	2098400.90	39.968735	-109.365467

DESIGN TARGET DETAILS

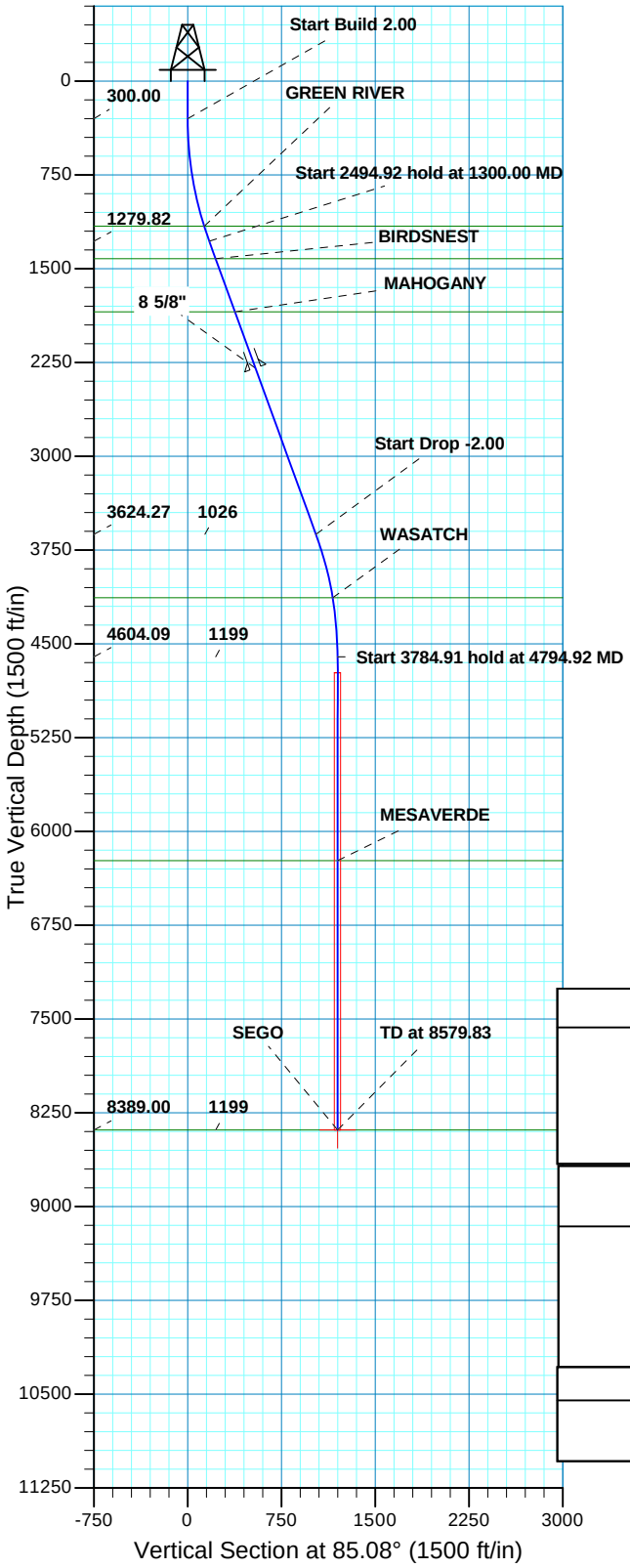
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL	8389.00	102.74	1194.44	14518981.39	2099593.25	39.969017	-109.361205	Circle (Radius: 25.00)

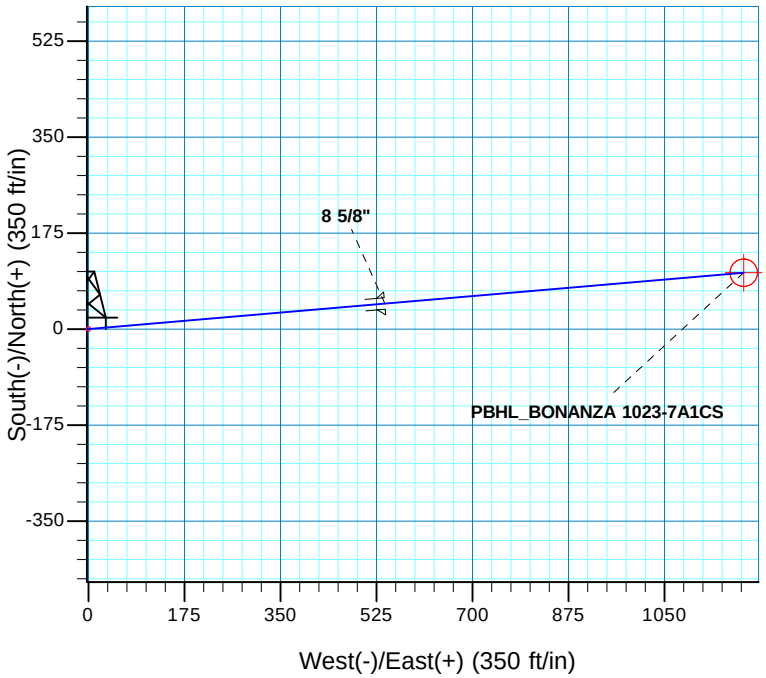
- plan hits target center



Azimuths to True North
Magnetic North: 10.93°

Magnetic Field
Strength: 52262.2snT
Dip Angle: 65.85°
Date: 02/13/2012
Model: IGRF2010





SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	
1300.00	20.00	85.08	1279.82	14.81	172.13	2.00	85.08	172.77	
3794.92	20.00	85.08	3624.27	87.93	1022.31	0.00	0.00	1026.08	
4794.92	0.00	0.00	4604.09	102.74	1194.44	2.00	180.00	1198.85	
8579.83	0.00	0.00	8389.00	102.74	1194.44	0.00	0.00	1198.85	PBHL_BONANZA 1023-7A1CS

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 7 T10S R23E
System Datum: Mean Sea Level

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1160.00	1173.47	GREEN RIVER
1421.00	1450.25	BIRDSNEST
1845.00	1901.46	MAHOGANY
4132.00	4320.67	WASATCH
6235.00	6425.83	MESAVERDE
8388.99	8579.82	SEGO

CASING DETAILS

TVD	MD	Name	Size
2295.00	2380.34	8 5/8"	8.625

Plan: PLAN #1 (BONANZA 1023-7A1CS/OH)

Created By: Gabe Kendall Date: 16:38, February 13 2012

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API Well Number: 43047532330000

Scientific Drilling
Rocky Mountain Operations

US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N
BONANZA 1023-7B PAD
BONANZA 1023-7A1CS

OH

Plan: PLAN #1

Standard Planning Report

13 February, 2012

Anadarko
Petroleum Corporation

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Scientific Drilling
Rocky Mountain Operations

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Planning Report

Anadarko Petroleum Corporation

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well BONANZA 1023-7A1CS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Site:	BONANZA 1023-7B PAD	**North Reference:**	True
Well:	BONANZA 1023-7A1CS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

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 BONANZA 1023-7B PAD, SECTION 7 T10S R23E

Site Position:		**Northing:**	14,518,862.04 usft	**Latitude:**	39.968749
From:	Lat/Long	**Easting:**	2,098,409.49 usft	**Longitude:**	-109.365436
Position Uncertainty:	0.00 ft	**Slot Radius:**	13.200 in	**Grid Convergence:**	1.05 °

Well BONANZA 1023-7A1CS, 724 FNL 1691 FEL

Well Position	**+N/-S**	-5.10 ft	**Northing:**	14,518,856.78 usft	**Latitude:**	39.968735
	+E/-W	-8.69 ft	**Easting:**	2,098,400.89 usft	**Longitude:**	-109.365467
Position Uncertainty		0.00 ft	**Wellhead Elevation:**		**Ground Level:**	5,246.00 ft

Wellbore OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	02/13/12	10.93	65.85	52,262

Design PLAN #1

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	85.08

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,300.00	20.00	85.08	1,279.82	14.81	172.13	2.00	2.00	0.00	85.08	
3,794.92	20.00	85.08	3,624.27	87.93	1,022.31	0.00	0.00	0.00	0.00	
4,794.92	0.00	0.00	4,604.09	102.74	1,194.44	2.00	-2.00	0.00	180.00	
8,579.83	0.00	0.00	8,389.00	102.74	1,194.44	0.00	0.00	0.00	0.00	PBHL_BONANZA 10

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Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well BONANZA 1023-7A1CS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Site:	BONANZA 1023-7B PAD	**North Reference:**	True
Well:	BONANZA 1023-7A1CS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2.00									
400.00	2.00	85.08	399.98	0.15	1.74	1.75	2.00	2.00	0.00
500.00	4.00	85.08	499.84	0.60	6.95	6.98	2.00	2.00	0.00
600.00	6.00	85.08	599.45	1.34	15.64	15.69	2.00	2.00	0.00
700.00	8.00	85.08	698.70	2.39	27.78	27.88	2.00	2.00	0.00
800.00	10.00	85.08	797.47	3.73	43.36	43.52	2.00	2.00	0.00
900.00	12.00	85.08	895.62	5.36	62.37	62.60	2.00	2.00	0.00
1,000.00	14.00	85.08	993.06	7.29	84.78	85.10	2.00	2.00	0.00
1,100.00	16.00	85.08	1,089.64	9.51	110.57	110.98	2.00	2.00	0.00
1,173.47	17.47	85.08	1,160.00	11.32	131.65	132.13	2.00	2.00	0.00
GREEN RIVER									
1,200.00	18.00	85.08	1,185.27	12.02	139.70	140.21	2.00	2.00	0.00
1,300.00	20.00	85.08	1,279.82	14.81	172.13	172.77	2.00	2.00	0.00
Start 2494.92 hold at 1300.00 MD									
1,400.00	20.00	85.08	1,373.78	17.74	206.21	206.97	0.00	0.00	0.00
1,450.25	20.00	85.08	1,421.00	19.21	223.33	224.15	0.00	0.00	0.00
BIRDSNEST									
1,500.00	20.00	85.08	1,467.75	20.67	240.28	241.17	0.00	0.00	0.00
1,600.00	20.00	85.08	1,561.72	23.60	274.36	275.37	0.00	0.00	0.00
1,700.00	20.00	85.08	1,655.69	26.53	308.44	309.58	0.00	0.00	0.00
1,800.00	20.00	85.08	1,749.66	29.46	342.51	343.78	0.00	0.00	0.00
1,900.00	20.00	85.08	1,843.63	32.39	376.59	377.98	0.00	0.00	0.00
1,901.46	20.00	85.08	1,845.00	32.43	377.09	378.48	0.00	0.00	0.00
MAHOGANY									
2,000.00	20.00	85.08	1,937.60	35.32	410.67	412.18	0.00	0.00	0.00
2,100.00	20.00	85.08	2,031.57	38.25	444.74	446.38	0.00	0.00	0.00
2,200.00	20.00	85.08	2,125.54	41.18	478.82	480.59	0.00	0.00	0.00
2,300.00	20.00	85.08	2,219.51	44.12	512.89	514.79	0.00	0.00	0.00
2,380.34	20.00	85.08	2,295.00	46.47	540.27	542.26	0.00	0.00	0.00
8 5/8"									
2,400.00	20.00	85.08	2,313.48	47.05	546.97	548.99	0.00	0.00	0.00
2,500.00	20.00	85.08	2,407.45	49.98	581.05	583.19	0.00	0.00	0.00
2,600.00	20.00	85.08	2,501.42	52.91	615.12	617.39	0.00	0.00	0.00
2,700.00	20.00	85.08	2,595.39	55.84	649.20	651.60	0.00	0.00	0.00
2,800.00	20.00	85.08	2,689.35	58.77	683.28	685.80	0.00	0.00	0.00
2,900.00	20.00	85.08	2,783.32	61.70	717.35	720.00	0.00	0.00	0.00
3,000.00	20.00	85.08	2,877.29	64.63	751.43	754.20	0.00	0.00	0.00
3,100.00	20.00	85.08	2,971.26	67.56	785.50	788.40	0.00	0.00	0.00
3,200.00	20.00	85.08	3,065.23	70.49	819.58	822.61	0.00	0.00	0.00
3,300.00	20.00	85.08	3,159.20	73.43	853.66	856.81	0.00	0.00	0.00
3,400.00	20.00	85.08	3,253.17	76.36	887.73	891.01	0.00	0.00	0.00
3,500.00	20.00	85.08	3,347.14	79.29	921.81	925.21	0.00	0.00	0.00
3,600.00	20.00	85.08	3,441.11	82.22	955.88	959.41	0.00	0.00	0.00
3,700.00	20.00	85.08	3,535.08	85.15	989.96	993.62	0.00	0.00	0.00
3,794.92	20.00	85.08	3,624.27	87.93	1,022.31	1,026.08	0.00	0.00	0.00
Start Drop -2.00									
3,800.00	19.90	85.08	3,629.05	88.08	1,024.03	1,027.81	2.00	-2.00	0.00
3,900.00	17.90	85.08	3,723.65	90.86	1,056.30	1,060.20	2.00	-2.00	0.00
4,000.00	15.90	85.08	3,819.33	93.35	1,085.26	1,089.27	2.00	-2.00	0.00

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Scientific Drilling
Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well BONANZA 1023-7A1CS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Site:	BONANZA 1023-7B PAD	**North Reference:**	True
Well:	BONANZA 1023-7A1CS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,100.00	13.90	85.08	3,915.96	95.55	1,110.87	1,114.98	2.00	-2.00	0.00
4,200.00	11.90	85.08	4,013.44	97.46	1,133.11	1,137.30	2.00	-2.00	0.00
4,300.00	9.90	85.08	4,111.63	99.08	1,151.95	1,156.20	2.00	-2.00	0.00
4,320.67	9.48	85.08	4,132.00	99.38	1,155.42	1,159.68	2.00	-2.00	0.00
WASATCH									
4,400.00	7.90	85.08	4,210.42	100.41	1,167.36	1,171.67	2.00	-2.00	0.00
4,500.00	5.90	85.08	4,309.69	101.44	1,179.33	1,183.68	2.00	-2.00	0.00
4,600.00	3.90	85.08	4,409.32	102.17	1,187.83	1,192.22	2.00	-2.00	0.00
4,700.00	1.90	85.08	4,509.19	102.60	1,192.87	1,197.28	2.00	-2.00	0.00
4,794.92	0.00	0.00	4,604.09	102.74	1,194.44	1,198.85	2.00	-2.00	0.00
Start 3784.91 hold at 4794.92 MD									
4,800.00	0.00	0.00	4,609.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
4,900.00	0.00	0.00	4,709.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,000.00	0.00	0.00	4,809.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,100.00	0.00	0.00	4,909.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,200.00	0.00	0.00	5,009.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,300.00	0.00	0.00	5,109.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,400.00	0.00	0.00	5,209.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,500.00	0.00	0.00	5,309.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,600.00	0.00	0.00	5,409.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,700.00	0.00	0.00	5,509.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,800.00	0.00	0.00	5,609.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
5,900.00	0.00	0.00	5,709.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,000.00	0.00	0.00	5,809.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,100.00	0.00	0.00	5,909.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,200.00	0.00	0.00	6,009.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,300.00	0.00	0.00	6,109.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,400.00	0.00	0.00	6,209.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,425.83	0.00	0.00	6,235.00	102.74	1,194.44	1,198.85	0.00	0.00	0.00
MESAVERDE									
6,500.00	0.00	0.00	6,309.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,600.00	0.00	0.00	6,409.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,700.00	0.00	0.00	6,509.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,800.00	0.00	0.00	6,609.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
6,900.00	0.00	0.00	6,709.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,000.00	0.00	0.00	6,809.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,100.00	0.00	0.00	6,909.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,200.00	0.00	0.00	7,009.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,300.00	0.00	0.00	7,109.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,400.00	0.00	0.00	7,209.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,500.00	0.00	0.00	7,309.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,600.00	0.00	0.00	7,409.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,700.00	0.00	0.00	7,509.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,800.00	0.00	0.00	7,609.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
7,900.00	0.00	0.00	7,709.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
8,000.00	0.00	0.00	7,809.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
8,100.00	0.00	0.00	7,909.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
8,200.00	0.00	0.00	8,009.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
8,300.00	0.00	0.00	8,109.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
8,400.00	0.00	0.00	8,209.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
8,500.00	0.00	0.00	8,309.17	102.74	1,194.44	1,198.85	0.00	0.00	0.00
8,579.82	0.00	0.00	8,388.99	102.74	1,194.44	1,198.85	0.00	0.00	0.00
SEGO									

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Rocky Mountain Operations

SDI
Planning Report

Anadarko Petroleum Corporation

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well BONANZA 1023-7A1CS
Company:	US ROCKIES REGION PLANNING	**TVD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	GL 5246 & KB 4 @ 5250.00ft (ASSUMED)
Site:	BONANZA 1023-7B PAD	**North Reference:**	True
Well:	BONANZA 1023-7A1CS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,579.83	0.00	0.00	8,389.00	102.74	1,194.44	1,198.85	0.00	0.00	0.00
TD at 8579.83 - PBHL_BONANZA 1023-7A1CS									

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
PBHL_BONANZA 1023- - plan hits target center - Circle (radius 25.00)	0.00	0.00	8,389.00	102.74	1,194.44	14,518,981.39	2,099,593.24	39.969017	-109.361205

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
2,380.34	2,295.00	8 5/8"	8.625	11.000

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,173.47	1,160.00	GREEN RIVER			
1,450.25	1,421.00	BIRDSNEST			
1,901.46	1,845.00	MAHOGANY			
4,320.67	4,132.00	WASATCH			
6,425.83	6,235.00	MESAVERDE			
8,579.82	8,388.99	SEGO		0.00	

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
1,300.00	1,279.82	14.81	172.13	Start 2494.92 hold at 1300.00 MD
3,794.92	3,624.27	87.93	1,022.31	Start Drop -2.00
4,794.92	4,604.09	102.74	1,194.44	Start 3784.91 hold at 4794.92 MD
8,579.83	8,389.00	102.74	1,194.44	TD at 8579.83

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

BONANZA 1023-7B PAD

API #		BONANZA 1023-7A1BS		
	Surface:	719 FNL / 1682 FEL	NWNE	Lot
	BHL:	246 FNL / 493 FEL	NENE	Lot

API #		BONANZA 1023-7A1CS		
	Surface:	724 FNL / 1691 FEL	NWNE	Lot
	BHL:	623 FNL / 496 FEL	NENE	Lot

API #		BONANZA 1023-7B1BS		
	Surface:	735 FNL / 1708 FEL	NWNE	Lot
	BHL:	261 FNL / 1814 FEL	NWNE	Lot

API #		BONANZA 1023-7B1CS		
	Surface:	740 FNL / 1717 FEL	NWNE	Lot
	BHL:	579 FNL / 1817 FEL	NWNE	Lot

API #		BONANZA 1023-7H1BS		
	Surface:	729 FNL / 1699 FEL	NWNE	Lot
	BHL:	1407 FNL / 493 FEL	SENE	Lot

API #		BONANZA 1023-7H1CS		
	Surface:	745 FNL / 1725 FEL	NWNE	Lot
	BHL:	1739 FNL / 493 FEL	SENE	Lot

This Surface Use Plan of Operations (SUPO) or 13-point plan provides site-specific information for the above-referenced wells.

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

An on-site meeting was held on December 7, 2011. Present were:

- David Gordon, Tyler Cox - BLM;
- Jacob Dunham - 609 Consulting;
- John Slaugh, Mitch Batty - Timberline Engineering & Land Surveying, Inc.; and
- Gina Becker, Charles Chase, Doyle Holmes, Grizz Oleen, Sheila Wopsock - Kerr-McGee

A. Existing Roads:

Existing roads consist of county and improved/unimproved access roads (two-tracks). In accordance with Onshore Order #1, Kerr-McGee will, in accordance with BMPs, improve or maintain existing roads in a condition that is the same as or better than before operations began. New or reconstructed proposed access roads are discussed in Section B.

The existing roads will be maintained in a safe and usable condition. Maintenance for existing roads will continue until final abandonment and reclamation of well pads and/or other facilities, as applicable. Road maintenance will include, but is not limited to, blading, ditching, and/or culvert installation and cleanout. To ensure safe operating conditions, gravel surfacing will be performed where excessive rutting or erosion may occur. Dust control will be performed as necessary to ensure safe operating conditions.

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Roads, gathering lines and electrical distribution lines will occupy common disturbance corridors where possible. Where available, roadways will be used as the staging area and working space for installation of gathering lines. All disturbances located in the same corridor will overlap each other to the maximum extent possible, while maintaining safe and sound construction and installation practices. Unless otherwise approved or requested in site specific documents, in no case will the maximum disturbance widths of the access road and utility corridors exceed the widths specified in Part D of this document.

Please refer to Topo B, for existing roads.

B. New or Reconstructed Access Roads:

All new or reconstructed roads will be located, designed, and maintained to meet the standards of the BLM. BMPs. Described in the BLM's Surface Operating Standards for Oil and Gas Exploration and Development, 4th Edition (Gold Book) (USDI and USDA, 2007) and/or BLM Manual Section 9113 (1985) will be considered in consultation with the BLM in the design, construction, improvement and maintenance of all new or reconstructed roads. If a new road would cross a water of the United States, Kerr-McGee will adhere to the requirements of applicable Nationwide Permits of the Department of Army Corps of Engineers.

Each new well pad or pad expansion may require construction of a new access road and/or de-commissioning of an older road. Plans, routes, and distances for new roads and road improvements are provided in design packages, exhibits and maps for a project. Project-specific maps are submitted to depict the locations of existing, proposed, and/or decommissioned and include the locations for supporting structures, including, but not limited to, culverts, bridges, low water crossings, range infrastructure, and haul routes, as per OSO 1. Designs for cuts and fills, including spoils source and storage areas, are provided with the road designs, as necessary.

Where safety objectives can be met. As applicable, Kerr-McGee may use unimproved and/or two-track roads for lease operations, to lessen total disturbance.

Road designs will be based on the road safety requirements, traffic characteristics, environmental conditions, and the vehicles the road is intended to carry. Generally, newly constructed unpaved lease roads will be crowned and ditched with the running surfaces of the roads approximately 12-18 feet wide and a total road corridor width not to exceed 45 feet, except where noted in the road design for a specific project. Maximum grade will generally not exceed 8%. Borrow ditches will be back sloped 3:1 or less. Construction BMPs will be employed to control onsite and offsite erosion.

Where topography would direct storm water runoff to an access road or well pad, drainage ditches or other common drainage control facilities, such as V- or wing-ditches, will be constructed to divert surface water runoff. Drainage features, including culverts, will be constructed or installed prior to commencing other operations, including drilling or facilities placement. Riprap will be placed at the inlet and outlet at the culvert(s), as necessary.

Prior to construction, new access road(s) will be staked according to the requirements of OSO 1. Construction activity will not be conducted using frozen or saturated materials or during periods when significant watershed damage (e.g. rutting, extensive sheet soil erosion, formation of rills/gullies, etc.) is likely to occur. Vegetative debris will not be placed in or under fill embankments.

New road maintenance will include, but is not limited to, blading, ditching, culvert installation and cleanout, gravel surfacing where excessive rutting or erosion may occur and dust control, as necessary to ensure safe operating conditions. All vehicular traffic, personnel movement, construction/restoration operations will be confined to the approved area and to existing roadways and/or access routes.

Snow removal will be conducted on an as-needed basis to accommodate safe travel. Snow removal will occur as necessary throughout the year, as will necessary drainage ditch construction. Removed snow may be stored on

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permitted well pads to reduce hauling distances and/or at the aerial extent of approved disturbance boundaries to facilitate snow removal for the remainder of the season.

If a county road crossing or encroachment permit is needed, it will be obtained prior to construction.

There are no new proposed access roads associated with this pad. Please refer to Topo B.

C. Location of Existing Wells:

A) Refer to Topo Map C.

D. Location of Existing and/or Proposed Facilities:

This pad will expand the existing pad for the Bonanza 1023-7B, which is a producing gas well according to Utah Division of Oil, Gas and Mining (UDOGM) records on February 15, 2012. Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (Kerr-McGee).

Should the well(s) prove productive, production facilities will be installed on the disturbed portion of each well pad. A berm will be constructed completely around production components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will generally be constructed of compacted subsoil or corrugated metal, and will hold the capacity of the largest tank and have sufficient freeboard to accomodate a 25 year rainfall event. This includes pumping units. Aboveground structures constructed or installed onsite for 6 months or longer, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with the BLM (typically Shadow Gray). A production facility layout is provided as part of a project-specific APD, ROW or NOS submission.

GAS GATHERING

Please refer to Exhibit A and Topo D2- Pad and Pipeline Detail.

The gas gathering pipeline material: Steel line pipe. Surface = Bare pipe. Buried = Coated with fusion bonded epoxy coating (or equivalent). The total gas gathering pipeline distance from the meter to the tie in point is ±370' buried and ±80 surface gas re-route. The individual segments are broken up as follows:

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

±110' (0.02 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU-38420, BLM surface, New 8" buried gas gathering pipeline from the meter to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.

±260' (0.05 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU-38420, BLM surface, New 8" buried gas gathering pipeline from the edge of the pad to tie-in to the approved 8" buried gas pipeline (ROW UTU-88497). Please refer to Exhibit A1, Line 2.

±80' (0.02 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU-38420, BLM surface, existing 4" surface gas gathering pipeline that comes from the 1023-7A pad will be re-routed around the new construction of the 1023-7B pad to the north and tie-in to the approved 8" buried gas pipeline (ROW UTU-88497). Please refer to Exhibit A1, Line 12.

LIQUID GATHERING

Please refer to Exhibit B and Topo D2- Pad and Pipeline Detail.

The total liquid gathering pipeline distance from the separator to the tie in point is ±370' and the individual segments are broken up as follows:

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

±110' (0.02 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU-38420, BLM surface, New 6" buried liquid gathering pipeline from the separator to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.

±260' (0.05 miles) – Section 7 T10S R23E (NW/4 NE/4) – On-lease UTU-38420, BLM surface, New 6" buried liquid gathering pipeline from the edge of the pad to tie-into the the approved liquid gathering line (ROW UTU-88733). Please refer to Exhibit B1, Line 2.

Pipeline Gathering Construction

Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee. Gas gathering pipeline(s,) gas lift, or liquids pipelines may be constructed to lie on the surface or be buried. 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. The area of disturbance during construction from the edge of road or well pad will typically be 30' in width. Where pipelines run cross country, the width of disturbance will typically be 45 ft for buried lines and 30 ft for surface lines. In addition, Kerr-McGee requests for a permanent 30' distrubance width that will be maintained for the portion adjacent to the road. The need for the 30' permanent distrubance width is for maintenance and repairs. Cross country permanent distrubance width also are required to be 30ft.

Above-ground installation will generally not require clearing of vegetation or blading of the surface, except where safety considerations necessitate earthwork. In some surface pipeline installation instances pipe cannot be constructed where it will lay. In these cases where an above-ground pipeline is constructed parallel and adjacent to a road, it will be welded/fused on the road and then lifted from the road to the pipeline route. In other cases where a pipeline route is not parallel and adjacent to a road (cross-country between sites), it will be welded/fused in place at a well pad, access road, or designated work area and pulled between connection locations with a suitable piece of equipment.

Buried pipelines will generally be installed parallel and adjacent to existing and/or newly constructed roads and within the permitted disturbance corridor. Buried pipelines may vary from 2 inches (typically fuel gas lines) to 24 inches (typically transportation lines) in diameter, but 6 to 16 inches is typical for a buried gas line. The diameter of liquids pipelines may vary from 2 inches to 12 inches, but 6 inches is the typical diameter. Gas lift lines may vary from 2 to 12 inches in diameter, but 6-inch diameter pipes are generally used for gas lift. If two or more pipelines are present (gas gathering, gas lift, and fluids), they will share a common trench where possible.

Typically, to install a buried pipeline, topsoil will be removed, windrowed and placed on the non-working side of the route for later reclamation. Because working room is limited, the spoil may be spread out across the working side and construction will take place on the spoil. The working side of the corridor will be used for pipe stringing, bending, welding and equipment travel. Small areas on the working side displaying ruts or uneven ground will be groomed to facilitate the safe passage of equipment. After the pipelines are installed, spoil will be placed back into the trench, and the topsoil will be redistributed over the disturbed corridor prior to final reclamation. Typical depth of the trench will be 6 feet, but depths may vary according to site-specific conditions (presence of bedrock, etc.). The proposed trench width for the pipeline would range from 18-48 inches.

The pipeline will be welded along the proposed route and lowered into place. Trenching equipment will cut through the soil or into the bedrock and create good backfill, eliminating the need to remove large rocks. The proposed buried pipeline will be visually and radiographically inspected and the entire pipeline will be pneumatically or hydrostatically tested before being placed into service. Routine vehicle traffic will be prevented from using pipeline routes as travel ways by posting signs at the route's intersection with an access road.

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.

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If pipelines or roads encounter a drainage that could be subject to flooding or surface water during extreme precipitation events, Kerr-McGee will apply all applicable Army Corps mandates as well as the BLM's Hydraulic Considerations for Pipeline Crossings of Stream Channels (BLM Technical Note 423, April 2007). In addition, all stream and drainage crossings will be evaluated to determine the need for stream alteration permits from the State of Utah Division of Water Rights and if necessary, required permits will be secured. Similarly, where a road or pipeline crossing exists the pipe will be butt welded and buried to a depth between 24 and 48 inches or more. Dirt roads will be cut and restored to a condition equivalent to the existing condition. All Uintah County road encroachment and crossing permits, where applicable, will be obtained prior to crossing construction. In no case will pressure testing of pipelines result in discharge of liquids to the surface.

Pipeline signs will be installed along the route to indicate the pipeline proximity, ownership, and to provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations for production integrity and safety purposes.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to section J for more details regarding final reclamation.

When no longer deemed necessary by the operator, Kerr-McGee or it's successor will consult with the BLM, Vernal Field Office before terminating of the use of the pipeline(s).

The Anadarko Completions Transportation System (ACTS) information:

Please refer to Exhibit C for ACTs Lines

Kerr-McGee will use either a closed loop drilling system that will require one pit and one storage area to be constructed on the drilling pad or a traditional drilling operation with one pit. The storage area will be used to contain only the de-watered drill cuttings and will be lined and reclaimed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit is lined and will be used for the wells drilled on the pad or used as part of our Anadarko Completions Transportation (ACTS) system which is disussed in more detail below. 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/completion pit.

If Kerr-McGee does not use a closed loop system, it will construct a drilling reserve pit to contain drill cuttings and for use in completion operations. Depending on the location of the pit, its relation to future drilling locations, the reserve/completion pit will be utilized for the completion of the wells on that pad and/or be used as part of our ACTS system.

Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of frac fluids by utilizing existing reserve pits and temporary, surface-laid aluminum liquids transfer lines between frac locations. The pit will be refurbished as follows when a traditional drill pit is used: mix and pile up drill cuttings with dry dirt, bury the original liner in the pit, walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurb will be done in a normal procedure and there will be no modification to the pit.

All four sides of the completions pit will be fenced in according to standard pit fencing procedures. Netting will be installed over all pits.

Any hydrocarbons collected will be treated and sold at approved sales facilities. A loading rack with drip containment will also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit .

ACTS will require temporarily laying multiple 6" aluminum water transfer lines on the surface between either existing or refurbished reserve pits. Please see the attached ACTS exhibit C for placement of the proposed temporary lines. The temporary aluminum transfer lines will be utilized to transport frac fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads or pipeline corridors. Upon completion of the frac

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operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig. Kerr-McGee requests to keep the netted pit open for one year from first production of the first produced well on the pad. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other frac jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim. If the pit is not needed for an entire year it will be backfilled and reclaimed earlier. Kerr-McGee understands that due to the temporary nature of this system, BLM considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BLM.

E. Location and Types of Water Supply:

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

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

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

No water well is to be drilled on this lease.

F. Construction Materials:

Construction operations will typically be completed with native materials found on location. 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 (described in site-specific documents). No construction materials will be removed from federal lands without prior approval from the BLM. A source location other than an on-location construction site will be designated either via a map or narrative within the project specific materials provided to the BLM.

G. Methods for Handling Waste:

All wastes subject to regulation will be handled in compliance with applicable laws to minimize the potential for leaks or spills to the environment. Kerr-McGee also maintains a Spill Control and Countermeasure Plan, which includes notification requirements, including the BLM, for all reportable spills of oil, produced liquids, and hazardous materials.

Any accidental release, such as a leak or spill in excess of the reportable quantity, as established by 40 CFR Part 117.3, will be reported as per the requirements of CERCLA, Section 102 B. If a release involves petroleum hydrocarbons or produced liquids, Kerr-McGee will comply with the notification requirements of NTL-3A. Drill cuttings and/or drilling fluids will be contained in the reserve/frac pit whether a closed loop system is used or not. Cuttings will be buried in pit(s) upon closure. Unless specifically approved by the BLM, no oil or other oil-based drilling additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water (as specified above), biodegradable polymer soap, bentonite clay, and/or non-toxic additives will be used in the mud system.

Pits will be constructed to minimize the accumulation of surface precipitation runoff into the pit (via appropriate placement of subsoil storage areas and/or construction of berms, ditches, etc). Should unexpected liquid petroleum hydrocarbons (crude oil or condensate) be encountered during drilling, completions or well testing, liquid petroleum hydrocarbons will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be released into a reserve/completion pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternate is approved by the BLM. Should timely removal not be feasible, the pit will be netted as soon as practical. Similarly, hydrocarbon removal will take place prior to the closure of the pit, unless authorization is provided for disposal via alternate pit closure methods (e.g. solidification).

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The reserve and/or fracture stimulation pit will be lined with an impermeable liner. The liner will be a synthetic material 30 mil or thicker. The bottom and side walls of the pit will be void of any sharp rocks that could puncture the liner. The liner will be installed over smooth fill subgrade that is free of pockets, loose rocks, or other materials (i.e. sand, sifted dirt, bentonite, straw, etc.) that could damage the liner. After evaporation and when dry, the reserve pit liners will be cut off, ripped and/or folded back (as safety considerations allow) as near to the mud surface as possible and buried on location or hauled to a landfill prior to backfilling the pit with a minimum of five feet of soil material.

Where necessary and if conditions (freeboard, etc.) allow, produced liquids from newly completed wells may be temporarily disposed of into pits for a period not to exceed 90 days as per Onshore Order Number 7 (OSO 7). Subsequently, permanent approved produced water disposal methods will be employed in accordance with OSO 7 and/or as described in a Water Management Plan (WMP). Otherwise, fluids disposal locations and associated haul routes, for ROW consideration, are typically depicted on Topo A of individual projects. Revisions to the water source or method of transportation will be subject to written approval from the BLM.

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

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after one year 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. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift.

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 (trash and other solid waste including cans, paper, cable, etc.) 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. Immediately after removal of the drilling rig, all debris and other waste materials not contained within trash receptacles will be collected and removed from the well location.

For the protection of livestock and wildlife, all open pits (excluding flare pits) will be fenced 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. Siphons, catchments, and absorbent pads will be installed to keep hydrocarbons produced by the drilling rig or other equipment on location from entering the reserve pit. Hydrocarbons, contaminated pads, and/or soils will be disposed of in accordance with state and federal requirements.

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.

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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Hazardous materials may be contained in some grease or lubricants, solvents, acids, paint, and herbicides, among others as defined above. Kerr-McGee maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances that are used during the course of construction, drilling, completion, and production operations for this project. The transport, use, storage and handling of hazardous materials will follow procedures specified by federal and state regulations. Transportation of hazardous materials to the well location is regulated by the Department of Transportation (DOT) under 49 CFR, Parts 171-180. DOT regulations pertain to the packing, container handling, labeling, vehicle placarding, and other safety aspects.

Potentially hazardous materials used in the development or operation of wells will be kept in limited quantities on well sites and at the production facilities for short periods of time. Chemicals meeting the criteria for being an acutely hazardous material/substance or meet the quantities criteria per BLM Instruction Memorandum No. 93-344 will not be used.

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 (crude oil/condensate, produced water). They may also be kept in limited quantities on drilling sites (barite, diesel fuel, cement, cottonseed hulls etc.) for short periods of time during drilling or completion activities.

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

Any produced water separated from recoverable condensate from the proposed well will be contained in a water tank and will then be transported by pipeline and/or truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E
NBU #159 in Sec. 35 T9S R21E
Ace Oilfield in Sec. 2 T6S R20E
MC&MC in Sec. 12 T6S R19E
Pipeline Facility in Sec. 36 T9S R20E
Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E
Bonanza Evaporation Pond in Sec. 2 T10S R23E

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

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

H. Ancillary Facilities:

No additional ancillary facilities are planned for this location.

I. Well Site Layout:

The location, orientation and aerial extent of each drill pad, reserve/completion/flare pit (for closed loop or non-closed loop operations), 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 depending on whether a closed loop system is used. Surface distance may be less if using closed loop. But in either case, the area of distrubance will not exceed the maximum disturbance outlined in the attached exhibits.

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For the protection of livestock and wildlife, all open pits and cellars will be fenced 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.

Each well will utilize either a centralized tank battery, centralized fluids management system, or have tanks installed on its pad. Production/ Produced Liquid tanks will be constructed, maintained, and operated to prevent unauthorized surface or subsurface discharges of liquids and to prevent livestock or wildlife entry. The tanks will be kept reasonably free from surface accumulations of liquid hydrocarbons. The tanks are not to be used for disposal of liquids from additional sources without prior approval of BLM.

J. Plans for Surface Reclamation:

The 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. Interim 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 may include pit evaporation, fluid removal, pit solidification, re-contouring, ripping, spreading top soil, seeding, and/or weed control. Interim reclamation will be performed in accordance with OSO 1, or written notification will be provided to the BLM for approval. Where feasible, drilling locations, reserve pits, or access routes not utilized for production operations will be re-contoured to a natural appearance.

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/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. Disposal of pit fluids and linings is discussed in Section G.

Final Reclamation

Final reclamation will be performed for unproductive wells and after 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 Kerr-McGee. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. The BLM will be notified prior to commencement of reclamation operations. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

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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 the site to the approximate contour that existed prior to pad construction, final grading will be conducted over the entire surface of the well site and access road. The area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers, where practical. The surface soil material will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep, where practical. The entire area will be uniformly covered with the depressions constructed perpendicular to the natural flow of water.

Reclamation of roads will be performed at the discretion of the BLM. 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 in accordance with the seeding specifications of the BLM.

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

Measures Common to Interim and Final Reclamation

Soil preparation will be conducted using a disk for areas in need of more soil preparation following site preparation. This will provide primary soil tillage to a depth no greater than 6 inches. Prior to reseeding, compacted areas will be scarified by ripping or chiseling to loosen compacted soils, promote water infiltration, and improve soil aeration and root penetration.

Seeding will occur year-round as conditions allow and will typically be accomplished through the use of a no-till rangeland style seed drill with a “picker box” in order to seed “fluffy” seed. Where drill seeding is not the preferred method, seed will be broadcast and then raked into the ground at double the rate of drill seeding. 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 seed mixes will be selected from a list provided by or approved by the BLM, or a specific seed mix will be proposed by Kerr-McGee to the BLM and used after its approval. The selected specific seed mix for each well location and road segment will be utilized while performing interim and final reclamation for each project. All seed will be certified and tags will be maintained by Kerr-McGee. Every effort will be made to obtain “cheat grass free seed”.

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

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

Additional soil amendments and/or stabilization may be required on sites with poor soils and/or excessive erosion potential. Where severe erosion can become a problem and/or the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. Slopes 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, hydro-mulch, and/or bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage. Soil amendments such as “Sustain” (an organic fertilizer that will be applied at the rate 1,800 – 2,100 lbs/acre with seed) may also be dry broadcast or applied with hydro-seeding equipment.

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Weed Control

All weed management will be done in accordance with the Vernal BLM Surface Disturbance Weed Policy. Noxious weeds will be controlled, as applicable, on project areas. Monitoring and management of noxious and/or invasive weeds of concern will be completed annually until the project is deemed successfully reclaimed by the surface management agency and/or owner according to the Anadarko Integrated Weed Management Plan. Noxious weed infestations will be mapped using a GPS unit and submitted to the BLM with information required in the Vernal BLM Surface Disturbance Weed Policy. If herbicide is to be applied it will be done according to an approved Pesticide Use Permit (PUP), inclusive of applicable locations. All pesticide applications will be recorded using a Pesticide Application Record (PAR) and will be submitted along with a Pesticide Use Report (PUR) annually prior to Dec. 31.

Monitoring

Monitoring of reclaimed project areas will be completed annually during the growing season and actions to ensure reclamation success will be taken as needed. During the first two growing seasons an ocular methodology will be used to determine the success of the reclamation activities. During the 3rd growing season a 200 point line intercept (quantitative) methodology will be used to obtain basal cover. The goal is to have the reclaimed area reach 30% basal cover when compared to the reference site. If after three growing seasons the area has not reached 30% basal cover, additional reclamation activities may be necessary. Monitoring will continue until the reclaimed area reaches 75% basal cover of desirable vegetation when compared to the reference site. (Green River District Reclamation Guidelines)

All monitoring reports will be submitted electronically to the Vernal BLM in the form of a geo-database no later than March 1st of the calendar year following the data collection.

K. Surface/Mineral Ownership:

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

L. Other Information:

Onsite Specifics:

- Trim corners 11 and 12 an additional 25 feet to allow existing ditch to be re-routed around the top of cut slope (off pad).

Cultural and Paleontological Resources

All personnel are strictly prohibited from collecting artifacts, any paleontological specimens or fossils, and from disturbing any significant cultural resources in the area. If artifacts, fossils, or any culturally sensitive materials are exposed or identified in the area of construction, all construction operations that would affect the newly discovered resource will cease, and Kerr-McGee will provide immediate notification to the BLM.

Resource Reports:

A Class I literature survey was completed on February 1, 2012 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 11-400.

A paleontological reconnaissance survey was completed on November 15, 2011 by SWCA Environmental Consultants. For additional details please refer to report UT11-14314-185.

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Biological field survey was completed on November 16, 2011 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-696.

Proposed Action Annual Emissions Tables:

Table 1: Proposed Action Annual Emissions (tons/year)[1]

Pollutant	Development	Production	Total
NOx	3.8	0.12	3.92
CO	2.2	0.11	2.31
VOC	0.1	4.9	5
SO_2	0.005	0.0043	0.0093
PM_{10}	1.7	0.11	1.81
$PM_{2.5}$	0.4	0.025	0.425
Benzene	2.2E-03	0.044	0.046
Toluene	1.6E-03	0.103	0.105
Ethylbenzene	3.4E-04	0.005	0.005
Xylene	1.1E-03	0.076	0.077
n-Hexane	1.7E-04	0.145	0.145
Formaldehyde	1.3E-02	8.64E-05	1.31E-02

[1] Emissions include 1 producing well and associated operations traffic during the year in which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison

Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory[a] (ton/yr)	Percentage of Proposed Action to WRAP Phase III
NOx	23.52	16,547	0.14%
VOC	30	127,495	0.02%

[a] http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html Uintah Basin Data

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

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

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

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

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

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

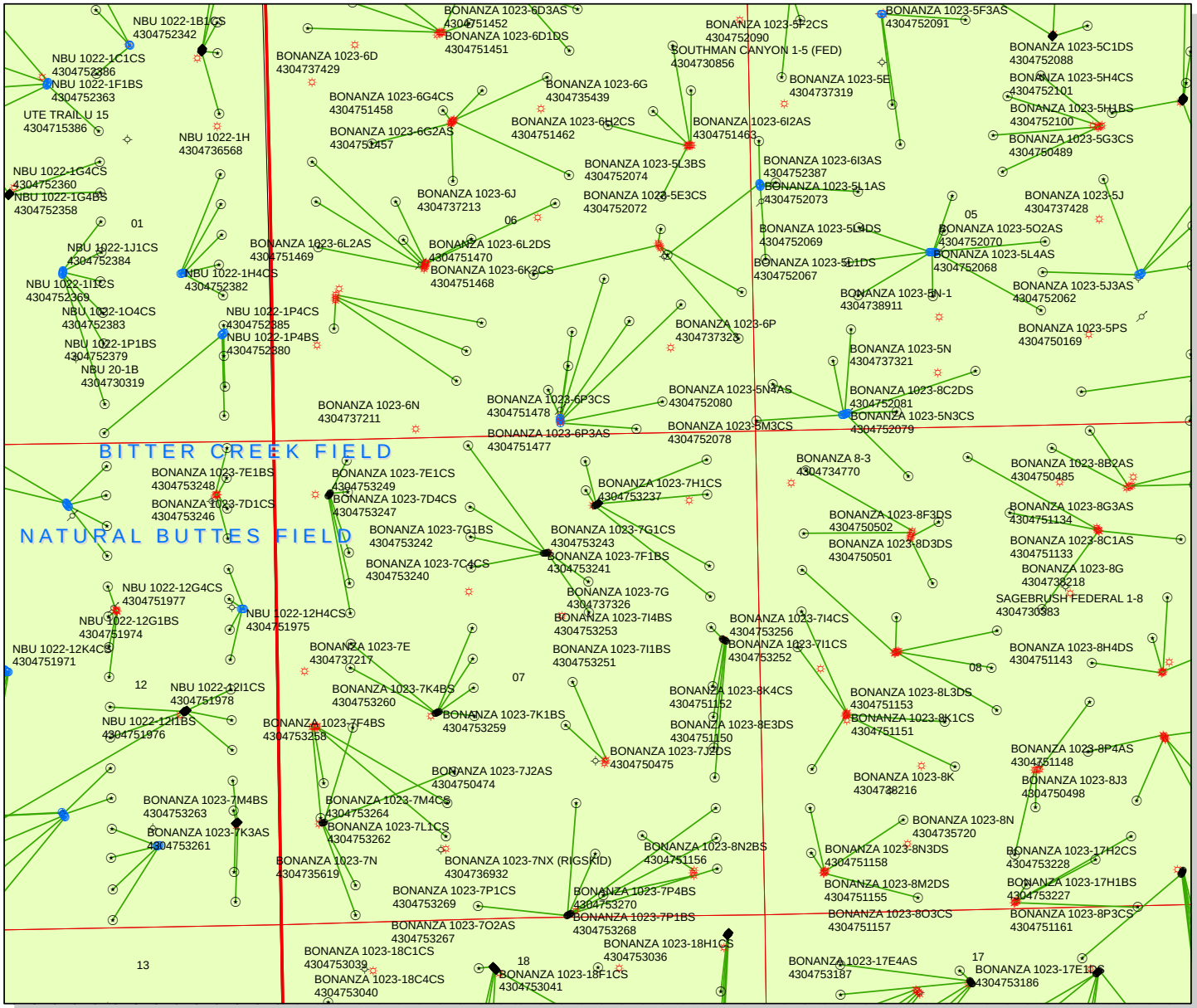
Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Gina T.Becker

March 2, 2012
Date

API Well Number: 43047532330000



API Number: 4304753233

Well Name: BONANZA 1023-7A1CS

Township T10.0S Range R23.0E Section 07

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
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- 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
- Bottom Hole Location - OilGasDb

1,400 700 0 1,400 Feet

1:13,484

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

October 2, 2012

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2012 Plan of Development Ponderosa Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2012 within the Ponderosa Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
Pad 1023-17B		
43-047-53177	BONANZA 1023-17F1BS	Sec 17 T10S R23E 0671 FNL 1665 FEL BHL Sec 17 T10S R23E 1483 FNL 2139 FWL
43-047-53178	BONANZA 1023-17F1CS	Sec 17 T10S R23E 0665 FNL 1656 FEL BHL Sec 17 T10S R23E 1813 FNL 2139 FWL
43-047-53179	BONANZA 1023-17G1BS	Sec 17 T10S R23E 0654 FNL 1640 FEL BHL Sec 17 T10S R23E 1486 FNL 1810 FEL
43-047-53180	BONANZA 1023-17G1CS	Sec 17 T10S R23E 0649 FNL 1631 FEL BHL Sec 17 T10S R23E 1816 FNL 1810 FEL
43-047-53181	BONANZA 1023-17H4BS	Sec 17 T10S R23E 0644 FNL 1623 FEL BHL Sec 17 T10S R23E 2150 FNL 0493 FEL
Pad 1023-17C4		
43-047-53182	BONANZA 1023-17C1CS	Sec 17 T10S R23E 0707 FNL 2230 FWL BHL Sec 17 T10S R23E 0595 FNL 2125 FWL
43-047-53183	BONANZA 1023-17D1CS	Sec 17 T10S R23E 0715 FNL 2235 FWL BHL Sec 17 T10S R23E 0494 FNL 0823 FWL
43-047-53184	BONANZA 1023-17D4BS	Sec 17 T10S R23E 0723 FNL 2241 FWL BHL Sec 17 T10S R23E 0822 FNL 0823 FWL
43-047-53185	BONANZA 1023-17D4DS	Sec 17 T10S R23E 0732 FNL 2247 FWL BHL Sec 17 T10S R23E 1304 FNL 1267 FWL

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API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
Pad 1023-17C4		
43-047-53186	BONANZA 1023-17E1DS	Sec 17 T10S R23E 0740 FNL 2253 FWL
		BHL Sec 17 T10S R23E 1673 FNL 1205 FWL
43-047-53187	BONANZA 1023-17E4AS	Sec 17 T10S R23E 0748 FNL 2259 FWL
		BHL Sec 17 T10S R23E 2057 FNL 1216 FWL
Pad 1023-17G		
43-047-53188	BONANZA 1023-17J1CS	Sec 17 T10S R23E 2294 FNL 1749 FEL
		BHL Sec 17 T10S R23E 2148 FSL 1813 FEL
43-047-53189	BONANZA 1023-17E4DS	Sec 17 T10S R23E 2363 FNL 1871 FEL
		BHL Sec 17 T10S R23E 2466 FNL 1215 FWL
43-047-53190	BONANZA 1023-17F4BS	Sec 17 T10S R23E 2355 FNL 1877 FEL
		BHL Sec 17 T10S R23E 2143 FNL 2139 FWL
43-047-53191	BONANZA 1023-17F4CS	Sec 17 T10S R23E 2372 FNL 1865 FEL
		BHL Sec 17 T10S R23E 2472 FNL 2138 FWL
43-047-53192	BONANZA 1023-17G4BS	Sec 17 T10S R23E 2269 FNL 1766 FEL
		BHL Sec 17 T10S R23E 2146 FNL 1810 FEL
43-047-53194	BONANZA 1023-17G4CS	Sec 17 T10S R23E 2278 FNL 1760 FEL
		BHL Sec 17 T10S R23E 2476 FNL 1809 FEL
43-047-53195	BONANZA 1023-17H4CS	Sec 17 T10S R23E 2200 FNL 1644 FEL
		BHL Sec 17 T10S R23E 2480 FNL 0493 FEL
43-047-53196	BONANZA 1023-17I1BS	Sec 17 T10S R23E 2208 FNL 1639 FEL
		BHL Sec 17 T10S R23E 2482 FSL 0493 FEL
43-047-53197	BONANZA 1023-17I1CS	Sec 17 T10S R23E 2217 FNL 1633 FEL
		BHL Sec 17 T10S R23E 2151 FSL 0493 FEL
43-047-53198	BONANZA 1023-17I4BS	Sec 17 T10S R23E 2233 FNL 1622 FEL
		BHL Sec 17 T10S R23E 1820 FSL 0493 FEL
43-047-53199	BONANZA 1023-17I4CS	Sec 17 T10S R23E 2258 FNL 1605 FEL
		BHL Sec 17 T10S R23E 1489 FSL 0493 FEL
43-047-53200	BONANZA 1023-17J1BS	Sec 17 T10S R23E 2286 FNL 1755 FEL
		BHL Sec 17 T10S R23E 2478 FSL 1809 FEL
43-047-53201	BONANZA 1023-17J4BS	Sec 17 T10S R23E 2303 FNL 1744 FEL
		BHL Sec 17 T10S R23E 1817 FSL 1809 FEL
43-047-53202	BONANZA 1023-17J4CS	Sec 17 T10S R23E 2311 FNL 1738 FEL
		BHL Sec 17 T10S R23E 1487 FSL 1808 FEL
43-047-53203	BONANZA 1023-17K1BS	Sec 17 T10S R23E 2433 FNL 1993 FEL
		BHL Sec 17 T10S R23E 2474 FSL 2138 FWL

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API #	WELL NAME	LOCATION

(Proposed PZ WASATCH-MESA VERDE)

Pad 1023-17G

43-047-53204 BONANZA 1023-17L1AS Sec 17 T10S R23E 2380 FNL 1860 FEL
BHL Sec 17 T10S R23E 2422 FSL 1183 FWL

43-047-53205 BONANZA 1023-17L1CS Sec 17 T10S R23E 2424 FNL 1998 FEL
BHL Sec 17 T10S R23E 2140 FSL 0822 FWL

43-047-53206 BONANZA 1023-17L4BS Sec 17 T10S R23E 2441 FNL 1987 FEL
BHL Sec 17 T10S R23E 1811 FSL 0822 FWL

43-047-53207 BONANZA 1023-17L4CS Sec 17 T10S R23E 2449 FNL 1982 FEL
BHL Sec 17 T10S R23E 1482 FSL 0822 FWL

43-047-53208 BONANZA 1023-17K1CS Sec 17 T10S R23E 2458 FNL 1976 FEL
BHL Sec 17 T10S R23E 2144 FSL 2138 FWL

43-047-53209 BONANZA 1023-17K4BS Sec 17 T10S R23E 2483 FNL 1959 FEL
BHL Sec 17 T10S R23E 1814 FSL 2138 FWL

43-047-53210 BONANZA 1023-17K4CS Sec 17 T10S R23E 2388 FNL 1854 FEL
BHL Sec 17 T10S R23E 1484 FSL 2137 FWL

43-047-53211 BONANZA 1023-17M1BS Sec 17 T10S R23E 2466 FNL 1971 FEL
BHL Sec 17 T10S R23E 1153 FSL 0822 FWL

43-047-53212 BONANZA 1023-17M1CS Sec 17 T10S R23E 2474 FNL 1965 FEL
BHL Sec 17 T10S R23E 0823 FSL 0822 FWL

43-047-53213 BONANZA 1023-17M4BS Sec 17 T10S R23E 2491 FNL 1954 FEL
BHL Sec 17 T10S R23E 0494 FSL 0822 FWL

43-047-53214 BONANZA 1023-17N1BS Sec 17 T10S R23E 2397 FNL 1849 FEL
BHL Sec 17 T10S R23E 1155 FSL 2137 FWL

43-047-53215 BONANZA 1023-17O1BS Sec 17 T10S R23E 2319 FNL 1732 FEL
BHL Sec 17 T10S R23E 1157 FSL 1808 FEL

43-047-53216 BONANZA 1023-17O1CS Sec 17 T10S R23E 2328 FNL 1727 FEL
BHL Sec 17 T10S R23E 0826 FSL 1808 FEL

43-047-53217 BONANZA 1023-17O4BS Sec 17 T10S R23E 2336 FNL 1721 FEL
BHL Sec 17 T10S R23E 0496 FSL 1808 FEL

43-047-53218 BONANZA 1023-17P1BS Sec 17 T10S R23E 2250 FNL 1611 FEL
BHL Sec 17 T10S R23E 1158 FSL 0493 FEL

43-047-53219 BONANZA 1023-17N1CS Sec 17 T10S R23E 2405 FNL 1843 FEL
BHL Sec 17 T10S R23E 0825 FSL 2137 FWL

43-047-53220 BONANZA 1023-17N4BS Sec 17 T10S R23E 2413 FNL 1838 FEL
BHL Sec 17 T10S R23E 0495 FSL 2136 FWL

43-047-53221 BONANZA 1023-17P1CS Sec 17 T10S R23E 2242 FNL 1616 FEL
BHL Sec 17 T10S R23E 0827 FSL 0493 FEL

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API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
Pad 1023-17G		
43-047-53222	BONANZA 1023-17P4BS	Sec 17 T10S R23E 2225 FNL 1627 FEL
		BHL Sec 17 T10S R23E 0496 FSL 0493 FEL
Pad 1023-8P		
43-047-53223	BONANZA 1023-17A1CS	Sec 08 T10S R23E 0435 FSL 0692 FEL
		BHL Sec 17 T10S R23E 0496 FNL 0494 FEL
43-047-53224	BONANZA 1023-17A4BS	Sec 08 T10S R23E 0426 FSL 0696 FEL
		BHL Sec 17 T10S R23E 0833 FNL 0497 FEL
43-047-53225	BONANZA 1023-17A4CS	Sec 08 T10S R23E 0417 FSL 0700 FEL
		BHL Sec 17 T10S R23E 1157 FNL 0494 FEL
43-047-53226	BONANZA 1023-17B1CS	Sec 08 T10S R23E 0390 FSL 0713 FEL
		BHL Sec 17 T10S R23E 0495 FNL 1811 FEL
43-047-53227	BONANZA 1023-17H1BS	Sec 08 T10S R23E 0408 FSL 0705 FEL
		BHL Sec 17 T10S R23E 1488 FNL 0494 FEL
43-047-53228	BONANZA 1023-17H2CS	Sec 08 T10S R23E 0399 FSL 0709 FEL
		BHL Sec 17 T10S R23E 1805 FNL 0486 FEL
Pad 1023-7B		
43-047-53233	BONANZA 1023-7A1CS	Sec 07 T10S R23E 0724 FNL 1691 FEL
		BHL Sec 07 T10S R23E 0623 FNL 0496 FEL
43-047-53234	BONANZA 1023-7B1BS	Sec 07 T10S R23E 0735 FNL 1708 FEL
		BHL Sec 07 T10S R23E 0261 FNL 1814 FEL
43-047-53235	BONANZA 1023-7B1CS	Sec 07 T10S R23E 0740 FNL 1717 FEL
		BHL Sec 07 T10S R23E 0579 FNL 1817 FEL
43-047-53236	BONANZA 1023-7H1BS	Sec 07 T10S R23E 0729 FNL 1699 FEL
		BHL Sec 07 T10S R23E 1407 FNL 0493 FEL
43-047-53237	BONANZA 1023-7H1CS	Sec 07 T10S R23E 0745 FNL 1725 FEL
		BHL Sec 07 T10S R23E 1739 FNL 0493 FEL
Pad 1023-7B3		
43-047-53238	BONANZA 1023-7C1BS	Sec 07 T10S R23E 1258 FNL 2263 FEL
		BHL Sec 07 T10S R23E 0082 FNL 2144 FWL
43-047-53239	BONANZA 1023-7C4BS	Sec 07 T10S R23E 1260 FNL 2273 FEL
		BHL Sec 07 T10S R23E 0745 FNL 2148 FWL
43-047-53240	BONANZA 1023-7C4CS	Sec 07 T10S R23E 1261 FNL 2283 FEL
		BHL Sec 07 T10S R23E 1077 FNL 2148 FWL
43-047-53241	BONANZA 1023-7F1BS	Sec 07 T10S R23E 1263 FNL 2293 FEL
		BHL Sec 07 T10S R23E 1407 FNL 2148 FWL
43-047-53242	BONANZA 1023-7G1BS	Sec 07 T10S R23E 1255 FNL 2244 FEL
		BHL Sec 07 T10S R23E 1572 FNL 1818 FEL

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API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
Pad 1023-7B3		
43-047-53243	BONANZA 1023-7G1CS	Sec 07 T10S R23E 1257 FNL 2254 FEL
		BHL Sec 07 T10S R23E 1903 FNL 1818 FEL
Pad 1023-7D		
43-047-53245	BONANZA 1023-7D1BS	Sec 07 T10S R23E 0589 FNL 0635 FWL
		BHL Sec 07 T10S R23E 0237 FNL 0819 FWL
43-047-53246	BONANZA 1023-7D1CS	Sec 07 T10S R23E 0597 FNL 0629 FWL
		BHL Sec 07 T10S R23E 0579 FNL 0823 FWL
43-047-53247	BONANZA 1023-7D4CS	Sec 07 T10S R23E 0605 FNL 0624 FWL
		BHL Sec 07 T10S R23E 1241 FNL 0823 FWL
43-047-53248	BONANZA 1023-7E1BS	Sec 07 T10S R23E 0614 FNL 0618 FWL
		BHL Sec 07 T10S R23E 1572 FNL 0823 FWL
43-047-53249	BONANZA 1023-7E1CS	Sec 07 T10S R23E 0622 FNL 0612 FWL
		BHL Sec 07 T10S R23E 1904 FNL 0823 FWL
Pad 1023-7H		
43-047-53250	BONANZA 1023-7H4CS	Sec 07 T10S R23E 2205 FNL 0374 FEL
		BHL Sec 07 T10S R23E 2078 FNL 0490 FEL
43-047-53251	BONANZA 1023-7I1BS	Sec 07 T10S R23E 2210 FNL 0365 FEL
		BHL Sec 07 T10S R23E 2567 FSL 0493 FEL
43-047-53252	BONANZA 1023-7I1CS	Sec 07 T10S R23E 2221 FNL 0348 FEL
		BHL Sec 07 T10S R23E 2236 FSL 0493 FEL
43-047-53253	BONANZA 1023-7I4BS	Sec 07 T10S R23E 2226 FNL 0339 FEL
		BHL Sec 07 T10S R23E 1905 FSL 0494 FEL
43-047-53256	BONANZA 1023-7I4CS	Sec 07 T10S R23E 2231 FNL 0330 FEL
		BHL Sec 07 T10S R23E 1574 FSL 0493 FEL
Pad 1023-7K		
43-047-53254	BONANZA 1023-7F4CS	Sec 07 T10S R23E 2297 FSL 1754 FWL
		BHL Sec 07 T10S R23E 2401 FNL 2148 FWL
43-047-53255	BONANZA 1023-7E4BS	Sec 07 T10S R23E 2288 FSL 1736 FWL
		BHL Sec 07 T10S R23E 2235 FNL 0824 FWL
43-047-53257	BONANZA 1023-7E4CS	Sec 07 T10S R23E 2283 FSL 1727 FWL
		BHL Sec 07 T10S R23E 2496 FNL 0814 FWL
43-047-53258	BONANZA 1023-7F4BS	Sec 07 T10S R23E 2292 FSL 1745 FWL
		BHL Sec 07 T10S R23E 2070 FNL 2148 FWL
43-047-53259	BONANZA 1023-7K1BS	Sec 07 T10S R23E 2305 FSL 1771 FWL
		BHL Sec 07 T10S R23E 2567 FSL 2148 FWL
43-047-53260	BONANZA 1023-7K4BS	Sec 07 T10S R23E 2301 FSL 1762 FWL
		BHL Sec 07 T10S R23E 2259 FSL 2153 FWL

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API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
Pad 1023-7M		
43-047-53261	BONANZA 1023-7K3AS	Sec 07 T10S R23E 1103 FSL 0498 FWL
		BHL Sec 07 T10S R23E 1654 FSL 1919 FWL
43-047-53262	BONANZA 1023-7L1CS	Sec 07 T10S R23E 1100 FSL 0488 FWL
		BHL Sec 07 T10S R23E 2134 FSL 0829 FWL
43-047-53263	BONANZA 1023-7M4BS	Sec 07 T10S R23E 1097 FSL 0479 FWL
		BHL Sec 07 T10S R23E 0415 FSL 0824 FWL
43-047-53264	BONANZA 1023-7M4CS	Sec 07 T10S R23E 1094 FSL 0470 FWL
		BHL Sec 07 T10S R23E 0088 FSL 0817 FWL
Pad 1023-7O		
43-047-53265	BONANZA 1023-7O1CS	Sec 07 T10S R23E 0081 FSL 2127 FEL
		BHL Sec 07 T10S R23E 0746 FSL 1818 FEL
43-047-53266	BONANZA 1023-7N4CS	Sec 07 T10S R23E 0072 FSL 2145 FEL
		BHL Sec 07 T10S R23E 0183 FSL 2152 FWL
43-047-53267	BONANZA 1023-7O2AS	Sec 07 T10S R23E 0077 FSL 2136 FEL
		BHL Sec 07 T10S R23E 1298 FSL 2010 FEL
43-047-53268	BONANZA 1023-7P1BS	Sec 07 T10S R23E 0086 FSL 2118 FEL
		BHL Sec 07 T10S R23E 1242 FSL 0493 FEL
43-047-53269	BONANZA 1023-7P1CS	Sec 07 T10S R23E 0095 FSL 2100 FEL
		BHL Sec 07 T10S R23E 0911 FSL 0494 FEL
43-047-53270	BONANZA 1023-7P4BS	Sec 07 T10S R23E 0090 FSL 2109 FEL
		BHL Sec 07 T10S R23E 0579 FSL 0493 FEL

This office has no objection to permitting the wells at this time.

Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management, ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2012.10.02 09:49:42 -06'00'

bcc: File - Ponderosa Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:10-2-12

RECEIVED: October 02, 2012

API Number	Well Name	Surface Location		
43-047-53177	BONANZA 1023-17F1BS	Sec 17	T10S R23E	0671 FNL 1665 FEL
43-047-53178	BONANZA 1023-17F1CS	Sec 17	T10S R23E	0665 FNL 1656 FEL
43-047-53179	BONANZA 1023-17G1BS	Sec 17	T10S R23E	0654 FNL 1640 FEL
43-047-53180	BONANZA 1023-17G1CS	Sec 17	T10S R23E	0649 FNL 1631 FEL
43-047-53181	BONANZA 1023-17H4BS	Sec 17	T10S R23E	0644 FNL 1623 FEL
43-047-53182	BONANZA 1023-17C1CS	Sec 17	T10S R23E	0707 FNL 2230 FWL
43-047-53183	BONANZA 1023-17D1CS	Sec 17	T10S R23E	0715 FNL 2235 FWL
43-047-53184	BONANZA 1023-17D4BS	Sec 17	T10S R23E	0723 FNL 2241 FWL
43-047-53185	BONANZA 1023-17D4DS	Sec 17	T10S R23E	0732 FNL 2247 FWL
43-047-53186	BONANZA 1023-17E1DS	Sec 17	T10S R23E	0740 FNL 2253 FWL
43-047-53187	BONANZA 1023-17E4AS	Sec 17	T10S R23E	0748 FNL 2259 FWL
43-047-53188	BONANZA 1023-17J1CS	Sec 17	T10S R23E	2294 FNL 1749 FEL
43-047-53189	BONANZA 1023-17E4DS	Sec 17	T10S R23E	2363 FNL 1871 FEL
43-047-53190	BONANZA 1023-17F4BS	Sec 17	T10S R23E	2355 FNL 1877 FEL
43-047-53191	BONANZA 1023-17F4CS	Sec 17	T10S R23E	2372 FNL 1865 FEL
43-047-53192	BONANZA 1023-17G4BS	Sec 17	T10S R23E	2269 FNL 1766 FEL
43-047-53194	BONANZA 1023-17G4CS	Sec 17	T10S R23E	2278 FNL 1760 FEL
43-047-53195	BONANZA 1023-17H4CS	Sec 17	T10S R23E	2200 FNL 1644 FEL
43-047-53196	BONANZA 1023-17I1BS	Sec 17	T10S R23E	2208 FNL 1639 FEL
43-047-53197	BONANZA 1023-17I1CS	Sec 17	T10S R23E	2217 FNL 1633 FEL
43-047-53198	BONANZA 1023-17I4BS	Sec 17	T10S R23E	2233 FNL 1622 FEL
43-047-53199	BONANZA 1023-17I4CS	Sec 17	T10S R23E	2258 FNL 1605 FEL
43-047-53200	BONANZA 1023-17J1BS	Sec 17	T10S R23E	2286 FNL 1755 FEL
43-047-53201	BONANZA 1023-17J4BS	Sec 17	T10S R23E	2303 FNL 1744 FEL
43-047-53202	BONANZA 1023-17J4CS	Sec 17	T10S R23E	2311 FNL 1738 FEL
43-047-53203	BONANZA 1023-17K1BS	Sec 17	T10S R23E	2433 FNL 1993 FEL
43-047-53204	BONANZA 1023-17L1AS	Sec 17	T10S R23E	2380 FNL 1860 FEL
43-047-53205	BONANZA 1023-17L1CS	Sec 17	T10S R23E	2424 FNL 1998 FEL
43-047-53206	BONANZA 1023-17L4BS	Sec 17	T10S R23E	2441 FNL 1987 FEL
43-047-53207	BONANZA 1023-17L4CS	Sec 17	T10S R23E	2449 FNL 1982 FEL
43-047-53208	BONANZA 1023-17K1CS	Sec 17	T10S R23E	2458 FNL 1976 FEL
43-047-53209	BONANZA 1023-17K4BS	Sec 17	T10S R23E	2483 FNL 1959 FEL
43-047-53210	BONANZA 1023-17K4CS	Sec 17	T10S R23E	2388 FNL 1854 FEL
43-047-53211	BONANZA 1023-17M1BS	Sec 17	T10S R23E	2466 FNL 1971 FEL
43-047-53212	BONANZA 1023-17M1CS	Sec 17	T10S R23E	2474 FNL 1965 FEL
43-047-53213	BONANZA 1023-17M4BS	Sec 17	T10S R23E	2491 FNL 1954 FEL
43-047-53214	BONANZA 1023-17N1BS	Sec 17	T10S R23E	2397 FNL 1849 FEL
43-047-53215	BONANZA 1023-17O1BS	Sec 17	T10S R23E	2319 FNL 1732 FEL
43-047-53216	BONANZA 1023-17O1CS	Sec 17	T10S R23E	2328 FNL 1727 FEL
43-047-53217	BONANZA 1023-17O4BS	Sec 17	T10S R23E	2336 FNL 1721 FEL
43-047-53218	BONANZA 1023-17P1BS	Sec 17	T10S R23E	2250 FNL 1611 FEL
43-047-53219	BONANZA 1023-17N1CS	Sec 17	T10S R23E	2405 FNL 1843 FEL
43-047-53220	BONANZA 1023-17N4BS	Sec 17	T10S R23E	2413 FNL 1838 FEL
43-047-53221	BONANZA 1023-17P1CS	Sec 17	T10S R23E	2242 FNL 1616 FEL
43-047-53222	BONANZA 1023-17P4BS	Sec 17	T10S R23E	2225 FNL 1627 FEL
43-047-53223	BONANZA 1023-17A1CS	Sec 08	T10S R23E	0435 FSL 0692 FEL

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API Number	Well Name	Surface Location		
43-047-53224	BONANZA 1023-17A4BS	Sec 08	T10S R23E	0426 FSL 0696 FEL
43-047-53225	BONANZA 1023-17A4CS	Sec 08	T10S R23E	0417 FSL 0700 FEL
43-047-53226	BONANZA 1023-17B1CS	Sec 08	T10S R23E	0390 FSL 0713 FEL
43-047-53227	BONANZA 1023-17H1BS	Sec 08	T10S R23E	0408 FSL 0705 FEL
43-047-53228	BONANZA 1023-17H2CS	Sec 08	T10S R23E	0399 FSL 0709 FEL
43-047-53233	BONANZA 1023-7A1CS	Sec 07	T10S R23E	0724 FNL 1691 FEL
43-047-53234	BONANZA 1023-7B1BS	Sec 07	T10S R23E	0735 FNL 1708 FEL
43-047-53235	BONANZA 1023-7B1CS	Sec 07	T10S R23E	0740 FNL 1717 FEL
43-047-53236	BONANZA 1023-7H1BS	Sec 07	T10S R23E	0729 FNL 1699 FEL
43-047-53237	BONANZA 1023-7H1CS	Sec 07	T10S R23E	0745 FNL 1725 FEL
43-047-53238	BONANZA 1023-7C1BS	Sec 07	T10S R23E	1258 FNL 2263 FEL
43-047-53239	BONANZA 1023-7C4BS	Sec 07	T10S R23E	1260 FNL 2273 FEL
43-047-53240	BONANZA 1023-7C4CS	Sec 07	T10S R23E	1261 FNL 2283 FEL
43-047-53241	BONANZA 1023-7F1BS	Sec 07	T10S R23E	1263 FNL 2293 FEL
43-047-53242	BONANZA 1023-7G1BS	Sec 07	T10S R23E	1255 FNL 2244 FEL
43-047-53243	BONANZA 1023-7G1CS	Sec 07	T10S R23E	1257 FNL 2254 FEL
43-047-53245	BONANZA 1023-7D1BS	Sec 07	T10S R23E	0589 FNL 0635 FWL
43-047-53246	BONANZA 1023-7D1CS	Sec 07	T10S R23E	0597 FNL 0629 FWL
43-047-53247	BONANZA 1023-7D4CS	Sec 07	T10S R23E	0605 FNL 0624 FWL
43-047-53248	BONANZA 1023-7E1BS	Sec 07	T10S R23E	0614 FNL 0618 FWL
43-047-53249	BONANZA 1023-7E1CS	Sec 07	T10S R23E	0622 FNL 0612 FWL
43-047-53250	BONANZA 1023-7H4CS	Sec 07	T10S R23E	2205 FNL 0374 FEL
43-047-53251	BONANZA 1023-7I1BS	Sec 07	T10S R23E	2210 FNL 0365 FEL
43-047-53252	BONANZA 1023-7I1CS	Sec 07	T10S R23E	2221 FNL 0348 FEL
43-047-53253	BONANZA 1023-7I4BS	Sec 07	T10S R23E	2226 FNL 0339 FEL
43-047-53254	BONANZA 1023-7F4CS	Sec 07	T10S R23E	2297 FSL 1754 FWL
43-047-53255	BONANZA 1023-7E4BS	Sec 07	T10S R23E	2288 FSL 1736 FWL
43-047-53256	BONANZA 1023-7I4CS	Sec 07	T10S R23E	2231 FNL 0330 FEL
43-047-53257	BONANZA 1023-7E4CS	Sec 07	T10S R23E	2283 FSL 1727 FWL
43-047-53258	BONANZA 1023-7F4BS	Sec 07	T10S R23E	2292 FSL 1745 FWL
43-047-53259	BONANZA 1023-7K1BS	Sec 07	T10S R23E	2305 FSL 1771 FWL
43-047-53260	BONANZA 1023-7K4BS	Sec 07	T10S R23E	2301 FSL 1762 FWL
43-047-53261	BONANZA 1023-7K3AS	Sec 07	T10S R23E	1103 FSL 0498 FWL
43-047-53262	BONANZA 1023-7L1CS	Sec 07	T10S R23E	1100 FSL 0488 FWL
43-047-53263	BONANZA 1023-7M4BS	Sec 07	T10S R23E	1097 FSL 0479 FWL
43-047-53264	BONANZA 1023-7M4CS	Sec 07	T10S R23E	1094 FSL 0470 FWL
43-047-53265	BONANZA 1023-7O1CS	Sec 07	T10S R23E	0081 FSL 2127 FEL
43-047-53266	BONANZA 1023-7N4CS	Sec 07	T10S R23E	0072 FSL 2145 FEL
43-047-53267	BONANZA 1023-7O2AS	Sec 07	T10S R23E	0077 FSL 2136 FEL
43-047-53268	BONANZA 1023-7P1BS	Sec 07	T10S R23E	0086 FSL 2118 FEL
43-047-53269	BONANZA 1023-7P1CS	Sec 07	T10S R23E	0095 FSL 2100 FEL
43-047-53270	BONANZA 1023-7P4BS	Sec 07	T10S R23E	0090 FSL 2109 FEL
New Pad				
Located on Previous Pad				

RECEIVED: October 02, 2012

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 9/28/2012 **API NO. ASSIGNED:** 43047532330000

WELL NAME: BONANZA 1023-7A1CS

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) **PHONE NUMBER:** 720 929-6086

CONTACT: Gina Becker

PROPOSED LOCATION: NWNE 07 100S 230E **Permit Tech Review:** ✔

SURFACE: 0724 FNL 1691 FEL **Engineering Review:** ✔

BOTTOM: 0623 FNL 0496 FEL **Geology Review:** ✔

COUNTY: UINTAH

LATITUDE: 39.96860 **LONGITUDE:** -109.36630

UTM SURF EASTINGS: 639519.00 **NORTHINGS:** 4425550.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU38420 **PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE

SURFACE OWNER: 1 - Federal **COALBED METHANE:** NO

RECEIVED AND/OR REVIEWED:

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

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit: PONDEROSA

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

Board Cause No: Cause 179-17

Effective Date: 5/9/2012

Siting: Suspends General Siting

- ✔ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
3 - Commingling - ddoucet
4 - Federal Approval - dmason
15 - Directional - dmason

RECEIVED: October 29, 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: BONANZA 1023-7A1CS
API Well Number: 43047532330000
Lease Number: UTU38420
Surface Owner: FEDERAL
Approval Date: 10/29/2012

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 179-17. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

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

Commingle:
In accordance with Board Cause No. 179-17, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

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

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

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

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

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

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

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

Approved By:

For John Rogers
Associate Director, Oil & Gas

Form 3160-3
(August 2007)

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 2 1 2012

BLM, Vernal Utah

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU38420

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
Ponderosa UTU88209A

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

8. Lease Name and Well No.
BONANZA 1023-7A1CS

2. Name of Operator
KERR-MCGEE OIL & GAS ONSHORE LP
Contact: GINA T BECKER
Email: GINA.BECKER@ANADARKO.COM

9. API Well No.
43-047-53233.

3a. Address
P.O. BOX 173779
DENVER, CO 80202-3779

3b. Phone No. (include area code)
Ph: 720-929-6086
Fx: 720-929-7086

10. Field and Pool, or Exploratory
BONANZA

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

At surface NWNE 724FNL 1691FEL 39.968701 N Lat, 109.366146 W Lon

At proposed prod. zone NENE 623FNL 496FEL 39.968983 N Lat, 109.361885 W Lon

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 7 T10S R23E Mer SLB

14. Distance in miles and direction from nearest town or post office*
APPROXIMATELY 50 MILES SOUTHEAST OF VERNAL, UTAH

12. County or Parish
UINTAH

13. State
UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)
496

16. No. of Acres in Lease
637.00

17. Spacing Unit dedicated to this well

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
211

19. Proposed Depth
8580 MD
8389 TVD

20. BLM/BIA Bond No. on file
WYB000291

21. Elevations (Show whether DF, KB, RT, GL, etc.
5246 GL

22. Approximate date work will start
09/08/2012

23. Estimated duration
60-90 DAYS

24. Attachments

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

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

25. Signature
(Electronic Submission)

Name (Printed/Typed)
GINA T BECKER Ph: 720-929-6086

Date
03/08/2012

Title
REGULATORY ANALYST II

Approved by (Signature)

Name (Printed/Typed) Jerry Kenczka

Date OCT 2 3 2012

Title Assistant Field Manager
Lands & Mineral Resources

Office VERNAL FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. CONDITIONS OF APPROVAL ATTACHED

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

Additional Operator Remarks (see next page)

Electronic Submission #132517 verified by the BLM Well Information System
For KERR-MCGEE OIL & GAS ONSHORE LP, sent to the Vernal

RECEIVED
OCT 2 9 2012
DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL

UDOGM

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

12CX5m97AS

11/29/11

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**Kerr-McGee Oil & Gas Onshore, LP**	**Location:**	**NWNE, Sec. 7, T10S, R23E**
Well No:	**Bonanza 1023-7A1CS**	**Lease No:**	**UTU-38420**
API No:	**43-047-53233**	**Agreement:**	**Ponderosa Unit**

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.

- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.

- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

- The following would be used as standard operating procedures: Green completion or controlled VOC emissions methods with 90% efficiency for Oil or Gas Atmospheric Storage Tanks, VOC Venting controls or flaring, Glycol Dehydration and Amine Unites, Well Completion, Re-Completion, Venting, and Planned Blowdown Emissions.

- All reclamation will comply with the Green River Reclamation Guidelines

- All vehicles and equipment shall be cleaned either through power-washing, or other approved method, if the vehicles or equipment were previously operated outside the Uinta Basin, to prevent weed seed introduction.

- All disturbance areas shall be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established

- Noxious and invasive weeds will be controlled throughout the area of project disturbance.

- Noxious weeds will be inventoried and reported to BLM in the annual reclamation report. Where an integrated pest management program is applicable, coordination has been undertaken with the state and local management program (if existing). A copy of the pest management plan will be submitted for each project.

- A pesticide use permit (PUP) will be obtained for the project, if applicable.

- The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.

- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
    a. Do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
    b. Limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and

c. Limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.

- Screen all pump intakes with 3/32" mesh material.

- Approach velocities for intake structures will follow the National Marine Fisheries Service's document "Fish Screening Criteria for Anadromous Salmonids". For projects with an in-stream intake that operate in stream reaches where larval fish may be present, the approach velocity will not exceed 0.33 feet per second (ft/s).

- Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

  Northeastern Region
  318 N Vernal Ave, Vernal, UT 84078
  Phone: (435) 781-9453

- The following measures are required by and have been committed to by Anadarko within the Programmatic Section 7 consultation for the Natural Buttes Unit and Bonanza Area Natural Gas Development for all areas where surface disturbing activities cannot be avoided by the required 300 foot buffer from identified Uinta Basin hookless cactus individuals
  1. Silt fencing will be used to protect populations within 300 feet of surface disturbing activities that are downslope or downwind of the surface disturbance
  2. A qualified botanist will be on site to monitor the surface-disturbing activities.
  3. Dust abatement will occur and will be done using only water.
  4. All cacti within 300 feet will be flagged immediately prior to surface-disturbing activities are completed.
  5. Pipelines will be located to the far side of the ROW to maximize distance from cacti.
  6. Project personnel associated with construction activities would be instructed to drive a speed limit of 15 miles per hour on unpaved roads and to remain on the existing roads and approved ROW at all times.

- *Discovery Stipulation*: Reinitiation of section 7 consultation with the USFWS will be sought immediately if any loss of plants or occupied habitat for Pariette cactus or Uinta Basin hookless cactus is anticipated as a result of project activities.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Gamma ray Log shall be run from Total Depth to Surface.
- Cement for the production casing must be brought 200' above the surface casing shoe.
- A CBL will be run from TD to TOC in the production casing.

Variances Granted:

Air Drilling

1. Properly lubricated and maintained rotating head. Variance granted to use a properly maintained and lubricated diverter bowl in place of a rotating head.
2. Blooie line discharge 100' from the well bore. Variance granted for blooie line discharge to be 45' from the well bore.
3. Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for truck/trailer mounted air compressors located 40'from the well bore.
4. In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for the kill medium and will utilize a skid pump near the reserve pit to supply the water to the well bore if necessary.
5. Automatic igniter. Variance granted for igniter due to there being no productive formations encountered while air drilling.
6. FIT Test. Variance granted due to well-known geology and the problems that can occur with the FIT test.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- <u>Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.</u>
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a

test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to BLM_UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs,

core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38420

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: PONDEROSA

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: BONANZA 1023-7A1CS

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

9. API NUMBER: 43047532330000

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: 0724 FNL 1691 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 07 Township: 10.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 10/29/2013	☐ 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: October 02, 2013

By:

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

SIGNATURE	DATE
N/A	9/30/2013

RECEIVED: Sep. 30, 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 43047532330000

API: 43047532330000
Well Name: BONANZA 1023-7A1CS
Location: 0724 FNL 1691 FEL QTR NWNE SEC 07 TWNP 100S RNG 230E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 10/29/2012

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: Teena Paulo **Date:** 9/30/2013
Title: Staff Regulatory Specialist **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Sep. 30, 2013

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38420

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: PONDEROSA

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: BONANZA 1023-7A1CS

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

9. API NUMBER: 43047532330000

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: 0724 FNL 1691 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 07 Township: 10.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 9/2/2014	☐ 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: September 04, 2014
By: [signature]

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Kay E. Kelly	720 929 6582	Regulatory Analyst

SIGNATURE	DATE
N/A	9/2/2014

RECEIVED: Sep. 02, 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 43047532330000

API: 43047532330000
Well Name: BONANZA 1023-7A1CS
Location: 0724 FNL 1691 FEL QTR NWNE SEC 07 TWNP 100S RNG 230E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 10/29/2012

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: Kay E. Kelly **Date:** 9/2/2014
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Sep. 02, 2014

Form 3160-5
(August 2007)

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 06 2014

BLM

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU38420

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UTU88209A

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

RECEIVED
SEP 12 2014
DIV. OIL, GAS & MINING

8. Well Name and No.
BONANZA 1023-7A1CS

2. Name of Operator
KERR MCGEE OIL & GAS ONSHORE L
Contact: TEENA PAULO
EMail: teena.paulo@anadarko.com

9. API Well No.
43-047-53233-00-X1

3a. Address
1368 SOUTH 1200 EAST
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 720-929-6236
Fx: 720-929-7236

10. Field and Pool, or Exploratory
BONANZA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 7 T10S R23E NWNE 724FNL 1691FEL
39.968701 N Lat, 109.366146 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

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

APD- 10/23/12
NEPA- 2012-180-EA
EA-DR (9/24/12)

VERNAL FIELD OFFICE
ENG. RHH 9/3/14
GEOL.
E.S.
PET.
RECL.

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #255963 verified by the BLM Well Information System
For KERR MCGEE OIL & GAS ONSHORE L, sent to the Vernal
Committed to AFMSS for processing by JOHNETTA MAGEE on 08/12/2014 (14JM1576SE)

Name *(Printed/Typed)* TEENA PAULO — Title STAFF REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 08/06/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title Assistant Field Manager Lands & Mineral Resources — Date SEP 04 2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office VERNAL FIELD OFFICE

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

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

UDOGM

Revisions to Operator-Submitted EC Data for Sundry Notice #255963

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER NOI	APDCH NOI
Lease:	UTU38420	UTU38420
Agreement:	UTU88209X	UTU88209A (UTU88209A)
Operator:	KERR MCGEE OIL & GAS ONSHORE L 1368 SOUTH 1200 EAST VERNAL, UT 84078 Ph: 720-929-6236	KERR MCGEE OIL & GAS ONSHORE L 1368 SOUTH 1200 EAST VERNAL, UT 84078 Ph: 435.789.3995
Admin Contact:	TEENA PAULO STAFF REGULATORY SPECIALIST E-Mail: teena.paulo@anadarko.com Ph: 720-929-6236 Fx: 720-929-7236	TEENA PAULO STAFF REGULATORY SPECIALIST E-Mail: teena.paulo@anadarko.com Ph: 720-929-6236 Fx: 720-929-7236
Tech Contact:	TEENA PAULO STAFF REGULATORY SPECIALIST E-Mail: teena.paulo@anadarko.com Ph: 720-929-6236 Fx: 720-929-7236	TEENA PAULO STAFF REGULATORY SPECIALIST E-Mail: teena.paulo@anadarko.com Ph: 720-929-6236 Fx: 720-929-7236
Location:		
State:	UT	UT
County:	UINTAH	UINTAH
Field/Pool:	NATURAL BUTTES	BONANZA
Well/Facility:	BONANZA 1023-7A1CS Sec 7 T10S R23E Mer SLB NWNE 724FNL 1691FEL	BONANZA 1023-7A1CS Sec 7 T10S R23E NWNE 724FNL 1691FEL 39.968701 N Lat, 109.366146 W Lon

CONDITIONS OF APPROVAL

Kerr McGee Oil and Gas Onshore LP.

Notice of Intent
APD Extension

Lease: UTU-38420
Well: BONANZA 1023-7A1CS
Location: NWNE Sec 7-T10S-R23E

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

---

1. The extension and APD shall expire on 10/23/2016.

2. No other extension shall be granted.

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

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38420

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: PONDEROSA

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: BONANZA 1023-7A1CS

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

9. API NUMBER: 43047532330000

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

PHONE NUMBER: 720 929-6100

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0724 FNL 1691 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 07 Township: 10.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/20/2015	☐ 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
August 24, 2015
Date:
By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Jennifer Thomas	720 929-6808	Regulatory Specialist
SIGNATURE N/A		**DATE** 8/20/2015

RECEIVED: Aug. 20, 2015

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 43047532330000

API: 43047532330000
Well Name: BONANZA 1023-7A1CS
Location: 0724 FNL 1691 FEL QTR NWNE SEC 07 TWNP 100S RNG 230E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 10/29/2012

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: Jennifer Thomas **Date:** 8/20/2015
Title: Regulatory Specialist **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Aug. 20, 2015

RECEIVED
NOV 19 2014
BLM

Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU74869

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
UTU87538X

8. Lease Name and Well No.
GMBU 110-31-8-17

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
NEWFIELD EXPLORATION
Contact: HEATHER A CALDER
E-Mail: hcalder@newfield.com

9. API Well No.
4304753233

3a. Address
ROUTE 3 BOX 3630
MYTON, UT 84052

3b. Phone No. (include area code)
Ph: 435-646-4936
Fx: 435-646-3031

10. Field and Pool, or Exploratory
MONUMENT BUTTE

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface NWNE 819FNL 2071FEL
At proposed prod. zone SWNE 1456FNL 1920FEL

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 31 T8S R17E Mer SLB

14. Distance in miles and direction from nearest town or post office*
14.1

12. County or Parish
DUCHESNE

13. State
UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1456

16. No. of Acres in Lease
1177.00

17. Spacing Unit dedicated to this well
10.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
541

19. Proposed Depth
6308 MD
6269 TVD

20. BLM/BIA Bond No. on file
WYB000493

21. Elevations (Show whether DF, KB, RT, GL, etc.
5265 GL

22. Approximate date work will start
04/01/2015

23. Estimated duration
7 DAYS

24. Attachments

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

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

25. Signature
(Electronic Submission)

Name (Printed/Typed)
HEATHER A CALDER Ph: 435-646-4936

Date
11/19/2014

Title
REGULATORY TECHNICIAN

Approved by (Signature)

Name (Printed/Typed)
Jerry Kenczka

Date
OCT 16 2015

Title
Assistant Field Manager
Lands & Mineral Resources

Office
VERNAL FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

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

RECEIVED
OCT 29 2015
DIV. OF OIL, GAS & MINING

Additional Operator Remarks (see next page)

Electronic Submission #280518 verified by the BLM Well Information System
For NEWFIELD EXPLORATION, sent to the Vernal
Committed to AFMSS for processing by STEVE HIRSCHI on 11/24/2014 ()

NOTICE OF APPROVAL

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

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**Newfield Exploration**	**Location:**	**NWNE, Sec. 31, T8S, R17E**
Well No:	**GMBU 110-31-8-17**	**Lease No:**	**UTU 74869**
API No:	**43-013-53233**	**Agreement:**	

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.

- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.

- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

STIPULATIONS / CONDITIONS OF APPROVAL

Company/Operator:	Newfield Production Company
Well Name & Number:	GMBU **110-31-8-17**
Host Location:	2-31-8-17

STANDARD STIPULATIONS

Green River District Reclamation Guidelines

The Operator will comply with the requirements of the ***Green River District (GRD) Reclamation Guidelines*** formalized by Green River District Instructional Memo UTG000-2014-004 on May 21, 2014.

CONDITIONS OF APPROVAL

Wildlife

In accordance with the Record of Decision for the Castle Peak and Eightmile Flat Oil and Gas Expansion Project, Newfield Rocky Mountains Inc., the following COA's are required:

- WFM-1 On level or gently sloping ground (5 percent slope or less) Newfield will elevate surface pipelines (4 inches or greater in diameter) a minimum of 6 inches above the ground to allow passage of small animals beneath the pipe. This ground clearance will be achieved by placing the pipeline on blocks at intervals of 150 to 200 feet.

- WFM-4 Newfield will install noise reduction devices on all pump jacks to reduce intermittent noise to 45 dBA at 660 feet from the source.

COA's derived from mitigating measures in the EA:

If construction and drilling is anticipated during any of the following wildlife seasonal spatial restrictions, a BLM biologist or a qualified consulting firm biologist must conduct applicable

surveys using an accepted protocol prior to any ground disturbing activities.

- If it is anticipated that construction or drilling will occur during mountain plover nesting season (May 1 – June 15), a BLM biologist will be notified to determine if surveys are necessary prior to beginning operations. If surveys are deemed necessary, depending on the results permission to proceed may or may not, be granted by the BLM Authorized Officer.

- If the surface disturbing activities are planned during the current timing restrictions for the ferruginous hawk (March 1st through August 1st) a survey for nesting ferruginous hawk would be required. Based on the results of the survey, permission to proceed may or may not be granted by the BLM Authorized Officer.

For protection of T&E Fish if drawing water from the Green River

- For areas of fresh water collection, an infiltration gallery will be constructed in a Service approved location. An infiltration gallery is basically a pit or trench dug within the floodplain to a depth below the water table. Water is drawn from the pit rather than from the river directly. If this is not possible, limit pumping within the river to off-channel locations that do not connect to the river during high spring flows.

- If water cannot be drawn using the measures above and the pump head will be located in the river channel where larval fish are known to occur, the following measures apply:
  - Avoid pumping from low-flow or no-flow areas as these habitats tend to concentrate larval fished
  - Avoid pumping to the greatest extent possible, during that period of the year when larval fish may be present (see previous bullet); and
  - Avoid pumping, to the greatest extent possible, during the midnight hours (10:00 p.m. to 2:00 a.m.) as larval drift studies indicate that this is a period of greatest daily activity. Dusk is the preferred pumping time, as larval drift abundance is lowest during this time.
  - Screen all pump intakes with 3/32-inch mesh material.

- Report any fish impinged on the intake screen to the FWS office (801.975.3330) and the:
  Utah Division of Wildlife Resources
  Northeastern Region
  318 N Vernal Ave.
  Vernal, UT 84078
  (435) 781-9453

<u>Air Quality</u>

1. All internal combustion equipment will be kept in good working order.
2. Water or other approved dust suppressants will be used at construction sites and along roads, as determined appropriate by the Authorized Officer. Dust suppressant such as magnesium chloride or fresh water may be used, as needed, during the drilling phase.
3. Open burning of garbage or refuse will not occur at well sites or other facilities.
4. Drill rigs will be equipped with Tier II or better diesel engines.
5. Low bleed pneumatics will be installed on separator dump valves and other controllers.
6. During completion, no venting will occur, and flaring will be limited as much as possible. Production equipment and gathering lines will be installed as soon as possible.
7. Telemetry will be installed to remotely monitor and control production.

8. When feasible, two or more rigs (including drilling and completion rigs) will not be run simultaneously within 200 meters of each other. If two or more rigs must be run simultaneously within 200 meters of each other, then effective public health buffer zones out to 200 meters (m) from the nearest emission source will be implemented. Examples of an effective public health protection buffer zone include the demarcation of a public access exclusion zone by signage at intervals of every 250 feet that is visible from a distance of 125 feet during daylight hours, and a physical buffer such as active surveillance to ensure the property is not accessible by the public during drilling operations. Alternatively, the proponent may demonstrate compliance with the 1-hour NO_2 National Ambient Air Quality Standards (NAAQS) with appropriate and accepted near-field modeling. As part of this demonstration, the proponent may propose alternative mitigation that could include but is not limited to natural gas–fired drill rigs, installation of NO_X controls, time/use restrictions, and/or drill rig spacing.
9. Green completions will be used for all well completion activities where technically feasible.

Threatened and Endangered Plants

- Documented cactus within the 300 foot survey buffers will be flagged for avoidance during construction and drilling activities.
- A qualified biological monitor will be present during construction and drilling activities to ensure that documented individual cactus are not disturbed.
- Newfield will perform ground disturbing activities in *Sclerocactus ssp.* Core Conservation Areas (CCAs) outside of the flowering period, (April 1 through May 30) for all locations in CCAs. This applies to all ground disturbance, including previously disturbed areas on existing well pads.
- Only water (no chemicals, reclaimed production water or oil field brine) will be used for dust abatement measures within all cactus habitats.
- Dust abatement will be employed in suitable *Sclerocactus ssp.* habitat over the life of the project during the time of the year when *Sclerocactus ssp.* species are most vulnerable to dust-related impacts (March through August) within all cactus habitats.
- No non-native species will be included in the seed mix to be used for interim and final reclamation. The seed mix submitted with the applications will be amended to exclude Siberian wheatgrass (introduced), and Snake River wheatgrass (non-native to Utah) for reclamation seeding on this project.
- Erosion control measures (i.e. silt fencing) will be implemented to minimize sedimentation to *Sclerocactus ssp.* plants and populations located down slope of proposed surface disturbance activities when working in all cactus habitats.
- Application for Pesticide Use Permit will include provisions for mechanical removal, as opposed to chemical removal, for Utah Class A, B and C noxious weeds within 50 feet of individual/populations of Sclerocactus.
- From one year of the date forward of 100% *Sclerocactus* clearance survey for this project, spot checks will be conducted and approved for all planned disturbance areas on an annual basis. (The *S. brevispinus* survey period is defined as mid-March to June 30, and the *S. wetlandicus* survey period is defined as anytime without snow cover.) Results of spot checks may require additional pre-construction plant surveys as directed by the BLM. If the proposed action or parts thereof have not occurred within four years of the original survey, 100% clearance re-survey will be required prior to ground disturbing activities.

Discovery Stipulation: Re-initiation of Section 7 consultation with the USFWS will be sought immediately if any loss of plants or occupied habitat for Pariette cactus or Uinta Basin hookless cactus is anticipated as a result of project activities.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

GMBU: **110-31-8-17**, W-21-8-18, H-28-8-18

Site Specific Drilling Plan COA's:

- Newfield Production Co. shall adhere to all referenced requirements in the SOP (version: "Greater Monument Butte Green River Development Program", Feb 16, 2012). The operator shall also comply with applicable laws and regulations; with lease terms Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the, authorized officer.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well by CD (compact disc). This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38420

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: PONDEROSA

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: BONANZA 1023-7A1CS

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

9. API NUMBER: 43047532330000

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

PHONE NUMBER: 720 929-6404 EXT

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0724 FNL 1691 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 07 Township: 10.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 10/20/2016	☐ 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
October 31, 2016
Date:
By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Joel Malefyt	720 929-6828	Regualtory Analyst

SIGNATURE	DATE
N/A	10/20/2016

RECEIVED: Oct. 20, 2016

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 43047532330000

API: 43047532330000
Well Name: BONANZA 1023-7A1CS
Location: 0724 FNL 1691 FEL QTR NWNE SEC 07 TWNP 100S RNG 230E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 10/29/2012

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: Joel Malefyt **Date:** 10/20/2016
Title: Regualtory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Oct. 20, 2016