

004



October 31, 2001

State of Utah  
 Division of Oil Gas & Mining  
 1594 West North Temple, Suite 1210  
 P.O. Box 145801  
 Salt Lake City, UT 84114

**ATTENTION: Lisha Cordova**

Dear Lisha,

Enclosed are the following Application's For Permit To Drill; please contact me when an on-site can be scheduled:

NBU #419	NWNE Sec. 21, T10S R21E	Federal Minerals/State Surface
NBU #420	SESE Sec. 20, T10S, R21E	Federal Minerals/State Surface
NBU #421	NESE Sec. 20, T10S, R21E	Federal Minerals/State Surface
NBU #395	SWSW Sec. 27, T9S, R21E	State Minerals/State Surface
NBU #404	SWSE Sec. 32, T9S, R22E	State Minerals/State Surface

The NBU #398 NENW Sec. 18, T10S, R21E (Federal Minerals/State Surface) Application For Permit to Drill has been previously submitted but will still need an on-site scheduled. Hopefully we can add this location to the others listed above.

If you have questions or need additional information, please do not hesitate to call me, (435) 781-7023.

Sincerely,

  
 Cheryl Cameron  
 Regulatory Analyst

El Paso Production  
 1368 South 1200 East Vernal, Utah 84078  
 PO Box 1148 Vernal, Utah 84078  
 tel 435.789.4433 fax 435.789.4436

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

007

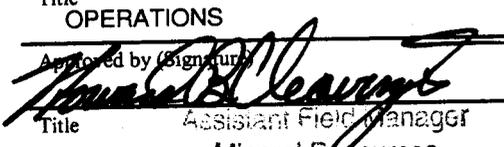
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		<b>CONFIDENTIAL</b>	5. Lease Serial No. U-02278
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name
2. Name of Operator EL PASO PRODUCTION O&G COMPANY		Contact: CHERYL CAMERON E-Mail: Cheryl.Cameron@ElPaso.com	7. If Unit or CA Agreement, Name and No. NATURAL BUTTES
3a. Address P.O. BOX 1148 VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.789.4436	8. Lease Name and Well No. NBU 420
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface SESE 343FSL 416FEL At proposed prod. zone		<b>RECEIVED OCT 30 2001</b>	9. API Well No.
14. Distance in miles and direction from nearest town or post office* 17.4 MILES SOUTHEAST OF OURAY, UT			10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 342	16. No. of Acres in Lease 1440.00	11. Sec., T., R., M., or Blk. and Survey or Area Sec 20 T10S R21E Mer UBM	12. County or Parish UINTAH
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 6800 MD	13. State UT	17. Spacing Unit dedicated to this well 40.00
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5278 GL	22. Approximate date work will start	20. BLM/BIA Bond No. on file BLM#WY3438	
		23. Estimated duration	

24. Attachments

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

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>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).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification</li> <li>6. Such other site specific information and/or plans as may be required by the authorized officer.</li> </ul> |
|--|--|

25. Signature (Electronic Submission)	Name (Printed/Typed) CHERYL CAMERON Ph: 435.781.7023	Date 10/30/2001
Title OPERATIONS		
Approved by (Signature) 	Name (Printed/Typed)	Date 01/22/2003
Title Assistant Field Manager Mineral Resources	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.

**NOTICE OF APPROVAL**

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 #8359 verified by the BLM Well Information System  
For EL PASO PRODUCTION O&G COMPANY, sent to the Vernal  
Committed to AFMSS for processing by LESLIE WALKER on 11/06/2001 ()

**CONDITIONS OF APPROVAL ATTACHED**

\*\* ORIGINAL \*\*

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: El Paso Production Oil & Gas Corp.

Well Name & Number: NBU 420

API Number: 43-047-34377

Lease Number: U-02278

Location: SESE Sec. 20 T.10S R. 21E

Agreement: Natural Buttes Unit

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

**CONDITIONS OF APPROVAL**

Approval of this application 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.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to John Mayers of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable.

2. Pressure Control Equipment

The variances requested in section 9 of the NBU Field SOP are granted with the following conditions:

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.

3. Casing Program and Auxiliary Equipment

None

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

Cement Bond Logs will be required from TD to the surface casing shoe.

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

6. Notifications of Operations

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

7. Other Information

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood (435) 828-7875  
Petroleum Engineer

BLM FAX Machine (435) 781-4410



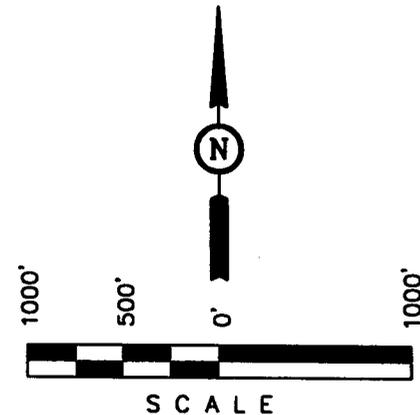
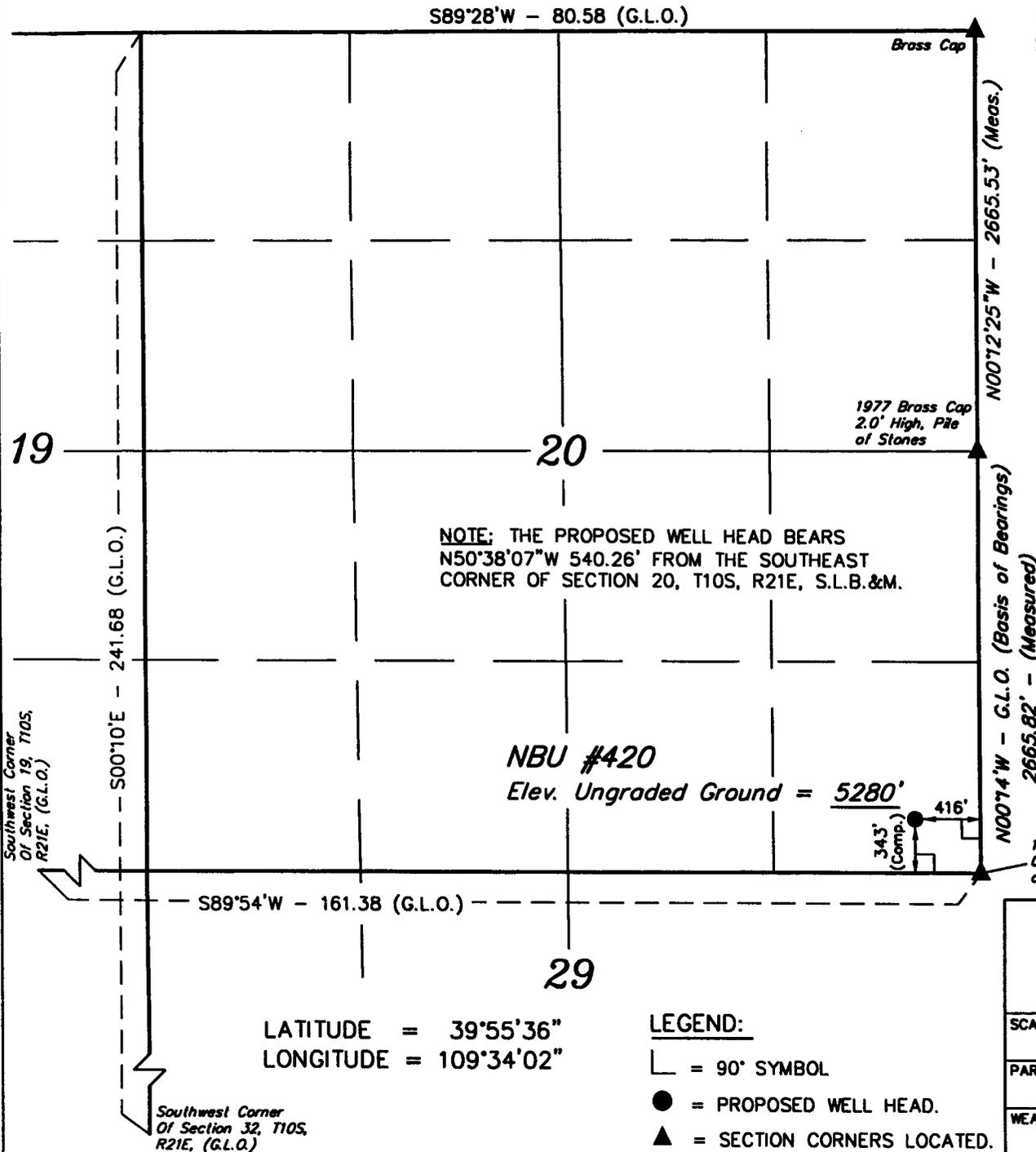
T10S, R21E, S.L.B.&M.

**EL PASO  
PRODUCTION OIL & GAS COMPANY**

Well location, NBU #420, located as shown in the SE 1/4 SE 1/4 of Section 20, T10S, R21E, S.L.B.&M., Uintah County, Utah.

**BASIS OF ELEVATION**

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



**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.

*Robert H. Key*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

LATITUDE = 39°55'36"  
LONGITUDE = 109°34'02"

- LEGEND:**
- └ = 90° SYMBOL
  - = PROPOSED WELL HEAD.
  - ▲ = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 10-9-01	DATE DRAWN: 10-18-01
PARTY K.K. J.J. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EL PASO PRODUCTION OIL & GAS COMPANY	

# EL PASO PRODUCTION OIL & GAS COMPANY

NBU #420

SECTION 20, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 2.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 48.4 MILES.

**NBU #420  
SE/SE Sec. 20, T10S,R21E  
UINTAH COUNTY, UTAH  
U-02278**

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

**1. Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
KB	5285'
Green River	1120'
Wasatch	4365'
TD	6800'

**2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Green River	1120'
	Wasatch	4365'
Water	N/A	
Other Minerals	N/A	

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

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

**4. Proposed Casing & Cementing Program:**

*Refer to the attached Casing & Cementing Program.*

**5. Drilling Fluids Program:**

*Refer to the attached Mud Program.*

**6. Evaluation Program:**

*Refer to the attached Logging Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 6800' TD, approximately equals 2720 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1224 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

*Please see Natural Buttes Unit SOP.*

10. **Other Information:**

*Please see Natural Buttes Unit SOP.*

**NBU#420  
SE/SE Sec. 20,T10S,R21E  
UINTAH COUNTY, UTAH  
U-02278**

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

**1. Existing Roads:**

Refer to the attached location directions.

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

**2. Planned Access Roads:**

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

Approximately 0.2 miles of new access road is proposed. Refer to Topo B.

**3. Location of Existing Wells Within a 1-Mile Radius**

Please refer to Topo Map C.

**4. Location of Existing & Proposed Facilities**

*Please see the Natural Buttes Unit SOP.*

Approximately 900' of pipeline is proposed. Refer to Topo Map D for the location of the proposed pipeline.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5Y 6/2), a non-reflective earthtone.

**5. Location and Type of Water Supply:**

*Please see the Natural Buttes SOP.*

**6. Source of Construction Materials**

*Please see the Natural Buttes SOP.*

**7. Methods of Handling Waste Materials**

*Please see the Natural Buttes SOP.*

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (*Request is in lieu of filing Form 3160-5, after initial production*).

**8. Ancillary Facilities**

*Please see the Natural Buttes SOP.*

**9. Well Site Layout: (See Location Layout Diagram)**

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A 12 mil reserve pit liner shall be used, if determined during the on-site inspection.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

**10. Plans for Reclamation of the Surface:**

*Please see the Natural Buttes SOP.*

**11. Surface Ownership:**

The well pad and access road are located on lands owned by:

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

**12. Other Information:**

A Class III archaeological survey has been conducted and a copy of this report shall be submitted as soon as it becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

**13. Lessee's or Operators's Representative & Certification:**

Cheryl Cameron  
Regulatory Analyst  
El Paso Production O&G Co.  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7023

Scott Palmer  
Drilling Manager  
El Paso Production O&G Co.  
9 Greenway Plaza, Suite 2770  
Houston, TX 77046  
(713) 420-4850

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.

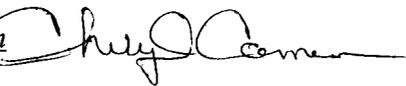
El Paso O&G Co. is considered to be the operator of the subject well. El Paso O&G Co. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for use activities is being provided by El Paso Production O&G Co. Bond #WY3438.

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.

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 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 by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

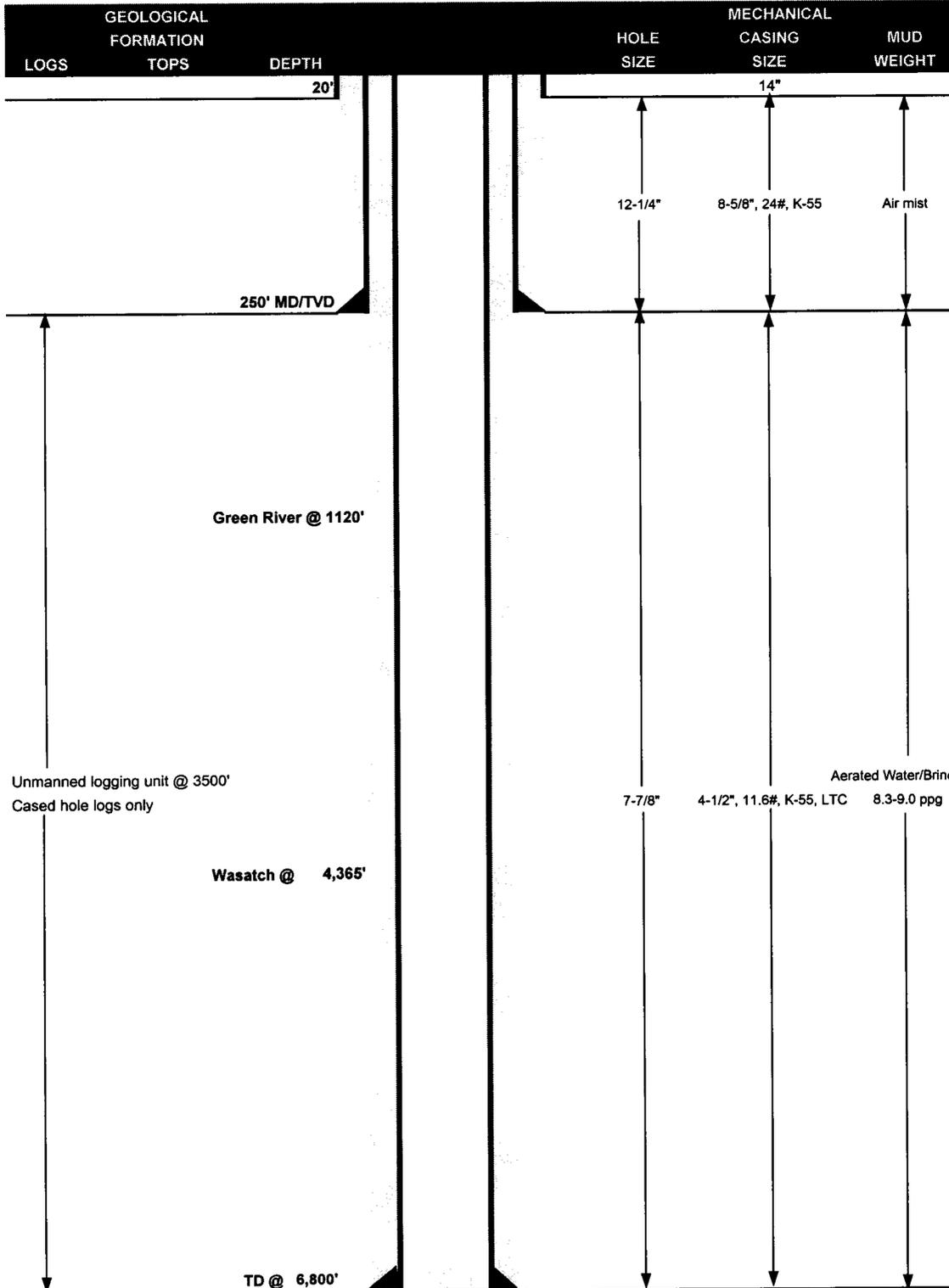
/s/Cheryl Cameron  
Cheryl Cameron



10/30/01  
Date

## DRILLING PROGRAM FOR APD

COMPANY NAME El Paso Production Company DATE October 25, 2001  
 WELL NAME NBU 420 TD 6,800' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,285' KB  
 SURFACE LOCATION 300' FSL, 325' FEL, SE/SE, SEC. 20, T10S, R21E BHL Straight Hole  
 OBJECTIVE ZONE(S) Wasatch  
 ADDITIONAL INFO Regulatory Agencies: BLM, UDOGM, Tri-County Health Dept.



**elipaso** | Production  
**DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2950	1370	263000
SURFACE	8-5/8"	0-250'	24.00	K-55	STC	21.03	11.71	4.70
PRODUCTION*	4-1/2"	0-TD	11.60	K-55	LTC	2.23	1.56	1.40

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)
  - 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
  - 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 8-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 50000 lbs overpull)  
 \*Utilize 5-1/2", 17#, N-80 if 4-1/2" is not available.

**CEMENT PROGRAM**

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS*	WEIGHT	YIELD
SURFACE	250	Premium Plus + 2% CaCl <sub>2</sub> + 0.125 pps polyflake	140	35%	15.60	1.18
PRODUCTION	LEAD 3,860'	Hifill + 10 pps gilsonite + 0.125 pps polyflake	370	60%	11.00	3.82
	TAIL 2,940'	50/50 POZ + 0.6% Halad 322 + 2% gel + 5% salt + 0.125 pps polyflake	890	60%	14.35	1.22

\* or 15% over caliper log

**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. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Run Totco surveys every 1000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER: \_\_\_\_\_  
 Dan Lindsey

DRILLING SUPERINTENDANT: \_\_\_\_\_  
 Larry Strasheim

DATE: \_\_\_\_\_  
 DATE: \_\_\_\_\_

# EL PASO PRODUCTION OIL & GAS COMPANY

**NBU #420**

LOCATED IN UTAH COUNTY, UTAH  
SECTION 20, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**10 15 01**  
MONTH DAY YEAR

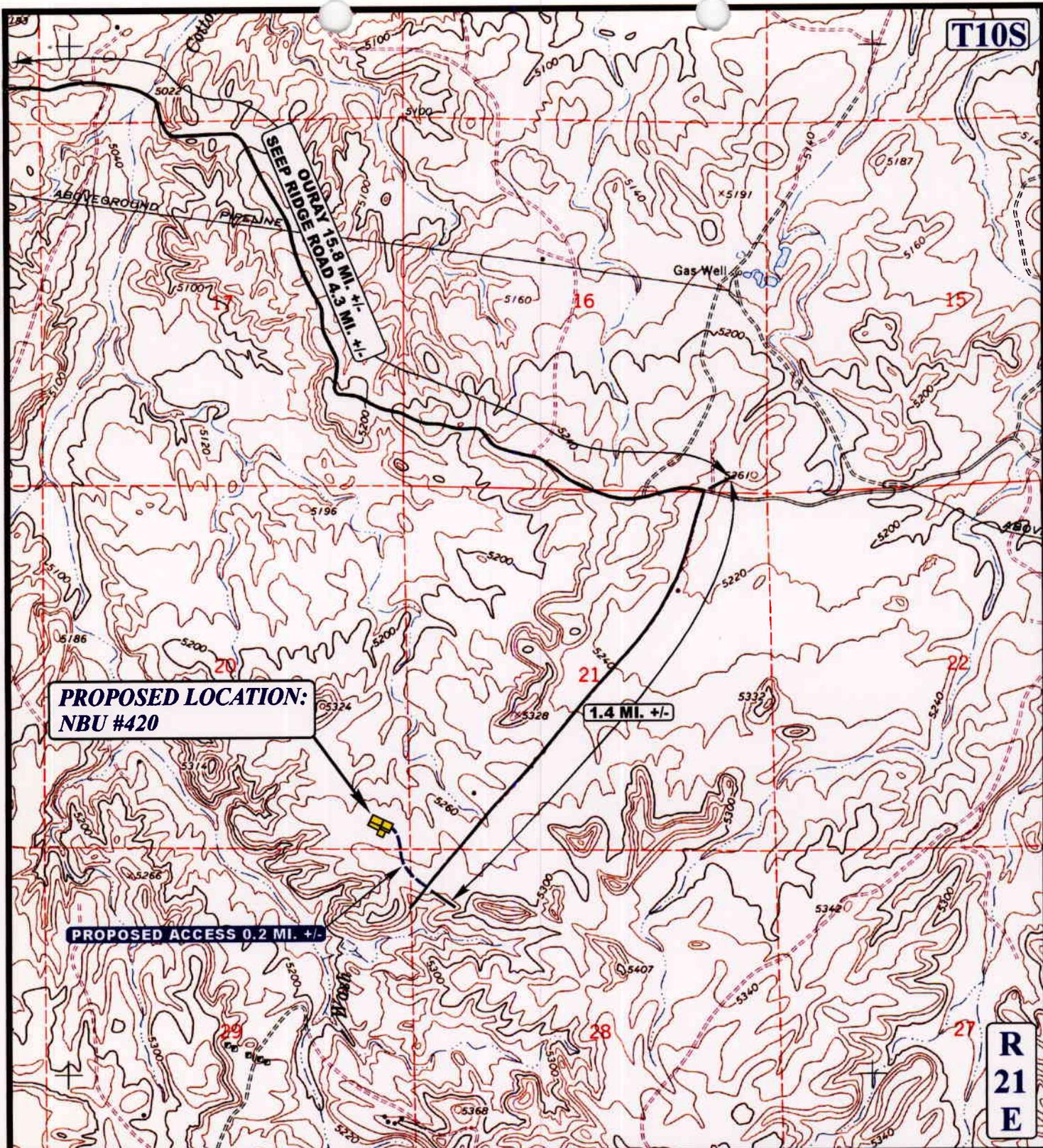
**PHOTO**

TAKEN BY: K.K.

DRAWN BY: P.M.

REVISED: 00-00-00

T10S



R  
21  
E

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD

**EL PASO PRODUCTION OIL & GAS COMPANY**

**NBU #420**  
**SECTION 20, T10S, R21E, S.L.B.&M.**  
**343' FSL 416' FEL**

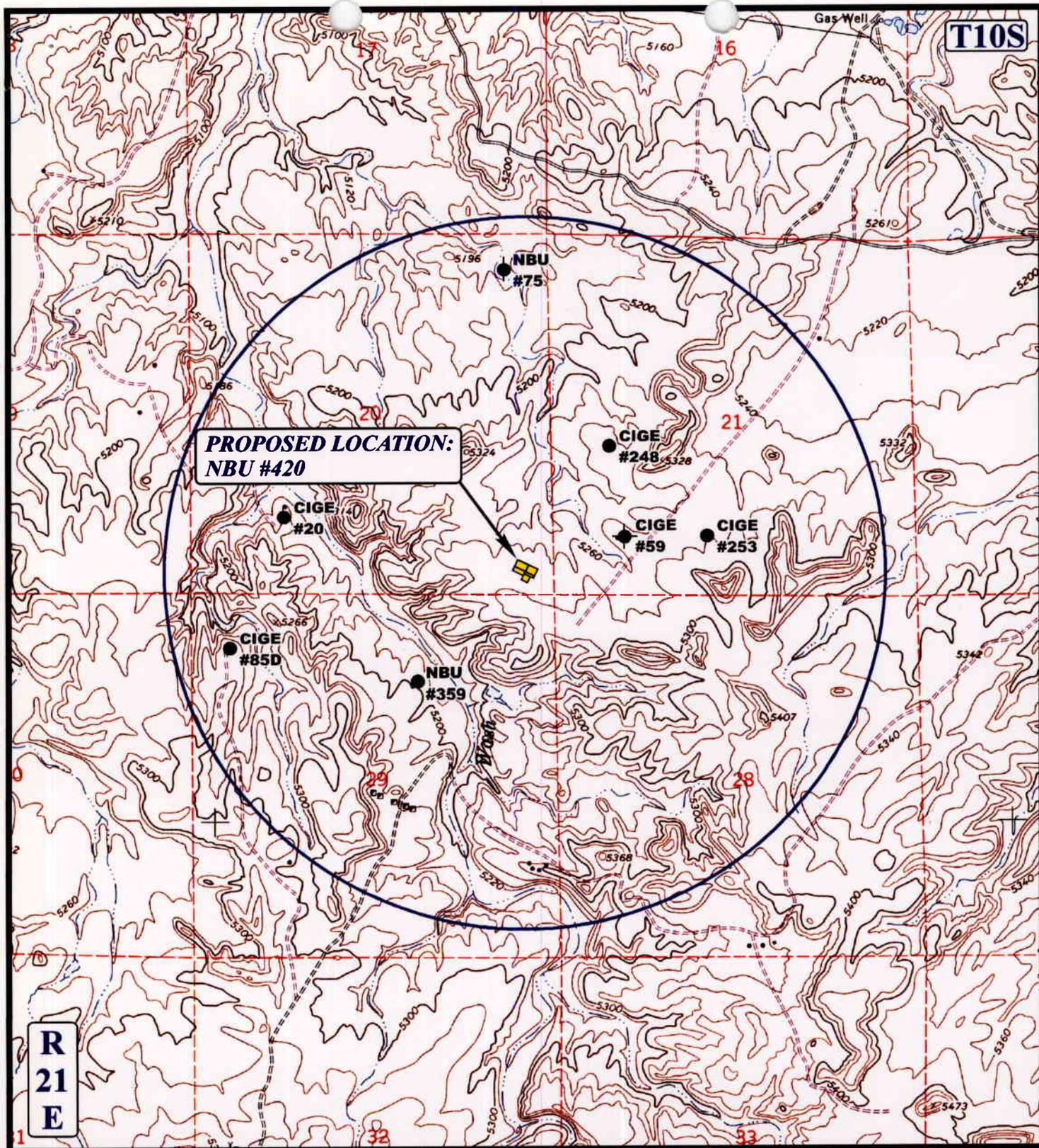


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC** 10 15 01  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





**LEGEND:**

- ∅ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ♂ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



**EL PASO PRODUCTION OIL & GAS COMPANY**

**NBU #420**  
**SECTION 20, T10S, R21E, S.L.B.&M.**  
**343' FSL 416' FEL**



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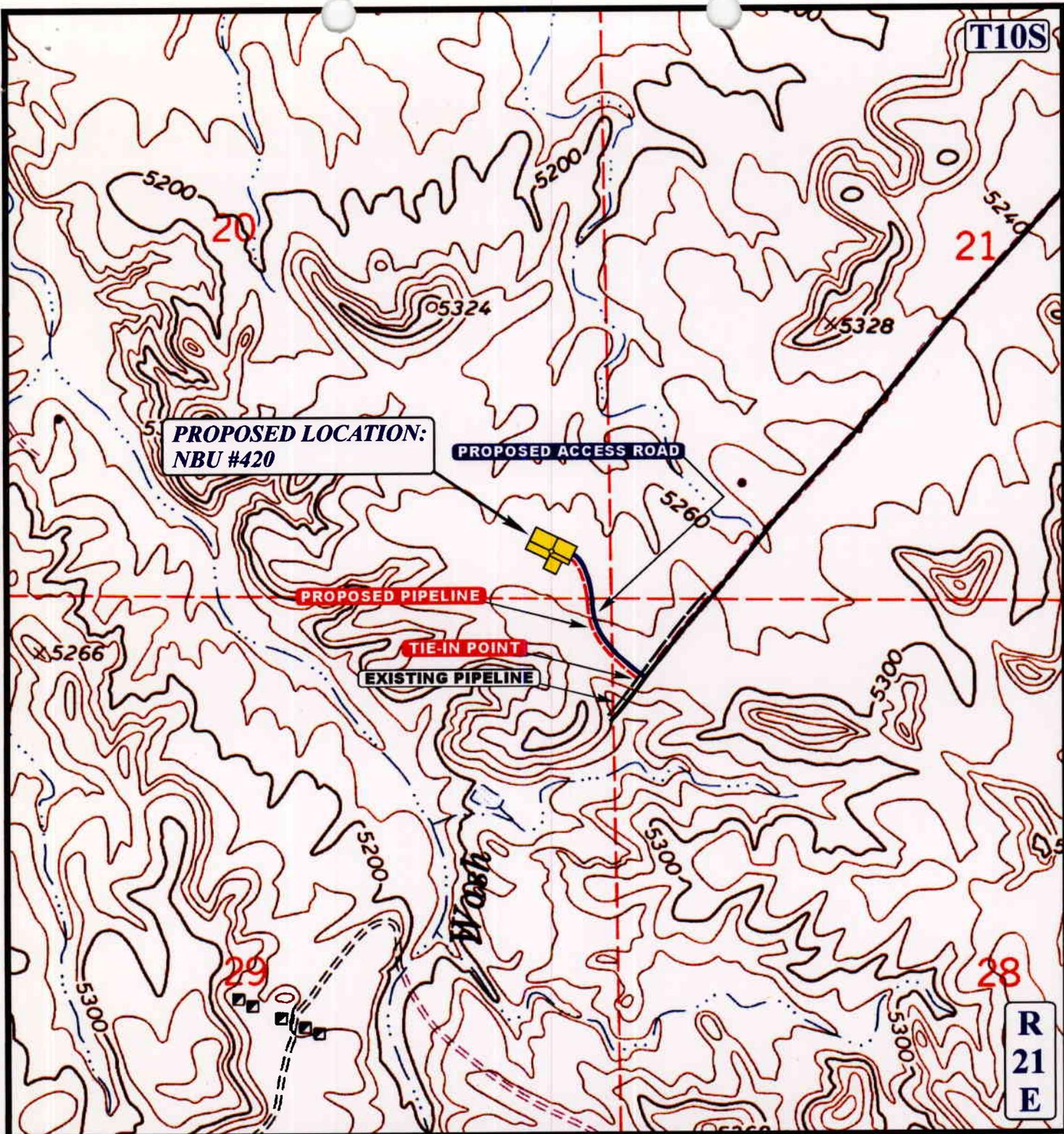
**TOPOGRAPHIC**  
**MAP**

<b>10</b>	<b>15</b>	<b>01</b>
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



T10S



**APPROXIMATE TOTAL PIPELINE DISTANCE = 900' +/-**

**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



**EL PASO PRODUCTION OIL & GAS COMPANY**

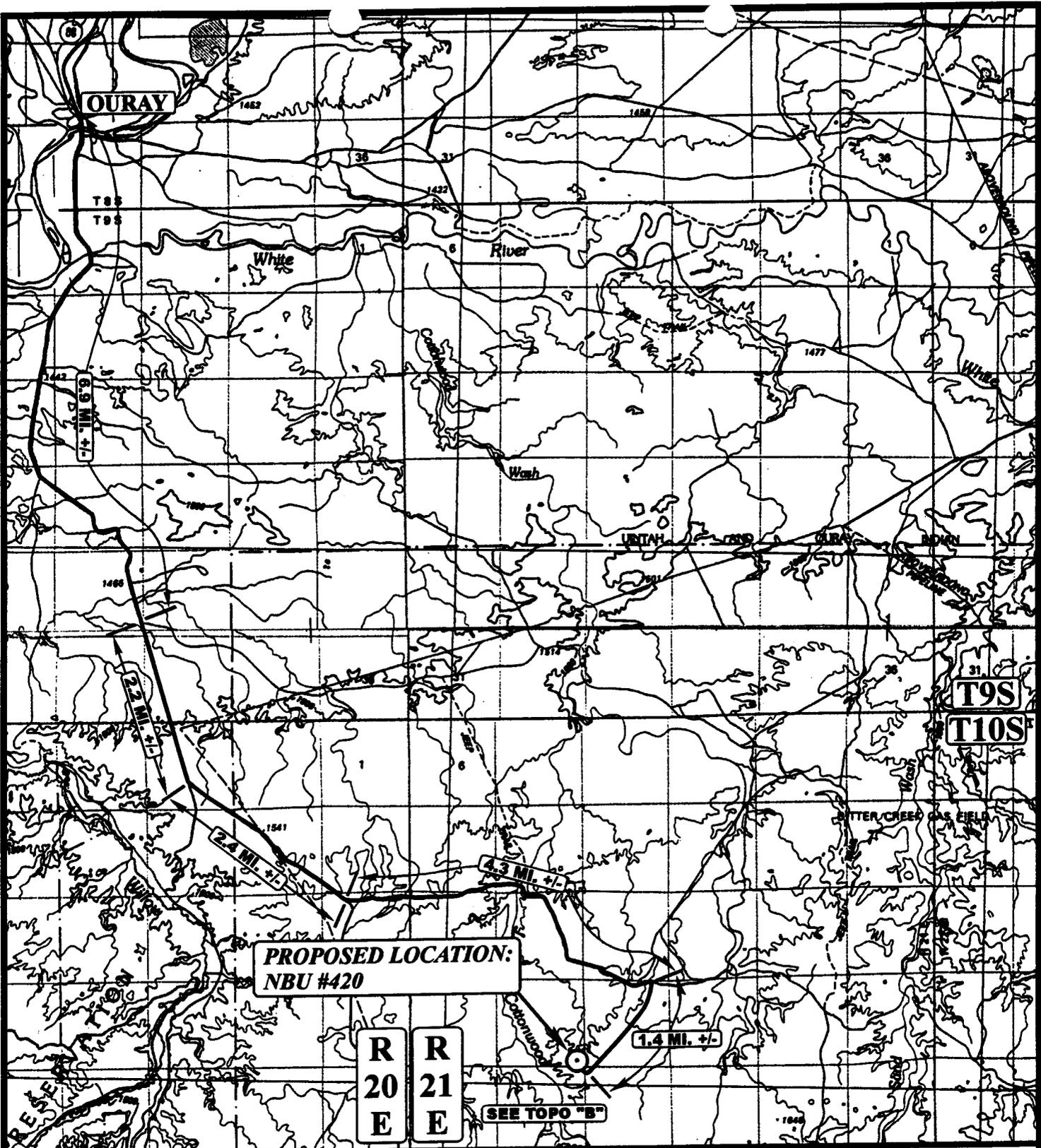
**NBU #420**  
**SECTION 20, T10S, R21E, S.L.B.&M.**  
**343' FSL 416' FEL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 10 15 01  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:  
NBU #420**

**R  
20  
E**     **R  
21  
E**

**SEE TOPO "B"**

**LEGEND:**

○ PROPOSED LOCATION



**EL PASO PRODUCTION OIL & GAS COMPANY**

**NBU #420**

**SECTION 20, T10S, R21E, S.L.B.&M.**

**343' FSL 416' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 10 15 01  
M.A.P. MONTH DAY YEAR

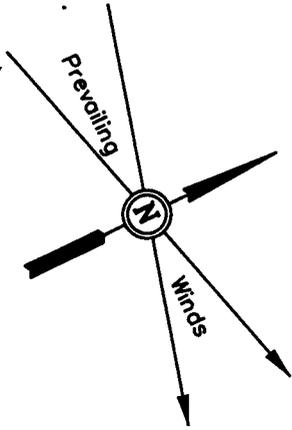
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# EL PASO PRODUCTION OIL & GAS COMPANY

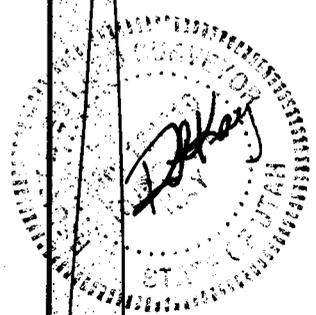
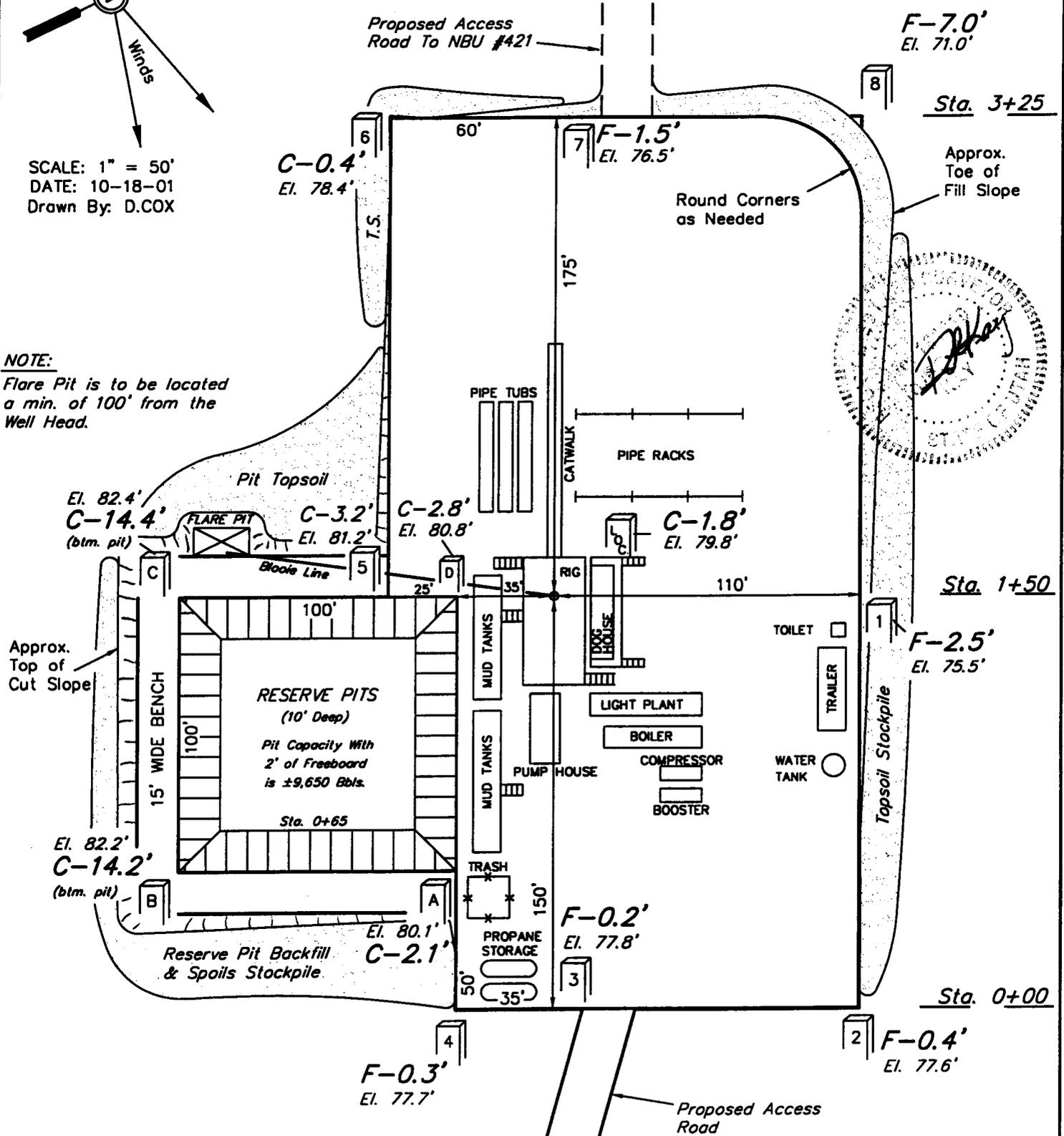
## LOCATION LAYOUT FOR

NBU #420  
SECTION 20, T10S, R21E, S.L.B.&M.  
343' FSL 416' FEL



SCALE: 1" = 50'  
DATE: 10-18-01  
Drawn By: D.COX

**NOTE:**  
Flare Pit is to be located a min. of 100' from the Well Head.



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5279.8'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5278.0'

**FIGURE #1**

# EL PASO PRODUCTION OIL & GAS COMPANY

## TYPICAL CROSS SECTIONS FOR

NBU #420

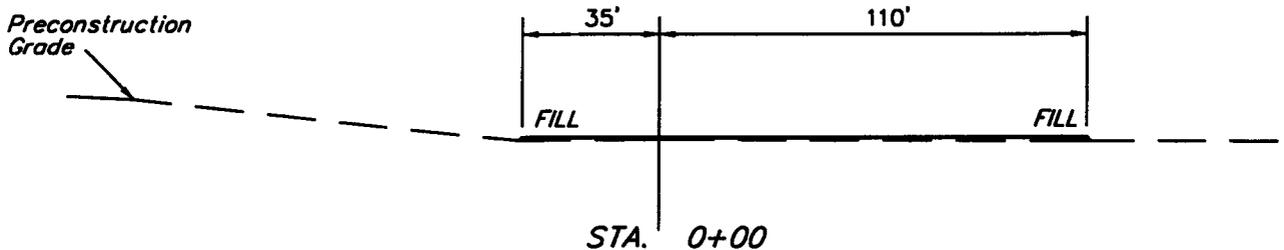
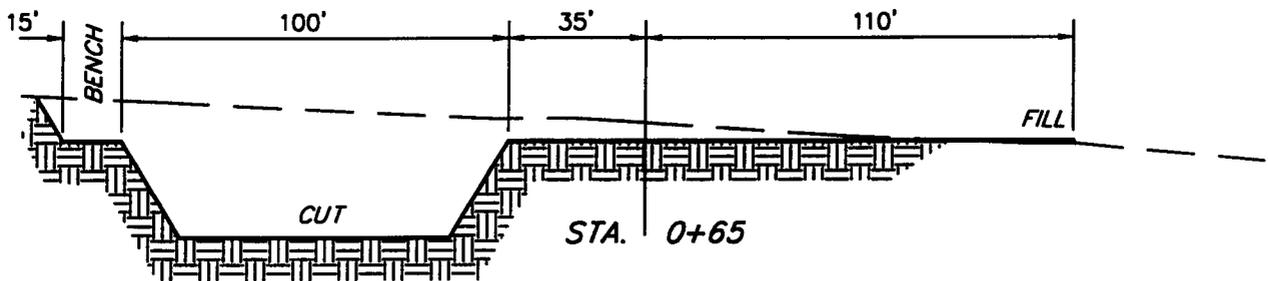
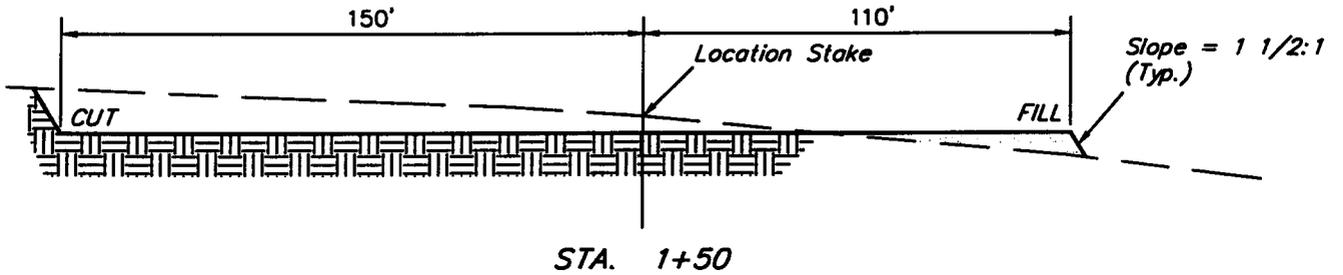
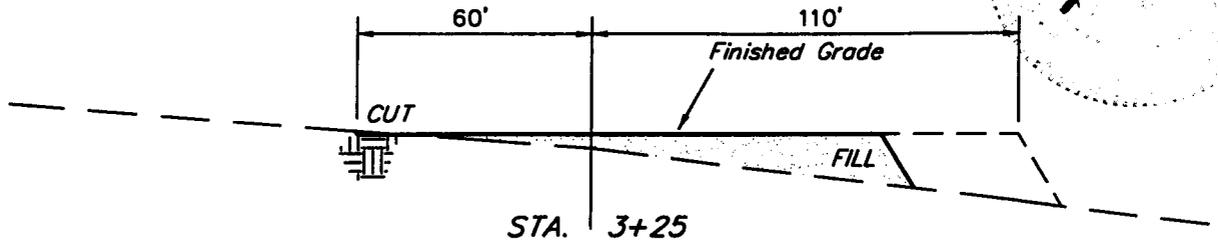
SECTION 20, T10S, R21E, S.L.B.&M.

343' FSL 416' FEL



1" = 20'  
X-Section Scale  
1" = 50'

DATE: 10-18-01  
Drawn By: D.COX



**FIGURE #2**

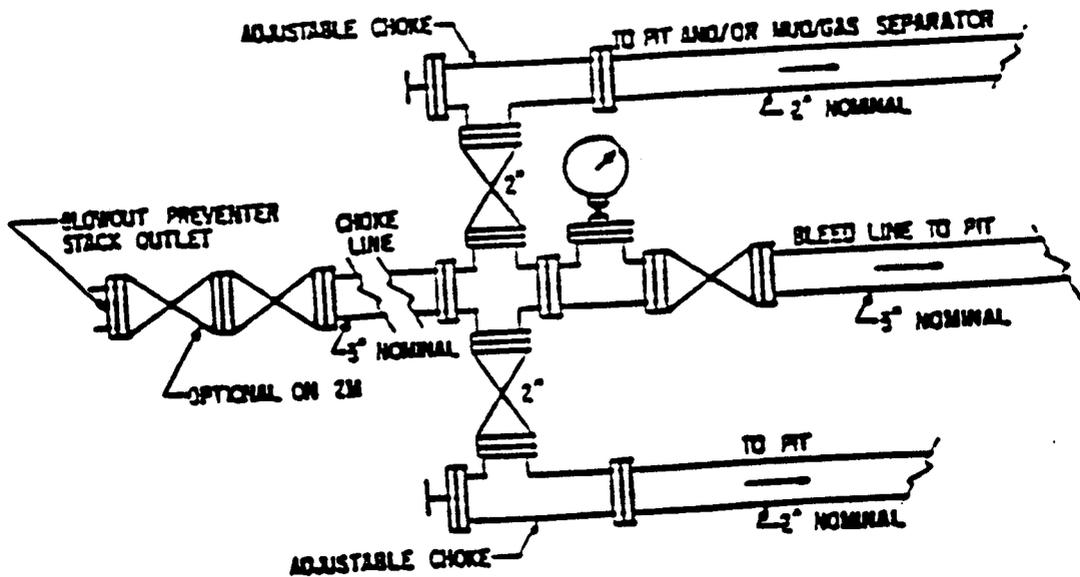
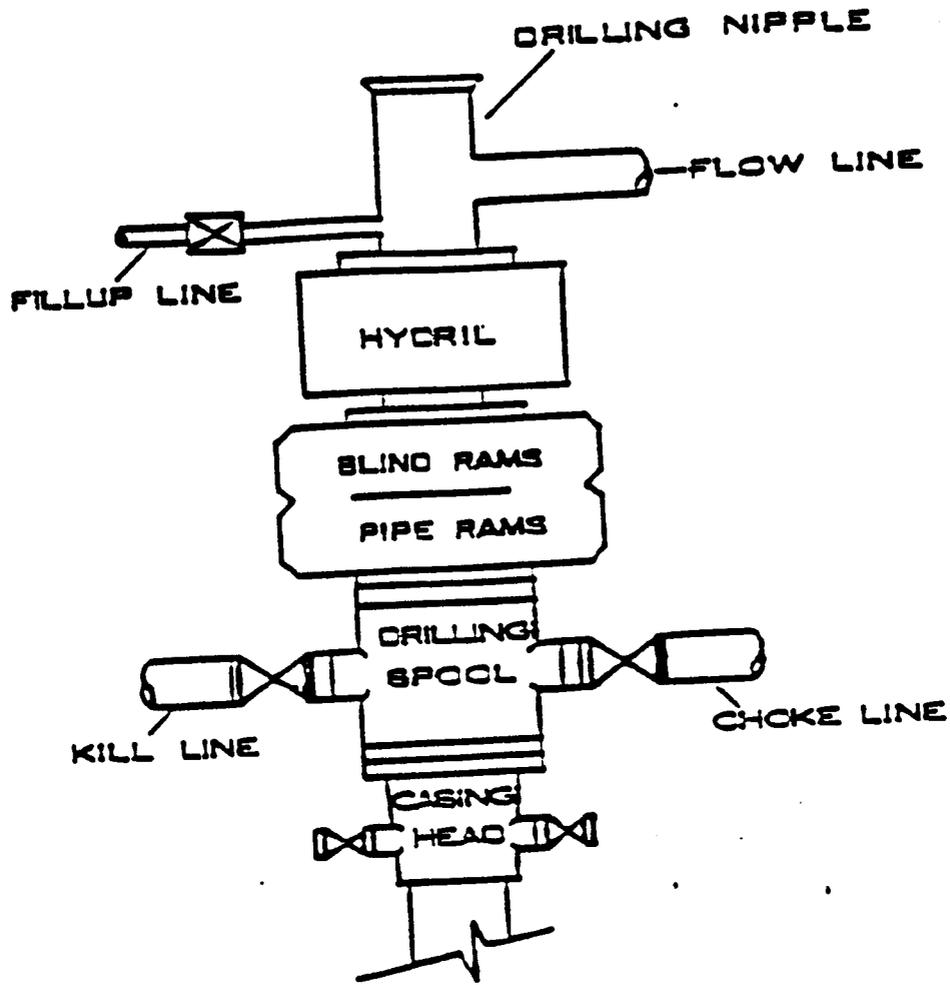
### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,220 Cu. Yds.
Remaining Location	= 5,080 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,300 CU.YDS.</b>
<b>FILL</b>	<b>= 3,550 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,560 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,560 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

3,000 PSI

# EOP STACK



APD RECEIVED: 11/01/2001

API NO. ASSIGNED: 43-047-34377

WELL NAME: NBU 420

OPERATOR: EL PASO PROD OIL & GAS ( N1845 )

CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

SESE 20 100S 210E  
SURFACE: 0343 FSL 0416 FEL  
BOTTOM: 0343 FSL 0416 FEL  
UINTAH  
NATURAL BUTTES ( 630 )

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-02278

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. WY3438 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit NATURAL BUTTES
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' fr. Unit boundary & Uncom. Tract
- R649-3-11. Directional Drill

COMMENTS:

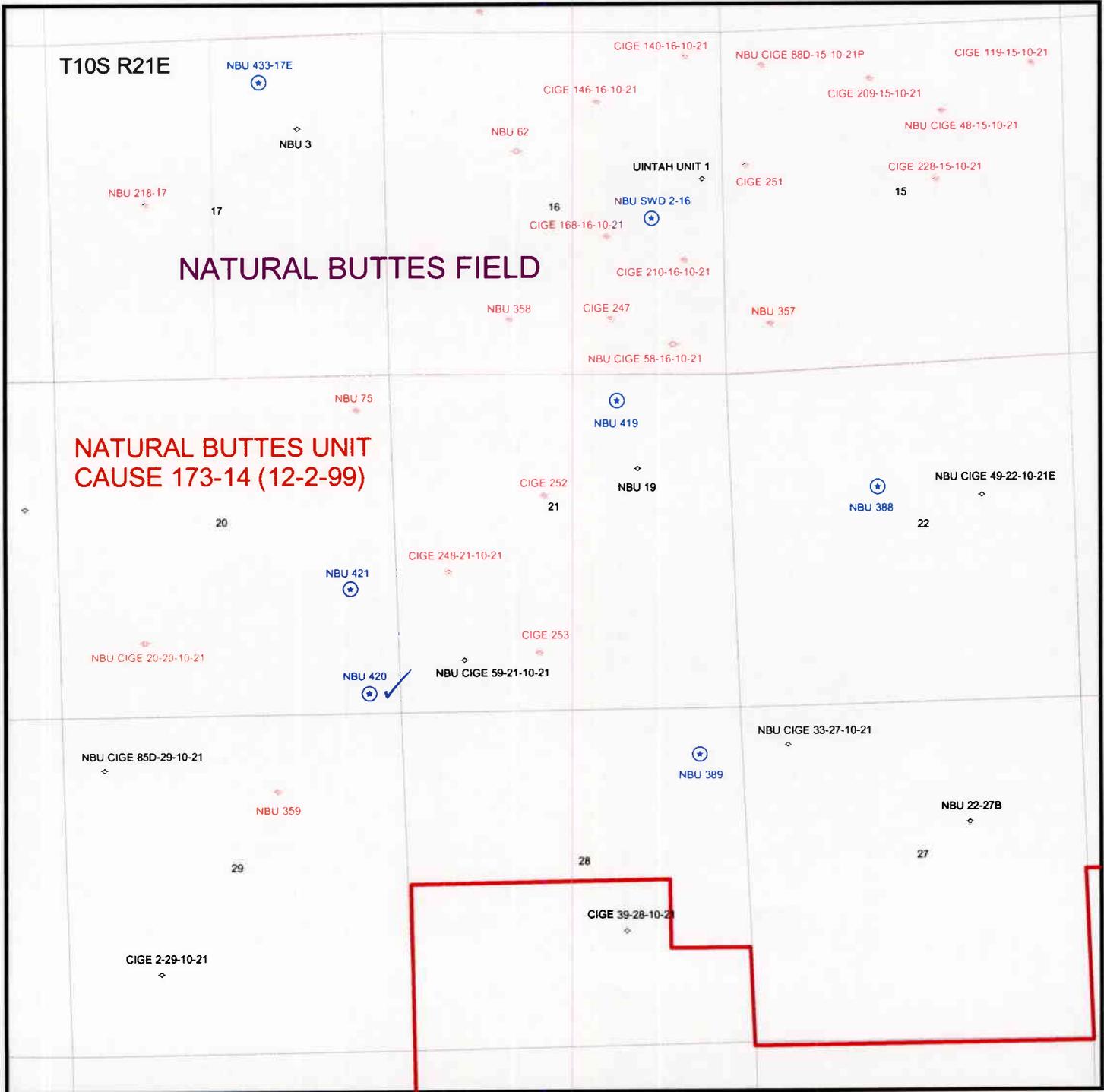
NBK SOP, separate file.  
Need St. Pow  
Need presite. (11-14-01)

STIPULATIONS:

- 1-Fed. Approval
- 2-Oil SHALE
- 3- STATEMENT OF BASIS



OPERATOR: EL PASO PROD O&G (N1845)  
 SEC. 20 & 21, T10, R21E  
 FIELD: NATURAL BUTTES (630)  
 COUNTY: UINTAH UNIT: NATURAL BUTTES  
 CAUSE: 173-14



## 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)

November 6, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District  
 From: Michael Coulthard, Petroleum Engineer  
 Subject: 2001 Plan of Development Natural Buttes Unit,  
 Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2001 within the Natural Buttes Unit, Uintah County, Utah.

Api Number	Well	Location
(Proposed PZ Wasatch)		
43-047-34376	NBU 419	Sec. 21, T10S, R21E 0424 FNL 1816 FEL
43-047-34377	NBU 420	Sec. 20, T10S, R21E 0343 FSL 0416 FEL
43-047-34378	NBU 421	Sec. 20, T10S, R21E 2000 FSL 0706 FEL

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

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit  
 Division of Oil Gas and Mining  
 Agr. Sec. Chron  
 Fluid Chron

MCoulthard:mc:11-6-1

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

**OPERATOR:** EL PASO PRODUCTION COMPANY  
**WELL NAME & NUMBER:** NBU 420  
**API NUMBER:** 43-047-34377  
**LEASE:** U-02278 **FIELD/UNIT:** NATURAL BUTTES  
**LOCATION:** 1/4, 1/4 SE/SE SEC: 20 TWP: 10S RNG: 21E  
416' F E L 343' F S L  
**LEGAL WELL SITING:** Board Spaced area requiring 460' from unit boundary and uncommitted tracts.  
**GPS COORD (UTM):** 12622435E 4420630N  
**SURFACE OWNER:** STATE OF UTAH

**PARTICIPANTS:**

CARROLL WILSON, CARROLL ESTES, (EL PASO): ROBERT KAY, (U.E.L.S.):  
DAVID HACKFORD, (D.O.G.M.): THREE DIRT CONTRACTORS.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY:**

SITE IS 17.4 MILES SOUTHEAST OF OURAY, UTAH AND 2.5 MILES EAST  
OF THE SEEP RIDGE ROAD IN A RELATIVELY FLAT AREA DRAINING  
GRADUALLY TO THE NORTH. THERE IS A LOW MESA 0.4 MILES TO THE  
NORTHWEST AND A SANDSTONE OUTCROPPING 0.2 MILES TO THE SOUTHWEST.

**SURFACE USE PLAN:**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.  
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 245'  
AND ACCESS ROAD WOULD BE 0.2 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE  
ATTACHED MAP FROM GIS DATABASE

LOCATION OF PRODUCTION FACILITIES AND PIPELINES:  
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED  
AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL  
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS:**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, SALTBRUSH, PRICKLY PEAR, GREASEWOOD, SHADSCALE: RODENTS, COYOTES, SONGBIRDS, RAPTORS, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT:**

CHARACTERISTICS: 100' BY 100' AND 10' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR THE RESERVE PIT.

**SURFACE RESTORATION/RECLAMATION PLAN:**

AS PER S.I.T.L.A.

**SURFACE AGREEMENT: AS PER S.I.T.L.A.**

**CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MONTGOMERY ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.**

**OTHER OBSERVATIONS/COMMENTS:**

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A COOL, CLEAR DAY.

**ATTACHMENTS:**

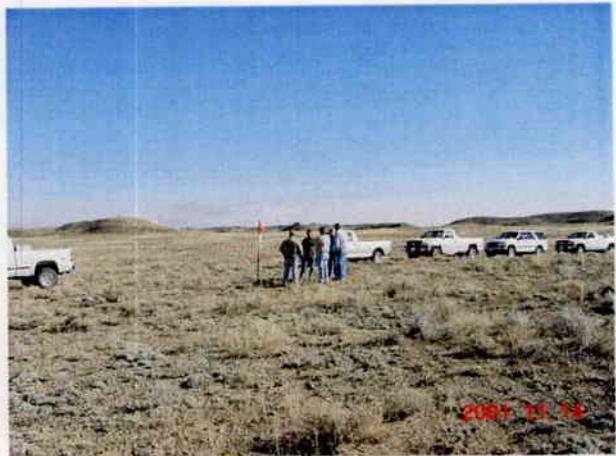
PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD  
**DOGM REPRESENTATIVE**

11/14/01-10:15 AM  
**DATE/TIME**

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
<b>Distance to Groundwater (feet)</b>		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
<b>Distance to Surf. Water (feet)</b>		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
<b>Distance to Nearest Municipal Well (feet)</b>		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
<b>Distance to Other Wells (feet)</b>		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
<b>Native Soil Type</b>		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
<b>Fluid Type</b>		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
<b>Drill Cuttings</b>		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
<b>Annual Precipitation (inches)</b>		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
<b>Affected Populations</b>		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
<b>Presence of Nearby Utility Conduits</b>		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
<b>Final Score</b>		<u>10</u>



**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**Operator Name:** EL PASO PRODUCTION COMPANY  
**Well Name & Number:** NBU 420  
**API Number:** 43-047-34377  
**Location:** 1/4,1/4 SE/SE Sec. 20 T. 10S R. 21E

**Geology/Ground Water:**

The proposed well is located on a federal mineral lease. Ground water and casing issues will be evaluated by the BLM.

**Reviewer:** Brad Hill  
**Date:** 11/20/2001

**Surface:**

The pre-drill investigation of the surface was performed on 11/14/2001. Surface owner is State of Utah. Minerals are owned by U.S.A. SITLA and DWR were notified of this investigation on 11/6/2001. Neither had a representative present. This site appears to be the best spot for a location in the immediate area.

**Reviewer:** David W. Hackford  
**Date:** 11/19/2001

**Conditions of Approval/Application for Permit to Drill:**

None.

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436  
Telephone: 303 573 5404 Fax: 303 573 5609

**February 1, 2002**

Department of the Interior  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215-7093  
Attention: Ms. Martha Maxwell

**RE: BLM Bond CO-1203  
BLM Nationwide Bond 158626364  
Surety - Continental Casualty Company  
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.  
Assumption Rider - Westport Oil and Gas Company, L.P.**

**Dear Ms. Maxwell:**

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.  
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.  
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,  
Westport Oil and Gas Company, L.P.

Debby J. Black  
Engineer Technician

Encl:



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

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

FEB 22 2002

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:  
3106  
UTU-25566 et al  
(UT-924)

FEB 21 2002

NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas  
410 Seventeenth Street, #2300 :  
Denver Colorado 80215-7093 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

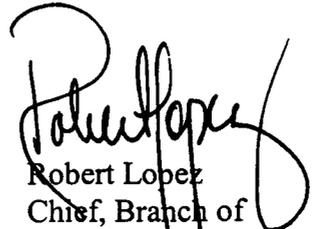
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405  
UTU-20895  
UTU-25566  
UTU-43156  
UTU-49518  
UTU-49519  
UTU-49522  
UTU-49523



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to  
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

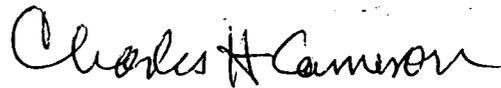
We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate you concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES  
Ute Energy & Mineral Resources Department: Executive Director  
chronos





**State of Utah**  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210  
 PO Box 145801  
 Salt Lake City, Utah 84114-5801  
 (801) 538-5340 telephone  
 (801) 359-3940 fax  
 (801) 538-7223 TTY  
 www.nr.utah.gov

Michael O. Leavitt  
 Governor  
 Robert L. Morgan  
 Executive Director  
 Lowell P. Braxton  
 Division Director

January 13, 2003

El Paso Production Oil & Gas Company  
 P O Box 1148  
 Vernal, UT 84078

Re: Natural Buttes Unit 420 Well, 343' FSL, 416' FEL, SE SE, Sec. 20, T. 10 South,  
 R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

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. The API identification number assigned to this well is 43-047-34377.

Sincerely,

John R. Baza  
 Associate Director

pb

Enclosures

cc: Uintah County Assessor  
 Bureau of Land Management, Vernal District Office

**Operator:** El Paso Production Oil & Gas Company  
**Well Name & Number** Natural Buttes Unit 420  
**API Number:** 43-047-34377  
**Lease:** U-02278

**Location:** SE SE                      **Sec.** 20                      **T.** 10 South                      **R.** 21 East

### **Conditions of Approval**

**1. 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.

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

RECEIVED

**INDUSTRIAL  
SPECIAL USE LEASE AGREEMENT NO. 1366**

DIV. OF OIL, GAS &amp; MINING

Fund: School

The STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, LESSOR, hereby leases to El Paso Production Oil & Gas Company, LESSEE, a Delaware Corporation, qualified to do business in Utah, 9 Greenway Plaza, Houston, Texas 77046, the following described parcel of trust land ("Subject Property") in Uintah County, Utah, to-wit:

**WELL PAD SITE - CIGE#275**Township 10 South, Range 21 East, SLB&M

Section 21:

**Surface Use Area Description:**

Beginning at a point in the NE4NW4 of Section 21, T10S, R21E, SLB&M, which bears South 39°08'30" West 666.71 feet from the North Quarter Corner of said Section 21; thence South 56°58'29" East 232.79 feet; thence South 33°01'23" West 199.90 feet; thence South 56°11'09" West 190.09 feet; thence North 57°00'29" West 107.86 feet; thence North 57°00'29" West 112.08 feet; thence North 33°01'39" East 374.80 feet; thence South 56°58'29" East 61.89 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.385 acres more or less.

**Road Right of Way Description:**

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 39°47'48" East 268.17 feet from the North Quarter Corner of said Section 21; thence South 07°41'14" West 273.71 feet; thence South 31°19'17" West 60.84 feet; thence South 89°35'20" West 90.54 feet; thence North 86°41'54" West 166.28 feet; thence North 80°11'42" West 155.17 feet; thence South 83°27'56" West 80.20 feet; thence South 68°11'39" West 37.84 feet to a point in the NF4NW4 of said Section 21 which bears South 39°08'30" West 666.71 feet from the North Quarter Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' East. Contains 0.595 acres more or less.

**Pipeline Right of Way Description:**

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NE4NW4 of Section 21, T10S, R21E, SLB&M, which bears South 34°10'38" West 1037.86 feet from the North Quarter Corner of said Section 21; thence South 36°57'20" West 13.60 feet; thence North 69°25'37" West 834.82 feet to a point in the

NW4NW4 of said Section 21 which bears South  $67^{\circ}13'58''$  West 1488.77 feet from the North Quarter Corner of said Section 21. The sidelines of said described right-of-way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North  $0^{\circ}14'$  East. Contains 0.584 acres more or less.

**WELL PAD SITE - CIGE#276**

Township 10 South, Range 21 East, SLB&M

Section 21:

**Surface Use Area Description:**

Beginning at a point in the NE4NW4 of Section 21, T10S, R21E, SLB&M, which bears North  $41^{\circ}10'47''$  East 1067.23 feet from the West Quarter Corner of said Section 21; thence North  $12^{\circ}29'48''$  East 93.77; thence South  $77^{\circ}30'12''$  East 375.00; thence South  $12^{\circ}29'48''$  West 295.00 feet; thence North  $77^{\circ}30'12''$  West 200.00 feet; thence North  $54^{\circ}18'18''$  West 190.39 feet; thence North  $12^{\circ}29'48''$  East 126.23 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North  $0^{\circ}14'$  West. Contains 2.389 acres more or less.

**Corridor Right of Way Description:**

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point in the NE4NE4 of Section 20, T10S, R21E, SLB&M, which bears South  $32^{\circ}19'17''$  West 783.17 feet from the Northeast Corner of said Section 20, thence South  $52^{\circ}58'09''$  East 62.67 feet; thence South  $47^{\circ}26'53''$  East 133.15 feet; thence South  $39^{\circ}05'04''$  East 435.71 feet to a point on the East Line of the NE4 of said Section 20, which bears South  $00^{\circ}12'25''$  East 1127.82 feet from the Northeast Corner of Section 20; thence South  $39^{\circ}05'04''$  East 18.98 feet; thence South  $37^{\circ}40'18''$  East 255.95 feet; thence South  $30^{\circ}45'17''$  East 267.11 feet; thence South  $44^{\circ}05'23''$  East 230.29 feet; thence South  $63^{\circ}27'43''$  East 272.47 feet to a point in the SW4NW4 of Section 21, T10S, R21E, SLB&M, which bears North  $41^{\circ}10'47''$  East 1067.23 feet from the West Quarter Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North  $0^{\circ}14'$  West. Contains 2.309 acres more or less.

**WELL PAD SITE - CIGE#277**

Township 10 South, Range 21 East, SLB&M

Section 21:

**Surface Use Area Description:**

Beginning at a point in the NW4NW4 of Section 21, T10S, R21E, SLB&M, which bears South 66°17'50" East 1017.87 feet from the Northwest Corner of said Section 21; thence North 28°57'14" East 195.35 feet; thence South 60°58'08" East 200.25 feet; thence South 37°41'45" East 190.40 feet; thence South 28°56'54" West 219.74 feet; thence North 60°57'37" West 375.08 feet; thence North 28°57'14" East 99.57 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.385 acres more or less.

**Corridor Pipeline Right of Way Description:**

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point in the NE4NE4 of Section 20, T10S, R21E, SLB&M, which bears South 66°08'56" West 416.62 feet from the Northeast Corner of said Section 20; thence South 81°14'57" East 92.13 feet; thence South 54°15'48" East 154.06 feet; thence South 59°47'16" East 163.05 feet; thence South 59°22'48" East 29.48 feet; to a point on the West Line of the NW4 of Section 21 which bears South 0°12'25" East 369.53 feet; thence South 59°22'48" East 115.34 feet; thence North 88°18'51" East 109.83 feet; thence North 77°28'45" East 302.79 feet; thence North 82°07'41" East 176.76 feet; thence South 79°20'04" East 132.66 feet; thence South 67°42'26" East 130.32 feet; to a point in the NW4NW4 of said Section 21, T10S, R21E, SLB&M, which bears South 66°17'50" East 1017.87 feet from the Northwest Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 1.937 acres more or less.

**WELL PAD SITE - NBU #398**

Township 10 South, Range 21 East, SLB&M  
Section 18:

**Surface Use Area Description:**

Beginning at a point in the NE4NW4 of Section 18, T10s, R21e, SLB&M, which bears South 59°58'30" West 1118.91 feet from the North Quarter Corner of said Section 18, thence North 56°54'04" East 250.17 feet; thence South 33°02'35" East 200.42 feet; thence South 09°46'56" East 190.35 feet; thence South 56°59'33" West 91.83 feet; thence South 56°59'33" West 128.16 feet; thence North 33°03'21" West 374.87 feet; thence North 56°54'04" East 45.07 feet to the point of beginning. Basis of bearings is the North Line of the NW4 of said Section 18, which is assumed from G.L.O. information to bear North 88°31' West. Contains 2.391 acres more or less.

**Road Right of Way Description:**

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NE4NW4 of Section 18, T10S, R21E, SLB&M, which bears South 80°48'57" West 1141.90 feet from the North Quarter Corner of said Section 18; thence South 22°23'56" East 177.17 feet; thence South 23°03'09" East 232.37 feet to a point in the NE4NW4 of said Section 18 which bears South 59°58'30" West 1118.91 feet from the North Quarter Corner of said Section 18. The side lines of said described right-of-way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the North Line of the NW4 of said Section 18, which is assumed from G.L.O. information to bear North 88°31' West. Contains 0.282 acres more or less.

**Pipeline Right of Way Description:**

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NE4NW4 of Section 18, T10S, R21E, SLB&M, which bears South 39°57'43" West 1081.41 feet from the North Quarter Corner of said Section 18; thence South 20°28'39" East 179.44 feet; thence South 85°40'34" East 214.13 feet; thence North 89°07'24" East 218.93 feet; thence South 89°15'10" East 853.62 feet; thence South 88°54'49" East 311.89 feet to a point in the NW4NE4 of said Section 18 which bears South 43°15'09" East 1409.79 feet from the North Quarter Corner of said Section 18. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the North Line of the NW4 of said Section 18, which is assumed from G.L.O. information to bear North 88°31' West. Contains 1.225 acres more or less.

**WELL PAD SITE - NBU #419**

Township 10 South, Range 21 East, SLB&M

Section 21:

**Surface Use Area Description:**

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 77°59'25" East 912.58 feet from the North Quarter Corner of said Section 21; thence South 87°09'07" East 90.45 feet; thence South 02°54'18" West 375.80 feet; thence North 86°52'28" West 150.49 feet; thence North 86°52'28" West 144.32 feet; thence North 02°48'27" East 199.49 feet; thence North 26°03'21" East 190.28 feet; thence South 87°09'07" East 129.89 feet to the point of beginning. Basis of bearings is the West Line of the SW4 of said Section 21 which is assumed from G.L.O. information to bear North 0°14' West. Contains 2.390 acres more or less.

**Road Right of Way Description:**

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 77°59'25" East 912.58 feet from the North Quarter Corner of said Section 21; thence South 05°21'09" East 29.37 feet to a point in the NW4NE4 of said Section 21 which Bears South

76°14'52" East 921.76 feet from the North Corner of Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 0.020 acres more or less.

**Pipeline Right of Way Description:**

A 30 foot wide right of way, 15 feet on each side of the following described centerline.

Beginning at a point in the NW4NE4 of Section 21, T10S, R21E, SLB&M, which bears South 54°06'36" East 1007.67 feet from the North Quarter Corner of said Section 21; thence South 00°59'35" West 33.41 feet; thence South 71°40'27" East 268.03 feet; thence South 79°46'55" East 370.31 feet to a point in the NE4NE4 of said Section 21 which bears South 61°39'00" East 1630.17 feet from the North Quarter Corner of said Section 21. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the West Line of the SW4 of said Section 21, which is assumed from G.L.O. information to bear North 0°14' West. Contains 0.463 acres more or less.

**WELL PAD SITE - NBU #420**

Township 10 South, Range 21 East, SLB&M  
Section 20:

**Surface Use Area Description:**

Beginning at a point in the SE4SE4 of Section 20, T10S, R21E, SLB&M, which bears North 46°33'49" West 365.44 feet from the Southeast Corner of said Section 20; thence South 25°57'18" West 148.53 feet; thence North 64°02'42" West 200.00 feet; thence North 40°50'47" West 190.39 feet; thence North 25°57'18" East 220.00 feet; thence South 64°02'42" East 375.00 feet; thence South 25°57'18" West 146.47 feet to the point of beginning. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 2.389 acres more or less.

**Corridor Pipeline Right of Way Description:**

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point on the South Line of the SE4 of Section 20, T10S, R21E, SLB&M, which bears South 89°54'00" West from the Southeast Corner of said Section 18, thence North 24°49'40" West 282.09 feet to a point in the SE4SE4 of said Section 20 which bears North 46°33'49" West 365.44 feet from the Southeast Corner of said Section 20. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 0.389 acres more or less.

**WELL PAD SITE - NBU #421**

**Township 10 South, Range 21 East, SLB&M**

**Section 20:**

**Surface Use Area Description:**

Beginning at a point in the NE4SE4 of Section 20, T10S, R21E, SLB&M, which bears South 47°35'11" West 1142.76 feet from the East Quarter Corner of said Section 20; thence North 34°47'56" West 135.09 feet; thence North 55°12'04" East 200.00 feet; thence North 69°37'19" East 180.69 feet; thence South 34°47'56" East 220.00 feet; thence South 55°12'04" West 375.00 feet; thence North 34°47'56" West 129.91 feet to the point of beginning. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 2.191 acres more or less.

**Corridor pipeline right of way description**

A 60 foot wide right of way, 30 feet on each side of the following described centerline.

Beginning at a point in the SE4SE4 of Section 20, T10S, R21E, SLB&M, which bears North 53°28'39" West 738.05 feet from the Southeast Corner of said Section 20, thence North 46°12'24" West 114.29 feet; thence North 49°10'03" West 160.45 feet; thence North 43°48'44" West 176.02 feet; thence North 38°43'07" West 234.62 feet; thence North 17°33'02" West 295.11 feet; thence North 07°20'26" West 258.64 feet; thence North 22°22'40" East 265.03 feet; thence North 50°34'08" East 165.94 feet; thence North 54°49'23" East 127.29 feet to a point in the NE4SE4 of said Section 20 which bears South 47°35'11" West 1142.76 feet from the East Quarter Corner of said Section 20. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is the East Line of the SE4 of said Section 20, which is assumed from G.L.O. information to bear North 0°14' East. Contains 2.476 acres more or less.

TO HAVE AND TO HOLD for a term of 51 Years, effective November 1, 2002, and expiring October 31, 2053, subject to any and all existing valid rights in Subject Property and subject also to the following terms and conditions. LESSOR and LESSEE enter into this Special Use Lease Agreement (the "Lease") for the purpose that LESSEE develop Subject Property in the manner hereinafter described and consistent with the principles and objectives of land development expressed and implicit in the Enabling Act of Utah (Act of July 16, 1894, Ch. 138, 28 Stat. 107) and Article X of the Constitution of the State of Utah. The LESSEE takes this Lease subject to the continued regulation of the LESSOR pursuant to the rules of the LESSOR as they may be adopted hereafter.

1. Purpose. The Subject Property shall be used by LESSEE in connection with the exploration and development of the oil and gas estate underlying the Subject Property, pursuant to LESSEE's Bureau of Land Management leases, identified as U-02278 and U-02270-A, (the "Oil and Gas Leases"). Specifically, the LESSEE shall be permitted to construct, maintain and operate seven well pad sites, access roads and surface pipeline lateral sales connection lines on

the locations described above. All improvements constructed on the Subject Property shall comply with the applicable provisions of the Uniform Building Code, current edition, and the International Conference of Building Officials.

2. Rent.

LESSEE shall make one rental payment to cover the entire term of the Lease, which shall be due prior to the commencement of the Lease. The rental payment shall be calculated at the rate of \$1,000.00 per acre plus fees. LESSOR acknowledges receipt of \$28,174.00, which satisfies the rental payment, and includes a \$250.00 application fee, a \$700.00 Lease processing charge, and a \$424.00 advertising fee.

LESSEE shall not be entitled to a refund of any portion of this payment in the event this Lease is terminated prior to the expiration date, in whole or in part for any reason, other than a condemnation action as set forth in paragraph 18. LESSEE shall also not be entitled to a refund of any portion of this payment in the event LESSOR acquires the underlying oil and gas estate or the Oil and Gas Leases.

3. Expiration or Termination of Oil and Gas Leases.

In the event any portion of LESSEE's Oil and Gas Leases expires or terminates, LESSEE shall perform reclamation on any related portions of the Subject Property, as directed by LESSOR. The reclamation shall be completed the earlier of one year after the expiration or termination of the Oil and Gas Lease or upon the expiration or termination of this Lease. At its option, LESSOR may cancel any related portions of this Lease.

4. Due Diligence. LESSEE agrees that if, at the end of a five-year period, LESSEE has not substantially completed the improvements to be made to the Subject Property, as specified in Paragraph 1 above, LESSOR shall thereafter have the right to terminate the Lease by giving written notice thereof to LESSEE. Such termination shall be effective thirty (30) days after the giving of such notice. LESSOR shall have the right, in lieu of such termination, to grant extensions in writing to such due diligence requirement, as LESSOR deems advisable in its sole discretion.

5. Compliance. LESSEE, in exercising the privileges granted by the Lease, shall comply with the provisions of all valid Federal, State, County, and Municipal laws, ordinances, and regulations which are applicable to the Subject Property and operations covered by the Lease.

6. Survey Monuments. LESSEE shall take reasonable precautions to protect, in place, all public land survey monuments and private property corners.

7. Access. LESSEE agrees to permit LESSOR free and unrestricted access to and upon the Subject Property at all reasonable times for all lawful and proper purposes not inconsistent with the

intent of the Lease or with the reasonable exercise and enjoyment by the LESSEE of the rights and privileges granted herein.

8. Antiquities. It is hereby understood and agreed that all treasure-trove and all articles of antiquity in or upon the Subject Property are and shall remain the property of the LESSOR. LESSEE shall report any discovery of a "site" or "specimen" to LESSOR and the Division of State History in compliance with the provisions of Section 9-8-305, Utah Code Annotated (1953), as amended and take such action as may be required for the protection of said site or specimen.

9. Default. In the event of a default or breach by LESSEE and LESSEE's failure to cure such default or breach, LESSOR may at any time and with or without notice do any one or more of the following:

a. Re-enter the Subject Property, remove all persons and property, and repossess and enjoy such Subject Property.

b. Terminate the Lease and LESSEE's right of possession of the Subject Property. Such termination shall be effective upon LESSOR's giving written notice and upon receipt of such notice LESSEE shall immediately surrender possession of the Subject Property to LESSOR. Upon such termination, all improvements on the Subject Property shall, at LESSOR's discretion, be forfeited and become the property of the LESSOR subject only to any previously approved waiver of interest or security interest.

c. Maintain the Lease in full force and effect and recover any rental, royalty, or other consideration as it becomes due without terminating LESSEE's right of possession regardless of whether LESSEE shall have abandoned the Subject Property.

d. The LESSOR may seek damages for any and all violations or defaults with or without canceling the Lease. In the event LESSOR deems the breach or default to constitute a threat to safety, life, or property it may elect to intervene immediately, without notice, to remedy the breach or default and LESSEE hereby agrees to repay LESSOR for all costs in remedying the breach or default upon demand, together with interest thereon from the date of expenditure at the rate set forth in the Lease. Alternatively, LESSOR may require LESSEE itself to act immediately to remedy the breach or default, should LESSOR deem it a threat to safety, life, or property.

e. Exercise any other right or remedy which LESSOR may have at law or equity.

10. Survival. LESSEE agrees that all obligations of LESSEE to be performed prior to the expiration or earlier termination shall not cease upon the termination or expiration of the Lease, and shall continue as obligations until fully performed. All clauses of the Lease which require performance beyond the termination or expiration date shall survive the termination or expiration date of

the Lease. However, upon expiration or earlier termination of the Lease, the rights of LESSEE and of all persons, firms, corporations, and entities claiming under LESSEE in and to the Subject Property and all improvements hereon, unless specified otherwise in the Lease, shall cease.

11. Lessor's Right to Cure Defaults. If LESSEE fails to perform and is in default of any undertaking or promise contained herein, including those set forth in any plan of development, the LESSOR shall have the option, but is not obligated, to make such performance after giving 10 days written notice to the LESSEE. The LESSOR's costs and expense to correct LESSEE's failure to perform shall be reimbursed by LESSEE and shall be immediately due and payable, together with interest accruing from the date such cost or expense is incurred.

12. Remedies Cumulative. The specified remedies to which the LESSOR may resort under the terms of the Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which LESSOR may lawfully be entitled in case of any breach or threatened breach by LESSEE of any provision of the Lease.

13. Force Majeure. The LESSEE's failure to comply with any of the obligations under the Lease shall be excused only if due to causes beyond LESSEE's control and without the fault or negligence of the LESSEE, including acts of God, acts of the public enemy, acts of any government, fires, floods, epidemics and strikes. LESSEE's obligation to pay rentals will not be suspended by any event of force majeure.

14. Bond. LESSEE agrees to furnish LESSOR a performance and reclamation bond in such type and amount and by such date as LESSOR may request. Further, it is expressly agreed that LESSOR may at any time, upon 30 days notice by certified mail, require LESSEE to furnish LESSOR such additional performance and reclamation bond as LESSOR may deem to be in the best interest of LESSOR.

15. Improvements upon Expiration. Subject to Paragraph 39, upon the expiration of the Lease, LESSEE shall have the right to remove from the Subject Property all personal property and fixtures. All physical improvements attached to the Subject Property shall become the property of LESSOR upon such expiration; provided that by written notice, LESSOR may require LESSEE to remove any such improvements upon expiration at LESSEE's sole cost and expense, in which event LESSEE shall cause such improvements to be removed and the Subject Property restored within sixty (60) days of the giving of such notice.

16. Indemnity. LESSEE agrees to protect, indemnify and save harmless the LESSOR, its agents and employees, from and against all claims, demands, damages, and causes of action of every kind or character on account of bodily injuries, death, or damage to property arising because of, for, out of, or in any way connected with the performance of this agreement, except where such injury,

death, or damage has resulted from the sole negligence of the LESSOR, without negligence or willful act on the part of the LESSEE, its agents, employees, or subcontractors, it being the intent of this provision that the LESSEE indemnify the LESSOR and its agents and employees regardless of whether or not such injury, death, or damage is caused in part by the LESSOR, its agents and employees. LESSEE shall defend all suits brought upon such claims and pay all costs and expenses incidental thereto, but the LESSOR shall have the right, at its option, to participate in the defense of any such suit without relieving the LESSEE of any obligation hereunder.

17. Insurance.

a. Casualty Insurance. Throughout the entire term, LESSEE, at its sole cost and expense, shall cause the Subject Property, improvements, and equipment to be insured against fire, windstorm, or other casualty or hazard with extended coverage in such amounts and with such deductibles as may reasonably be required. This insurance coverage shall not be less than the estimated replacement cost of the improvements.

b. Bodily Injury, Property Damage and Other Insurance. In addition to the insurance required in a. above, LESSEE, at its sole cost and expense, shall purchase and maintain during the entire term the following insurance, subject to the terms and conditions set forth in c. below:

(i) Commercial general liability bodily injury and property damage liability insurance against claims for bodily injury, death, or property damage, occurring in, on, or about the Subject Property (including any injury, death, or property damage arising from a hazardous activity permitted under the Lease), such insurance to afford minimum protection during the entire term of not less than Two Million Dollars (\$2,000,000.00) in respect of bodily injury or death to any one person or in respect of any one accident, or property damage, or Four Million Dollars (\$4,000,000.00) in the aggregate, the foregoing dollar amounts being subject to increase by the percentage increase in the CPI not more frequently than every five (5) lease years, provided that LESSEE shall not carry less than the amount or scope of coverage customary in the industry from time to time; and,

(ii) During any period of building construction, including the construction of the initial improvements, and all alterations and restorations:

(a) Builder's Risk Insurance written on the Completed Value Form or on the Monthly Reporting form;

(b) Worker's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against LESSOR, LESSEE, or the Subject Property; and

c. Conditions and Requirements of Insurance. All insurance required by this Article and any additional insurance maintained by LESSEE with respect to the Subject Property and improvements shall:

(i) Name LESSOR, State, its agencies and employees as loss payee or additional insured as its interest may appear;

(ii) Be effected under valid and enforceable policies issued by insurers of recognized responsibility that are licensed to do business in the State of Utah, with a Best's Rating of A-VII or better, including acceptable insurance pools or risk management arrangements which may generally provide such insurance coverage in the industry from time to time;

(iii) Expressly waive any right of subrogation against LESSOR and have attached thereto an endorsement that such policy shall not be canceled without at least (30) days' prior written notice to LESSOR; and,;

(iv) Provide that the insurance coverage for the State and the LESSOR is primary and not contributing; that other insurance of the State and the LESSOR is excess over the insurance required by the Lease; and, the amount of the insurance company's liability or coverage limits required by the Lease shall not be reduced by the existence of other State and LESSOR.

d. Copies of Policies to Lessor. Upon the commencement date, and thereafter not less than thirty (30) days prior to the expiration dates of the policies furnished pursuant to this Article, LESSEE shall deliver to LESSOR policy copies of certificates thereof, in the case of bodily injury and property damage liability insurance, bearing notations evidencing the payment of premiums or accompanied by other evidence of such payment.

e. Adjustments. LESSOR and each mortgagee shall have the right to participate in the adjustment of any insurance claim filed by LESSEE relating to any insurance required by this Article to the extent necessary to protect their respective interests in the Subject Property and the improvements.

18. Condemnation.

a. Total taking.

(i) Termination and distribution. If at any time during the term of the Lease, the whole or the Subject Property is taken by condemnation or other act of eminent domain (a "Taking" or "Taken"):

(a) the Lease shall terminate and expire on the date of such Taking and LESSEE shall pay within thirty (30) days after the date of Taking all lease rentals accrued to the date of Taking;

(b) LESSEE shall comply with all of its other obligations under the Lease up to the date of Taking; and

(c) LESSEE's share of any condemnation award shall be disbursed to LESSEE.

b. Partial taking.

(i) Continuation of the Lease. If at any time during the term of the Lease title to less than the whole of the Subject Property has been Taken, LESSEE shall have the right but not the obligation to continue the Lease. LESSEE may, within thirty (30) days after receiving its share of the condemnation award, give notice of its election to terminate the Lease, provided that each mortgagee consents in writing to such termination.

(ii) Proceedings. LESSOR, LESSEE, and any mortgagee shall have the right to participate in respect of their respective interests in any proceeding of purchase negotiations relating to any Taking. In case of any Taking, LESSEE shall bear its proportionate share of all reasonable costs and fees, including reasonable counsel fees and expenses incurred in the determination and collection on any condemnation award. LESSOR shall bear only such costs, expenses, and fees as it may authorize in writing.

19. Assignment and Sublease. LESSEE shall not assign the Lease, in whole or in part, nor sublease the Subject Property, nor allow unauthorized or commercial use of the Subject Property without obtaining the prior written consent of LESSOR.

a. In granting such approval, LESSOR reserves the right to change the terms and conditions of the Lease as it may affect the sublessee/assignee. The LESSOR shall be entitled to consider, among other items, the proposed sublessee's/assignee's financial condition, managerial capability, business reputation, nature of the proposed sublessee's/assignee's business, the then current fair market rental value of the Subject Property, and such other factors as may reasonably bear upon the suitability of the sublessee/assignee or transferee as a tenant of the Subject Property or the holder of the Lease.

b. Approval may also be conditioned on, among other items, additional payment to reimburse the LESSOR for any additional costs of management or losses of payments resulting from the assignment.

c. Consent of the LESSOR to an assignment or transfer shall not constitute a waiver of the LESSOR's right to approve subsequent assignments or transfers. The acceptance by LESSOR of payment or performance following an assignment or transfer shall not constitute consent to any assignment or transfer, and LESSOR's consent shall be evidenced only in writing.

d. An assignment does not constitute a new lease but is continuation of the existing Lease.

20. Title. LESSOR claims title in fee simple, but does not warrant to LESSEE the validity of title to the Subject Property. LESSEE shall have no claim from damages or refund against the LESSOR for any claimed failure or deficiency of LESSOR's title to said Subject Property or for interference by any third party. LESSEE takes possession subject to all existing encumbrances, rights-of-way, or encroachments as may exist or be of record. Possession is subject to a reservation of rights-of-way as may be necessary to access other trust lands.

21. Water Rights. If LESSEE shall initiate or establish any water right on the Subject Property, such right shall become an appurtenance of the Subject Property. LESSEE agrees that any existing application to appropriate water on said trust land shall be transferred to the LESSOR after the application has been completed, without any cost to the LESSOR. It is expressly understood and agreed that the Lease does not confer any rights upon LESSEE to use any water presently developed on the Subject Property.

22. Fire. LESSEE shall at all times observe reasonable precautions to prevent fire on the Subject Property and shall comply with all applicable laws and regulations of any governmental agency having jurisdiction. In the event of a fire on the Subject Property proximately caused by LESSEE, its servants, employees, agents, sublessees, assignees or licensees which necessitates suppression action, LESSEE agrees to reimburse LESSOR for the costs incurred by LESSOR for such fire suppression action.

23. Fencing. LESSEE may fence the Subject Property at his own expense, but if there is no fence erected, LESSEE shall have no right of action against any other LESSOR grazing permittee by reason of a trespass upon the Subject Property. The right of LESSEE to fence the Subject Property shall be subject to the LESSOR's rights of access across trust lands to other trust lands.

24. Waste. LESSEE shall neither commit nor permit any waste on the said Subject Property. LESSEE shall maintain said Subject Property in good condition and at its own expense, free from any nuisance. Surface and subsurface areas will be cleaned of all trash, debris, and waste of any kind to the satisfaction of the LESSOR. LESSEE shall maintain the Subject Property to standards of repair, orderliness, neatness, sanitation, and safety as required by law and applicable regulations.

25. Pollution. LESSEE shall be bound by all of the environmental regulatory programs, including air quality, water pollution and water quality, solid and hazardous waste management and underground storage tanks, and other conditions as contained in the provisions, conditions, and rules and regulations developed under authority of Title 19, Utah Code Annotated (1953) as amended.

26. Hazardous, Toxic, or Harmful Substances.

a. LESSEE shall not make, or suffer to be made, any filling in of the Subject Property or any deposit of rock, earth, ballast, refuse, garbage, waste matter, chemical, biological or other wastes, hydrocarbons, any other pollutants, or other matter within or upon the Subject Property, except as approved in writing by the LESSOR. If the LESSEE fails to remove all non-approved fill material, refuse, garbage, wastes or any other of the above materials from the Subject Property, the LESSEE agrees that the LESSOR may, but is not obligated to, remove such materials and charge the LESSEE for the cost of removal and disposal.

b. LESSEE shall not keep on or about the Subject Property any substances now or hereinafter designated as or containing components now or hereinafter designated as hazardous, toxic, dangerous, or harmful, and/or which are subject to regulation as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance (hereinafter collectively referred to as "Hazardous Substances") unless such are necessary to carry out LESSEE's permitted use under paragraph 1 and unless LESSEE fully complies with all federal, state and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended. LESSEE shall provide LESSOR with copies of any reports regarding the identity of Hazardous Substances used or stored on the Subject Property required by federal, state, or local agencies.

c. LESSEE shall:

(1) Immediately notify the LESSOR of (i) all spills or releases of any Hazardous Substance affecting the Subject Property, (ii) all failures to comply with any federal, state or local law, regulation or ordinance, as now enacted or as subsequently enacted or amended, (iii) all inspections of the Subject Property by, or any correspondence, orders, citations, or notifications from any regulatory entity concerning Hazardous Substances affecting the Subject Property, (iv) all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party concerning the Subject Property; and

(2) On request, provide copies to the LESSOR of any and all correspondence, pleadings, and/or reports received by or required of LESSEE or issued or written by LESSEE or on LESSEE's behalf with respect to the use, presence, transportation or generation of Hazardous Substances related to the Subject Property.

d. LESSEE shall be fully and completely liable to the LESSOR, and shall indemnify, defend, and save harmless LESSOR and its agencies, employees, officers, and agents with respect to any and all damages, costs, fees (including attorneys' fees and costs), penalties (civil and criminal), and cleanup costs assessed against or imposed as a result of LESSEE's use, disposal, transportation, generation

and/or sale or Hazardous Substances or that of LESSEE's employees, agents, assigns, sublessees, contractors, subcontractors, licensees or invitees, and for any breach of this subsection.

27. No Partnership. The LESSOR is not a partner nor a joint venturer with the LESSEE in connection with the activities conducted and business carried on under the Lease and the LESSOR shall have no obligation with respect to the LESSEE's debts or other liabilities.

28. Time of Essence. Time is expressly declared to be of the essence of the Lease and each and every covenant of LESSEE hereunder.

29. Amendments. Any amendments, revisions, supplements, or additions to the Lease or the attached exhibits shall be made in writing executed by the parties hereto, and neither LESSOR nor LESSEE shall be bound by verbal or implied agreements.

30. Entire Agreement. This written Lease or its successor or replacement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid.

31. Invalidity. If any term or provision of the Lease or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void, or illegal, the remainder of the Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall be not affected thereby, and each term and provision of the Lease shall be valid and be enforced as written to the fullest extent permitted by law.

32. Consent to Suit. The LESSEE consents to suit in the courts of the LESSOR in any dispute arising under the terms of the Lease or as a result of operations carried on under the Lease. Service of process in any such action is hereby agreed to be sufficient if sent by certified mail to the LESSEE at the last known address of LESSEE appearing on the LESSOR's records.

33. Venue. The LESSEE agrees for itself, its heirs, successors and assigns that any suit brought by the LESSEE, its heirs, successor or assigns concerning the Lease may be maintained only in the Utah State District Court of Salt Lake County.

34. No Waiver of Conditions. Waiver by the LESSOR of any default of the LESSEE or failure of the LESSOR to timely enforce any provisions of the Lease shall not constitute a waiver of or constitute a bar to subsequent enforcement of the same or other provisions of the Lease. No provision in the Lease shall be construed to prevent the LESSOR from exercising any legal or equitable remedy it may otherwise have.

35. Inspection of Books. LESSEE shall permit any authorized representative of the LESSOR to examine all books and records pertaining to its operations and royalties payable to LESSOR under the Lease at their regular place of business with reasonable notice, and to make copies of and extracts from such books and records if desired.

36. Right to Audit. The LESSOR has the right to audit the LESSEE's performance of the terms and conditions of the Lease. Nevertheless, it is the continuing duty of the LESSEE to faithfully perform all of the terms, conditions, and obligations of the Lease, including, but not limited to, the duty to properly calculate and render to the LESSOR any and all amounts due. Any term, condition, provision, or obligation subject to change or interpretation shall be deemed self-executing, and shall in no way shift or relieve the LESSEE of its continuing duties and obligations.

37. Attorney's Fees. In the event the LESSOR shall prevail in any action or suit for the enforcement of any provision of the Lease or concerning the Lease in any manner, the LESSEE shall pay to the LESSOR a reasonable attorney's fee on account thereof.

38. Lessor's Lien. LESSOR shall have at all times a valid lien for all rentals and other sums of money becoming due hereunder from LESSEE, upon all goods, wares, equipment, fixtures, furniture and other personal property of LESSEE situated on the Subject Property, and such property shall not be removed therefrom without the consent of the LESSOR until all arrearage in rent as well as any and all other sums of money then due to LESSOR hereunder shall first have been paid and discharged. Upon the occurrence of any event of default by LESSEE, LESSOR may, in addition to any other remedies provided herein or by law, enter upon the Subject Property and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property of LESSEE situated on the Subject Property without liability for trespass or conversion, and sell the same with or without notice at public or private sale, with or without having such property at the sale, at which LESSOR or its assigns may purchase, and apply the proceeds thereof less any and all expenses connected with the taking of possession and sale of the property, as a credit against any sums due by LESSEE to LESSOR. Any surplus shall be paid to LESSEE and LESSEE agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be foreclosed in the manner and form provided by law for foreclosure of security interest or in any other form provided by law. The statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto. Anything herein to the contrary notwithstanding, purchase money financing of LESSEE's removable trade fixtures and equipment shall not be a default. LESSEE will execute upon LESSOR's request a financing statement and security agreement evidencing LESSOR's security interest in LESSEE's personal property and warrants to LESSOR that there are no prior liens or security interest on said personal properties.

39. Notice. Any notice contemplated herein to be served upon LESSEE shall be in writing and shall be deemed sufficient if deposited in the United States mail, postage prepaid and certified or registered, and addressed as follows:

EL PASO PRODUCTION OIL & GAS COMPANY  
9 Greenway Plaza  
Houston, Texas 77046

or at any such other address as LESSEE may from time to time designate by written notice to LESSOR.

40. Responsibilities of Successors. The provisions hereof shall inure to and be binding upon the successors and assigns of LESSEE.

IN WITNESS WHEREOF, the State of Utah, by and through the School and Institutional Trust Lands Administration, has caused these presents to be executed this 17 day of December, 2002 by the Director.

LESSOR:

STATE OF UTAH  
SCHOOL AND INSTITUTIONAL  
TRUST LANDS ADMINISTRATION  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

By: [Signature]  
STEPHEN G. BOYDEN, DIRECTOR

LESSEE:

EL PASO PRODUCTION OIL & GAS  
COMPANY  
9 Greenway Plaza  
Houston, Texas 77046

By: [Signature]  
Jon R. Nelsen  
Its: Attorney in Fact

APPROVED AS TO FORM:  
MARK L. SHURTLEFF  
ATTORNEY GENERAL

BY: [Signature]  
Special Assistant Attorney General

Date: 12/29/2002

Director Review [Signature]

STATE OF UTAH )  
 : §  
COUNTY OF SALT LAKE )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2002, personally appeared before me Stephen G. Boyden, who being by me duly sworn did say that he is the Director of the School and Institutional Trust Lands Administration, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

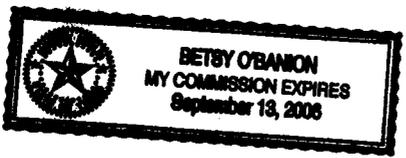
My commission expires: \_\_\_\_\_ Notary Public

STATE OF )  
 : §  
COUNTY OF )

On the 17 day of December, 2002, personally appeared before me Jon R. Nelsen, who being by me duly sworn did say that (s)he is the Attorney in Fact of El Paso Production Oil and Gas Company and the authorized signer of the above instrument, who duly acknowledged that (s)he executed the same.

Given under my hand and seal this 17 day of December, 2002.

My commission expires: \_\_\_\_\_ Notary Public Betsy O'Banion



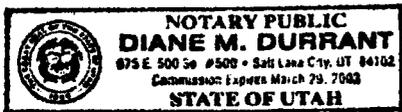
STATE OF UTAH            )  
  : ss.  
COUNTY OF SALT LAKE )

On the 31st day of December, 2002, personally appeared before me Kevin S. Carter, who being by me duly sworn did say that he is the Deputy Director of the School and Institutional Trust Lands Administration of the State of Utah, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 31st day of December, 2002.

My Commission expires:  
March 29, 2003

*Diane M. Durrant*  
Notary Public, residing at:  
Salt Lake City, Utah





# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS  
Washington, D.C. 20240

FEB 10 2003

IN REPLY REFER TO:  
Real Estate Services

Carroll A. Wilson  
Principal Landman  
Westport Oil and Gas Company, L.P.  
1368 South 1200 East  
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO  
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.  
Attn: Gary D. Williamson  
1670 Broadway, Suite 2800  
Denver, Colorado 80202

Re: Natural Buttes Unit  
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
Minerals Adjudication Group  
File - Natural Buttes Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER:  
**Exhibit "A"**

9. API NUMBER: \_\_\_\_\_

10. FIELD AND POOL, OR WILDCAT: \_\_\_\_\_

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.

1. TYPE OF WELL  
OIL WELL     GAS WELL     OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**El Paso Production Oil & Gas Company**

3. ADDRESS OF OPERATOR:  
**9 Greenway Plaza**    CITY **Houston**    STATE **TX**    ZIP **77064-0995**    PHONE NUMBER: **(832) 676-5933**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: \_\_\_\_\_    COUNTY: \_\_\_\_\_

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: \_\_\_\_\_    STATE: **UTAH**

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

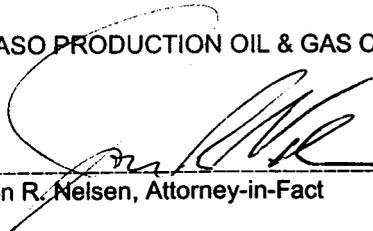
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_  
State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

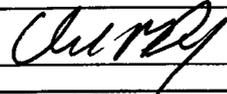
EL PASO PRODUCTION OIL & GAS COMPANY

By:   
Jon R. Nelsen, Attorney-in-Fact

**RECEIVED**  
**FEB 28 2003**  
DIV. OF OIL, GAS & MINING

**WESTPORT OIL AND GAS COMPANY, L.P.**

NAME (PLEASE PRINT) **David R. Dix**    TITLE **Agent and Attorney-in-Fact**

SIGNATURE     DATE **12/17/02**

(This space for State use only)

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.  
**SEE ATTACHED EXHIBIT "A"**

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**WESTPORT OIL & GAS COMPANY, L.P.**

3a. Address  
**P.O. BOX 1148 VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7023**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED EXHIBIT "A"**

8. Well Name and No.  
**SEE ATTACHED EXHIBIT "A"**

9. API Well No.  
**SEE ATTACHED EXHIBIT "A"**

10. Field and Pool, or Exploratory Area

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

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other

**SUCCESSOR OF OPERATOR**

13. Describe Proposed or Completed Operations (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 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 if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED  
MAR 04 2003

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)  
**CHERYL CAMERON**

Title  
**OPERATIONS**

Signature  
*Cheryl Cameron*

Date  
**March 4, 2003**

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title Date

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

OPERATOR CHANGE WORKSHEET

1. GLH
2. CDW ✓
3. FILE

008

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **12-17-02**

<b>FROM: (Old Operator):</b>	<b>TO: ( New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY	WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA	Address: P O BOX 1148
HOUSTON, TX 77064-0995	VERNAL, UT 84078
Phone: 1-(832)-676-5933	Phone: 1-(435)-781-7023
Account No. N1845	Account No. N2115

CA No. Unit: NATURAL BUTTES

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 398	18-10S-21E	43-047-34366	99999	FEDERAL	GW	APD
CIGE 69-19-10-21	19-10S-21E	43-047-30635	2900	STATE	GW	PA
NBU CIGE 20-20-10-21	20-10S-21E	43-047-30485	2900	STATE	GW	P
NBU 75N3	20-10S-21E	43-047-31103	2900	STATE	GW	P
NBU 420	20-10S-21E	43-047-34377	99999	FEDERAL	GW	APD
NBU 421	20-10S-21E	43-047-34378	99999	FEDERAL	GW	APD
CIGE 252	21-10S-21E	43-047-33721	2900	FEDERAL	GW	P
CIGE 253	21-10S-21E	43-047-33722	2900	FEDERAL	GW	P
CIGE 248-21-10-21	21-10S-21E	43-047-33226	2900	FEDERAL	GW	P
CIGE 276	21-10S-21E	43-047-34417	99999	FEDERAL	GW	APD
CIGE 277	21-10S-21E	43-047-34800	99999	FEDERAL	GW	APD
NBU 19	21-10S-21E	43-047-30227	2900	FEDERAL	GW	PA
NBU 419	21-10S-21E	43-047-34376	99999	FEDERAL	GW	APD
NBU CIGE 59-21-10-21	21-10S-21E	43-047-30548	2900	FEDERAL	GW	PA
NBU 388	22-10S-21E	43-047-34240	99999	FEDERAL	GW	APD
NBU CIGE 49-22-10-21E	22-10S-21E	43-047-30507	2900	FEDERAL	GW	PA
CIGE 66-23-10-21	23-10S-21E	43-047-30542	2900	FEDERAL	GW	S
NBU 401	23-10S-21E	43-047-34801	99999	FEDERAL	GW	APD
NBU 387	23-10S-21E	43-047-34239	99999	FEDERAL	GW	APD
UINTAH UNIT 4	23-10S-21E	43-047-15376	2900	FEDERAL	WS	PA

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
5. If **NO**, the operator was contacted on: \_\_\_\_\_

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: 03/21/2003
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/21/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: RLB 0005236

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 158626364

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: RLB 0005239

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

009

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple Wells - see attached
2. Name of Operator WESTPORT OIL & GAS COMPANY, L.P.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 1148 VERNAL, UT 84078	3b. Phone No. (include area code) (435) 781-	7. If Unit or CA/Agreement, Name and/or No. 891008900A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple Wells - see attached		8. Well Name and No. Multiple Wells - see attached
		9. API Well No. Multiple Wells - see attached
		10. Field and Pool, or Exploratory Area Natural Buttes Unit
		11. County or Parish, State Uintah County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part IIIC.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped. The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached. Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) J.T. Conley	COPY SENT TO OPERATOR Date: 9-2-03 Initials: JTC	Title Operations Manager	SEP 10 2003
Signature <i>J.T. Conley</i>	Date 9-2-2003		DIV. OF OIL, GAS & MINING

Approved by	THIS SPACE FOR FEDERAL OR STATE USE		Federal Approval of This Action is Necessary
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.	Accepted by the Utah Division of Oil, Gas and Mining	Date 9/16/03	

Title 18 U.S.C. Section 1001, 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.

**Westport Oil & Gas, L.P.**

**Project Economics Worksheet**

**Instructions:**

Fill in blue boxed areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JIC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name:

**Condensate Shrinkage Economics**

Is this job a well pull or production rig job ???  N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULING UNIT SERVICE			\$0
WIRELINE SERVICE			\$0
SUBSURF EQUIP REPAIRS			\$0
COMPANY LABOR			\$0
CONTRACT LABOR	\$0	\$200	\$200
CONTR SERVICE			\$0
LEASE FUEL GAS	\$0	\$0	\$0
UTILITIES - ELECTRICITY	\$0	\$0	\$0
CHEMICAL TREATING			\$0
MATERIAL & SUPPLY	\$0	\$150	\$150
WATER & HAULING			\$0
ADMINISTRATIVE COSTS			\$0
GAS PLANT PROCESSING			\$0
<b>Totals</b>	<b>\$0</b>	<b>\$350</b>	<b>\$350</b>

Increased OPX Per Year

**Investment Breakdown:**

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/840	\$0
Total \$		\$1,200

Oil Price	\$ 23.00	\$/BO
Gas Price	\$ 3.10	\$/MCF
Electric Cost	\$ -	\$/ HP / day
OPX/BF	\$ 2.00	\$/BF
OPX/MCF	\$ 0.62	\$/MCF

**Production & OPX Detail:**

	Before	After	Difference
Oil Production	0.192 BOPD	0.194 BOPD	0.002 BOPD
Gas Production	0 MCFPD	0 MCFPD	0 MCFPD
Wtr Production	0 BWPD	0 BWPD	0 BWPD
Horse Power	0 HP	0 HP	0 HP
Fuel Gas Burned	0 MCFPD	0 MCFPD	0 MCFPD

**Project Life:**

Life =  Years  
(Life no longer than 20 years)

**Internal Rate of Return:**

After Tax IROR =

**AT Cum Cashflow:**

Operating Cashflow =  (Discounted @ 10%)

**Payout Calculation:**

$$\text{Payout} = \frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}} = 1$$

Payout occurs when total AT cashflow equals investment  
See graph below, note years when cashflow reaches zero

Payout =  Years or  Days

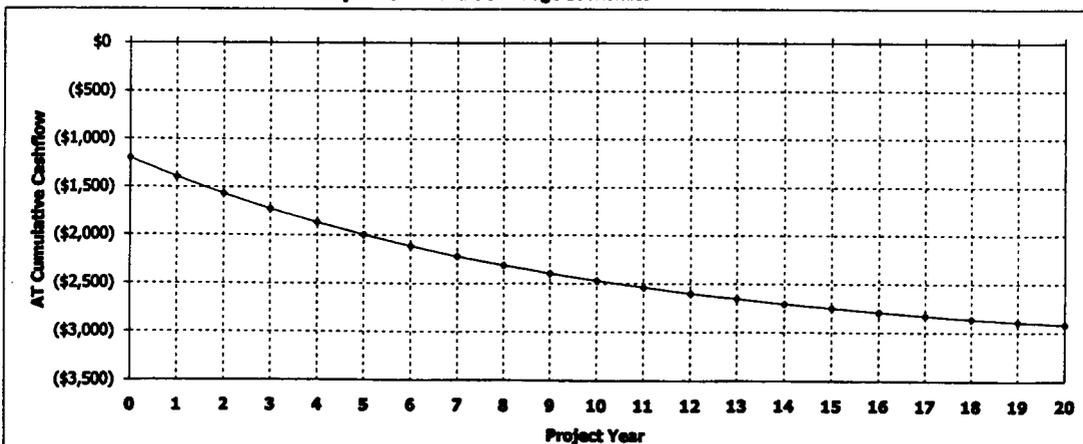
**Gross Reserves:**

Oil Reserves = 6 BO  
Gas Reserves = 0 MCF  
Gas Equiv Reserves = 38 MCFE

**Notes/Assumptions:**

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.194 Bcpd if 4 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



**Westport Oil and Gas, Inc.**  
**NBU/Ouray Field**  
RFL 2003-022

**COMPARISON OF FLASH BACK PRESSURES**

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio (scf/STbbl) (A)	Specific Gravity of Flashed Gas (Air=1.000)	Separator Volume Factor (B)	Separator Volume Percent (C)
psig	°F				

**Calculated at Laboratory Flash Conditions**

80	70			1.019	
0	122	30.4	0.993	1.033	101.37%
0	60	0.0	—	1.000	98.14%

**Calculated Flash with Backpressure using Tuned EOS**

80	70			1.015	
6.0 oz	65	24.6	0.777	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
4.0 oz	65	24.7	0.778	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
2.0 oz	65	24.7	0.779	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
0	65	24.8	0.780	1.003	98.82%
0	60	0.0	—	1.000	98.52%

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water

WELL	LEGALS	STFLEASENO	CANUMBER	APINO
NBU 419	21-10-21 NWNE	U02278	891008900A	430473437600S1
NBU 420	20-10-21 SESE	UTU02278	891008900A	430473437700S1
NBU 421	20-10-21 NESE	UTU02278	891008900A	430473437800S1
NBU 422	29-10-22 SWSE	UTU469	891008900A	430473441400S1
NBU 423	29-10-22 NWSE	UTU469	891008900A	430473441500S1
NBU 424	29-10-22 NESW	UTU0145824	891008900A	430473441600S1
NBU 425	11-10-21 SENE	UTU01190	891008900A	430473441000S1
NBU 426	11-10-21 SWNE	UTU01190	891008900A	430473441100S1
NBU 427	11-10-21 NWNE	UTU01190	891008900A	430473441800S1
NBU 428	33-9-21 NWSW	UTU015630ST	891008900A	430473470900S1
NBU 434	14-10-21 SENE	UTU465	891008900A	430473448100S1 ✓
NBU 435	28-9-21 NWNW	UTU0576	891008900A	430473480500S1
NBU 436	30-9-21 SWNE	UTU0581	891008900A	430473478000S1
NBU 438	33-9-21 SWNW	UTU015630-ST	891008900A	430473478700S1
NBU 439	34-9-21 NENW	UTU01194-A-ST	891008900A	430473478600S1 ✓
NBU 440	34-9-21 SWNW	UTU01194-A-ST	891008900A	430473478500S1
NBU 441	35-9-21 NWNW	UTU01194-A-ST	891008900A	430473479100S1
NBU 442	35-9-21 NWSW	UTU01194-A-ST	891008900A	430473478800S1
NBU 443	35-9-21 SENW	UTU01194-ST	891008900A	430473478900S1
NBU 444	1-10-21 SWSW	UTU02842B	891008900A	430473479600S1
NBU 445	30-9-21 NWSE	UTU0581	891008900A	430473486700S1
NBU 446	8-9-21 SENW	UTU0149767	891008900A	430473462100S1 ✓
NBU 448	22-9-20 NWSW	UTU0577B	891008900A	430473478200S1
NBU 452	8-9-21 SWNE	UTU0149767	891008900A	430473487500S1
NBU 453	8-9-21 NWSE	UTU0575B	891008900A	430473481600S1
NBU 454	28-9-21 NWSE	UTU0576	891008900A	430473469800S1 ✓
NBU 455	29-9-21 SWSE	UTU0581	891008900A	430473469900S1 ✓
NBU 456	22-9-21 SESW	UTU010950A	891008900A	430473481800S1
NBU 457	22-9-21 NESE	UTU010950A	891008900A	430473481700S1
NBU 458	23-9-21 SENW	UTU0149075	891008900A	430473481900S1
NBU 459	27-9-21 NESE	UTU01194A-ST	891008900A	430473468000S1 ✓
NBU 460	30-9-21 SENE	UTU0581	891008900A	430473469700S1 ✓
NBU 461	14-10-22 SWNE	U01197A-ST	891008900A	430473482300S1
NBU 462	15-10-22 SENW	U-01196-A	891008900A	430473483900S1 ✓
NBU 463	15-10-22 NWNE	UTU025187	891008900A	430473484000S1
NBU 464	15-10-22 NENW	U025187	891008900A	430473484600S1
NBU 465	29-10-22 NWSW	SL070220A	891008900A	430473486000S1 ✓
NBU 466	32-10-22 NWNE	ML22798	891008900A	430473482400S1 ✓
NBU 468	11-10-21 SENW	UTU0149080	891008900A	430473485600S1
NBU 470	7-10-22 SWSE	UTU466	891008900A	430473483300S1
NBU 471	17-10-22 NWNE	UTU01196E	891008900A	430473483400S1
NBU 472	32-10-22 SWNE	ML22798	891008900A	430473489600S1 ✓
NBU 492-7E	7-9-21 LOT 1	UTU0149767	891008900A	430473421700S1
NBU 922-36I	36-9-22 NESE	MS22650	891008900A	430473510700S1 ✓
UTE TRAIL 083X	9-10-22 SENE	UTU01196D	891008900A	430471538800S1
UTE TRAIL 088X	2-10-21 SESE	ML13826	891008900A	430471538900S1 ✓

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: WESTPORT OIL & GAS COMPANY LP

Well Name: NBU 420

Api No: 43-047-34377 Lease Type: FED -ST SURF

Section 20 Township 10S Range 21E County UINTAH

Drilling Contractor BILL JR'S RIG # RATHOLE

**SPUDDED:**

Date 12/05/03

Time 6:00 PM

How DRY

**Drilling will commence:** \_\_\_\_\_

Reported by BOB BINKLEY

Telephone # 1-435-828-0982

Date 12/08/2003 Signed CHD

0.16

DIVISION OF OIL, GAS AND MINING  
ENTITY ACTION FORM - FORM 6

OPERATOR WESTPORT O & G CO., L.P.  
ADDRESS P.O. BOX 1148  
VERNAL, UTAH 84078

OPERATOR ACCT. NO. N 2115

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	2900	43-047-34377	NBU 420	SESE	20	10S	21B	UINTAH	12/5/2003	12/11/03
WELL 1 COMMENTS: MIRU BILL JR'S RIG #4 WSMUD WELL SPUD 18:00 HRS ON 12/5/03											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 2 COMMENTS:											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 3 COMMENTS:											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 4 COMMENTS:											
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code is used.

Post-It® Fax Note 7671		Date	# of pages
To <u>Erlene Russell</u>	From		
Co./Dept. <u>DOGRI</u>	Co.		
Phone # <u>(801) 538-5331</u>	Phone #		
Fax # <u>(801) 359-3940</u>	Fax #		

*Delia Domenech*  
Signature

SR ADMINISTRATIVE ASST 12/08/03  
Title Date

Phone No. (435) 781-7060

RECEIVED

DEC 08 2003

DIV. OF OIL, GAS & MINING

P. 01

FAX NO. 435-7817084

DEC-08-2003 MON 09:13 AM FT PASO PRODUCTION



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

011

**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.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-02278
2. Name of Operator WESTPORT RESOURCES CORP. <i>Oil &amp; Gas Co., LP</i>		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 1148 VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 435.781.7060		8. Well Name and No. NBU 420
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T10S R21E SESE 343FSL 416FEL		9. API Well No. 43-047-34377
		10. Field and Pool, or Exploratory NATURAL BUTTES
		11. County or Parish, and State UINTAH COUNTY, UT

**CONFIDENTIAL**

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input checked="" type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> 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 recomplate 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.)

OPERATOR REQUESTS TO AMEND THE CURRENT DRILLING PROGRAM, CHANGE TD TO 9600'. PLEASE REFER TO THE ATTACHED DHD REFLECTING THE CURRENT AMENDMENTS.

COPY SENT TO OPERATOR  
Date: 12-18-03  
Initials: CDP

Federal Approval of this  
Action is Necessary

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 12-17-03  
BY: [Signature]

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #26035 verified by the BLM Well Information System  
For WESTPORT RESOURCES CORP., sent to the Vernal

Name (Printed/Typed) DEBRA DOMENICI	Title SR ADMINISTRATIVE ASSISTANT
Signature (Electronic Submission)	Date 12/11/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
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 <u>DIV OF OIL, GAS &amp; MINING</u>		

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.



  
**Westport Oil and Gas Company, L.P.**  
**DRILLING PROGRAM**

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**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	16"	0-20'						
SURFACE	9-5/8"	0 to 1811	32.30	H-40	STC	2270 0.79*****	1370 1.62	254000 4.96
PRODUCTION	4-1/2"	0 to 9600	11.60	M-80	LTC	7780 2.70	6350 1.27	201000 2.07

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)  
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 10.0 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
 MASP 2880 psi

\*\*\*\*\* Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD	
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18	
<b>Option 1</b>	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18	
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
SURFACE		<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>						
<b>Option 2</b>	LEAD	1500	65/35 Poz + 6% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOW	360	35%	12.60	1.81	
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18	
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
PRODUCTION	LEAD	3,840'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	420	60%	11.00	3.38	
	TAIL	5,760'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1610	60%	14.30	1.31	

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

\*Substitute caliper hole volume plus 5% excess for TAIL if accurate caliper is obtained

\*Scavenger volume should be included in lead slurry total

**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. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

**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. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER:

Brad Laney DHD\_NBU420\_rig.xls

DATE:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

013

**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.*

5. Lease Serial No.  
U-02278

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

**CONFIDENTIAL**

8. Well Name and No.  
NBU 420

2. Name of Operator  
WESTPORT RESOURCES CORP. Contact: DEBRA DOMENICI  
E-Mail: ddomenici@westportresourcescorp.com

9. API Well No.  
43-047-34377

3a. Address  
1368 S 1200 E  
VERNAL, UT 84078

3b. Phone No. (include area code)  
Ph: 435.781.7060

10. Field and Pool, or Exploratory  
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 20 T10S R21E SESE 343FSL 416FEL

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			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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.)

RUN 225 JTS 4 1/2" 11.6# M-80 LTC CSG, TALLIED 9620'. CMT AS FOLLOWS: 20 SKS SCAVENGER AT 9.5 PPG. FOLLOWED BY 335 SKS PL II + 5% SM + 10% GEL + 5#/SK KS + 3% KCL + .25#/SK CF + 5#BLD SF AT 11.0 PPG YLD 3.38. TAIL IN W/ 1935 SKS 50/50 POZ + 10% SALT 2% GEL + .1% R3 + 5# SF AT 14.3 PPG YLD 1.31. RIG RELEASED AT 1400 HRS 12/24/03.

**RECEIVED**  
**JAN 05 2004**  
**DIV. OF OIL, GAS & MINING**

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #26462 verified by the BLM Well Information System For WESTPORT RESOURCES CORP., sent to the Vernal**

Name (Printed/Typed) DEBRA DOMENICI Title SR ADMINISTRATIVE ASSISTANT

Signature (Electronic Submission) Date 12/29/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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 \_\_\_\_\_

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

**\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\***

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

5. Lease Serial No.  
U-02278

6. If Indian, Allottee or Tribe Name

014

**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.**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
WESTPORT OIL & GAS COMPANY L.P. Contact: SHEILA UPCHEGO  
E-Mail: supchego@westportresourcescorp.com

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

3b. Phone No. (include area code)  
Ph: 435.781.7024  
Fx: 435.781.7094

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 20 T10S R21E SESE 343FSL 416FEL

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

8. Well Name and No.  
NBU 420

9. API Well No.  
43-047-34377

10. Field and Pool, or Exploratory  
NATURAL BUTTES

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			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Production Start-up
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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.)

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 1/31/04 AT 9:00 AM.  
PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #27507 verified by the BLM Well Information System  
For WESTPORT OIL & GAS COMPANY L.P, sent to the Vernal**

Name (Printed/Typed) SHEILA UPCHEGO Title REGULATORY ANALYST

Signature  Date 02/03/2004

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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 \_\_\_\_\_

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.

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

**RECEIVED**

**FEB 09 2004**

DIV. OF OIL, GAS & MINING

**WESTPORT OIL & GAS COMPANY, LP**  
**CHRONOLOGICAL HISTORY**

CONFIDENTIAL

**NBU 420**

UINTAH COUNTY, UT

**DRILLING:**

	SPUD	Surface Casing	Activity	Status
11/24/03			Build Location, 70% Complete	
11/25/03			Build Location, 85% Complete	Caza 81
11/26/03			Build Location, 85% Complete	Caza 81
12/1/03			Location Complete	Caza 81
12/2/03			Location Complete	Caza 81
12/3/03			Location Complete	Caza 81
12/4/03			Location Complete	Caza 81
12/5/03			Location Complete	Caza 81
12/8/03	12/5/03		Drlg 12 ¼" hole w/air rig.	Caza 81
12/9/03	9 5/8" @ 1811		WORT Caza 81	
12/10/03	<p><b>TD: 1840' Csg. 9 5/8" @1811' MW: 8.4 SD:12/XX/03 DSS:0</b>                      Rig down Caza Rig 81 in preparation to move to NBU 420 this AM. Hydromatic in Vernal for repair 12/6/03 to present time.</p>			
12/11/03	<p><b>TD: 1840' Csg. 9 5/8" @1811' MW: 8.4 SD:12/XX/03 DSS:0</b>                      MIRU Caza Rig 81. Install rebuilt hydromatic. NU BOPE @ report time. Rig on daywork @ 0300 hrs 12/11/03.</p>			
12/12/03	<p><b>TD: 2360' Csg. 9 5/8" @1811' MW: 8.4 SD:12/11/03 DSS:1</b>                      Finish NU and test BOPE. PU BHA and drill pipe and TIH. Drill cement and FS. Rotary spud @ 2330 hrs 12/11/03. Drlg f/1840'-2360'. DA @ report time.</p>			
12/15/03	<p><b>TD: 6250' Csg. 9 5/8" @1811' MW: 8.4 SD:12/11/03 DSS:4</b>                      Drlg from 2360'-6004'. Repair Draw Works chain. Drlg to 6250'. DA @ report time.</p>			
12/16/03	<p><b>TD: 7175' Csg. 9 5/8" @1811' MW: 8.5 SD:12/11/03 DSS:5</b>                      Drlg from 6250'-7175'. DA @ report time.</p>			

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12/17/03

TD: 7661' Csg. 9 5/8" @1811' MW: 8.5 SD:12/11/03 DSS:6  
Drlg from 7175'-7661'. TFNB and MM. TIH @ report time.

12/18/03

TD: 8265' Csg. 9 5/8" @1811' MW: 8.8 SD:12/11/03 DSS:7  
Drlg from 7661'-8265'. DA @ report time.

12/19/03

TD: 8900' Csg. 9 5/8" @1811' MW: 9.2 SD:12/11/03 DSS:8  
Drlg from 8265'-8900'. DA @ report time.

12/22/03

TD: 9600' Csg. 9 5/8" @1811' MW: 10.5 SD:12/11/03 DSS:11  
Drlg from 8900'-9288'. TFNB. Wash 70' to btm. Lost differential pressure on mud motor. TOOH. Had 10K to 20K drag from 9042'-8230'. Change out Mud Motor. Drlg to 9600' TD. CCH for logs and raise mud weight from 9.7 to 10.5 ppg. TOOH for logs @ report time.

12/23/03

TD: 9600' Csg. 9 5/8" @1811' MW: 10.5 SD:12/11/03 DSS:12  
RU Schlumberger. Run PEX logs from 9600' to 3860'. Tool stuck in Green River. PU fishing tools and strip over fish. Circulate on top of fish. Ingage fish and pull out of rope socket. Recover Wireline. POOH with fish. Recovered and lay down logging tools @ report time.

1/19/04

ROAD RIG FROM CIGE 250. MIRU RIG. SPOT EQUIP. NDWH. NUBOP. PU 3 7/8" BIT. PU & RIH 2 3/8" J-55 TBG (150 JTS). EOT @ 4500'. 3:00 PM SWI.

1/20/04

OPEN WELL. FINISH RIH W/ 2 3/8" TBG, 295 JTS. TAG @ 9580. BRK REV CIRC & PMP 160 BBLs, 2% KCL. PRESS TST TO 4500#, HELD. BLED PRESS. POOH W/ 295 JTS 2 3/8" TBG. SWI 5:00 PM.

1/21/04

OPEN WELL. NDBOP. NU FRAC VALVE & TST. RU CUTTERS, PERF STAGE 1 W/ 3 3/8" GUN, .23 GRAM CHARGES, .35 HOLES, 4 SPF, 9358'-9528'. RD WIRELINE. SWI.

1/22/04

WO FRAC EQUIP & CREW.

1/23/04

RU SCHLUMBERGER.

STAGE 1: PERFS 9358-9528'. BRK PERFS @ 4889. INJ RATE: 3.7, INJ PRESS: 4020#, ISIP: 3150#, FG: .77. MTP: 6108#, MTR 40.3 BPM, ATP: 4350#, ATR: 34.5 BPM, FG: .80#, ISIP: 3485#, NPI: 335#. CLEAN FLU: 820 BBLs, SD: 85,500.

STAGE 2: RU WEATHERFORD. SET CBP @ 8960. PERF 8732-8930', 3 1/8" GUNS, .36 GRAM CHARGES, .42" HOLES, 152 HOLES. RU SCHLUMBERGER. BRK PERFS @ 4460, INJ RATE: 3.5, INJ PRESS: 3250#, ISIP: 2750#, FG .75, MTP: 7785#, MTR: 42.7 BPM, ATP: 4787#, ATR: 39.6 BPM, FG: .93, ISIP: 4400#, NPI: 1650#. CLEAN FLU: 2174 BBLs, SD: 237,000. SCREENED OFF, DID FORCE CLOSE, CLOSED @ 1400#. FLOWED BACK BTMS UP. FLUSHED W/ 134 BBLs.

STAGE 3: RU WEATHERFORD. RIH. SET CBP @ 8110, PERF @ 7826-8080'. SWI 7:00 PM.

1/26/04

7:AM OPEN WELL. 700 SHUT IN PSI.

STAGE 3# RU SHLUM. (PERFS 7561-7722) BROKE @ 3647, INJ R: 3.8, INJ P: 3200, ISIP: 2100 FG: .75, MP: 4710, MR: 39.9, AP: 4072, AR: 37.9, FG: .85 ISIP: 3328, NPI 1228, CLEAN BBLs 1741 SAND 221,000.

STAGE 4# RU WEATHERFORD RIH SET CBP @ 7752, 3 1/8" GUN, PERF 7561-7722. 80-.42 HOLES. RU SCHLUM. BROKE PERFS @ 3270, INJ R: 2.8, INJ P: 2800, ISIP: 2300, FG: .73, MP: 5518, MR: 35.2, AP: 4072, AR: 37.9, FG: .85, ISIP 4400, NPI 2100, CLEAN

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1245 BBLs . SAND 170,000, FG; 1.0 .

STAGE 5# RU WEATHERFORD RIH W/ CBP SET @ 7484 . 3 1/8 GUN PERF 7268-7454 , 80-.42 HOLES. RU SCHLUM, BROKE PERFS @ 4870 , INJ R: 3.3 , INJ P: 3300 , ISIP: 2550 , FG: .78 , MP: 5609, MR: 35.3, AP: 3901, AR: 34.1, FG: .90 , ISIP: 3460 , NPI 910, CLEAN BBLs 1140 , SAND 150,000 .

STAGE 6# RU WEATHERFORD RIH SET CBP @ 6566' . 3 1/8" GUN ,PERF 6528-6536. 32-.42 HOLES. RU SCHLUM. BROKE PERFS @ 5643, INJ R: 3.3, INJ P: 1400, ISIP: 1280 , FG: .63 , MP: 3526 , MR: 14.9 , AP: 2740 , AR: 14.3 , FG: .91 ISIP: 3150, NPI 1870, CLEAN BBLs 496 , SAND 70,000#. TOTAL CLEAN 7616 BBLs, TOTAL SAND 933,500# RU WEATHERFORD RIH SET CBP @ 6430 .RD WEATHERFORD & SCHLUM. SWI 5:PM .

- 1/27/04** THAW OUT WH. ND FRAC VALVE. NUBOP. PU 3 7/8" BIT & POBS, 1 JT 2 3/8" TBG, X-NIPPLE. RIH W/2 3/8" TBG. EOT @ 6000' . 2:00 PM SWI.
- 1/28/04** OPEN WELL. RIH TO TOP OF CBP @ 6430. RU DRILL EQUIP . BRK CONV CIRC. DRILL UP CBP @ 6430. RIH. TAG @ 6505. DRILL & CIRC SD DN TO CBP @ 6566. DRILL UP CBP @ 6566. TBG FLOWING. RD DRILL EQUIP DUE TO PUMPING OFF BIT. POOH W/ 203 JTS 2 3/8 " TBG, X-NIPPLE, TOP PART OF POBS. CALL OUT FISHING TOOLS. PU 3 3/4" OVERSHOT W/ 2 1/2 GRAPPEL, 3 1/8 BUMPER SUB, 3 1/8 JAR, STRING FLOAT. RIH W/ 95 STDS 2 3/8" TBG. SWI 5:30 PM.
- 1/29/04** THAW OUT WH. FINISH RIH W/ 2 3/8" TBG. TAG SD @ 7284' . RU CIRC EQUIP, CIRC CONV DN TO FISH @ 7312. LATCH ONTO FISH @ 7312', W/ 225 JTS 2 3/8" TBG. CIRC WELL CLEAN. POOH W/ 2 3/8" TBG, 225 JTS, FISHING BHA & FISH . PU NEW 3 7/8" BIT, POBS , 1 JT 2 3/8" TBG, X-NIPPLE. RIH W/ 2 3/8" TBG. TAG @ 7312'. RU DRILL EQUIP. BRK CONV. CIRC. DRILL DN TO CBP @ 7484. DRILL UP CBP @ 7484. 100 PRESS INCR. RIH. TAG @ 7580' . 172 FT SAND. DRILL DN TO CBP @ 7752'. DRILL UP CBP @ 7752'. 300 PRESS INCR IN PRESS. POOH TO 6000'. SWI 6: 00 PM.
- 1/30/04** OPEN WELL 600#. RIH W/ 2 3/8" TBG. TAG @ 8080'. 30' FT SD. BRK CONV CIRC. DRILL DOWN TO CBP @ 8110'. DRILL UP CBP @ 8110. 200 PRESS INCR. RIH. TAG @ 8865', 95 FT SD. DRILL DN TO CBP @ 8960. DRILL UP CBP @ 8960', 100 PRESS INCR. RIH. TAG @ 9516', 64 FT SD. DRILL DN TO PBT @ 9579'. CIRC CLEAN. POOH LD 34 JTS 2 3/8" TBG. LAND TBG W/ 262 JTS. IN WELL, EOT 8511. ND BOP. NU WH. DROP BALL. PUMP OFF BIT SUB. PUT WELL FLOWING TO PIT. 0# TBG PRES. 1000# CSG PRES. REC 2460 BBLs WTR WHILE DRILLING OUT PLUGS. 5150 BBLs LEFT TO REC. RD RIG. MOVE OFF. 4:00 PM.
- 2/2/04** 1/31/04 FLOW BACK REPORT: CP: 850#, TP: 70#, 64/64" CHK, 24 HRS, 12 BWPH, SD: CLEAN, LIGHT GAS, 419 BW, LLTR: 3803 BBLs.  
WELL WENT ON SALES 1/31/04, 9:00 AM. 500 MCF, SICP: 1000#, FTP: 225#, 24/64" CHK, 13 BWPH.
- ON SALES**  
1/31/04: 456 MCF, 0 BC, 312 BW, TP: 318#, CP: 1000#, 24/64" CHK, 20 HRS, LP: 85#.

015

Form 3160-4  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED  
OMB No. 1004-0137  
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.  
U-02278

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

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator  
WESTPORT OIL & GAS COMPANY  
Contact: DEBRA DOMENICI  
E-Mail: ddomenici@westportresourcescorp.com

8. Lease Name and Well No.  
NBU 420

3. Address 1368 S 1200 E  
VERNAL, UT 84078  
3a. Phone No. (include area code)  
Ph: 435.781.7060

9. API Well No.  
43-047-34377

4. Location of Well (Report location clearly and in accordance with Federal requirements)  
At surface Sec 20 T10S R21E Mer UBM SESE 343FSL 416FEL  
At top prod interval reported below  
At total depth

10. Field and Pool, or Exploratory  
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey  
or Area Sec 20 T10S R21E Mer UBM

12. County or Parish  
UINTAH  
13. State  
UT

14. Date Spudded  
12/05/2003  
15. Date T.D. Reached  
12/24/2003  
16. Date Completed  
 D & A  Ready to Prod.  
01/31/2004

17. Elevations (DF, KB, RT, GL)\*  
5278 GL

18. Total Depth: MD 9600 TVD  
19. Plug Back T.D.: MD 9579 TVD  
20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
*CONDUCTIVITY LOG, CALIBRATION LOG, MICROLOG/GR, GR/CL*

22. Was well cored?  No  Yes (Submit analysis)  
Was DST run?  No  Yes (Submit analysis)  
Directional Survey?  No  Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
						335	202		
						1985	463		
12.250	9.625 J-55	36.0		1811		150	32		
7.875	4.500 M-80	11.6		9600		20	30		

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375		8512						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	7245	9600	9358 TO 9528		60	
B)			8732 TO 8930		152	
C)			7826 TO 8080		80	
D)			7561 TO 7722		80	

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

Depth Interval	Amount and Type of Material
9358 TO 9528	820 BBLs, 85,500# SD
8732 TO 8930	2174 BBLs, 237,000# SD
7826 TO 8080	1741 BBLs, 221,000# SD
7561 TO 7722	1245 BBLs, 170,000# SD

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MAR 22 2004

DIV. OF OIL, GAS & MINING

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01/31/2004	02/05/2004	24	→	0.0	809.0	192.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
24/64	SI 289	719.0	→	0	809	192		PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #28847 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)  
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH MESAVERDE	4334 7245	7245 9600			

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MAR 22 2004  
DIV. OF OIL, GAS & MINING

32. Additional remarks (include plugging procedure):

ADD'L PERFS-  
6528-6536- 32 HOLES- 496 BBLs, 70,000# SD  
CMT INFO-  
9.625" CSG- CLASS G 150 SX 1.18 YIELD 15.6 PPG 177 CF 31.5 BBLs  
4.5" CSG- LEAD- SCAVENGER 20 SX 8.44 YIELD 9.5 PG 168.8 CF 30.1 BBLs  
PREM LT II 335 SX 3.38 YIELD 11 PPG 1132.3 CF 201.7 BBLs  
TAIL- 50/50 POZ MIX 1985 SX 1.31 YIELD 14.3 PPG 2600.35 CF 463.1 BBLs

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #28847 Verified by the BLM Well Information System.  
For WESTPORT OIL & GAS COMPANY, sent to the Vernal

Name (please print) DEBRA DOMENICI Title SR ADMINISTRATIVE ASSISTANT

Signature (Electronic Submission) Date 03/12/2004

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.

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**Additional data for transaction #28847 that would not fit on the form**

**26. Perforation Record, continued**

<b>Perf Interval</b>	<b>Size</b>	<b>No. Holes</b>	<b>Perf Status</b>
7268 TO 7454		80	

**27. Acid, Fracture, Treatment, Cement Squeeze, etc., continued**

<b>Depth Interval</b>	<b>Amount and Type of Material</b>
7268 TO 7454	1140 BBLs, 150,000# SD

**RECEIVED**  
**MAR 22 2004**  
**DIV. OF OIL, GAS & MINING**

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>
1. DJJ
2. CDW

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:		<b>1/6/2006</b>
<b>FROM:</b> (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	<b>TO:</b> ( New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	

WELL NAME	CA No.	Unit:	NATURAL BUTTES UNIT					
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on:
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
- 6. Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- 7. Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- 8. Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**KERR-McGEE OIL & GAS ONSHORE LP**

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

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED**

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006. KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

**RECEIVED**

**MAY 10 2006**

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203  
BIA BOND = RLB0005239*

**APPROVED 5/16/06**

*Earlene Russell*  
**Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>RANDY BAYNE</b>	Title <b>DRILLING MANAGER</b>
Signature <i>Randy Bayne</i>	Date <b>May 9, 2006</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
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	

Title 18 U.S.C. Section 1001, 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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**WESTPORT OIL & GAS COMPANY L.P.**

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

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED**

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>

13. Describe Proposed or Completed Operations (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.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

**APPROVED** 5/16/06  
*Earlene Russell*  
 Division of Oil, Gas and Mining  
 Earlene Russell, Engineering Technician

RECEIVED  
 MAY 10 2006

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>BRAD LANEY</b>	Title <b>ENGINEERING SPECIALIST</b>
Signature <i>Brad Laney</i>	Date <b>May 9, 2006</b>

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>Brad Laney</i>	Title	Date <b>5-9-06</b>
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	

Title 18 U.S.C. Section 1001, 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.



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Colorado State Office  
2850 Youngfield Street  
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)  
3106  
COC017387 et. al.

March 23, 2006

### NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :  
1999 Broadway, Suite 3700 : Oil & Gas  
Denver, CO 80202 :

#### Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell  
Martha L. Maxwell  
Land Law Examiner  
Fluid Minerals Adjudication

**Attachment:**

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>

IN REPLY REFER TO:  
3106  
(UT-922)

March 27, 2006

## Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of  
Fluid Minerals

## Enclosure

Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225  
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114  
Teresa Thompson  
Joe Incardine  
Connie Seare  
Dave Mascarenas  
Susan Bauman

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MAR 28 2006

DIV. OF OIL, GAS & MINERAL



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU02278

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

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.  
UNIT #891008900A

2. Name of Operator  
KERR-MCGEE OIL & GAS ONSHORE-Mail: sheila.upcheho@anadarko.com

Contact: SHEILA UPCHEGO

8. Lease Name and Well No.  
NBU 420

3. Address 1368 SOUTH 1200 EAST  
VERNAL, UT 84078

3a. Phone No. (include area code)  
Ph: 435-781-7024

9. API Well No.  
43-047-34377

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

At surface SESE 343FSL 416FWL

At top prod interval reported below SESE 343FSL 416FWL

At total depth SESE 343FSL 416FWL

10. Field and Pool, or Exploratory  
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey  
or Area Sec 20 T10S R21E Mer SLB

12. County or Parish  
UINTAH

13. State  
UT

14. Date Spudded  
12/05/2003

15. Date T.D. Reached  
12/24/2003

16. Date Completed  
 D & A  Ready to Prod.  
10/28/2008

17. Elevations (DF, KB, RT, GL)\*  
5278 GL

18. Total Depth: MD 9600  
TVD

19. Plug Back T.D.: MD 5680  
TVD

20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
N/A

22. Was well cored?  No  Yes (Submit analysis)  
Was DST run?  No  Yes (Submit analysis)  
Directional Survey?  No  Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0		1840		1170			
7.875	4.500 I-80	11.6		9600		2290			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	5253							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	4728	5650	4728 TO 5650	0.360	160	OPEN
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
4728 TO 5650	PMP 6648 BBLs SLICK H2O & 252,700# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/28/2008	11/13/2008	24	→	0.0	606.0	80.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	162 SI	501.0	→	0	606	80		PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #65588 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

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DEC 18 2008

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH	4336	7218			
MESAVERDE	7258	9577			

32. Additional remarks (include plugging procedure):

RECEIVED  
DEC 18 2008  
DIV. OF OIL, GAS & MINING

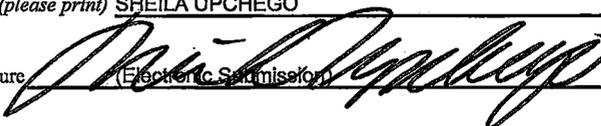
33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #65588 Verified by the BLM Well Information System.  
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name (please print) SHEILA UPCHEGO Title OPERATIONS

Signature  Date 12/15/2008

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

\*\* ORIGINAL \*\*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
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.**

5. Lease Serial No.  
UTU-02278

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator  
KERR MCGEE OIL & GAS ONSHORE LP

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

3b. Phone No. (include area code)  
435.781.7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SE/SE SEC. 20, T10S, R2E 343FSL, 416FEL

7. If Unit of CA/Agreement, Name and/or No.  
UNIT #891008900A

8. Well Name and No.  
NBU 420

9. API Well No.  
4304734377

10. Field and Pool or Exploratory Area  
NATURAL BUTTES

11. Country or Parish, State  
UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

THE OPERATOR HAS PERFORMED A RECOMPLETION ON THE SUBJECT WELL LOCATION. THE OPERATOR HAS RETURNED THE SUBJECT WELL LOCATION BACK TO PRODUCTION ON 10/28/2008 AT 8:45 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED

DEC 22 2008

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)  
SHEILA UPCHEGO

Title REGULATORY ANALYST

Signature



Date 12/17/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
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	

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.

EVENT INFORMATION: EVENT ACTIVITY: RECOMPLETION START DATE: 10/20/2008 AFE NO.: 2028524  
 OBJECTIVE: DEVELOPMENT END DATE: 10/22/2008  
 OBJECTIVE 2: RECOMPLETE DATE WELL STARTED PROD.: 12/12/2003  
 REASON: WAS Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location  
 10/20/2008 10/22/2008

MILES 3 / 3							
Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
10/20/2008	SUPERVISOR: DOUG CHIVERS						
	7:00 - 7:30	0.50	COMP	48		P	HSM. WORKING AROUND GAS
	7:30 - 17:00	9.50	COMP	31	I	P	SICP 700 PSI, SITP 200 PSI. BLOW WELL DOWN. PUMP 30 BBLS DOWN TUBING & 30 BBLS DOWN CASING. WELL DEAD. ND WH NU BOP. PU ON TBG LD TBG HANGER. POOH STAND BACK 174 JTS = 5,668'. LD 87 JTS OF 2 3/8" J-55 4.7# TBG. ON TRL PU 3 7/8" MILL & SUB RIH TO 5,700' TO MAKE SURE WELL IS CLEAN FOR CBP TO BE SET @ 5,680'. POOH LD 33 JTS STAND BACK 71 STANDS = 4,628'. ND BOP NU FRAC VALVES. SWI SDFN
10/21/2008	SUPERVISOR: DOUG CHIVERS						
	7:00 - 7:30	0.50	COMP	48		P	HSM. FRACING & PERFORATING

RECEIVED

10/21/08

DIV. OF OIL, GAS & MINING

7:30 - 18:30 11.00 COMP 36 B P

SICP 700 PSI. BLOW WELL DOWN. MIRU BJ & CUTTERS TO FRAC & PERFORATE. PU 4 1/2" 8K BAKER CBP. RIH SET CBP @ 5,680'. POOH W/ WIRE LINE. MIRU B&C QUICK TEST TO TEST CASING. BLEED DOWN WELL FILL HOLE W/ 2% KCL. PRESSURE TEST CASING & FRAC VALVES TO 6,000 PSI. RDMO B&C QUICK TEST. PRIME UP PUMPS & LINES & PRESSURE TEST SURFACE EQUIPMENT TO 7,500 PSI.

STG 1) PU 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING. RIH PERF 5,640' - 60 4SPF 40 HOLES. WHP 90 PSI, BRK 4,327 PSI @ 3.6 BPM, ISIP 1,801 PSI, FG .77 PUMP 100 BBLS @ 54 BPM @ 3,870 PSI = 100% HOLES OPEN. MP 5,298 PSI, MR 60 BPM, AP 3956 PSI, AR 55.5 BPM, ISIP 2,429 PSI, FG .88 NPI 628 PSI. PUMP 1,228 BBLS OF SW & 36,265 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP 41,265 LBS.

STG 2) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING. RIH SET 8K BAKER CBP @ 5,444' & PERF 5,407' - 14' 4SPF, 5,275' - 14' 4SPF 40 HOLES. WHP 224 PSI, BRK 1,488 PSI @ 3.7 BPM, ISIP 474 PSI, FG .54 PUMP 100 BBLS @ 54 BPM @ 3,498 PSI = 100% HOLES OPEN. MP 4,409 PSI, MR 55.5 BPM, AP 3,555 PSI, AR 55 BPM, ISIP 2,083 PSI, FG .84 NPI 1,609 PSI. PUMP 3,037 BBLS OF SW & 112,835 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP 117,835 LBS.

STG 3) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING. RIH SET 8K BAKER CBP @ 5,224' & PERF 5,184' - 94' 4SPF, 40 HOLES. WHP 280 PSI, BRK 3,951 PSI @ 3.7 BPM, ISIP 1908 PSI, FG .82 PUMP 100 BBLS @ 40.3 BPM @ 3,000 PSI = 100% HOLES OPEN. MP 3,346 PSI, MR 41.7 BPM, AP 2,980 PSI, AR 40.4 BPM, ISIP 2,265 PSI, FG .88 NPI 357 PSI. PUMP 1,257 BBLS OF SW & 42,344 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP 47,344 LBS.

STG 4) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING. RIH SET 8K BAKER CBP @ 4,768' & PERF 4,728' - 38' 4SPF, 40 HOLES. WHP 300 PSI, BRK 2,387 PSI @ 3.7 BPM, ISIP 1,358 PSI, FG .73 PUMP 100 BBLS @ 51.4 BPM @ 3,800 PSI = 75% HOLES OPEN. MP 4,671 PSI, MR 51.6 BPM, AP 3,799 PSI, AR 51.2 BPM, ISIP 2,428 PSI, FG .96 NPI 1,070 PSI. PUMP 1,126 BBLS OF SW & 41,256 LBS OF 30/50 SAND & 5,000 LBS OF 20/40 RESIN SAND. TOTAL PROP 46,256 LBS.

KILL PLG ) PU 4 1/2" BAKER 8K CBP RIH SET @ 4,678'. RDMO CUTTERS & BJ SERVICES. KILL PLUG CAME APART. WAITE FOR ANOTHER CBP. RIH SET 8K BAKER CBP @ 4,570' BLEED OFF WELL PRESSURE. RDMO CUTTERS AGAIN. SWI SDFN.

10/22/2008

SUPERVISOR: DOUG CHIVERS

7:00 - 7:30 0.50 COMP 48 P

HSM. JSA 2

RECEIVED

10/22/2008

DIV. OF OIL, GAS & MINING

Time	Activity	Comp	44	C	P	Description
7:30 - 18:23	10.88	COMP	44	C	P	SICP 0 PSI. ND FRAC VALVES NU BOP. PU 3 7/8" MILL & SLIDING SLEEVE & RIH W/ 141 JTS OF 2 3/8" J-55 4.7# TBG (USED TUBING). RU RIG PUMP & BRK CIRC W/ 2% KCL WATER. RIH C/O 0' OF SAND TAG PLG 1 @ 4,570' MILL PLG IN 15 MIN 100 PSI INCREASE. RIH C/O 10' OF SAND TAG PLG 2 @ 4,670' MILL PLG IN 15 MIN 100 PSI INCREASE. RIH C/O 30' OF SAND TAG PLG 3 @ 4,768' MILL PLG IN 15 MIN 200 PSI INCREASE. RIH C/O 30' OF SAND TAG PLG 4 @ 5,225' MILL PLG IN 15 MIN 100 PSI INCREASE. RIH C/O 30' OF SAND TAG PLG 5 @ 5,444' MILL PLG IN 15 MIN 100 PSI INCREASE. RIH C/O TO CBP @ 5,680'. CIRC WELL CLEAN. POOH LD 14 JTS. LAND TBG W/ 161 JTS OF 2 3/8" J-55 TBG. EOT @ 5,252.77'. ND BOP NU WELL HEAD. MIRU DELSCO SLICK LINE. EQUALIZE PRESSURE ON TUBING & CASING. RIH W/ SLICK LINE & PULL OTIS OPENING SLEEVE TO OPEN SLIDING SLEEVE. POOH W/ OTIS SLEVE. RIH W/ OTIS TEST SLEVE. TURN WELL OVER TO FLOW BACK CREW
10/23/2008	SUPERVISOR: MICK RICHARDSON 7:00 -		33	A		7 AM FLBK REPORT: CP 50#, TP 50#, OPEN/64" CK, 4 BWPB; TRACE SAND, LIGHT GAS TTL BBLS RECOVERED: 1020 BBLS LEFT TO RECOVER: 5645
10/24/2008	SUPERVISOR: MICK RICHARDSON 7:00 -		33	A		7 AM FLBK REPORT: CP 1475#, TP 40#, OPEN/64" CK, 0 BWPB, - SAND, LIGHT GAS TTL BBLS RECOVERED: 1503 BBLS LEFT TO RECOVER: 5162
10/25/2008	SUPERVISOR: MICK RICHARDSON 7:00 -		33	A		7 AM FLBK REPORT: CP 1350#, TP 100#, OPEN/64" CK, 5 BWPB, TRACE SAND, LIGHT GAS TTL BBLS RECOVERED: 1849 BBLS LEFT TO RECOVER: 4816
10/26/2008	SUPERVISOR: MICK RICHARDSON 7:00 -		33	A		7 AM FLBK REPORT: CP 1200#, TP 50#, OPEN/64" CK, 0 BWPB, NONE SAND, LIGHT GAS TTL BBLS RECOVERED: 1960 BBLS LEFT TO RECOVER: 4705
10/27/2008	SUPERVISOR: THOMAS OAKS 7:00 -  9:45 -		33	A		7 AM FLBK REPORT: CP 925#, TP 250#, 28/64" CK, 16 BWPB, NONE SAND, LIGHT GAS TTL BBLS RECOVERED: 2336 BBLS LEFT TO RECOVER: 4329  WELL TURNED TO SALES @ 0945 HR ON 10/27/2008 - FTP 363#, CP 1038#, CK 18/64", 300 MCFD, 384 BWPB
		PROD				

RECEIVED

OCT 28 2008

DIV. OF OIL, GAS &amp; MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> U-02278	
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.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES	
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>8. WELL NAME and NUMBER:</b> NBU 420	
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		<b>9. API NUMBER:</b> 43047343770000	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0343 FSL 0416 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESE Section: 20 Township: 10.0S Range: 21.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES	
		<b>COUNTY:</b> UINTAH	
		<b>STATE:</b> UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
THE SUBJECT WELL WAS RETURNED TO PRODUCTION ON 04/27/2011.			
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>			
<b>NAME (PLEASE PRINT)</b> Sheila Wopsock	<b>PHONE NUMBER</b> 435 781-7024	<b>TITLE</b> Regulatory Analyst	
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/3/2011		

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>8. WELL NAME and NUMBER:</b> NBU 420
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		<b>9. API NUMBER:</b> 43047343770000
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		<b>COUNTY:</b> UINTAH
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/26/2011	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> DRILLING REPORT Report Date:	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> APD EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER: <input style="width: 50px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
THE SUBJECT WELL WAS RETURNED BACK TO PRODUCTION ON 09/26/2011		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>		
<b>NAME (PLEASE PRINT)</b> Sheila Wopsock	<b>PHONE NUMBER</b> 435 781-7024	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/7/2011	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: U-02278
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3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	8. WELL NAME and NUMBER: NBU 420
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0343 FSL 0416 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 20 Township: 10.0S Range: 21.0E Meridian: S	9. API NUMBER: 43047343770000
PHONE NUMBER: 720 929-6111	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 2/3/2015	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

The NBU 420 well was returned to production on 2/03/2015. Thank you.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 February 09, 2015

NAME (PLEASE PRINT) Kristina Geno	PHONE NUMBER 720 929-6824	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 2/5/2015	