

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

FORM 3

AMENDED REPORT
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: U-01194-A-ST	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT	
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		9. WELL NAME and NUMBER: NBU 441	
3. ADDRESS OF OPERATOR: P.O. Box 1148 CITY Vernal STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7023	10. FIELD AND POOL, OR WILDCAT: Natural Buttes
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 612' FNL & 506' FWL AT PROPOSED PRODUCINGZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 35 9S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 18.1 Miles Southeast of Ouray, UT		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 506	16. NUMBER OF ACRES IN LEASE: 802.97	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Refer to Topo C	19. PROPOSED DEPTH: 8,250	20. BOND DESCRIPTION: 400JU0705	
21. ELEVATIONS (SHOW WHETHER OF, RT, GR, ETC.): 4981' GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION: 10 Days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
11-12 1/4	8 5/8 or 9 5/8	250	Refer to 10 pt program
7 7/8	4 1/2 or 5 1/2	8,250	Refer to 10 pt program

CONFIDENTIAL

25. **ATTACHMENTS**

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- COMPLETE DRILLING PLAN
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

RECEIVED

NAME (PLEASE PRINT) Cheryl Cameron TITLE Operations NOV 22 2002
SIGNATURE *Cheryl Cameron* DATE 11/18/2002 DIVISION OF

(This space for State use only)

API NUMBER ASSIGNED: 43-047-34791

APPROVAL:

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 01-29-03
By: *[Signature]*

T9S, R21E, S.L.B.&M.

EL PASO PRODUCTION OIL & GAS COMPANY

Well location, NBU #441, located as shown in the NW 1/4 NW 1/4 of Section 35, T9S, R21E, S.L.B.&M. Uintah County, Utah.

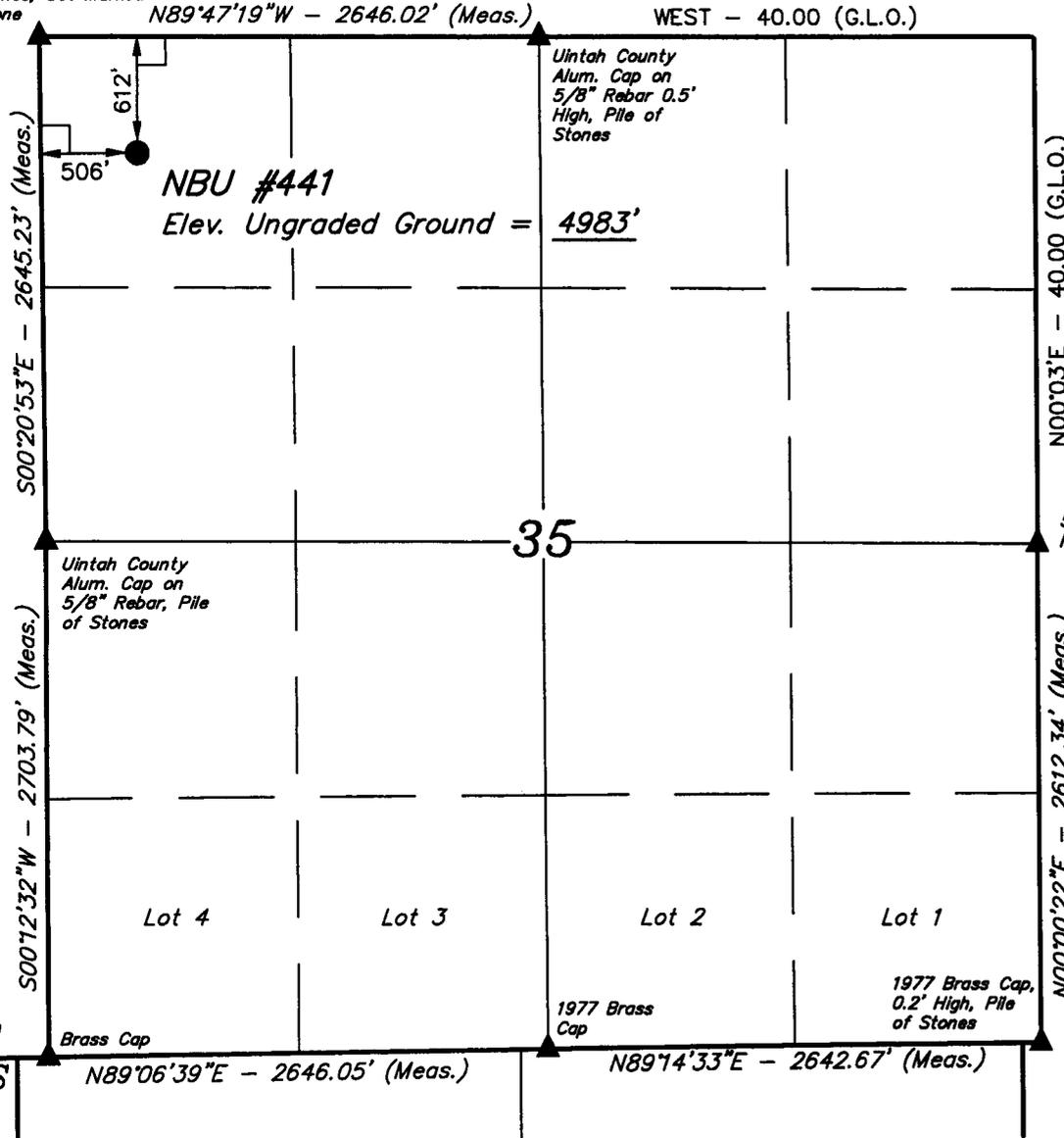
Uintah County Alum. Cap on 5/8" Rebar, 0.5' High, Pile of Stones, Set Marked Stone

Uintah County Alum. Cap on 5/8" Rebar 0.5' High, Pile of Stones

Uintah County Alum. Cap on 5/8" Rebar, Pile of Stones

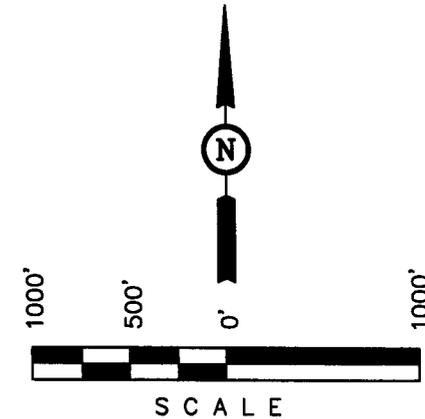
1977 Brass Cap

1977 Brass Cap, 0.2' High, Pile of Stones



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, UTAH 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 A. King

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

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

SEC. 2 LATITUDE = 39°59'53"
LONGITUDE = 109°31'36"
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

SCALE 1" = 1000'	DATE SURVEYED: 1-2-02	DATE DRAWN: 1-3-02
PARTY G.S. K.S. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EL PASO PRODUCTION OIL & GAS COMPANY	

NBU 441
 NWNW Sec. ~~34~~³⁵, T9S, R21E
 Uintah County, UT
 U-01194-A-ST

EL PASO PRODUCTION COMPANY
DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>
KB	4995'
Wasatch	4750'
Mesaverde	7450'
Total Depth	8250'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Wasatch	4750'
Gas	Mesaverde	7450'
Water	N/A	
Other Minerals	N/A	

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

The BOP stack will consist of one 11" 3,000 psi annular BOP, one 11" 3,000 psi double ram, and one 11' drilling spool. The lower ram will contain pipe rams, and the upper ram will contain blind rams.

The choke and kill lines and the choke manifold will have a 3,000 psi minimum pressure rating.

The hydrill will be tested to 1,500 psi. The rams, choke manifold, kelly safety valves, drill string safety valves, and inside BOP will be tested to 3,000 psi.

4. **Proposed Casing Program:** → see secondary dated 1/16/03

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt/ft</u>	<u>Grade</u>	<u>Type</u>
Surface	0-250'	11" or 12 1/4"	8 5/8" or 9 5/8"	24#, 32.3#, 36#, or 40#	K-55, H-40, or J-55	ST&C
Production	0-TD	7 7/8"	4 1/2" or 5 1/2"	11.6#	N-80	LT&C

The proposed casing and cementing program shall be conducted as approved to to protect and/or isolate all usable water zones potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation that will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, shall be new or reconditioned and tested. Used casing shall meet or exceed API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing. If drive pipe is used, it may be left in place if its total length is less than twenty feet below the surface. If the total length of the drive pipe is equal to or greater than twenty feet, it will be pulled prior to cementing surface casing, or it will be cemented in place.

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

Maximum anticipated bottom hole pressure calculated @ 8250 TD approximately equals 3300 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1485 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

All casing strings below the conductor shall be pressure tested to 0.22 psi/foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

Casing design is subject to revision based on geologic conditions encountered.

Proposed Cementing Program: see sundry dated 4/16/03

<u>Surface</u>	<u>Fill</u>	<u>Type & Amount</u>
0-250'	250'	A minimum of 85 sx Class "G" + 2% CaCl ₂ , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess)

<u>Production</u>	<u>Type & Amount</u>
200' above the top-most resource interval	Lead: Extended, Lite, or Hi-Fill cement + additives, 11 or 12 ppg, 2.69 cf/sx
TD-500' above productive internal	Tail: Extended Class "G" or 50:50 Poz + additives, 14 ppg, or RFC, 14.0 – 14.5 ppg, 1.57 cf/sx.

For production casing, actual cement volumes will be determined from the calculated hole volume + 60% excess, minimum. Cement volumes will include an amount sufficient to circulate to surface, if possible. Operator will continue to attempt to circulate cement to surface, but at a minimum, circulation will be 200' above the top of the Green River Formation, or as directed by the Authorized Officer (AO) or Acting, or as specified in the Conditions of Approval (COA) in the Application for Permit to Drill (APD).

For surface casing, waiting on cement time will be adequate to achieve 500 psi compressive strength at the casing shoe prior to drilling out.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The Division of Oil, Gas, and Mining (DOGGM) Office shall be notified, with sufficient lead time, in order to have a DOGM representative on location while running all casing strings and cementing.

After cementing the surface pipe and/or any intermediate strings, but before commencing any test, The casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the Driller's Log.

Auxiliary Well Control Equipment to Be Used:

Kelly Cock
A sub with a full opening (TIW) valve having threads compatible with drill string tubulars.

5. **Drilling Fluids Program:**

WASATCH

<u>Interval</u>	<u>Type</u>	<u>Mud Weight</u>
0-TD	Air/Air Mist/Aerated Water/Water (as hole conditions Warrant) Displace Hole to 10 ppg brine mud, prior to logging.	8.4 ppg or less

MESAVERDE

<u>Interval</u>	<u>Type</u>	<u>Mud Weight</u>
0-TD	Air/Air Mist/Aerated Water/Water (as hole conditions warrant) Depending on hole conditions, the hole will be displaced to either 10 ppg brine or drilling mud prior to logging. If hole conditions warrant, a mud system will be used.	8.4 ppg or less

No chromate additives will be used in the mud system prior to approval to ensure adequate protection of fresh water aquifers.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well.

6. Evaluation Program:

The Evaluation Program may change at the discretion of the well site geologist with approval by The Authorized Officer.

Cased Hole Logs Only

GR/Dipole Sonic/Neutron:	TD-500' above the Wasatch Formation (to surface at times)
Drill Stem Tests:	As deemed necessary
Cores:	As deemed necessary

When cement has not been circulated to surface, the cement top will be determined by Either a temperature survey or cement bond log. Should a temperature survey fail to Locate the cement top, a cement bond log shall be run.

Open Hole Logs

PEX:	From TD - Surface
------	-------------------

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth.

8. Variances:

Operator requests approval to perform drilling operations without an automatic igniter because drilling will be performed with an air/mist medium.

9. **Other Information:**

All loading lines will be placed inside the berm surrounding the tank battery.

10. **Anticipated Starting Dates & Notification of Operations:**

Anticipated commencement date shall be upon approval of the proposed APD.

Drilling Days: Approximately 10 days

Completion Days: Approximately 7 days

NBU 441
NWNW Sec. ~~24~~³⁵, T9S, R21E
Uintah County, UT
U-01194-A-ST

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

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

Refer to the attached directions to the proposed location site.

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

Improvements to existing access roads shall be determined at the on-site inspection.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet, *unless modified at the on-site inspection*. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities shall be determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

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 required color is Carlsbad Canyon (2.5Y 6/2).

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Refer to Topo Map D for the proposed pipeline placement.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

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

No water well is to be drilled on this lease.

6. Source of Construction Materials

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids. *The need for a reserve pit liner will be determined at the on-site inspection.*

If a plastic reinforced liner is used, it will be a minimum of 12 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

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.

8. Ancillary Facilities

None are anticipated.

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). ***This section is subject to modification as a result of the on-site inspection.***

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

If it is determined that a pit liner will be used at the on-site inspection, the reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling 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).

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

If a plastic, nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of

irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

State of Utah
SITLA
675 East 500 South
Salt Lake City, UT 84102-2818

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been conducted. A copy of this report is attached.

This proposed location is not within 460 feet from the boundary of the Natural Buttes Unit, nor is it within 460 feet 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 Company
P.O. Box 1148
Vernal, UT 84078
(435) 781-7023

Scott Palmer
Drilling Manager
El Paso Production Company
9 Greenway Plaza
Houston, TX 77046
(832) 676-3391

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

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by El Paso Production Company, State Bond No. 400JU0705.

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.


Cheryl Cameron

11/18/02

Date

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #441

SECTION 35, T9S, 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; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 300' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL TO THE PROPOSED LOCATION IS APPROXIMATELY 49.1 MILES.

ORIGINAL

**CULTURAL RESOURCE INVENTORY OF
EL PASO PRODUCTION'S SEVEN WELL
LOCATIONS IN NATURAL BUTTES,
UINTAH COUNTY, UTAH**

Keith R. Montgomery

Prepared For:

**Bureau of Land Management
(Vernal Field Office)
and
State of Utah
School and Institutional Trust Land Administration**

Prepared Under Contract With:

**El Paso Production Oil and Gas Company
1368 South 1200 East
Vernal, Utah 84078**

Prepared By:

**Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532**

MOAC Report No. 02-42

March 26, 2002

**United States Department of Interior (FLPMA)
Permit No. 01-UT-60122**

**State of Utah Antiquities Project (Survey)
Permit No. U-02-MQ-0124b,s**

RECEIVED

NOV 22 2002

**DIVISION OF
OIL, GAS AND MINING**

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in March 2002 for El Paso Production Oil and Gas Company's seven proposed well locations. The proposed well locations with access and pipeline corridors are situated in the Natural Buttes area, southeast of Ouray, Utah (Figures 1, 2, and 3). The survey was implemented at the request of Mr. Carroll Estes, El Paso Production Oil and Gas Company, Vernal, Utah. The project is situated on land administered by the Bureau of Land Management (BLM), Vernal Field Office, and by the State of Utah, School and Institutional Trust Land Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on March 20, 21, and 22, 2002 by Keith R. Montgomery, (Principal Investigator). The project was initiated under the auspices of U.S.D.I. (FLPMA) Permit No. 01-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-02-MQ-0124b,s issued to MOAC.

A file search was performed by Keith Montgomery at the BLM Vernal Field Office on March 5, 2002. This consultation indicated that several archaeological inventories have been completed in or near the project area. In 1979, Archaeological-Environmental Research Corporation (AERC) conducted a survey of sample areas within the Natural Buttes oil and gas field for the BLM (Hauck, et.al. 1979). The survey resulted in the discovery of 20 sites, 18 of which were prehistoric, and 10 isolated finds of artifacts. One of the sites (42UN660) occurs near proposed well location NBU #436, and consists of a prehistoric temporary camp with a variety of tools and some artifacts indicating a small historic component. None of the sites found by AERC are located immediately within the project areas. In 1981, Brigham Young University completed the Magic Circle Cottonwood Wash inventory (Thompson 1981). None of the sites documented in this study occur within the current project area. In 1981, BYU also completed an inventory for the TOSCO Corporation shale oil recovery plant and facilities (Nielson 1981). None of the sites documented are in or near the project areas. In 1991, Metcalf Archaeological Consultants (MAC) inventoried eighteen Natural Butte well locations for Coastal Oil and Gas (O'Brian, et. al. 1991). None of the cultural resources inventoried occur near or within the current project areas. Metcalf Archaeological Consultants surveyed a number of well locations for Coastal Oil & Gas Corporation in 1997 (Spath 1997), none of which are in the current project areas. In 2001 and 2002, Montgomery Archaeological Consultants inventoried

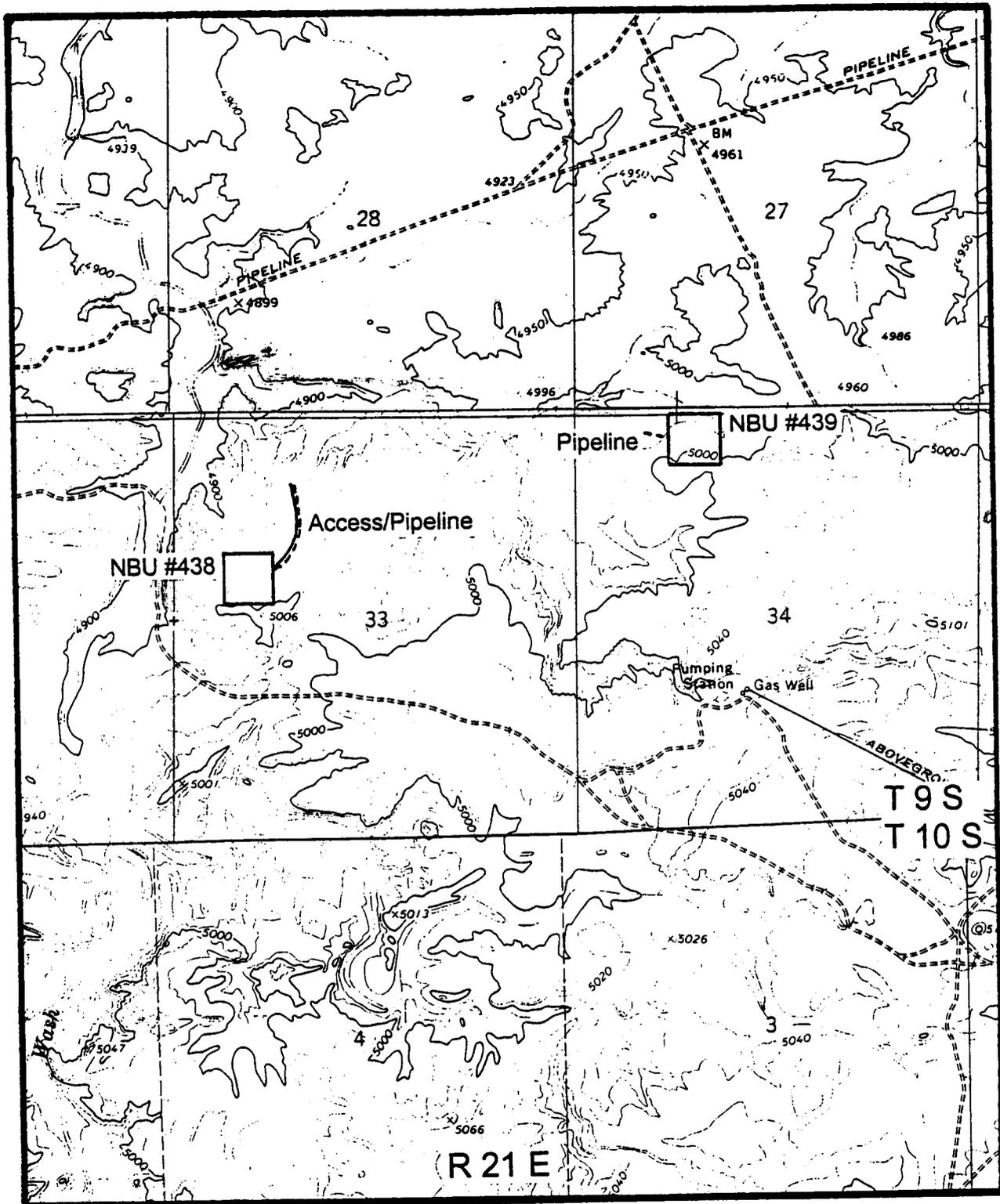


Figure 2. Inventory Area of El Paso Production Oil and Gas Company's NBU #438 and NBU #439 Well Locations. USGS 7.5' Ouray SE, Utah 1964 and Big Pack Mtn. NE, Utah 1987. Scale 1:24000.

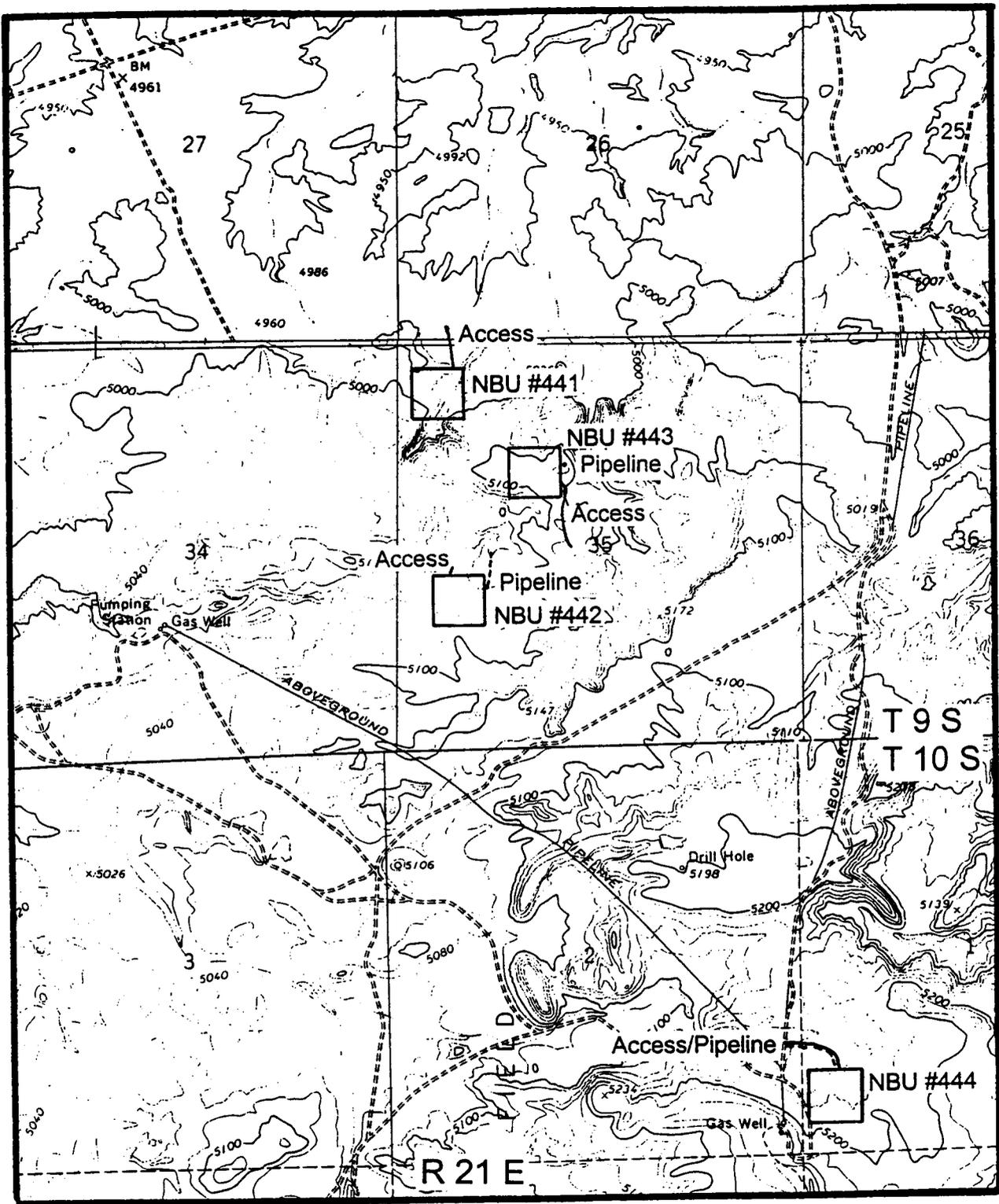


Figure 3. Inventory Area of El Paso Production Oil and Gas Company's NBU #441, NBU #442, NBU #443 and NBU #444 Well Locations. USGS 7.5' Ouray SE, Utah 1964 and Big Pack Mtn. NE, Utah 1987. Scale 1:24000.

35 El Paso Production's well locations in the Natural Buttes area (Montgomery 2001a, 2001b, 2001c, 2001d, 2002; Montgomery and Ball 2001). No archaeological sites have been documented in the immediate project areas in any of these previous inventories.

DESCRIPTION OF PROJECT AREA

The seven proposed El Paso Production well locations, access and pipeline corridors are situated in the Natural Buttes Field, southeast of Ouray, Utah (Table 1). The legal description is T 9S, R 21E, Sections 26, 30, 33, 34 and 35 and T 10S, R 21E, Sections 1 and 2 (USGS 7.5' Ouray SE Quadrangle; USGS 7.5' Big Pack Mtn. NE Quadrangle).

Table 1. El Paso Production's Natural Butte Seven Well Locations

Well Location Designation	Legal Location	Location at Surface	Access/Pipeline	Cultural Resources
NBU #436	T 9S, R 21E, Sec. 30	2080' FNL 2125' FEL	Access 600'	None
NBU #438	T 9S, R 21E, Sec. 33	2133' FNL 986' FWL	Access/Pipeline 1200'	None
NBU #439	T 9S, R 21E, Sec. 34	345' FNL 1687' FWL	Pipeline 300'	None
NBU #441	T 9S, R 21E, Sec. 26 and 35	612' FNL 506" FWL	Access 600'	None
NBU #442	T 9S, R 21E, Sec. 35	1964' FSL 815' FWL	Access 100' Pipeline 500'	None
NBU #443	T 9S, R 21E, Sec. 35	1679' FNL 1741" FWL	Access 900' Pipeline 50'	None
NBU #444	T 10S, R 21E, Sec. 1 and 2	704' FSL 460' FWL	Access/Pipeline 900'	None

Environment

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The geology is comprised of Tertiary age deposits which include Paleocene age deposits, and Eocene age fluvial and lacustrine sedimentary rocks. The Uinta Formation, which is predominate in the project area, occurs as eroded outcrops formed by fluvial deposited, stream laid interbedded sandstone and mudstone, and is known for its prolific paleontological localities. Specifically, the project area occurs on the east and west sides

of Cottonwood Wash on the valley floors which are interspersed by flat topped buttes and narrow steep-sided ridges. The area is heavily dissected and carved by ephemeral drainages. The surface geology consists of hard pan residual soil armored with shale and sandstone pebbles as well as some sand shadows. The elevation averages 5200 feet a.s.l. The project occurs within the Upper Sonoran Desert Shrub Association which includes shadscale, greasewood, mat saltbrush, snakeweed, rabbitbrush, prickly pear cactus, Indian ricegrass and non-native plants and grasses. Modern disturbances include roads, and oil/gas development.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At each of the proposed well locations, a ten acre area centered on the center stake of the location was surveyed by the archaeologists walking parallel transects spaced no more than 30 feet apart. The access and pipeline corridors were 100 feet wide, surveyed by walking parallel transects along the staked centerline, spaced no more than 10 m (30 ft) apart. A wider corridor (150 foot) was inspected when access/pipeline routes shared a corridor. Ground visibility was considered to be good. A total of 84.23 acres was inventoried, 24.48 on BLM (Vernal Field Office) administered land and 59.75 on State of Utah SITLA land.

RESULTS AND RECOMMENDATIONS

The inventory of the seven proposed El Paso Production Oil and Gas Company well locations resulted in the location of no archaeological resources. Based on the findings, a determination of "no historic properties affected" is recommended for this undertaking pursuant to Section 106, CFR 800.

REFERENCES CITED

- Hauck, F. R., D. G. Weder, and S. Kennette
1979 Final Report on the Natural Buttes Cultural Mitigation Study. Archaeological-Environmental Research Corporation, Salt Lake City, Utah. Project No. U-78-AF-0348b. On file at the BLM Vernal Field Office.
- Montgomery, K.R.
2001a Cultural Resource Inventory of El Paso Production's NBU #407 and NBU #408 well locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0455b,s. On file at the Utah Division of State History.
- 2001b Cultural Resource Inventory of El Paso Production's Natural Buttes 10 Well Locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0532b. On file at the BLM Vernal Field Office.
- 2001c Cultural Resource Inventory of El Paso Production's Natural Buttes 11 Well Locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0738b. On file at the BLM Vernal Field Office.
- 2001d Cultural Resource Inventory of El Paso Production's Natural Buttes 8 Well Locations, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0723b. On file at the BLM Vernal Field Office.
- 2002 Cultural Resource Inventory of El Paso Production's Well Locations NBU #428, NBU #440 and CIGE #285, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-02-MQ-0108b. On file at the BLM Vernal Field Office.
- Montgomery, K.R. and Ball, S.
2001 Cultural Resource Inventory of El Paso Production Oil and Gas Company's NBU #385 Well Location, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-01-MQ-0507s. On file at the Utah Division of State History.
- Nielson, A. S.
1981 Cultural Resource Inventory of the TOSCO Corporation Sand Wash Project in Uintah County, Utah. Brigham Young University, Cultural Resource Service Management, Provo, UT. Project No. U-81-BC-0721b. On file at the Utah Division of State History.
- O'Brian, P.K., P.M. Lubinski, and J.M. Scott
1991 Cultural Resources Inventory for 18 proposed Coastal Oil & Gas Well and Access Locations on State of Utah Lands, Uintah County, Utah. Metcalf Archaeological Consultants, Eagle, CO. Project No. U-91-MM-044s. On file at the Utah State Division of History.

Spath, C.
1997

Coastal Oil and Gas Corporation's Proposed CIGE #s 203, 210, 212, 220 and NBU #272 Well Pads, Pipelines and Access, Section 34, T9S, R21E, Sections 31 and 34, T9S, R22E, Section 16, T10S, R21E, and Section 11, T10S, R22E, Uintah County, Utah. Metcalf Archaeological Consultants, Eagle, CO. Project No. U-97-MM-0120s. On file at the BLM Vernal Field Office.

Stokes, W.L.
1986

Geology of Utah. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

Thompson, C.
1981

Cultural Resource Inventory of the Magic Circle Cottonwood Wash Project, Uintah County, Utah. Brigham Young University, Cultural Resource Service Management, Provo, UT. Project No. U-81-BC-686. On file at the Utah Division of State History.

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #441

LOCATED IN UINTAH COUNTY, UTAH
SECTION 35, T9S, R21E, S.L.B.&M.

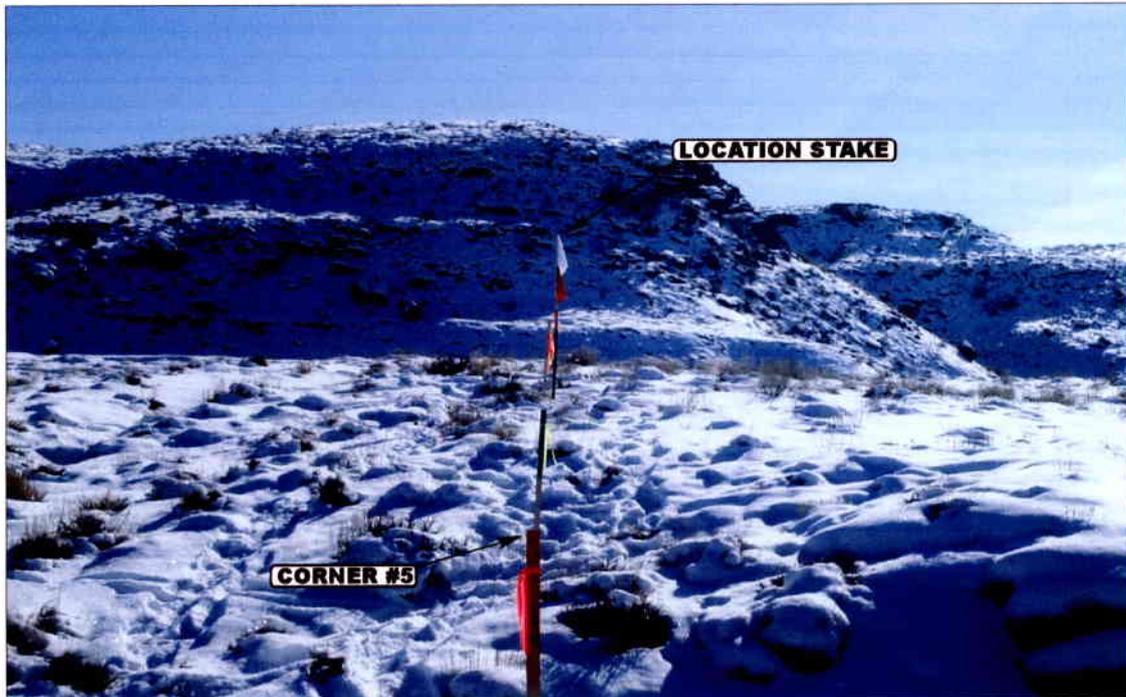


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

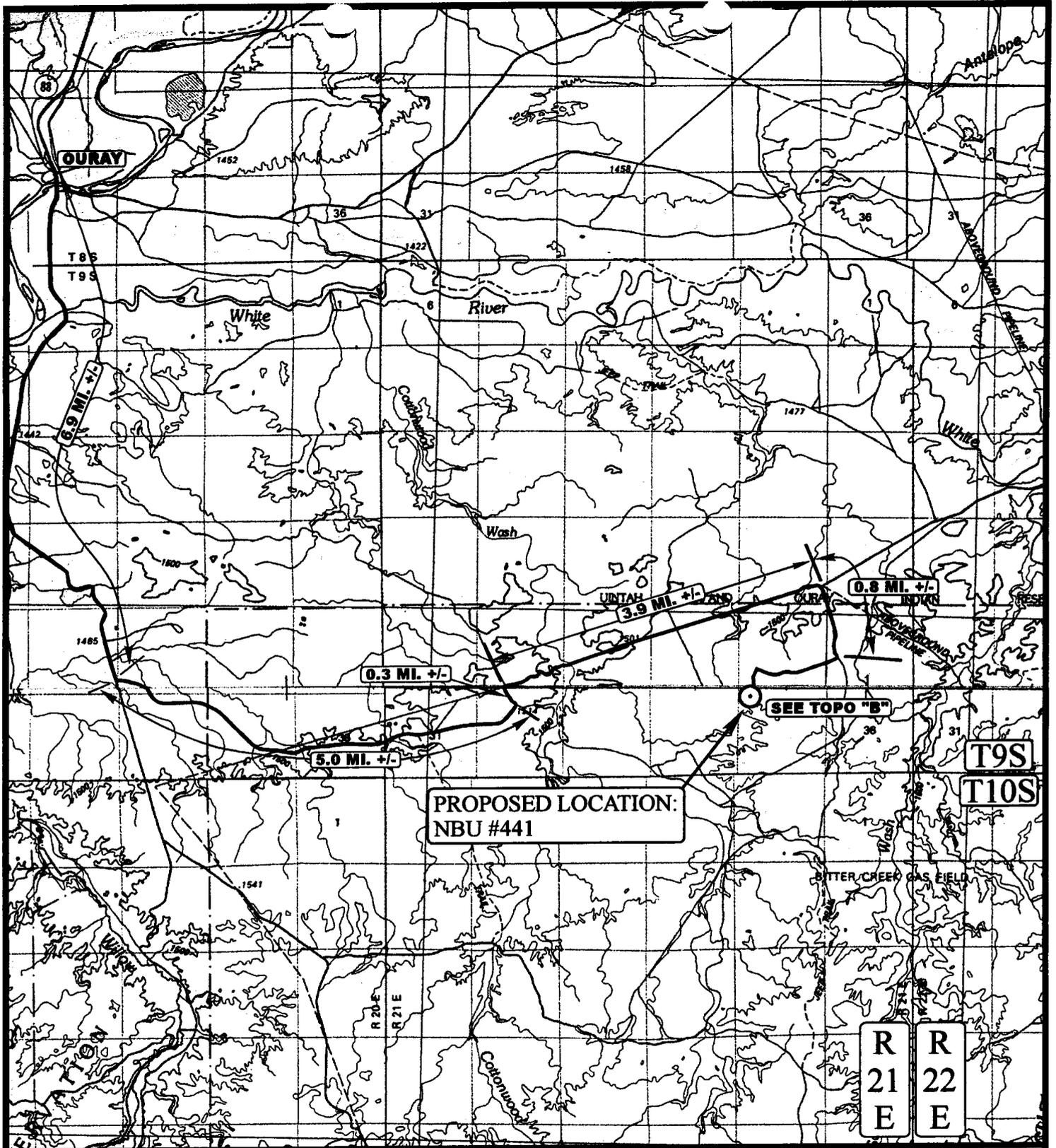
CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS	1	3	02	PHOTO
TAKEN BY: G.S.	MONTH	DAY	YEAR	
DRAWN BY: J.L.G.	REVISED: 00-00-00			



**PROPOSED LOCATION:
NBU #441**

LEGEND:

⊙ PROPOSED LOCATION



EL PASO PRODUCTION OIL & GAS COMPANY

**NBU #441
SECTION 35, T9S, R21E, S.L.B.&M.
612' FNL 506' FWL**



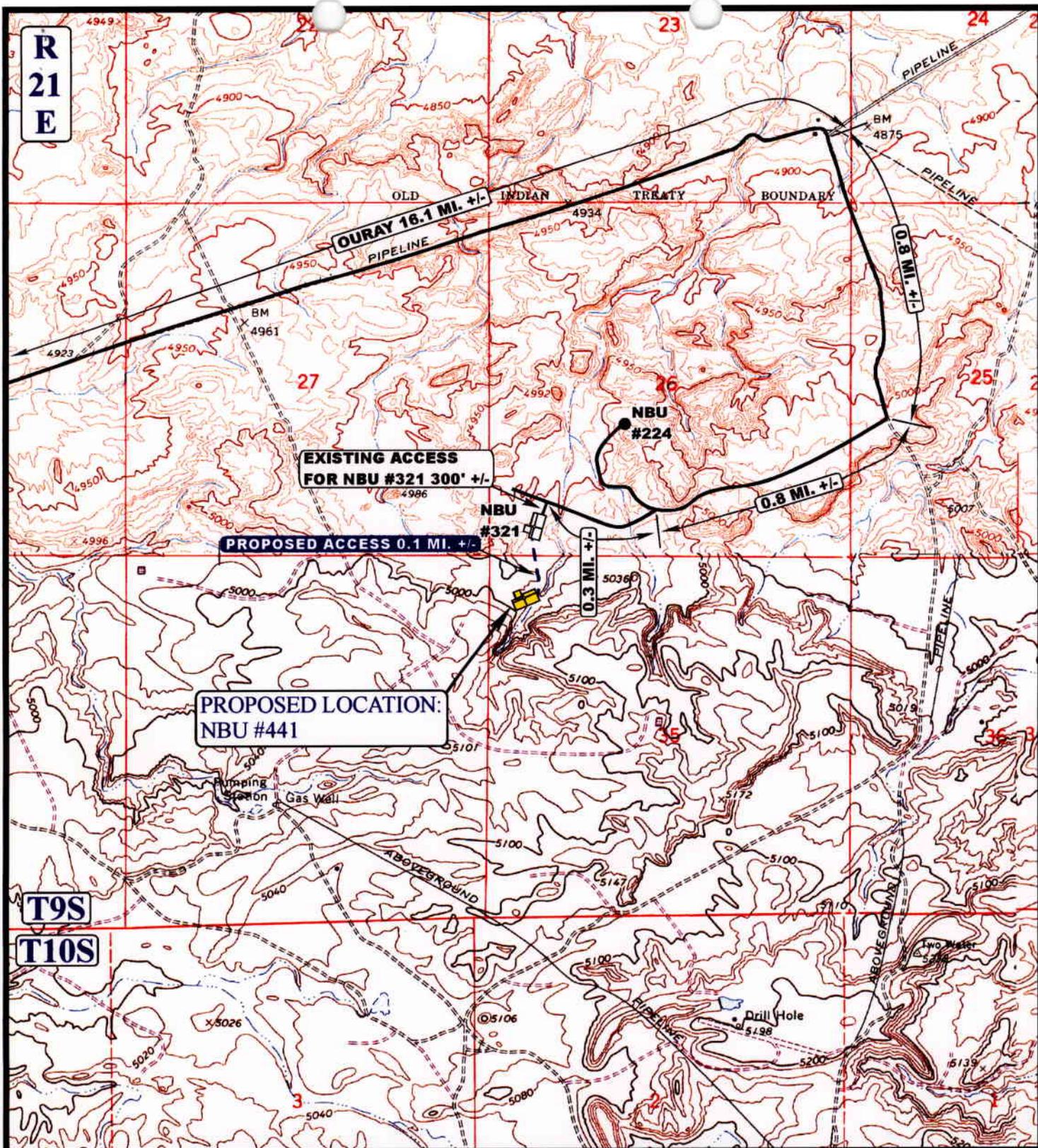
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

1	4	02
MONTH	DAY	YEAR

SCALE: 1 : 100,000 DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #441
SECTION 35, T9S, R21E, S.L.B.&M.
612' FNL 506' FWL



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

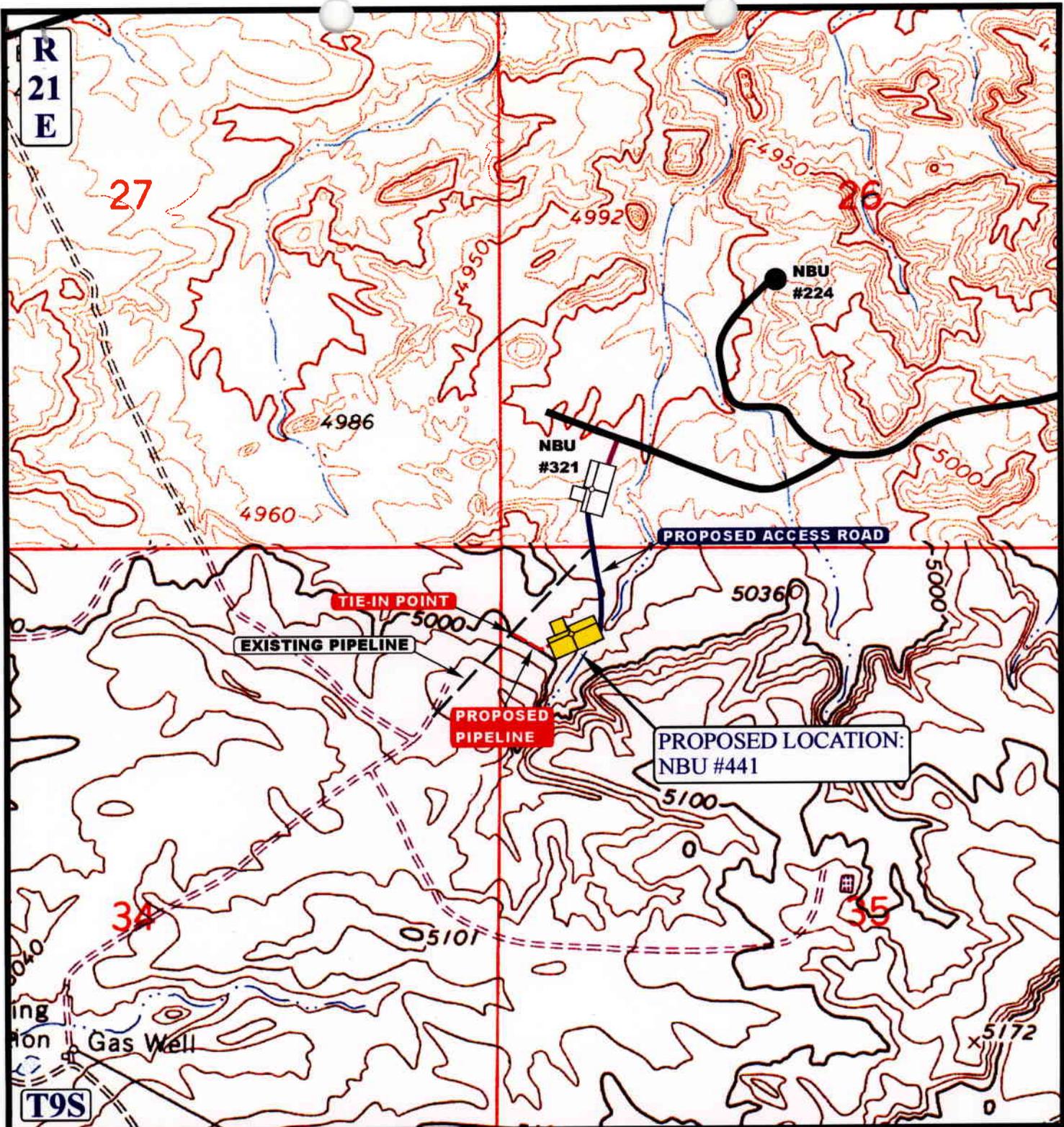


TOPOGRAPHIC
MAP

1	4	02
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

B
 TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 400' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

EL PASO PRODUCTION OIL & GAS COMPANY

NBU #441
SECTION 35, T9S, R21E, S.L.B.&M.
612' FNL 506' FWL



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

TOPOGRAPHIC **1** **4** **02**
MAP MONTH DAY YEAR
 SCALE: 1"=1000' DRAWN BY: J.L.G. REVISED: 00-00-00

D
 TOPO

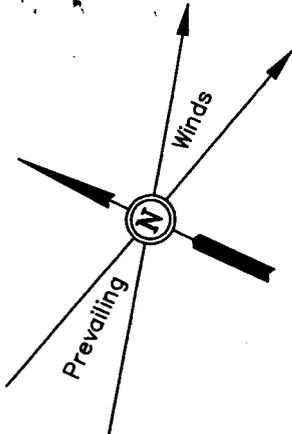
EL PASO PRODUCTION OIL & GAS COMPANY

LOCATION LAYOUT FOR

NBU #441

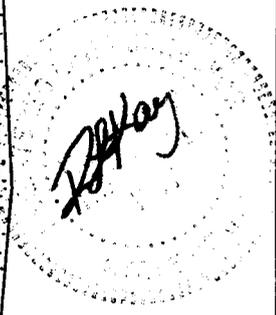
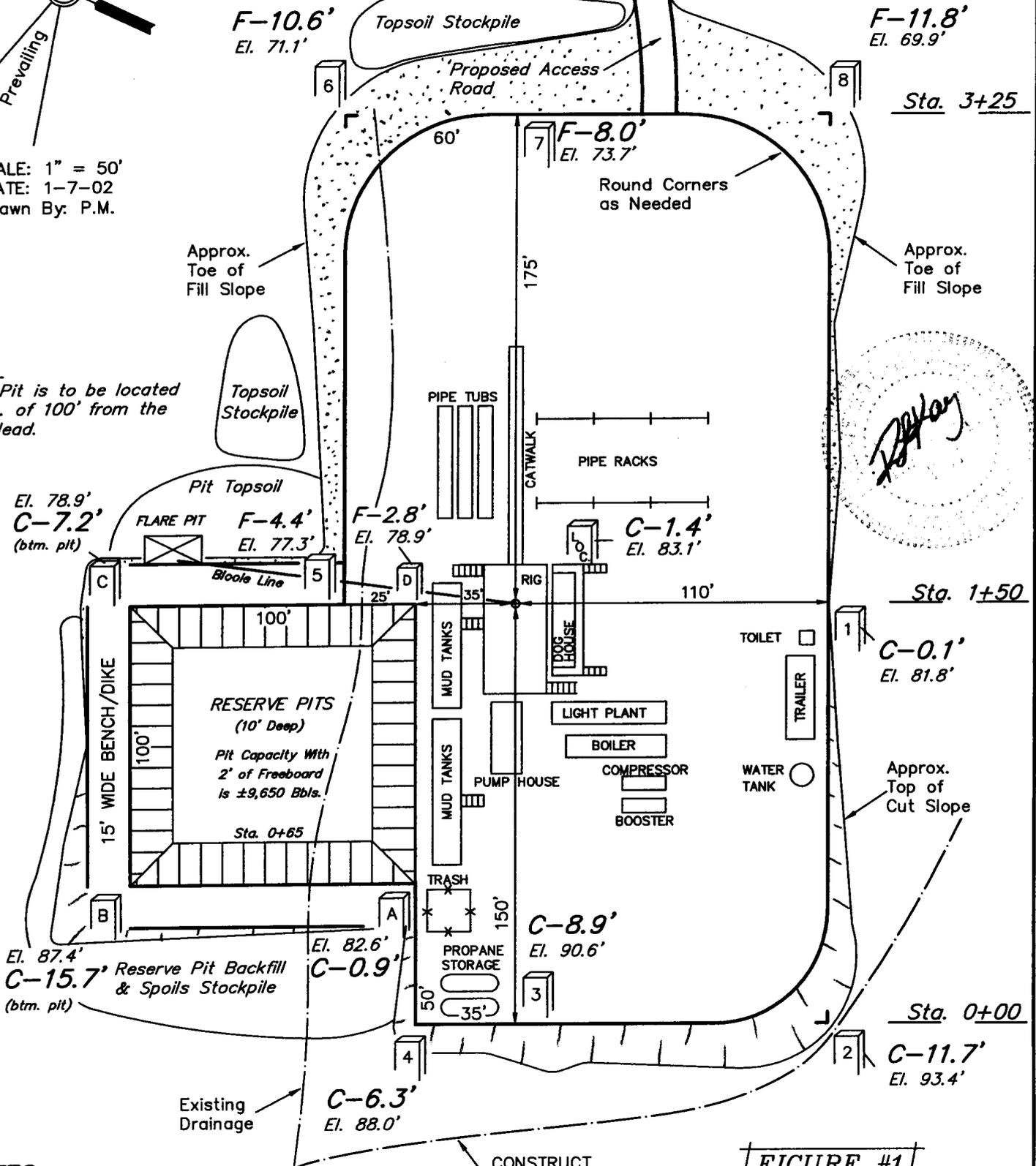
SECTION 35, T9S, R21E, S.L.B.&M.

612' FNL 506' FWL



SCALE: 1" = 50'
DATE: 1-7-02
Drawn By: P.M.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4983.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 4981.7'

FIGURE #1

EL PASO PRODUCTION OIL & GAS COMPANY

TYPICAL CROSS SECTIONS FOR

NBU #441

SECTION 35, T9S, R21E, S.L.B.&M.

612' FNL 506' FWL

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

DATE: 1-7-02
Drawn By: P.M.

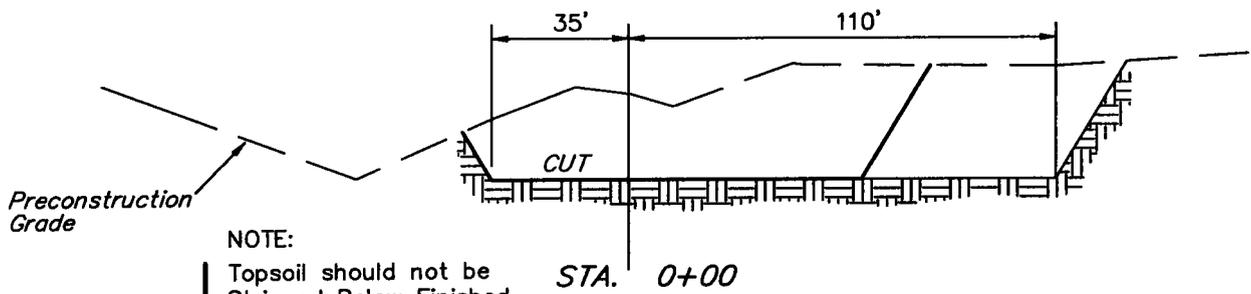
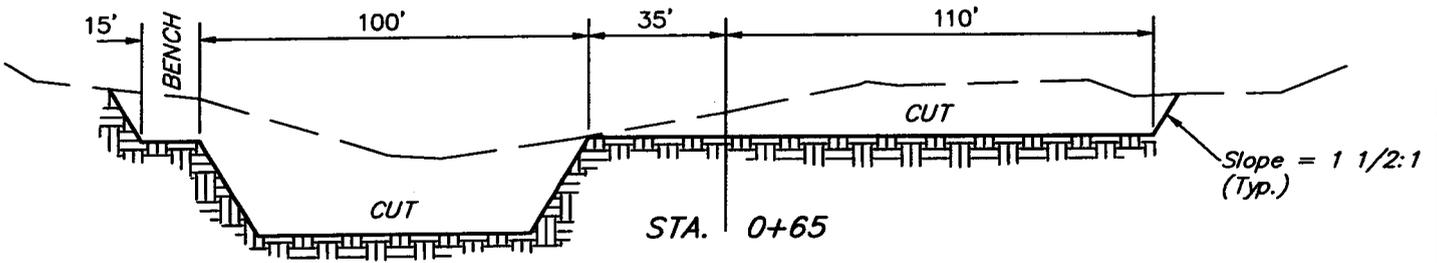
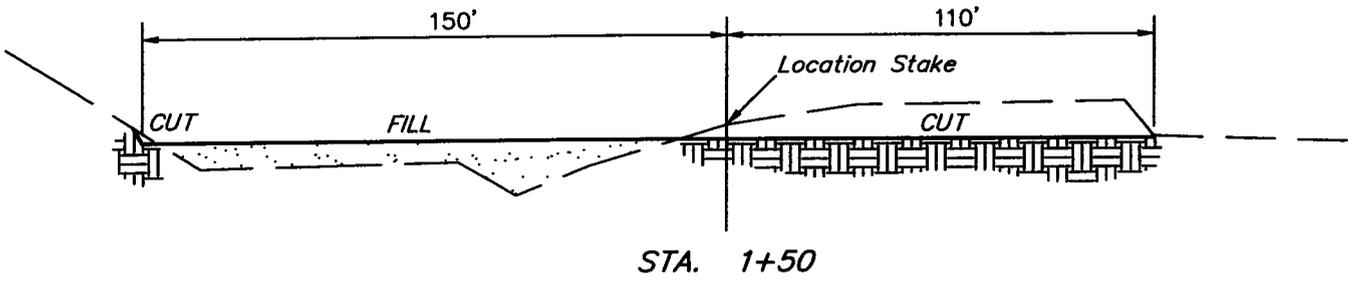
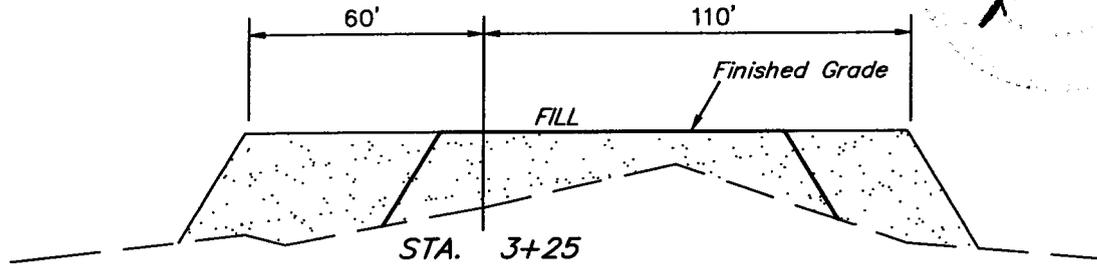
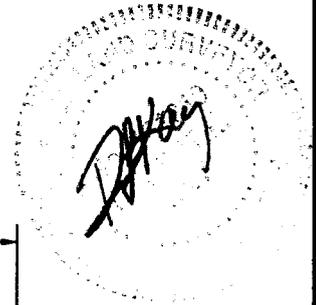


FIGURE #2

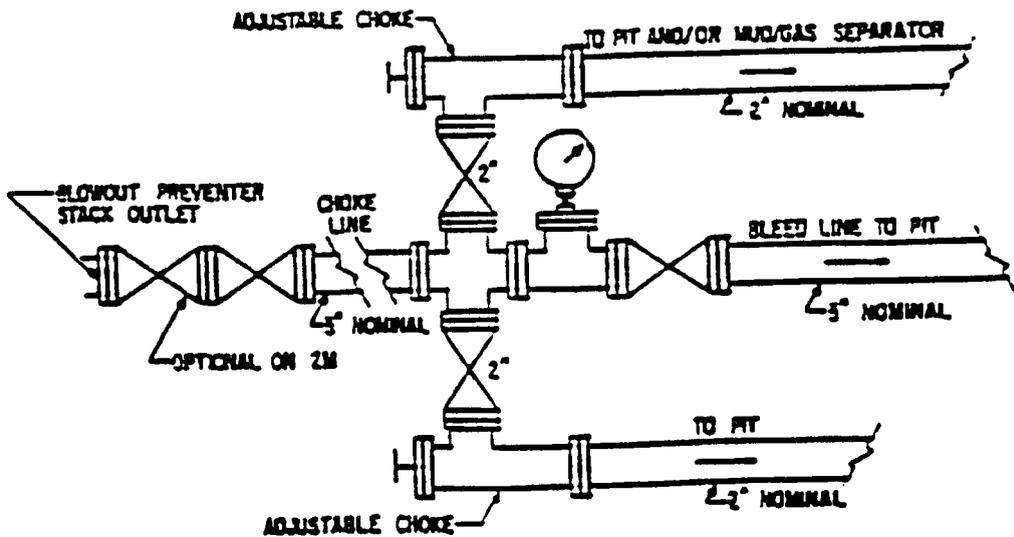
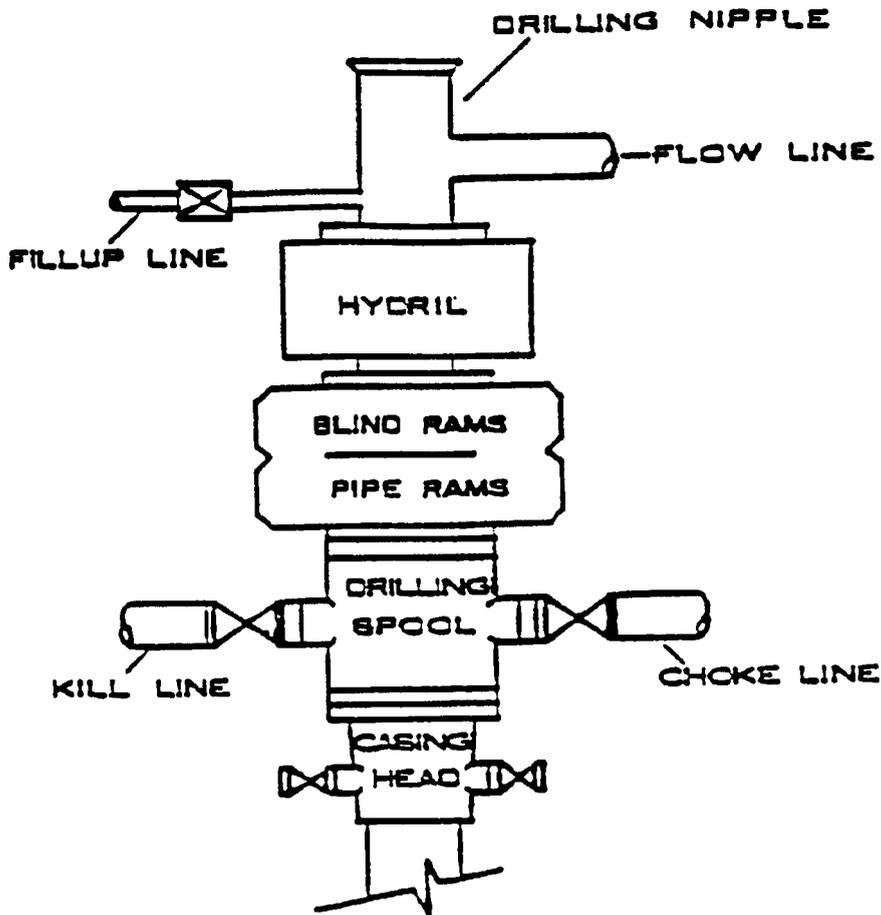
APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,220 Cu. Yds.
Remaining Location	= 7,240 Cu. Yds.
TOTAL CUT	= 8,460 CU.YDS.
FILL	= 5,600 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,570 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,560 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 10 Cu. Yds.

3,000 PSI

BOP STACK



004

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/22/2002

API NO. ASSIGNED: 43-047-34791

WELL NAME: NBU 441

OPERATOR: EL PASO PROD OIL & GAS (N1845)

CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

NWNW 35 090S 210E
SURFACE: 0612 FNL 0506 FWL
BOTTOM: 0612 FNL 0506 FWL
UINTAH
NATURAL BUTTES (630)

LEASE TYPE: 3 - State

LEASE NUMBER: U-01194-A-ST

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRD	1/28/03
Geology		
Surface		

LATITUDE: 39.99809

LONGITUDE: 109.52581

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 400JU0705)
- 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 ll boundry & Uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (12-16-02)

STIPULATIONS: ① Oil Shale
② STATEMENT OF BASIS

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

OPERATOR: EL PASO PRODUCTION OIL & GAS COMPANY.
WELL NAME & NUMBER: NBU 441
API NUMBER: 43-047-34791
LEASE: U-01194-A-ST **FIELD/UNIT:** NATURAL BUTTES
LOCATION: 1/4, 1/4 NW/NW Sec: 35 TWP: 9S RNG: 21E 506' FWL 612' FNL
LEGAL WELL SITING: F SEC. LINE; F 1/4, 1/4 LINE; F ANOTHER WELL.
GPS COORD (UTM): 4428594N 12625778N **SURFACE OWNER:** STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), MILES HANBERG, (DWR), CARROLL ESTES, CARROLL WILSON, (EL PASO). ROBERT KAY, (UELS).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS IN A SHALLOW BOWL WITH THE TOP OF A LOW RIDGE 600' TO THE NORTH AND EAST AND 400' TO THE WEST. DRAINAGE IS TO THE SOUTH SOUTHWEST. NUMEROUS SANDSTONE OUTCROPPINGS OVER THE ENTIRE AREA. THIS SITE IS 5.0 MILES SOUTH OF THE WHITE RIVER AND 18.1 MILES SOUTHEAST OF OURAY, UTAH.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 325' BY 245'. ACCESS ROAD WILL BE 0.1 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 RUN 200' TO THE WEST AND TIE INTO AN EXISTING LINE.

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: SALTBRUSH, SHADSCALE, PRICKLEY PEAR, CHEATGRASS, SAGE, GRASSES: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS.

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 AN 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 12 MIL LINER WILL BE
REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

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

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A COLD, FROSTY DAY WITH TWO
INCHES OF SNOW COVER.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

12/11/02. 2:00 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

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

Final Score 30 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.





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

OPERATOR: EL PASO PRODUCTION & GAS COMPANY
WELL NAME & NUMBER: NBU 441
API NUMBER: 43-047-34791
LOCATION: 1/4,1/4 NW/NW Sec:35 TWP: 9S RNG:21E 506' FWL 612' FNL

Geology/Ground Water:

El Paso proposes to set 250' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3000'. A search of Division of Water Rights records shows four water wells within a 10,000 foot radius of the center of section 35 . These wells are approximately .5 to 1.5 miles from the proposed location and are listed as a mining use well or "other use". Depth of the wells range from 1500-2600 feet. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought to above the base of the moderately saline groundwater in order to isolate it from fresher waters uphole.

Reviewer: Brad Hill **Date:** 12/16/02

Surface:

The predrill investigation of the surface was performed on 12/11/02. Floyd Bartlett and Miles Hanberg with DWR and Ed Bonner with SITLA were invited to this investigation on 12/2/02. Mr. Hanberg was present. SITLA did not have a representative present. Mr. Hanberg did not have any concerns regarding the construction of this location or the drilling of the well. This site is on State surface. This site appears to be the best site for a location in the immediate area. There are numerous sandstone outcroppings in the area and it will undoubtedly be necessary to drill and shoot while constructing location. An existing drainage crossing site will be re-routed around south end of location.

Reviewer: David W. Hackford **Date:** 12/13//02

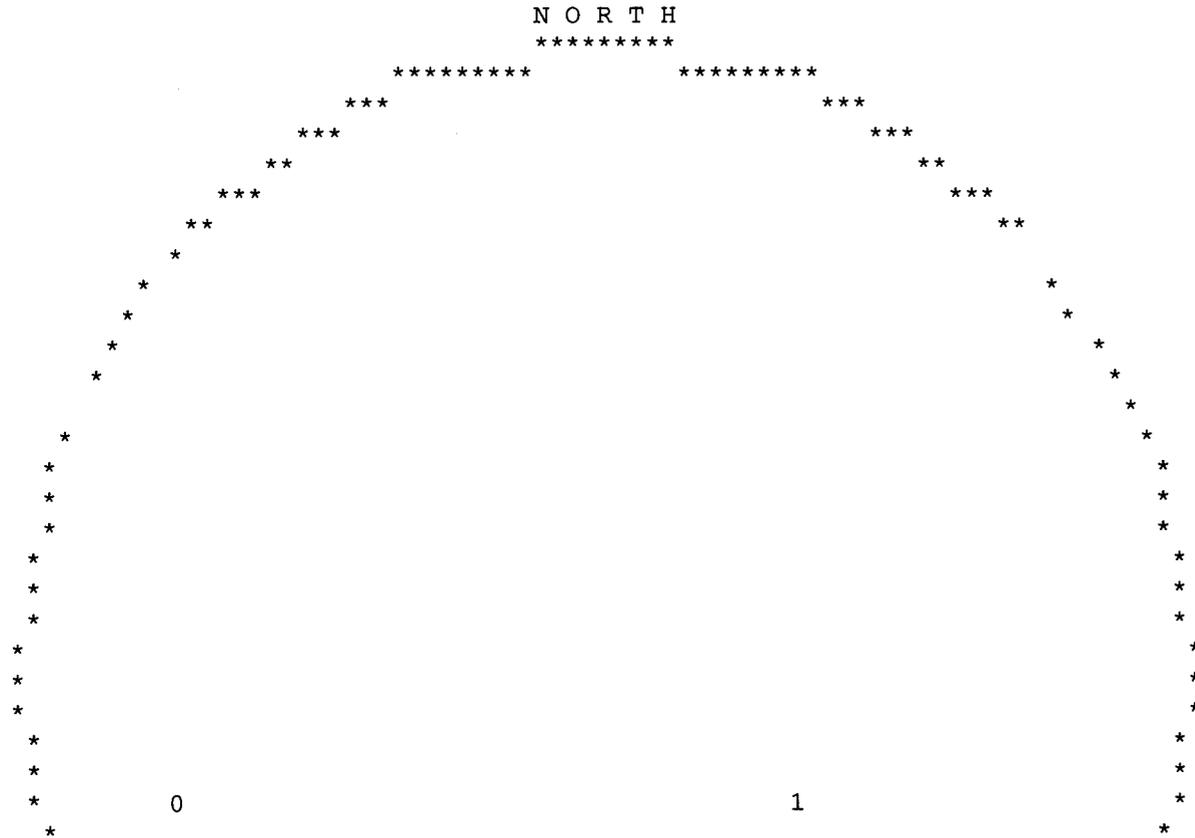
Conditions of Approval/Application for Permit to Drill:

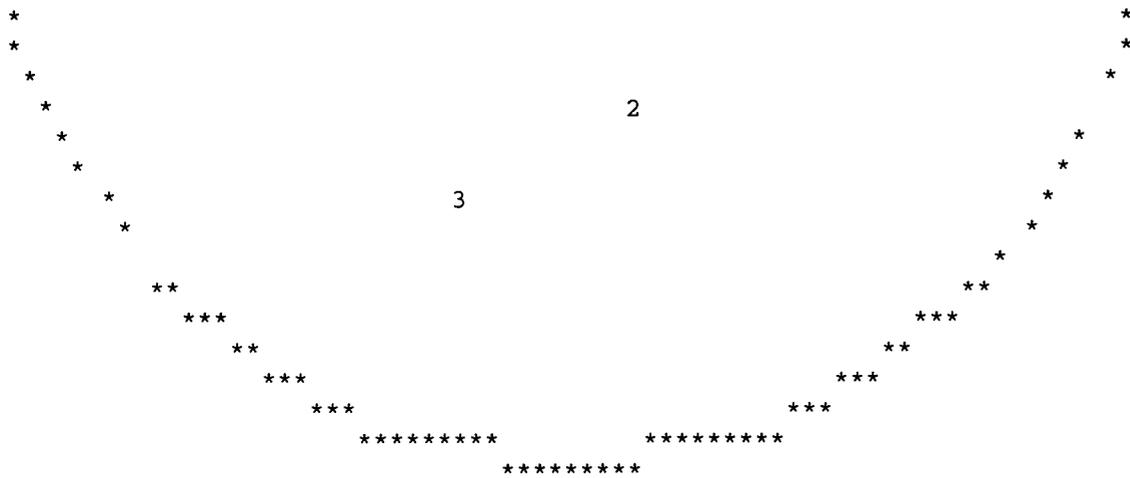
1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED MON, DEC 16, 2002, 2:30 PM
PLOT SHOWS LOCATION OF 4 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT
FEET, FEET OF THE CT CORNER,
SECTION 35 TOWNSHIP 9S RANGE 21E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET





UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION	or WELL INFO DIAMETER	DEPTH	YEAR LOG	POINT OF DIVERSION NORTH	DESCRIPTION EAST	CNR	SEC	TWN	RNG	B&
0	49 355	1.0000	.00	7	1667			N 951	E 689	SW 34	9S	21E	S	
		WATER USE(S): MINING OTHER		Tosco Corporation		10100	Santa Monica Blvd.			PRIORITY DATE: 07/10/1 Los Angeles				
1	49 354	.6000	.00	7	1604			N 643	E 592	SW 36	9S	21E	S	
		WATER USE(S): MINING OTHER		Tosco Corporation		10100	Santa Monica Blvd.			PRIORITY DATE: 07/10/1 Los Angeles				
2	49 3	.0256	.00	5	2640			S 1650	W 1564	NE 2	10S	21E	S	
		WATER USE(S): OTHER		DeKalb Agricultural Association Incorpor		Box 523				PRIORITY DATE: 06/17/1 Vernal				

3 49 356 1.2500 .00 7 1525 - 1570 S 3200 E 850 NW 2 10S 21E S
WATER USE(S): MINING OTHER PRIORITY DATE: 07/10/1
Tosco Corporation 10100 Santa Monica Blvd. Los Angeles

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

002

6. Lease Designation and Serial Number U-01194-A-ST
7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement
9. Well Name and Number NBU 441
10. API Well Number
11. Field and Pool, or Wildcat Natural Buttes
1. Type of Well Gas Well
2. Name of Operator El Paso Production Oil & Gas Company
3. Address of Operator P.O. Box 1148 Vernal, UT 84078
4. Telephone Number (435) 781-7023
5. Location of Well Footage : 612' FWL & 506' FWL County : Uintah
QQ, Sec, T., R., M : NWNW SEC. 35, T9S, R21E State : UT

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

NOTICE OF INTENT (Submit in Duplicate)
Abandonment
Casing Repair
Change of Plans
Conversion to Injection
Fracture Treat
Multiple Completion
Other
New Construction
Pull or Alter Casing
Recompletion
Shoot or Acidize
Vent or Flare
Water Shut-Off
Approximate Date Work Will Start

SUBSEQUENT REPORT (Submit Original Form Only)
Abandonment *
Casing Repair
Change of Plans
Conversion to Injection
Fracture Treat
Other
New Construction
Pull or Alter Casing
Shoot or Acidize
Vent or Flare
Water Shut-Off
Date of Work Completion
Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

OPERATOR REQUESTS TO AMEND THE CEMENT & CASING PROGRAM ORIGINALLY SUBMITTED IN THE APD (APPLICATION FOR PERMIT TO DRILL), AND PLACE THE SUBJECT WELL ON CONFIDENTIAL STATUS.

REFER TO THE ATTACHED DRILLING PROGRAM.

RECEIVED
JAN 21 2003
DIV. OF OIL, GAS & MINING

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

Name & Signature Cheryl Cameron Title Operations Date 01/16/03

(State Use Only)

elpaso Production
DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-20'				2270	1370	254000
SURFACE	9-5/8"	0-250'	32.30	H-40	STC	16.19	11.71	4.37
						5350	4960	162000
PRODUCTION	4-1/2"	0-TD	11.60	J-55	LTC	1.84	1.28	1.11

- 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 @ 9-5/8" 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)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE		250	Class G + 2% CaCl ₂ + 0.25 pps celloflake	140	35%	15.80	1.16
PRODUCTION	LEAD	4,250'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	450	60%	11.00	3.38
	TAIL	4,000'	50/50 Poz/G + 10% salt + 2% gel	1120	60%	14.30	1.31

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.
 Drop Totco surveys on bit trips. Maximum allowable hole angle is 5 degrees.

Prepared by: C. Cameron

DRILLING ENGINEER: _____
 Dan Lindsey

DATE: _____

Well name:	12-02 El Paso NBU 441	
Operator:	El Paso Production Company	Project ID:
String type:	Surface	43-047-34791
Location:	Uintah County	

Design parameters:

Collapse

Mud weight: 8.330 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 117 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on air weight.
 Neutral point: 219 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 68 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 200 ft

Cement top:

Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 8,250 ft
 Next mud weight: 9.000 ppg
 Next setting BHP: 3,857 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 250 ft
 Injection pressure: 250 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	250	9.625	32.30	H-40	ST&C	250	250	8.876	15.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	108	1370	12.66	117	2270	19.42	8	254	31.46 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: January 23, 2003
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing cemented to surface; Oil shale
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 250 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

Well name:	12-02 EI Paso NBU 441	
Operator:	EI Paso Production Company	Project ID:
String type:	Production	43-047-34791
Location:	Uintah County	

Design parameters:

Collapse

Mud weight: 9.000 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 3,857 psi
 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on air weight.
 Neutral point: 7,140 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 180 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top:

Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8250	4.5	11.60	J-55	LT&C	8250	8250	3.875	191.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3857	4960	1.29	3857	5350	1.39	96	162	1.69 J

EI Paso Assumes Max overpull of 50 K lbs Has been standard practice Dan Lindsey - 1/27/03 1.916 w/ buoyancy

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: January 23, 2003
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing cemented to surface; Oil shale
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 8250 ft, a mud weight of 9 ppg The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

12-02 El Paso NBU 44'

Casing Schematic

Surface

Uinta

9-5/8"
MW 8.3
Frac 19.3

TOC @ 0.
TOC @ 0.
Surface
250. MD

w/188 washout

3000' ± BMSGW

3895'
TOC tail

w/158 washout

BOP

$(0.052)(9)(8250) = 3861 \text{ psi}$

Anticipated = 5300 psi

4750'
Wasatch

Gas

$(0.12)(8250) = 990 \text{ psi}$

MASP = 2871 psi

3MBPE proposed

Adequate and

4/23/03

7450'
Mesa Verde

4-1/2"
MW 9.

Production
8250. MD



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 29, 2003

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

Re: Natural Buttes Unit 441 Well, 612' FNL, 506' FWL, NW NW, Sec. 35, T. 9 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 43-047-34791.

Sincerely,

John R. Baza
 Associate Director

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

Operator: El Paso Production Oil & Gas Company
Well Name & Number Natural Buttes Unit 441
API Number: 43-047-34791
Lease: U-01194-A-ST

Location: NW NW **Sec.** 35 **T.** 9 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**
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
 - 24 hours prior to cementing or testing casing
 - 24 hours prior to testing blowout prevention equipment
 - 24 hours prior to spudding the well
 - within 24 hours of any emergency changes made to the approved drilling program
 - prior to commencing operations to plug and abandon the well

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

 - Dan Jarvis at (801) 538-5338
 - Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. 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.

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

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.

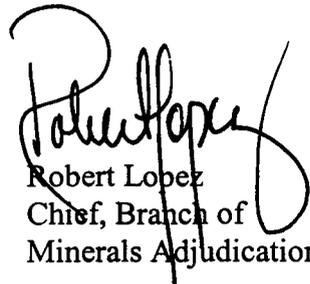
For our purposes, the name change is recognized effective December 31, 2001.

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 your 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
chrono





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

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:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		8. WELL NAME and NUMBER: Exhibit "A"
3. ADDRESS OF OPERATOR: 9 Greenway Plaza Houston TX 77064-0995		9. API NUMBER:
PHONE NUMBER: (832) 676-5933		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		

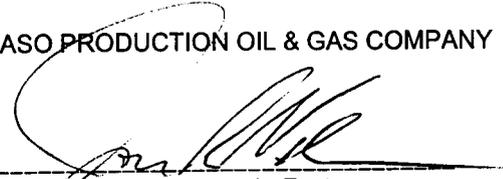
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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"/> 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.

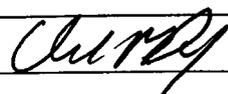
Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

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

NAME (PLEASE PRINT) WESTPORT OIL AND GAS COMPANY, L.P. David R. Dix	TITLE Agent and Attorney-in-Fact
SIGNATURE 	DATE 12/17/02

(This space for State use only)



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

Form 3160-5
(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

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"

- 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.
- 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"/> 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	SUCCESSOR OF
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	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 zone. 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

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)

DIV. OF OIL, GAS & MINING

OPERATOR CHANGE WORKSHEET

1. GLH
2. CDW ✓
3. FILE

006

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**

FROM: (Old Operator):	TO: (New Operator):
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 322	34-09S-21E	43-047-33203	2900	STATE	GW	P
NBU 263	34-09S-21E	43-047-32793	2900	STATE	GW	P
NBU 439	34-09S-21E	43-047-34786	99999	STATE	GW	APD
NBU 440	34-09S-21E	43-047-34785	99999	STATE	GW	APD
CIGE 204-35-9-21	35-09S-21E	43-047-32794	2900	STATE	GW	P
NBU 310	35-09S-21E	43-047-32882	2900	STATE	GW	P
CIGE 239-35-9-21	35-09S-21E	43-047-33206	2900	STATE	GW	P
NBU CIGE 28-35-9-21	35-09S-21E	43-047-30739	2900	STATE	GW	P
NBU CIGE 54D-35-9-21	35-09S-21E	43-047-30851	2900	STATE	GW	P
NBU 69N2	35-09S-21E	43-047-31090	2900	STATE	GW	P
NBU 81V	35-09S-21E	43-047-31232	2900	STATE	GW	P
CIGE 115-35-9-21	35-09S-21E	43-047-31918	2900	FEDERAL	GW	P
CIGE 133-35-9-21	35-09S-21E	43-047-31978	2900	STATE	GW	P
NBU 156	35-09S-21E	43-047-32005	2900	FEDERAL	GW	P
CIGE 283	35-09S-21E	43-047-34790	99999	STATE	GW	APD
NBU 441	35-09S-21E	43-047-34791	99999	STATE	GW	APD
NBU 442	35-09S-21E	43-047-34788	99999	STATE	GW	APD
NBU 443	35-09S-21E	43-047-34789	99999	STATE	GW	APD
NBU 33-17B	17-09S-22E	43-047-30396	2900	FEDERAL	GW	P
NBU 48N3	18-09S-22E	43-047-30538	2900	FEDERAL	GW	P

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: 03/18/2003
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/18/2003
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:

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.

007

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-

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 Multiple Wells - see attached

5. Lease Serial No.
 Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

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

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 III.C.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 Title Operations Manager
 Signature *J.T. Conley* Date 9-2-2003
 Initials *JTC*

RECEIVED
SEP 10 2003
DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____
 Office Oil, Gas and Mining
 Date: 9/16/03

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.

Federal Approval of This Action is Necessary

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 JTC 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
Totals	\$0	\$350	\$350

Increased OPX Per Year

Investment Breakdown:

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/860	\$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		HP		HP	0	HP
Fuel Gas Burned		MCFPD		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:

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

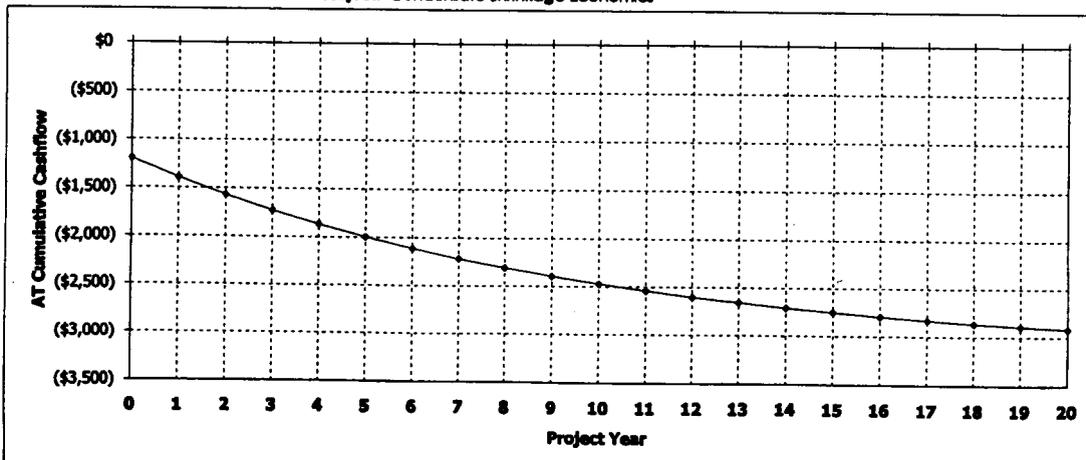
Gross Reserves:

Oil Reserves = 4 BO
Gas Reserves = 0 MCF
Gas Equiv Reserves = 38 MCFE

Notes/Assumptions:

An average NBU well produces 0.192 Bopd with no tank pressure. The production is increased to 0.194 Bopd 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 ✓

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

CONFIDENTIAL

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	16"	0-20'				2270	1370	254000
SURFACE	9-5/8"	0 to 2000	32.30	H-40	STC	0.76	1.46	4.49
PRODUCTION	4-1/2"	0 to 9900	11.60	M-80	LTC	7780	6350	201000
						2.62	1.23	2.01

- 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 2970 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
Option 1	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			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	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	4,250'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	460	60%	11.00	3.38
	TAIL	5,650'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1580	60%	14.30	1.31

*Substitute caliper hole volume plus 15% excess if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. 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.
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER: _____
 Brad Laney

DRILLING SUPERINTENDENT: _____
 Randy Bayne

DATE: _____
 DATE: _____

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-34791
Well Name: NBU #441
Location: NWNW SECTION 35-T9S-R21E
Company Permit Issued to: WESTPORT OIL & GAS CO., L.P.
Date Original Permit Issued: 1/29/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No


Signature

1/12/2004

Date

Title: REGULATORY ANALYST

Representing: WESTPORT OIL & GAS COMPANY L.P.

RECEIVED

JAN 20 2004

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: WESTPORT OIL & GAS COMPANY LPWell Name: NBU 441Api No: 43-047-34791 Lease Type: STATESection 35 Township 09S Range 21E County UINTAHDrilling Contractor BILL MARTIN RIG # AIR**SPUDDED:**Date 03/27/04Time 11:00 AMHow ROTARY**Drilling will commence:** _____Reported by DAN LINDSAYTelephone # 1-435-828-7897Date 03/31/2004 Signed CHD

OPERATOR WESTPORT O&G COMPANY L.P
 ADDRESS 1368 SOUTH 1200 EAST
 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	43-047-34791	NBU 441	NWNW	35	9S	21E	UINTAH	3/27/2004	3/31/04

WELL 1 COMMENTS:
 MIRU BILL JR'S RATHOLE DRILLING RIG #3 MVRD
 SPUD WELL LOCATION ON 3/27/04 AT 1100 HRS

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 (3/89)

Post-it® Fax Note 7671 Date 3/30/04 # of pages 1

To: ERIENE RUSSELL	From: SHEILA UPCHENO
Co./Dept: LTD O&G M	Co: WESTPORT O&G CO L.P
Phone: (801) 538-5330	Phone #: (435) 781-7024
Fax #: (801) 359-3940	Fax #: (435) 781-7024

Sheila Upcheno
 Signature
 REGULATORY ANALYST 03/30/04
 Title Date
 Phone No. (435) 781-7024

RECEIVED
 MAR 30 2004

P. 01
 FAX NO. 4357817094
 MAR-30-2004 TUE 10:32 AM EL PASO PRODUCTION

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

CONFIDENTIAL

013

6. Lease Designation and Serial Number U-01194-A-ST
7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement NATURAL BUTTES UNIT
9. Well Name and Number NBU 441
10. API Well Number 43-047-34791
11. Field and Pool, or Wildcat NATURAL BUTTES
1. Type of Well Gas Well
2. Name of Operator WESTPORT OIL & GAS COMPANY L.P.
3. Address of Operator 1368 SOUTH 1200 EAST VERNAL, UTAH 84078
4. Telephone Number (435) 781-7024
5. Location of Well Footage : 612'FNL & 506'FWL County : UINTAH
QQ, Sec, T., R., M : NWNW SECTION 35-T9S-R21E State : UTAH

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

NOTICE OF INTENT (Submit in Duplicate)
Abandonment
Casing Repair
Change of Plans
Conversion to Injection
Fracture Treat
Multiple Completion
Other
New Construction
Pull or Alter Casing
Recompletion
Shoot or Acidize
Vent or Flare
Water Shut-Off

SUBSEQUENT REPORT (Submit Original Form Only)
Abandonment *
Casing Repair
Change of Plans
Conversion to Injection
Fracture Treat
Other FINAL DRILLING OPERATIONS
New Construction
Pull or Alter Casing
Shoot or Acidize
Vent or Flare
Water Shut-Off

Approximate Date Work Will Start
Date of Work Completion 5/15/04

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

FINISHED DRILLING FROM 1955' TO 9314'. RAN 4 1/2" 11.6# I-80 LTC CSG.
PMP 10 BBLS MUD FLUSH 20 SX SCAVENGER CMT 10.5 PPG 4.22 YIELD.
FOLLOWED BY 440 SX PREM LITE 11.7 PPG 2.64 YIELD. TAILED W/1510 SX 50/50 POZ @14.3 PPG 1.31 YIELD. UNABLE TO GET 640 SX TAIL FROM CMT BIN. DROPPED PLUG.

RELEASED CAZA 12 RIG ON 5/15/04 AT MIDNIGHT.

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

Name & Signature SHEILA UPCHEGO Title Regulatory Analyst Date 05/17/04

(State Use Only)

RECEIVED
MAY 27 2004

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

CONFIDENTIAL

014

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals		6. Lease Designation and Serial Number U-01194-A-ST
		7. Indian Allottee or Tribe Name
		8. Unit or Communitization Agreement NATURAL BUTTES UNIT
		9. Well Name and Number NBU 441
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		10. API Well Number 43-047-34791
2. Name of Operator WESTPORT OIL & GAS COMPANY L.P.		11. Field and Pool, or Wildcat NATURAL BUTTES
3. Address of Operator 1368 SOUTH 1200 EAST VERNAL, UTAH 84078	4. Telephone Number (435) 781-7024	
5. Location of Well Footage : 612'FNL & 506'FWL County : UINTAH QQ, Sec, T., R., M : NWNW SECTION 35-T9S-R21E State : UTAH		

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

<p align="center">NOTICE OF INTENT (Submit in Duplicate)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p align="center">SUBSEQUENT REPORT (Submit Original Form Only)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other PRODUCTION START-UP</td> <td></td> </tr> </table> <p>Date of Work Completion <u>6/12/04</u></p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</small></p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other PRODUCTION START-UP	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input checked="" type="checkbox"/> Other PRODUCTION START-UP																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE SUBJECT WELL LOCATION WAS PLACED ONTO SALES ON 6/12/04 AT 9 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
 JUN 22 2004
 DIV OF OIL, GAS & MINING

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

Name & Signature SHEILA UPCHEGO  Title Regulatory Analyst Date 06/14/04

(State Use Only)

WESTPORT OIL & GAS COMPANY, LP

CONFIDENTIAL

CHRONOLOGICAL HISTORY

NBU 441

UINTAH COUNTY, UT

	SPUD	Surface Casing	Activity	Status
	12/2/03		Bid Location	Caza 81
	12/3/03		Bid Location	Caza 81
	12/4/03		Build Location, 25% Complete	Caza 81
	12/5/03		Build Location, 25% Complete	Caza 81
	12/8/03		Build Location, 25% Complete	Caza 81
	12/9/03		Build Location, 25% Complete	Caza 81
	12/10/03		Build Location, 25% Complete	Caza 81
	12/11/03		Build Location, 25% Complete	Caza 81
	12/12/03		Build Location, 25% Complete	Caza 81
	12/15/03		Build Location, 25% Complete	Caza 81
	12/16/03		Build Location, 25% Complete	Caza 81
	12/17/03		Build Location, 25% Complete	Caza 81
	12/18/03		Build Location, 25% Complete	Caza 81
	12/19/03		Build Location, 25% Complete	Caza 81
	12/22/03		Build Location, 40% Complete	Caza 81
	12/23/03		Build Location, 40% Complete	Caza 81
	12/29/03		Build Location, 40% Complete	Caza 81
	12/30/03		Build Location, 85% Complete	Caza 81
	1/2/04		Build Location, 85% Complete	Caza 81
	1/5/04		Build Location, 95% Complete	Caza 81
	1/6/04		Build Location, 100% Complete	Caza 81

1/7/04	Build Location, 100% Complete	Caza 81
1/8/04	Build Location, 100% Complete	Caza 81
1/9/04	Build Location, 100% Complete	Caza 81
1/12/04	Build Location, 100% Complete	Caza 81
1/13/04	Build Location, 100% Complete	Caza 81
1/14/04	Build Location, 100% Complete	Caza 81
1/15/04	Build Location, 100% Complete	Caza 81
1/16/04	Build Location, 100% Complete	Caza 81
1/20/04	Build Location, 100% Complete	Caza 81
1/21/04	Build Location, 100% Complete	Caza 81
1/22/04	Build Location, 100% Complete	Caza 81
1/23/04	Build Location, 100% Complete	Caza 81
1/26/04	Build Location, 100% Complete	Caza 81
1/27/04	Build Location, 100% Complete	Caza 81
1/28/04	Build Location, 100% Complete	Caza 81
1/29/04	Build Location, 100% Complete	Caza 81
1/30/04	Build Location, 100% Complete	Caza 81
2/2/04	Build Location, 100% Complete	Caza 81
2/3/04	Build Location, 100% Complete	Caza 81
2/4/04	Build Location, 100% Complete	Caza 81
2/5/04	Build Location, 100% Complete	Caza 81
2/6/04	Build Location, 100% Complete	Caza 81
2/9/04	Build Location, 100% Complete	Caza 81
2/10/04	Build Location, 100% Complete	Caza 81
2/11/04	Build Location, 100% Complete	Caza 81
2/12/04	Build Location, 100% Complete	Caza 81
2/13/04	Build Location, 100% Complete	Caza 81
2/16/04	Build Location, 100% Complete	Caza 81

2/17/04		Build Location, 100% Complete	Caza 81
2/18/04		Build Location, 100% Complete	Caza 81
2/19/04		Build Location, 100% Complete	Caza 81
2/20/04		Build Location, 100% Complete	Caza 81
2/23/04		Build Location, 100% Complete	Caza 81
2/24/04		Build Location, 100% Complete	Caza 81
2/25/04		Build Location, 100% Complete	Caza 81
2/26/04		Build Location, 100% Complete	Caza 81
2/27/04		Build Location, 100% Complete	Caza 81
3/1/04		Build Location, 100% Complete	Caza 81
3/2/04		Build Location, 100% Complete	Caza 81
3/3/04		Location Built, WOAR	Caza 81
3/4/04		Location Built, WOAR	Caza 81
3/5/04		Location Built, WOAR	Caza 81
3/8/04		Location Built, WOAR	Caza 81
3/9/04		Location Built, WOAR	Caza 81
3/10/04		Location Built, WOAR	Caza 81
3/11/04		Location Built, WOAR	Caza 81
3/12/04		Location Built, WOAR	Caza 81
3/15/04	14" @ 40'	Location Built, WOAR	Caza 12
3/16/04	14" @ 40'	Location Built, WOAR	Caza 12
3/17/04	14" @ 40'	Location Built, WOAR	Caza 12
3/18/04	14" @ 40'	Location Built, WOAR	Caza 12
3/19/04	14" @ 40'	Location Built, WOAR	Caza 12
3/22/04	14" @ 40'	Location Built, WOAR	Caza 12
3/23/04	14" @ 40'	Location Built, WOAR	Caza 12
3/24/04	14" @ 40'	Location Built, WOAR	Caza 12

3/25/04		14" @ 40'	Location Built, WOAR	Caza 12
3/26/04		14" @ 40'	Location Built, WOAR	Caza 12
3/29/04	3/27/04	14" @ 40'	Spud w/Air Rig. DA@ 1190'	Caza 12
3/30/04	3/27/04	14" @ 40'	Spud w/Air Rig. DA@ 1760'	Caza 12
3/31/04	3/27/04	9 5/8" @ 1914'	Drlg to 1955'. Set surf csg.	WORT Caza 12
4/1/04	3/27/04	9 5/8" @ 1914'	Drlg to 1955'. Set surf csg.	WORT Caza 12
4/2/04	3/27/04	9 5/8" @ 1914'	Drlg to 1955'. Set surf csg.	WORT Caza 12
4/5/04	3/27/04	9 5/8" @ 1914'	Drlg to 1955'. Set surf csg.	WORT Caza 12
4/6/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/7/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/8/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/12/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/13/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/14/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/15/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/16/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/19/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/20/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/21/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/22/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12
4/23/04	3/27/04	9 5/8" @ 1914'		WORT Caza 12

4/26/04
TD: 2980' Csg. 9 5/8" @ 1914' MW: 8.4 SD: 4/25/04 DSS: 1
Rig down rotary tools and move to NBU 441. Rig up rotary tools. NU and test BOPE. TIH with 7 7/8" PDC bit and Mud Motor and drill cement and FE. Rotary spud @ 1700 hrs 4/25/04. Drill from 1914'-2980'. DA @ report time.

4/27/04
TD: 4474' Csg. 9 5/8" @ 1914' MW: 8.4 SD: 4/25/04 DSS: 2
Drill from 2980'-3418'. Hit shallow gas. 10'-12' flare. Drill with water to 4474'. Starter losing pump pressure. Pick up off bottom and circulate out gas, 30'-40' flare. Close Hydril and mix mud to control gas. Close in system.

CONFIDENTIAL

4/28/04

TD: 5260' Csg. 9 5/8" @ 1914' MW: 9.0 SD: 4/25/04 DSS: 3
Close in system. Mix and pump kill mud. Drill from 4474'-5260'. DA @ report time.

4/29/04

TD: 6000' Csg. 9 5/8" @ 1914' MW: 9.4 SD: 4/25/04 DSS: 4
Drill from 5260'-6000'. Lost 170 bbls mud. Mix and pump LCM sweep. Have 5% LCM in system. DA @ report time.

4/30/04

TD: 6640' Csg. 9 5/8" @ 1914' MW: 9.5 SD: 4/25/04 DSS: 5
Drill from 6000'-6640'. DA @ report time.

5/3/04

TD: 7550' Csg. 9 5/8" @ 1914' MW: 9.6 SD: 4/25/04 DSS: 8
Drill from 6640'-7157'. TFNM and MM. Drill to 7385'. DA @ report time.

5/4/04

TD: 7785' Csg. 9 5/8" @ 1914' MW: 9.6 SD: 4/25/04 DSS: 9
Drill from 7385'-7785'. DA @ report time.

5/5/04

TD: 7910' Csg. 9 5/8" @ 1914' MW: 9.9 SD: 4/25/04 DSS: 10
Mix and pump slug. TFNB. Repair breakout Cathead guard. TIH. Drill from 7785'-7910'. DA @ report time.

5/6/04

TD: 8215' Csg. 9 5/8" @ 1914' MW: 10.1 SD: 4/25/04 DSS: 11
Drill from 7910'-8215'. DA @ report time.

5/7/04

TD: 8524' Csg. 9 5/8" @ 1914' MW: 10.1 SD: 4/25/04 DSS: 12
Drill from 8215'-8524'. DA @ report time.

5/10/04

TD: 9145' Csg. 9 5/8" @ 1914' MW: 10.6 SD: 4/25/04 DSS: 15
Drill from 8524'-8817'. TFNB and MM. Drill to 9127'. Took 50 bbl kick. Close well in and circ through choke, Raise mud weight to 10.6 ppg w 5% LCM. Pump kill mud and lost circulation. Build volume w/15% LCM. Regain circulation. Lost total of 650 bbls mud. Drill from 9127'-9145'. DA @ report time.

5/11/04

TD: 9205' Csg. 9 5/8" @ 1914' MW: 11.4 SD: 4/25/04 DSS: 16
Drill from 9145'-9205'. Took 50 bbl kick. Circulate through choke and raise mud weight to 11.2# with 15% LCM. Mix 12.1# pill w/25% LCM and pump down back side. Shut well in and build volume. Pump 342 bbls 11.4# kill mud. Build volume. Lost 150 bbls mud. Build 492 bbls 11.4" kill mud w/18% LCM. Pump kill mud @ report time.

5/12/04

TD: 9314' Csg. 9 5/8" @ 1914' MW: 11.7 SD: 4/25/04 DSS: 17
Pump 11.4# kill mud with 18% LCM. Drill from 9205'-9304'. Build volume and condition mud. Lost 700 bbls mud total. Drill to 9314'. Motor stalling out. Check

for flow. Well flowing. Circulate and raise mud weight for bit trip @ report time. Will raise mud weight to 11.9 to 12.0 ppg for trip.

5/13/04

TD: 9314' Csg. 9 5/8" @ 1914' MW: 12.0 SD: 4/25/04 DSS: 18 Raise mud weight to 12.0 ppg. Well flowing. Continue to raise mud weight to 12.2 ppg. Lost 200 bbls mud. Cut weight back to 12.0 ppg w/20% LCM. Regained full returns. Gained 30 bbls in 2 hrs. Raise weight to 12.1 ppg. Lost 100 bbls mud. Drop weight to 12.0 ppg. Gained 300 bbls. Well stabilized. Circulate 12.0 ppg. No gain or loss in 6 hrs. Return mud cut to 11.7 ppg. Will Spot 50 bbl weighted pill on bottom and monitor well for flow.

5/14/04

TD: 9314' Csg. 9 5/8" @ 1914' MW: 12.2 SD: 4/25/04 DSS: 19 Circulate 12.0 ppg mud w/20% LCM. Mud cut to 11.7#. Spot 80 bbl 12.4 ppg weighted pill on bottom and monitor well for flow. Well flowing. Circulate out weighted pill. Circulate and build mud weight to 12.2 ppg w/25% LCM. Well stable. Short trip 20 stands. Monitor well. RU lay down machine. Laying down drill pipe @ report time. Hole staying full.

5/16/04

TD: 9314' Csg. 9 5/8" @ 1914' MW: 12.2 SD: 4/25/04 DSS: 21 Finish laying down DP and BHA. Mud motor locked up and bit had two broken cones with nose cone missing. RU casing crew and RIH with 18 jts 4 1/2" casing. Circulate and plug float equipment with LCM. POOH and lay down plugged FE. Rerun 4 1/2" Production Casing to TD. Circulate with rig pumps and rig up BJ. Cement casing in place. Unable to get 640 sx tail from bin. Displace cement. Bumped plug. Float did not hold. Shut well in with pressure on casing. Well flowing on annulus. Shut in annulus. WOC. Bleed of annulus pressure, 110 psi. Pump 57 bbls 15.0 ppg mud down annulus. Annulus on vacuum. Set slips and release rig @ midnight 5/16/04. Rig down rotary tools and move to NBU 1022-6I. 80% moved, 10% rigged up. SDFN.

6/4/04

PROG: ROAD RIG F/ STATE 1022-320 TO NBU 441. MIRU RIG. SPOT EQUIP. NDWH, NUBOP. X-O 2 3/8" TBG EQUIP. RIH W/ 2 3/8" TBG, EOT @ 2000'.

6/7/04

PROG: HELD SAFETY MEETING. OPEN WELL - 0#. PU 3 7/8" ROCK BIT & X - O SUB. RIH PU & TALLY NEW 2 3/8" J-55 8 RD TBG. TAG PBTB W/287 JTS TBG, EOT @ 9264'. RU PMP TO CSG, CIRC WELL CLEAN W/143 BBL 2% KCL. POOH, LD 20 JTS & STAND BACK 266 JTS TBG. LD X-O SUB & BIT. PREP TO PERF ON MONDAY. SDFWE.

6/8/04

PROG: PERF AND FRAC STAGES 1-3 W/860,000# SAND.

6/9/04

PROG: HELD SAFETY MEETING. PU 3 3/8" PROSPECTOR PERF GUNS LOADED W/ 23 GM CHARGES, 4 SPF, 90 DEG PHASING & 4 1/2" CBP & RIH. SET CBP @ 6945', PU SHOOT 20 HOLES F/ 6899' - 6904', PU SHOOT 16 HOLES F/ 6591' - 95', POOH, PU 2ND PERF GUN & RIH. SHOOT 8 HOLES F/ 6460' - 62', PU SHOOT 12 HOLES F/ 6347' - 50'. POOH. BRK DWN STG 4 PERF'S @ 3105#, EST INJ RATE @ 36.4 BPM @ 4000#, ISIP: 1607#, FG: .68. FRAC STG 4 W/ 210,500# 20/40 SAND W/ YF116ST+ GEL. ISIP: 1731#, NPI: 124#, FG: .69.
STAGE #5: PU 3 3/8" PERF GUNS & 4 1/2" CBP & RIH. SET CBP @ 5900', PU SHOOT 16 HOLES F/ 5864' - 68', PU SHOOT 12 HOLES F/ 5774' - 77', POOH. BRK PERF'S DWN @ 2213#, EST INJ RATE @ 36.3 BPM @ 3600#, ISIP: 1350#, FG: .67. FRAC STG 5 W/ 200,000# 20/40 SAND W/ YF116ST+ GEL. ISIP: 2000#, NPI: 650#,

FG: .78. PU 3 3/8" CBP & RIH. SET KILL PLUG @ 5680'. POOH. RDMO CUTTERS. RDMO SCHLUMBERGER. X-O RAMS. PU 3 7/8" SMITH ROCK BIT, POBS & RIH W/ TBG. TAG KILL PLUG @ 5680'. RU DRL EQUIP. BRK CONV CIRC W/ 2% KCL. & BEG TO DRL. DRL UP 1ST CBP IN 12 MIN. (100# INC). CONT TO RIH. TAG FILL @ 5802', (98' SAND). CO TO 2ND CBP @ 5900'. DRL UP 2ND CBP IN 15 MIN. (400# INC.) DRL DWN 1 JT. CIRC WELL CLEAN. POOH STAND BACK 5 STANDS TBG. EOT @ 5600' SWI. SDFN.

6/10/04

PROG: HELD SAFETY MEETING. OPEN WELL. (1000# SICP). BLEED WELL DWN. RIH W/ 10 STANDS TBG. RU DRL EQUIP. BRK CONV CIRC. BEG TO DRL. TAG FILL @ 6903', CO 42' SAND TO 3RD CBP @ 6945'. DRL OUT 3RD CBP IN 20 MIN. (500# PSI INC). CONT TO RIH. TAG FILL 7730'. (30' FILL) CO TO 4TH CBP @ 7760'. DRL OUT 4TH CBP IN 12 MIN. (1000# PSI INC). CONT TO RIH. TAG FILL @ 8300'. (100' SAND). CO TO 5TH CBP @ 8400'. DRL OUT 5TH CBP IN 14 MIN. (900# PSI INC). CONT TO RIH. TAG FILL @ 9116', (148' SAND). CO TO PBTD @ 9264'. CIRC WELL CLEAN. POOH. LD 17 JTS. LUBRICATE TBG HANGER INTO WELL. LAND TBG W/ EOT @ 8714'. NDBOP. NUWH. RU PMP & LINES. PMP OFF THE BIT SUB @ 2300#. FLOW WELL BACK TO PIT. 3:30 P.M. SICP: 1850#, FTP: 1500#, 24/64" CHK. WELL ON FLOWBACK. FLOWBACK REPORT: CP: 2350#, TP: 1500#, 24/64" CHK, 33 BWPH, 16 HRS, SD: TRACE, TTL BBLs FLWD: 2178, TODAY'S LTR: 9238 BBLs, LOAD REC TODAY: 2178 BBLs, REMAINING LTR: 7060 BBLs, TOTAL LOAD REC TO DATE: 2178 BBLs.

6/11/04

PROG: WELL ON FLOWBACK. FLOWBACK REPORT: CP: 2190#, TP: 1700#, 18/64" CHK, 20 BWPH, 24 HRS, SD: TRACE, TTL BBLs FLWD: 597, TODAY'S LTR: 7060 BBLs, LOAD REC TODAY: 597 BBLs, REMAINING LTR: 6463 BBLs, TOTAL LOAD REC TO DATE: 2775 BBLs.

6/14/04

ON SALES on 6/12/04 at 9 am.
6/12/04: 1036 MCF, 0 BC, 184 BW, TP: 1750#, CP: 2100#, 17/64" CHK, 21 HRS, LP: 111#.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

015

5. LEASE DESIGNATION AND SERIAL NO.
U-01194-A-ST

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WELL

OIL WELL [] GAS WELL [X] DRY [] Other

7. UNIT AGREEMENT NAME

NATURAL BUTTES UNIT

1b. TYPE OF COMPLETION

NEW WELL [X] WORK OVER [] DEEP-EN [] PLUG BACK [] DIFF. RESVR. []

8. FARM OR LEASE NAME, WELL NO.

NBU

2. NAME OF OPERATOR

WESTPORT OIL & GAS COMPANY L.P.

9. WELL NO.

441

3. ADDRESS AND TELEPHONE NO.

1368 SOUTH 1200 EAST VERNAL, UTAH 84078 (435) 781-7024

10. FIELD AND POOL OR WILDCAT

NATURAL BUTTES

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements)

At Surface NWNW 612'FNL & 506'FWL
At top prod. Interval reported below

11. SEC., T., R., M., OR BLOCK AND SURVEY

OR AREA SECTION 35-T9S-R21E

At total depth

14. API NO. 43-047-34791 DATE ISSUED 1/29/03

12. COUNTY UINTAH

13. STATE UTAH

15. DATE SPUDED 3/27/04 16. DATE T.D. REACHED 5/12/04 17. DATE COMPL. 6/12/04 18. ELEVATIONS 4981'GL 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 9314' MD 21. PLUG, BACK T.D., MD & TVD 9264' MD 22. IF MULTIPLE COMPL., HOW MANY 23. INTERVALS DRILLED BY [X] ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD) MESAVERDE: 9115'-8830'; 8370'-7928'; 7728'-7526; WASATCH: 6904'-6347'; 5868'-5774' 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN CBL, TDT, 27. WAS WELL CORED YES [] NO [X] (Submit analysis) DRILL STEM TEST YES [] NO [X] (See reverse side)

Table with 6 columns: CASING SIZE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, CEMENTING RECORD, AMOUNT PULLED. Rows include 9 5/8" and 4 1/2" casing sizes.

Table with 8 columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT*, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Rows include 2 3/8" size and 8715' depth set.

Table with 4 columns: INTERVAL, SIZE, NUMBER, DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows include intervals 9115'-8830', 8370'-7928', 7728'-7526', 6904'-6347', 5868'-5774'.

33.* PRODUCTION DATE FIRST PRODUCTION 6/12/04 PRODUCTION METHOD FLOWING WELL STATUS PRODUCING

DATE OF TEST 6/16/04 HOURS TESTED 24 CHOKE SIZE 20/64 PROD'N FOR TEST PERIOD OIL--BBL. 0 GAS--MCF. 2092 WATER--BBL. 160 GAS-OIL RATIO

FLOW. TUBING PRESS. 1147# CASING PRESSURE 1535# CALCULATED 24-HOUR RATE OIL-BBL. 0 GAS--MCF. 2092 WATER--BBL. 160 OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SOLD TEST WITNESSED BY

35. LIST OF ATTACHMENTS RECEIVED

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records SIGNED SHEILA UPCHEGO TITLE REGULATORY ANALYST DATE 7/8/2004

See Spaces for Addition Data on Reverse Side

DIV. OF OIL, GAS & MINING

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments. ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: 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.		38. GEOLOGIC MARKERS					
Formation	Top	Bottom	Description, contents, etc.	Name	Meas. Depth	Top	True Vert. Depth
WASATCH MESAVERDE	4718' 7465'	7465'	CONFIDENTIAL				

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

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:	1/6/2006
FROM: (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	TO: (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
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on:
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- Reports current for Production/Disposition & Sundries on: ok
- 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
- Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 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
- 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 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 CHANGE 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 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) RANDY BAYNE	Title DRILLING MANAGER
Signature <i>Randy Bayne</i>	Date May 9, 2006

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.

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

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

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 CHANGE 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 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 recomplate 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)

BRAD LANEY

Signature

Title

ENGINEERING SPECIALIST

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Brad Laney

Title

Date

5-9-06

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.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
U-01194-A-ST

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:
UNIT #891008900A

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 441

2. NAME OF OPERATOR:
KERR MCGEE OIL & GAS ONSHORE LP

9. API NUMBER:
4304734791

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-7024

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **612'FNL, 506'FWL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWNW 35 9S 21E**

COUNTY: **UINTAH**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" 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 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 checked="" type="checkbox"/> OTHER: REPAIR CASING
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	LEAK & SQUEEZE

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

THE OPERATOR REQUESTS AUTHORIZATION TO REPAIR THE CASING LEAK ON THE SUBJECT WELL LOCATION. THE OPERATOR HAS BEEN WORKING ON THE SUBJECT WELL LOCATION FOR MAINTENANCE WORK, DUE THE WELL WILL NOT RUN PLUNGER. THE OPERATOR IS GETTING BACK SOLIDS CONSISTENT WITH DRILLING MUD AND LOST CIRCULATION MATERIAL (70% CLAY). AT THIS TIME THE OPERATOR HAS A WORKOVER RIG ON THE SUBJECT WELL LOCATION, AND WOULD LIKE TO REPAIR THE CASING LEAK IF ANY AT THE TIME IT IS FOUND.

PLEASE REFER TO THE ATTACHED CASING SQUEEZE PROCEDURE.

COPY SENT TO OPERATOR

Date: 10-10-2008

Initials: ICS

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE *Sheila Upchego*

DATE 6/9/2008

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

RECEIVED

JUN 09 2008

(5/2000)

DATE: 6/9/08 (See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

BY: *D. St. John*

NBU 441 CASING SQUEEZE PROCEDURE

- 1) MIRU. N/D WH. N/U BOPE. POOH W/ TUBING (EOT – 8714')
- 2) R/U WIRELINE AND LUBRICATOR. RIH W/ GAUGE RING AND JUNK BASKET TO ~5770'. RIH W/ 4-1/2" CBP AND SET SAME @ ~5770'. POOH. RIH W/ 4-1/2" CICR ON TUBING AND SET SAME @ ???.
- 3) FILL HOLE AND PRESSURE TEST CASING TO 2000 PSI. STING INTO CICR AND ESTABLISH INJECTION RATE.
- 4) R/U CEMENT COMPANY AND PUMP RECOMMENDED CEMENT JOB INTO CASING LEAK AT ??? (LEAK DEPTH). REVERSE CIRCULATE TUBING CLEAN. POOH W/STINGER.
- 5) RIH W/ 3-7/8" BIT AND POBS. D-O CICR AND CEMENT TO ??? (PAST LEAK DEPTH). PRESSURE TEST CASING AND PERFORATIONS TO 1500 PSI FOR 10 MINUTES. RESQUEEZE IF NECESSARY.
- 6) D-O CBP AND C-O TO PBTD @ ~9260' (OLD POBS ON BOTTOM).
- 7) P/U TUBING AND LAND SAME AT ~8730'. PUMP-OFF BIT AND SUB. SHUT-IN FOR 30 MINUTES TO ALLOW BIT TO FALL TO BOTTOM.
- 8) N/D BOPE. N/U WH. RDMO AND RTP. SWAB WELL IN IF NECESSARY.

NBU 441

RIG MAINTENANCE JUNE 2008

Relevant History

- JUNE 2004: Completed with 5 gel frac stages in the Mesa Verde and Wasatch. Cleaned out to 9264'. Landed tubing at 8714' and pumped off POBS.
- AUG 2006: Ran wireline. Couldn't pull spring. Got to spring.
- NOV 2006: Ran wireline. TD 9210'. No problems.
- AUG 2007: Ran wireline. TD at 9240'. No problems.

Symptoms

- Well won't run plunger. Getting back solids consistent with drilling mud and lost circulation material (70% clay).

Prognosis

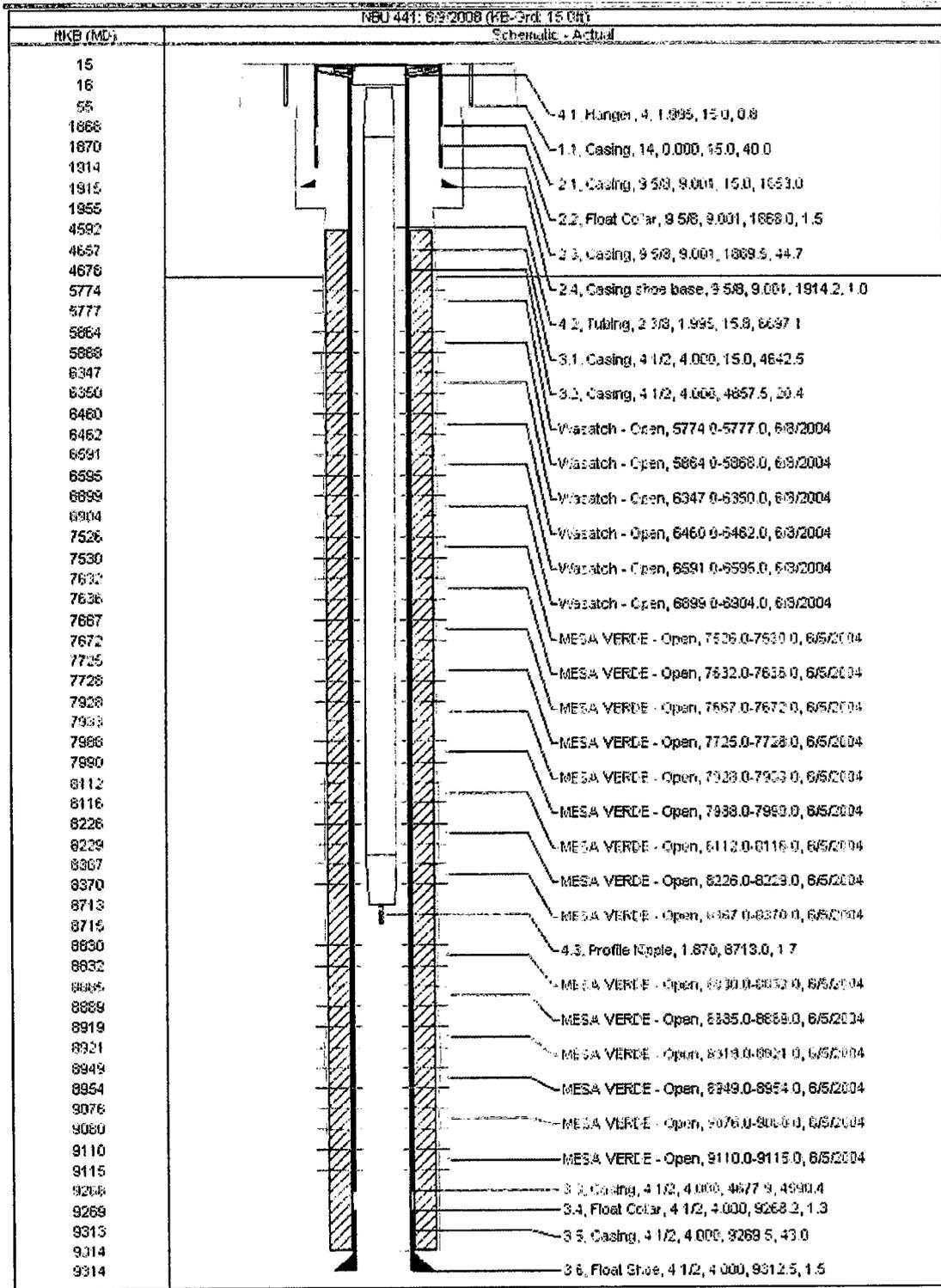
- Possible casing leak.

Notes

- Plunger still in tubing. Bumper spring still in tubing. Be cautious while POOH for plunger coming up or bumper spring.

Procedure Outline

- Unland tubing and RIH to test PBTD. Tag should be atleast at 9145' (30' rathole, prefer 100' rathole – depth of 9215'. Consult with engineering if tag above desired depth)
- POOH inspecting tubing. LD all suspect joints with holes or scale.
- WL to run GR down to top of perfs at 5774'. RIH and set packer immediately above perfs. Test annulus. If there is a leak, identify the depth. If there is not a leak, perform a cleanout job.
- Consult with engineering on procedure to squeeze perfs.



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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-01194-A-ST
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 612'FNL, 506'FWL		8. WELL NAME and NUMBER: NBU 441
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 35 9S 21E		9. API NUMBER: 4304734791
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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 checked="" type="checkbox"/> OTHER: <u>REPAIR CASING</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>LEAK & SQUEEZE</u>

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

THE OPERATOR REQUESTS AUTHORIZATION TO REPAIR THE CASING LEAK ON THE SUBJECT WELL LOCATION. THE OPERATOR HAS BEEN WORKING ON THE SUBJECT WELL LOCATION FOR MAINTENANCE WORK, DUE THE WELL WILL NOT RUN PLUNGER. THE OPERATOR IS GETTING BACK SOLIDS CONSISTENT WITH DRILLING MUD AND LOST CIRCULATION MATERIAL (70% CLAY). AT THIS TIME THE OPERATOR HAS A WORKOVER RIG ON THE SUBJECT WELL LOCATION, AND WOULD LIKE TO REPAIR THE CASING LEAK IF ANY AT THE TIME IT IS FOUND.

PLEASE REFER TO THE ATTACHED CASING SQUEEZE PROCEDURE.

COPY SENT TO OPERATOR

Date: 6.26.2008

Initials: KS

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE 	DATE <u>6/9/2008</u>

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**
DATE: 6/25/08
BY: [Signature]

(See Instructions on Reverse Side)

RECEIVED

JUN 17 2008

DIV. OF OIL, GAS & MINING

NBU 441 CASING SQUEEZE PROCEDURE

- 1) MIRU. N/D WH. N/U BOPE. POOH W/ TUBING (EOT – 8714')
- 2) R/U WIRELINE AND LUBRICATOR. RIH W/ GAUGE RING AND JUNK BASKET TO ~5770'. RIH W/ 4-1/2" CBP AND SET SAME @ ~5770'. POOH. RIH W/ 4-1/2" CICR ON TUBING AND SET SAME @ ???.
- 3) FILL HOLE AND PRESSURE TEST CASING TO 2000 PSI. STING INTO CICR AND ESTABLISH INJECTION RATE.
- 4) R/U CEMENT COMPANY AND PUMP RECOMMENDED CEMENT JOB INTO CASING LEAK AT ??? (LEAK DEPTH). REVERSE CIRCULATE TUBING CLEAN. POOH W/STINGER.
- 5) RIH W/ 3-7/8" BIT AND POBS. D-O CICR AND CEMENT TO ??? (PAST LEAK DEPTH). PRESSURE TEST CASING AND PERFORATIONS TO 1500 PSI FOR 10 MINUTES. RESQUEEZE IF NECESSARY.
- 6) D-O CBP AND C-O TO PBTD @ ~9260' (OLD POBS ON BOTTOM).
- 7) P/U TUBING AND LAND SAME AT ~8730'. PUMP-OFF BIT AND SUB. SHUT-IN FOR 30 MINUTES TO ALLOW BIT TO FALL TO BOTTOM.
- 8) N/D BOPE. N/U WH. RDMO AND RTP. SWAB WELL IN IF NECESSARY.

RECEIVED

JUN 17 2008

DIV. OF OIL, GAS & MINING

NBU 441

RIG MAINTENANCE JUNE 2008

Relevant History

- JUNE 2004: Completed with 5 gel frac stages in the Mesa Verde and Wasatch. Cleaned out to 9264'. Landed tubing at 8714' and pumped off POBS.
- AUG 2006: Ran wireline. Couldn't pull spring. Got to spring.
- NOV 2006: Ran wireline. TD 9210'. No problems.
- AUG 2007: Ran wireline. TD at 9240'. No problems.

Symptoms

- Well won't run plunger. Getting back solids consistent with drilling mud and lost circulation material (70% clay).

Prognosis

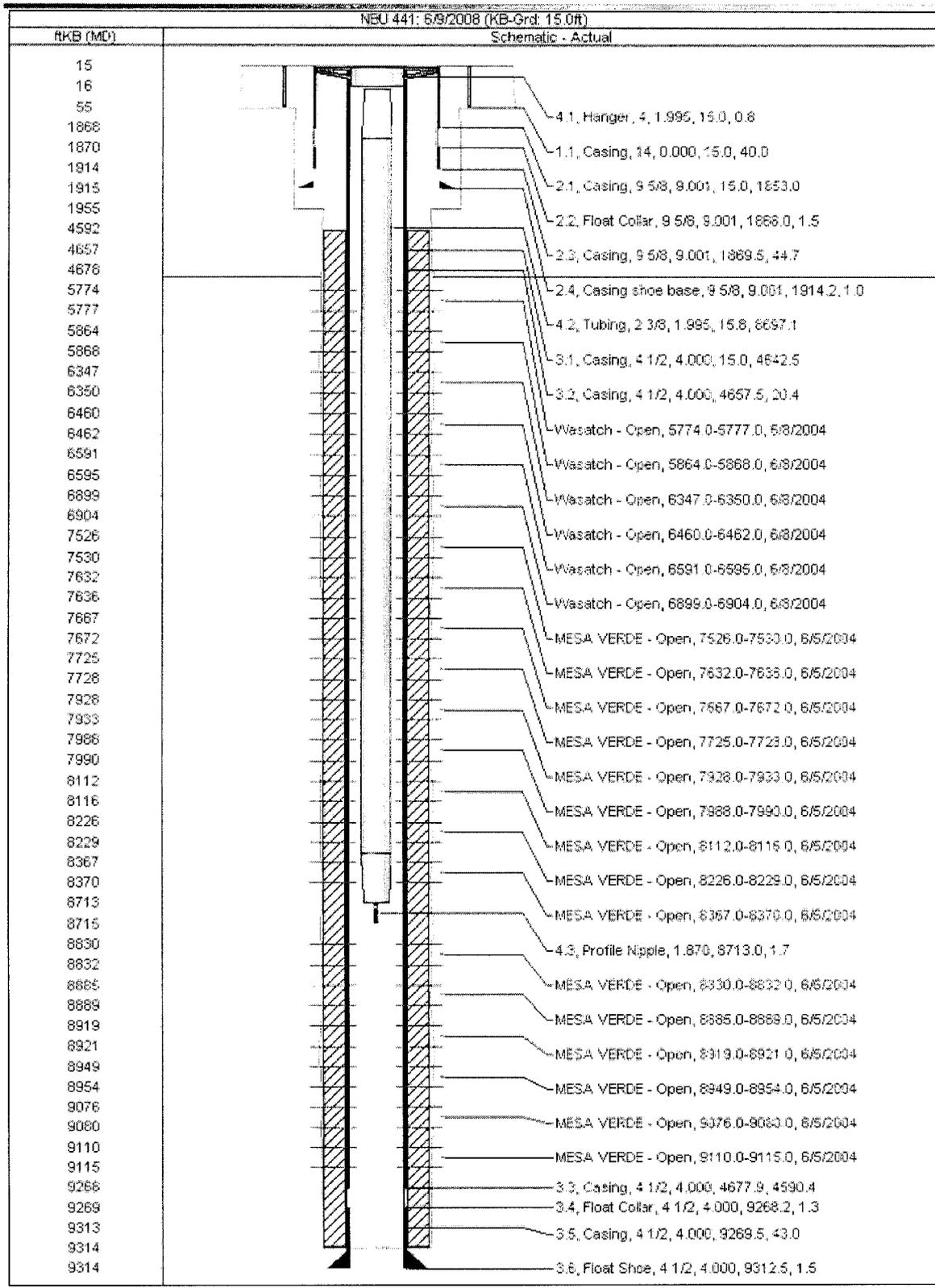
- Possible casing leak.

Notes

- Plunger still in tubing. Bumper spring still in tubing. Be cautious while POOH for plunger coming up or bumper spring.

Procedure Outline

- Unland tubing and RIH to test PBTD. Tag should be atleast at 9145' (30' rathole, prefer 100' rathole – depth of 9215'. Consult with engineering if tag above desired depth)
- POOH inspecting tubing. LD all suspect joints with holes or scale.
- WL to run GR down to top of perms at 5774'. RIH and set packer immediately above perms. Test annulus. If there is a leak, identify the depth. If there is not a leak, perform a cleanout job.
- Consult with engineering on procedure to squeeze perms.



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: U-01194-A-ST
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP			8. WELL NAME and NUMBER: NBU 441
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024	9. API NUMBER: 4304734791
4. LOCATION OF WELL FOOTAGES AT SURFACE: 612'FNL, 506'FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 35 9S 21E			10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

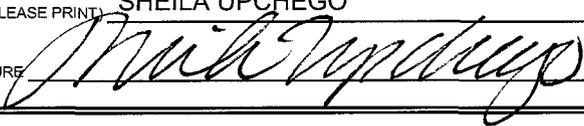
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/17/2008	<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 checked="" type="checkbox"/> OTHER: <u>REPAIR CASING</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>LEAK & SQUEEZE</u>

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

ON 06/09/2008, THE OPERATOR REPAIRED THE CASING LEAK AND SQUEEZED THE SUBJECT WELL LOCATION. THE OPERATOR PLACED THE WELL LOCATION BACK ON PRODUCTION ON 06/17/2008.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
JUN 23 2008
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 6/19/2008

(This space for State use only)

WINS No.: 71803

NBU 441

Start Date: 6/9/2008

AFE No.: 88007183

Operation Summary Report

End Date: 6/16/2008

Operator KERR MCGEE OIL & GAS ONSHORE LP		FIELD NAME NATURAL BUTTES	SPUD DATE 4/25/04	GL 4,982	KB 4997	ROUTE RUN 08
API 4304734791	STATE UTAH	COUNTY UINTAH		DIVISION ROCKIES		
Lat./Long.: Lat./Long.: 0.00000 / 0.00000		Q-Q/Sect/Town/Range: NWNW / 35 / 9S / 21E		Footages: 612.00' FNL 506.00' FWL		
MTD 9314	TVD 0	LOG MD	PBMD 9264	PBTVD 9264		

EVENT INFORMATION: EVENT ACTIVITY: WORKOVER / REPAIR REASON: CSG LEAK
 OBJECTIVE: SECONDARY DATE WELL STARTED/RESUMED:
 OBJECTIVE2: CASING LEAK Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location
 KEY 59 / 59 06/09/2008 06/16/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
6/9/2008							
SUPERVISOR: WILL GLEAVE							
	7:00 - 12:00	5.00	MAINT	30	A	P	MIRU. JSA SAFETY MEETING #1. NUBOPS. WAITING ON TUBING TRAILER.
	12:00 - 16:00	4.00	MAINT	31	I	P	PU 11 JTS 2 3/8 L-80. TAGGED FILL @ 9050' +/- LD 11 JTS. TOO.
	16:00 - 17:30	1.50	MAINT	34	G	P	RU CUTTERS WIRELINE RIH W/ 3.62 GR TO 5750'. RD CUTTERS WIRELINE. SWI SDFN.

6/10/2008							
SUPERVISOR: WILL GLEAVE							
	6:30 - 10:00	3.50	MAINT	31	I	P	JSA SAFETY MEETING#2. TIH W T.S. RBP & HD PACKER. SET RBP @ 5686'.
	10:00 - 10:45	0.75	MAINT	33	C	P	SET PKR @5640' TESTED CASING. EST INJ RATE OF 2.5 BBL/MIN @ 800 PSI
	10:45 - 12:00	1.25	MAINT	33	C	P	PRESURE TEST DOWN TUBING. EST INJ RATE OF 400 PSI @ 3 BBL/MIN. PUMP DOWN BACK SIDE. PRESSURE TEST TO 1500'.
	10:45 - 10:45	0.00	MAINT	31	I	P	PULLED 44 STANDS TO 2811' & SET PKR.
	12:00 - 12:30	0.50	MAINT	33	C	P	PUMP DOWN TBG. PRESSURE TEST TO 1500 PSI. PUMP DOWN BACKSIDE @ 3 BBL/MIN & 0 PSI.
	12:00 - 12:30	0.50	MAINT	31	I	P	TIH W /10 STANDS TO 3454' & SET PKR
	12:30 - 12:45	0.25	MAINT	31	I	P	PULL 5 STANDS & SET PKR @ 3132'
	12:45 - 14:00	1.25	MAINT	33	C	P	PUMP DOWN TBG, LEAKED DOWN TUBING AND CSG. IDENTIFIED TOP OF LEAK @ 3107' & BOTTOM OF LEAK @ 3145 +/-
	14:00 - 16:30	2.50	MAINT	31	I	P	TIH TO TOP OF RBP. CIRCULATE DOWN 4 1/2 & UP 9 5/8. GOOD CIRCULATION. SWI SDFN

6/11/2008							
SUPERVISOR: WILL GLEAVE							
	7:00 - 10:00	3.00	COMP	31	I	P	JSA SAFETY MEETING #3. DUMP SAND DOWN TBG ON TOP OF RBP. DISPLACE SAND WITH 20 BBLs 2%. TOO W/ PKR TIH W/ CICR. SET RETAINER @ 3064'
	10:00 - 12:00	2.00	COMP	31	I	P	RU BIG 4 CEMENTERS. PUMPED 400 SKS 12.4# CLASS G CEMENT & 200 SKS 15.8# 2% CALC CEMENT. HAD RETURNS DURING WHOLE JOB. NO CEMENT RETURNS TO SURFACE. RD BIG 4 CEMENTERS.
	12:00 - 15:00	3.00	COMP	40	A	P	
	15:00 - 16:00	1.00	COMP	31	I	P	TOOH W/ CICR SETTING TOOL. SWI SDFN

6/12/2008							
SUPERVISOR: WILL GLEAVE							
	7:00 - 9:30	2.50	MAINT	31	I	P	JSA SAFETY MEETING #4. RIH W / 3 7/8 BIT. TAGGED CEMENT @ 2942'

Wins No.: 71803

NBU 441

API No.: 4304734791

EVENT INFORMATION: EVENT ACTIVITY: WORKOVER / REPAIR
 OBJECTIVE: SECONDARY
 OBJECTIVE2: CASING LEAK

REASON: CSG LEAK
 DATE WELL STARTED/RESUMED:
 Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location

KEY 59 / 59

06/09/2008

06/16/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
	9:30 - 14:30	5.00	MAINT	44	A	P	RU SWIVEL. DRILL OUT 122' OF CEMENT AND MOST OF CICR. LD SWIVEL & TOO. H.
	14:30 - 14:30	0.00	MAINT	31	I	P	TOOH. TIH W/ NEW 3 7/8 ROCK BIT.
	14:30 - 14:30	0.00	MAINT	44	B	P	MILLED UP CICR. SWI-SDFN

6/13/2008

SUPERVISOR: WILL GLEAVE

7:00 - 12:00	5.00	MAINT	44	A	P	JSA SAFETY MEETING # 5. DRILL OUT CEMENT TO 3200'.
12:00 - 19:00	7.00	MAINT	31	I	P	TIH. CIRCULATE SAND OFF OF TOP OF RBP. TOO. H W BIT. TIH W/ RET. HEAD FOR RBP. RELEASE RBP & TOO. H. SWI-SDFWE

6/16/2008

SUPERVISOR: WILL GLEAVE

7:00 - 9:00	2.00	MAINT	31	I	P	JSA SAFETY MEETING# 6. RIH W 3 7/8 BIT & POBS. TAG FILL @ 8964'
9:00 - 14:00	5.00	MAINT	44	D	P	FILL @ 8964 WAS BRIDGE, TAGGED SOLID FILL @ 9050'. C-O TO 9260'. CIRCULATE WELL CLEAN. X-O ON SWIVEL BROKE, TBG DROPPED 1-2 FT. CALLED OUT WIRELINE TO RUN BROACH TO CHECK TBG.
14:00 - 15:30	1.50	MAINT	35	A	P	RUN FULL ID BROACH. COULD NOT GET BELOW 6437'. BROACH WAS 1.96"
15:30 - 18:30	3.00	MAINT	31	I	P	TOOH LOOKING FOR CRIMPED OR BAD JTS. LAID DOWN 2 JTS. SWI-SDFN.

6/17/2008

SUPERVISOR: WILL GLEAVE

7:00 - 14:00	7.00	MAINT	31	I	P	JSA-SAFETY MEETING #7. TIH W/-36 STANDS. BROACH TBG. TIH W/-99 STANDS. BROACH TBG. P-O BIT SUB. ND BOPS. NU WH. RD-MO.
--------------	------	-------	----	---	---	--

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: U-01194-A-ST
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 441
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047347910000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0612 FNL 0506 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 35 Township: 09.0S Range: 21.0E Meridian: S	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: 6/19/2008	<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 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 checked="" type="checkbox"/> OTHER	OTHER: REPAIR CASING LEAK

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

ON 06/09/2008 THE OPERATOR HAS SUBMITTED A NOTICE OF INTENT TO REPAIR CASING LEAK & SQUEEZE THE SUBJECT WELL LOCATION. THE OPERATOR HAD PERFORMED THE CASING LEAK AND SQUEEZED THE WELL LOCATION, AND SUBMITTED A SUBSEQUENT REPORT ON 06/19/2008. THE SUBSEQUENT REPORT WAS RECIEVED BY DOGM ON 06/23/2008. ON 06/11/2009 THE OPERATOR HAS RECIEVED A NOV TO SUBMIT THE SUBSEQUENT REPORT, IN TO THEIR OFFICE. AFTER SEARCHING THE OPERATORS RECORDS AND DOGM WEBSITE, IT HAD BEEN SUBMITTED AND SHOWS ON THE WEBSITE AND IN THE OPERATOR WEBSITE.

Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 August 13, 2009

NAME (PLEASE PRINT) Sheila Wopsock	PHONE NUMBER 435 781-7024	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 8/13/2009	