

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

FORM 3

AMENDED REPORT

| | | |
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| APPLICATION FOR PERMIT TO DRILL | | 1. WELL NAME and NUMBER BONANZA 1023-7H1CS |
| 2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> | | 3. FIELD OR WILDCAT NATURAL BUTTES |
| 4. TYPE OF WELL Gas Well Coalbed Methane Well: NO | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME 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 <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> | |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') | | 12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') |
| 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/> | | 19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/> |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|---------------------------------|------------------|---------|---------|----------|--------|----------|
| LOCATION AT SURFACE | 745 FNL 1725 FEL | NWNE | 7 | 10.0 S | 23.0 E | S |
| Top of Uppermost Producing Zone | 1739 FNL 493 FEL | SENE | 7 | 10.0 S | 23.0 E | S |
| At Total Depth | 1739 FNL 493 FEL | SENE | 7 | 10.0 S | 23.0 E | S |

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| 21. COUNTY UINTAH | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 493 | 23. NUMBER OF ACRES IN DRILLING UNIT 637 |
| 27. ELEVATION - GROUND LEVEL 5246 | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 496 | 26. PROPOSED DEPTH MD: 8667 TVD: 8344 |
| | 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 - 2260 | 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 - 8667 | 11.6 | I-80 LT&C | 12.5 | Premium Lite High Strength | 280 | 3.38 | 12.0 |
| | | | | | | | 50/50 Poz | 1200 | 1.31 | 14.3 |

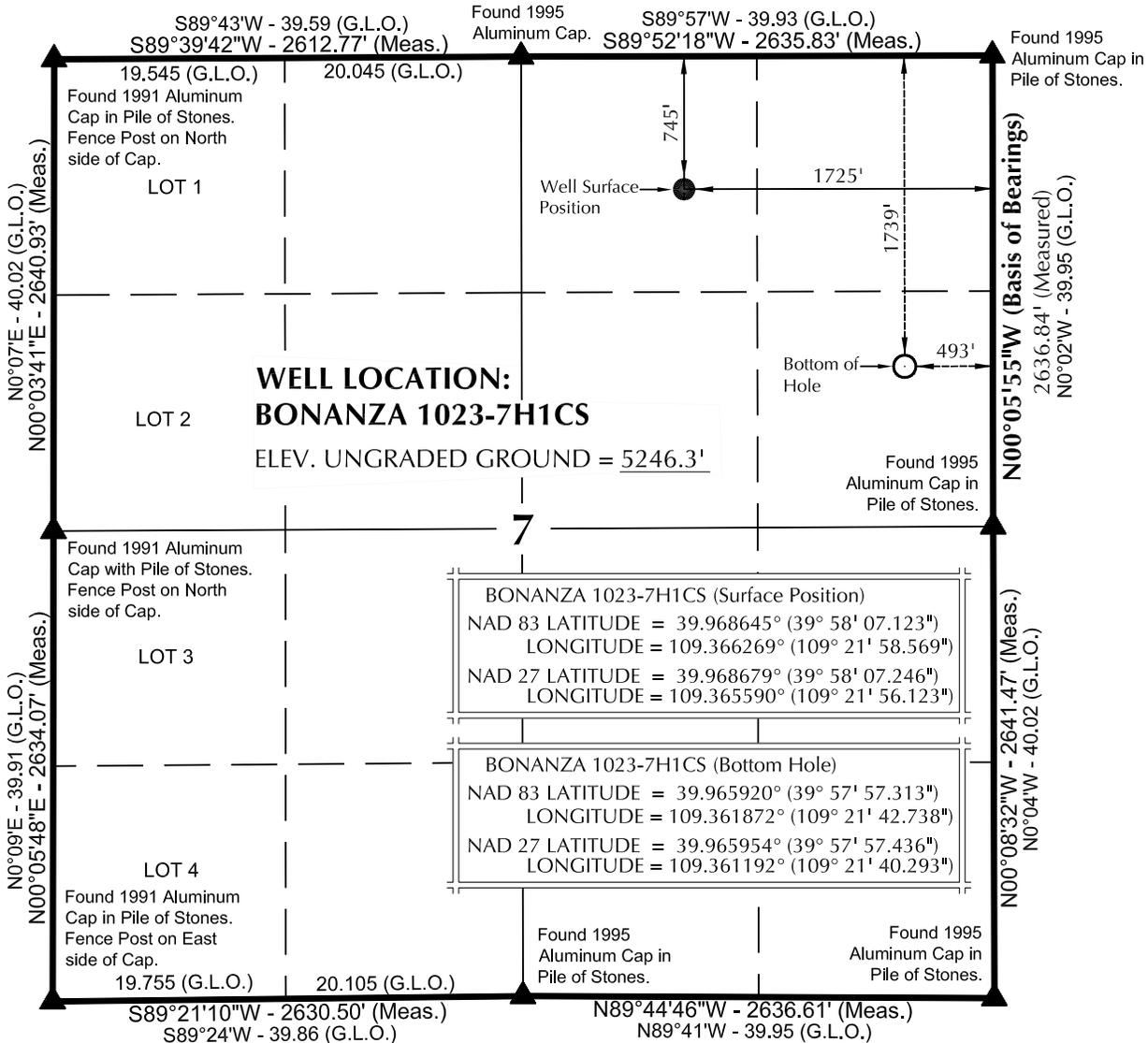
ATTACHMENTS

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

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

| | | |
|--|--|---------------------------------------|
| NAME Gina Becker | TITLE Regulatory Analyst II | PHONE 720 929-6086 |
| SIGNATURE | DATE 09/28/2012 | EMAIL gina.becker@anadarko.com |
| API NUMBER ASSIGNED 43047532370000 | APPROVAL  Permit Manager | |

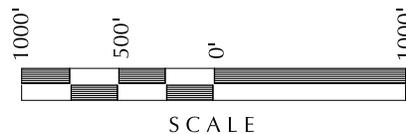
T10S, R23E, S.L.B.&M.



NOTES:

▲ = Section Corners Located

- Well footages are measured at right angles to the Section Lines.
- G.L.O. distances are shown in feet or chains.
1 chain = 66 feet.
- The Bottom of hole bears S51°13'03"E 1583.04' from the Surface Position.
- Bearings are based on Global Positioning Satellite observations.
- Basis of elevation is Tri-Sta "Two Water" located in the NW ¼ of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack Mtn NE 7.5 Min. Quadrangle as being 5238'.



SURVEYOR'S CERTIFICATE

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

No. 6028691-11-18-11
JOHN R. LAUGH
 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 1023-7H1CS
WELL PLAT
 1739' FNL, 493' FEL (Bottom Hole)
 SE ¼ NE ¼ OF SECTION 7, T10S, R23E,
 S.L.B.&M., UTAH COUNTY, UTAH.

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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: 6 |
| DATE DRAWN: 11-10-11 | DRAWN BY: T.J.R. | |
| SCALE: 1" = 1000' | | 6 OF 18 |