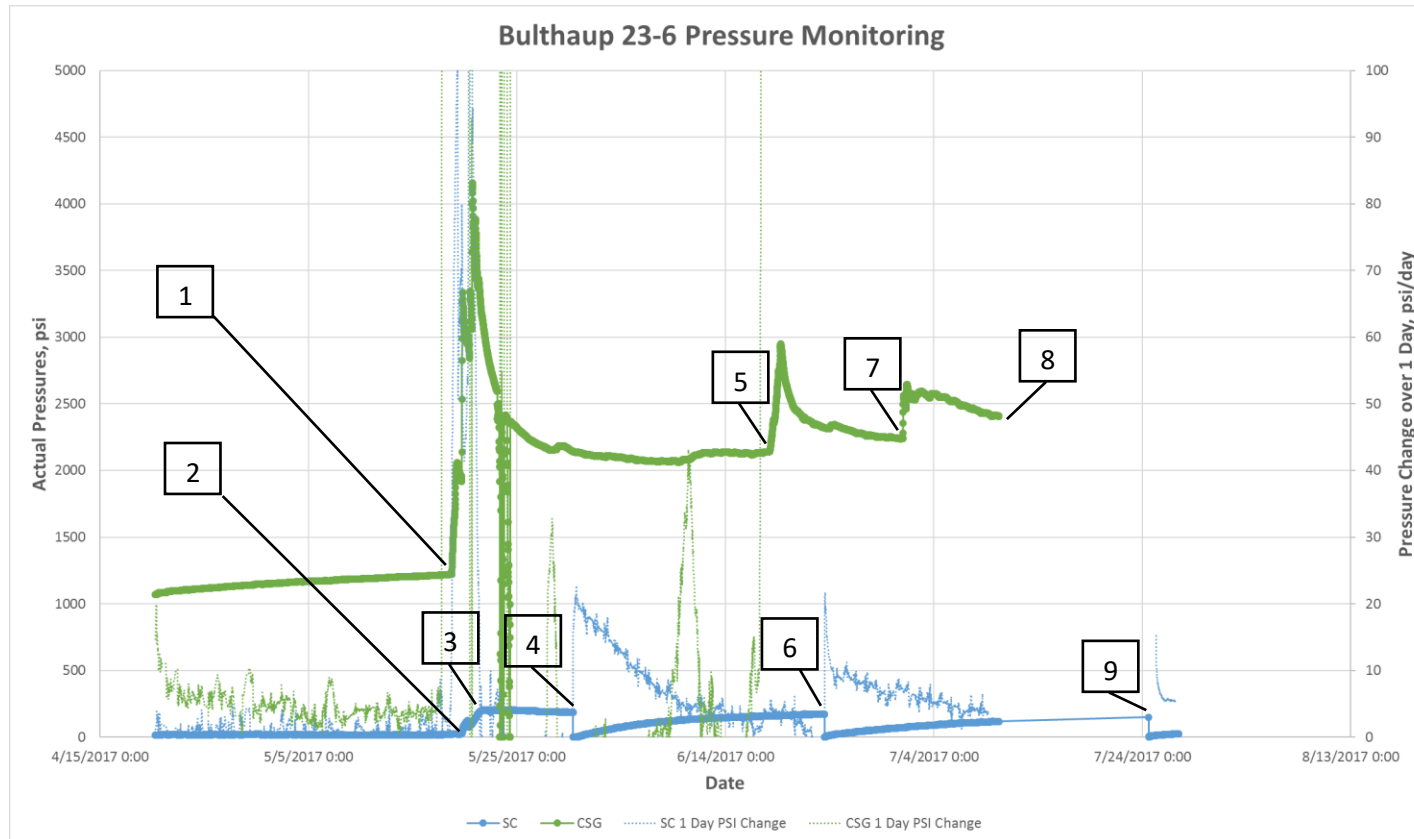


Bulthaup 23-6 (05-123-26886) Bradenhead pressure explanation and plan forward

Per the initial pressure event recorded on 5/21/17 and Form 4 sundry #401298323, the Bulthaup 23-6 Bradenhead pressure increased due to offset frac in the W/2 of 6, 1N 68W by an offset operator. Kerr-McGee has been, and will continue to monitor Bradenhead pressure buildup. Kerr-McGee will bleed off Bradenhead pressure before it reaches 200 psig. There is no water or condensate flow from the Bradenhead. The offset operator has commenced flowback on some but not all of the wells in W/2 of 6, 1N 68W as of 7/28/17. Anticipation is that Bradenhead pressure will subside along with offset production and Kerr-McGee will continue to monitor and bleed off pressure until conditions change.

Figure 1 – Pressure data from the Bulthaup 23-6 (05-123-26886) surface casing and production casing before and after frac.



1. **5/18 18:30** – Initial production casing pressure increase
2. **5/19 17:15** – Initial surface casing pressure increase and second production casing pressure increase
3. **5/24 09:00** – Surface casing maxes out at 206 psi and begins to decrease after this
4. **5/30 09:30** – First surface casing blowdown (Build up rate after 2 days is ~19 psi/day)
5. **6/18 16:00** – Production casing pressure increase (No response from surface casing)
6. **6/23 12:30** – Second surface casing blowdown after staying relatively flat at 170 psi (Buildup rate after 2 days is ~9 psi/day)
7. **7/1 00:30** – Production casing pressure increase (No response from surface casing)
8. **7/10** – End of monitoring for offset Crestone fracs
9. **7/24 15:15** – Third surface casing blowdown after staying relatively flat at

149 psi (Buildup rate after 2 days is ~5 psi/day)

*Note all times are approximations