

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

AMENDED REPORT   
(highlight changes)

|  |   |  |   |
|--|---|--|---|
| <b>APPLICATION FOR PERMIT TO DRILL</b>   |   | 5. MINERAL LEASE NO:<br>ML-23609                                   | 6. SURFACE:<br>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 type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> |   | 8. UNIT or CA AGREEMENT NAME:<br>NATURAL BUTTES UNIT               |   |
| 2. NAME OF OPERATOR:<br>WESTPORT OIL & GAS COMPANY L.P.  |   | 9. WELL NAME and NUMBER:<br>NBU 1022-7C                            |   |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY VERNAL STATE UT ZIP 84078  |   | PHONE NUMBER:<br>(435) 781-7024                                    | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES |
| 4. LOCATION OF WELL (FOOTAGES)<br>AT SURFACE: 1052'FNL & 2186'FWL<br>AT PROPOSED PRODUCING ZONE:   |   | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>NENW 7 10S 22E |   |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>37.6 MILES SOUTHEAST OF OURAY, UTAH   |   | 12. COUNTY:<br>UINTAH  | 13. STATE:<br>UTAH                                |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>1052'   | 16. NUMBER OF ACRES IN LEASE:<br>294.22 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>40.00                |   |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>REFER TO TOPO C   | 19. PROPOSED DEPTH:<br>9,300            | 20. BOND DESCRIPTION:<br>RLB0005238                                |   |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br>5167'UNGRADED GL  | 22. APPROXIMATE DATE WORK WILL START:   | 23. ESTIMATED DURATION:  |   |

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 |
|--------------|---|------|-------|---------------|---|
| 12 1/4"      | 9 5/8"                                  | H-40 | 32.3# | 2,000         | 265 SX  |
| 7 7/8"       | 4 1/2"                                  | I-80 | 11.6# | 9,300         | 1910 SX   |
|              |   |      |       |               |   |
|              |   |      |       |               |   |
|              |   |      |       |               |   |
|              |   |      |       |               |   |
|              |   |      |       |               |   |

25. **ATTACHMENTS**

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

|  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST

SIGNATURE *Sheila Upchego* DATE 4/16/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-047-356 59

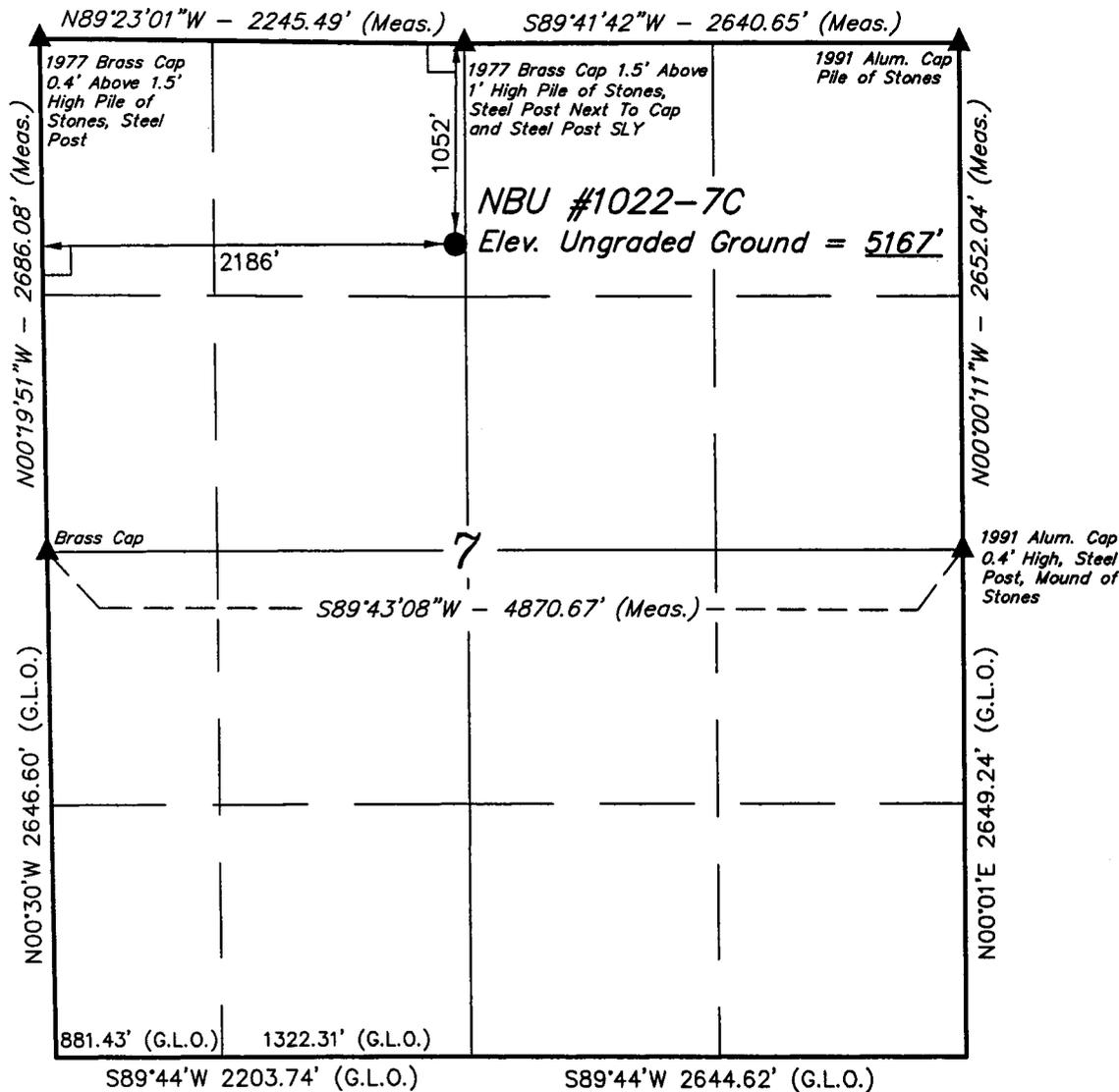
APPROVAL: **RECEIVED**  
**APR 19 2004**  
Date: 05-24-04  
By: *[Signature]*

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

# T10S, R22E, S.L.B.&M.

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

Well location, NBU #1022-7C, located as shown in the NE 1/4 NW 1/4 of Section 7, T10S, R22E, S.L.B.&M. Uintah County, Utah.

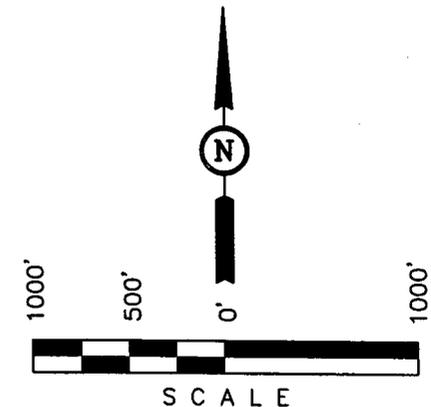


### BASIS OF ELEVATION

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

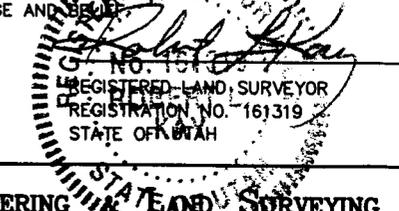
### BASIS OF BEARINGS

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



### 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.



### LEGEND:

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

(NAD 83)  
 LATITUDE = 39°58'04.09" (39.967803)  
 LONGITUDE = 109°28'57.71" (109.482697)

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

|                          |  |                         |
|--------------------------|--|-------------------------|
| SCALE<br>1" = 1000'      | DATE SURVEYED:<br>03-18-04                 | DATE DRAWN:<br>03-29-04 |
| PARTY<br>S.H. T.E. D.COX | REFERENCES<br>G.L.O. PLAT                  |                         |
| WEATHER<br>WARM          | FILE<br>WESTPORT OIL AND GAS COMPANY, L.P. |                         |

NBU #1022-7C  
NE/NW Sec. 7, T10S, R22E  
UINTAH COUNTY, UTAH  
ML-23609

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

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

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta            | Surface      |
| Green River      | 1375'        |
| Wasatch          | 4575'        |
| Mesaverde        | 7175'        |
| TD               | 9300'        |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
|                  | Green River      | 1375'        |
| Gas              | Wasatch          | 4575'        |
| Gas              | Mesaverde        | 7175'        |
| Water            | N/A              |              |
| Other Minerals   | N/A              |              |

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

*Please see the attached Drilling Program.*

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

*Please see the attached Drilling Program*

5. **Drilling Fluids Program:**

*Please see the attached Drilling Program.*

6. **Evaluation Program:**

*Please see the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9300' TD, approximately equals 3720 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1677 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

*Please see the attached Drilling Program.*

10. **Other Information:**

*Please see the attached Drilling Program.*



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

**CASING PROGRAM**

|            | SIZE   | INTERVAL  | WT.   | GR.          | CPLG. | DESIGN FACTORS |          |         |
|------------|--------|-----------|-------|--------------|-------|----------------|----------|---------|
|            |        |           |       |              |       | BURST          | COLLAPSE | TENSION |
| CONDUCTOR  | 14"    | 0-40'     |       |              |       | 2270           | 1370     | 254000  |
| SURFACE    | 9-5/8" | 0 to 2000 | 32.30 | H-40         | STC   | 0.81*****      | 1.46     | 4.49    |
|            |        |           |       |              |       | 7780           | 6350     | 201000  |
| PRODUCTION | 4-1/2" | 0 to 9300 | 11.60 | M-80 or I-80 | LTC   | 2.79           | 1.31     | 2.13    |

- 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 2790 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<br>Option 1 | LEAD            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele  | 215     | 60%    | 15.60  | 1.18  |
|                     | TOP OUT CMT (1) | 200         | 20 gals sodium silicate + Premium cmt<br>+ 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<br>Option 2 | LEAD            | 1500        | <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b><br>Prem cmt + 16% Gel + 10 pps gilsonite<br>+.25 pps Flocele + 3% salt BWOC | 170     | 35%    | 11.00  | 3.82  |
|                     | TAIL            | 500         | Premium cmt + 2% CaCl<br>+ .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            | 4,070'      | Premium Lite II + 3% KCl + 0.25 pps<br>celloflake + 5 pps gilsonite + 10% gel<br>+ 0.5% extender  | 450     | 60%    | 11.00  | 3.38  |
|                     | TAIL            | 5,230'      | 50/50 Poz/G + 10% salt + 2% gel<br>+.1% R-3   | 1460    | 60%    | 14.30  | 1.31  |

- \*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained
- \*Substitute caliper hole volume plus 15% excess for TAIL if accurate caliper is obtained

**FLOAT EQUIPMENT & CENTRALIZERS**

|            |   |
|------------|---|
| SURFACE    | Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.                   |
| PRODUCTION | Float shoe, 1 jt, float collar. 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 DHD\_NBU1022-7C\_APD

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

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

NBU #1022-7C  
NE/NW Sec. 7, T10S-R22E  
Uintah County, UT  
ML-23609

**ONSHORE ORDER NO. 1**

***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 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, standard color number 2.5Y 6/2.

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

Refer to Topo D for the proposed pipeline.

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 of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

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:**

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

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 will be submitted when report becomes available.

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

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

Sheila Upchego  
Regulatory Analyst  
Westport O&G Co. L.P.  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7024

Randy Bayne  
Drilling Manager  
Westport O&G Co. L.P.  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7018

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.

Westport O& GCo. L.P. is considered to be the operator of the subject well. Westport O& G Co. L.P 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 Westport O&G Co. L.P. State Surety Bond: RLB0005238.

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.

  
Sheila Upcheg

4/16/04

Date

# WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-7C

SECTION 7, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 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, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE CIGE #141 AND THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 56.7 MILES.

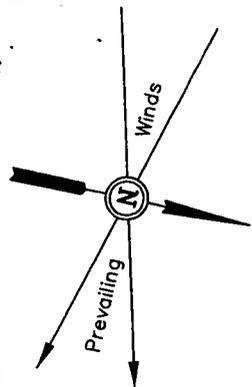
WESTMORT OIL AND GAS COMPANY, L.P.

SCALE: 1" = 50'  
 DATE: 03-30-04  
 Drawn By: D.COX

LOCATION LAYOUT FOR

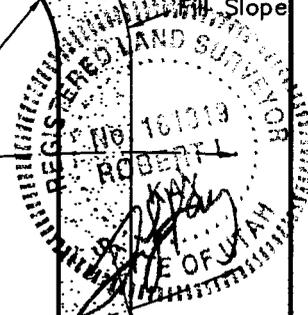
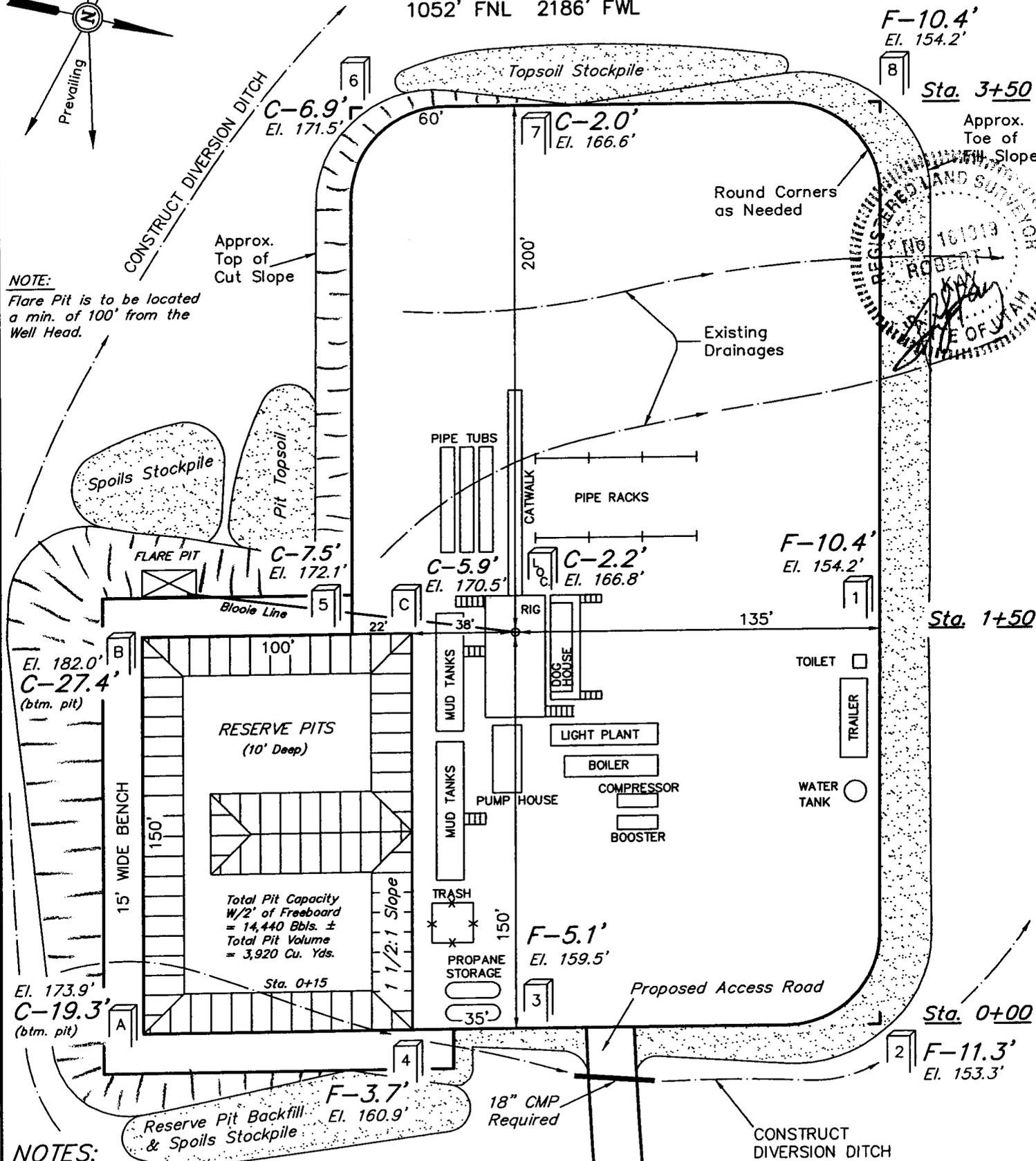
NBU #1022-7C  
 SECTION 7, T10S, R22E, S.L.B.&M.  
 1052' FNL 2186' FWL

FIGURE #1



CONSTRUCT DIVERSION DITCH

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5166.7'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5164.6'

UINTAH ENGINEERING & LAND SURVEYING  
 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

WESTPORT OIL AND GAS COMPANY, L.P.

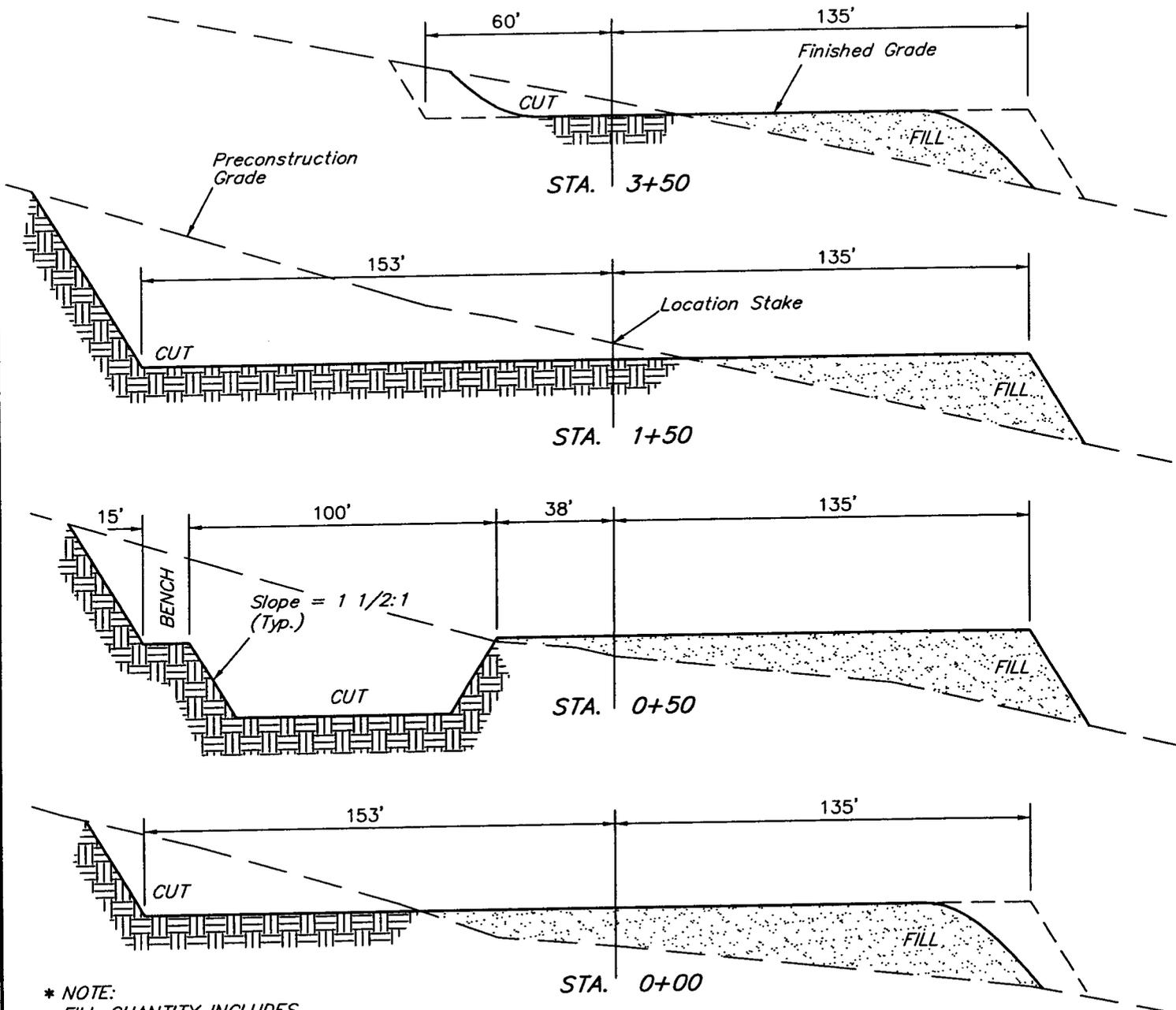
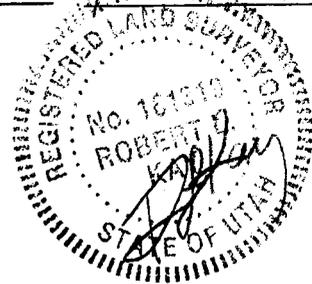
FIGURE #2

TYPICAL CROSS SECTIONS FOR

NBU #1022-7C  
SECTION 7, T10S, R22E, S.L.B.&M.  
1052' FNL 2186' FWL

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

DATE: 03-30-04  
Drawn By: D.COX



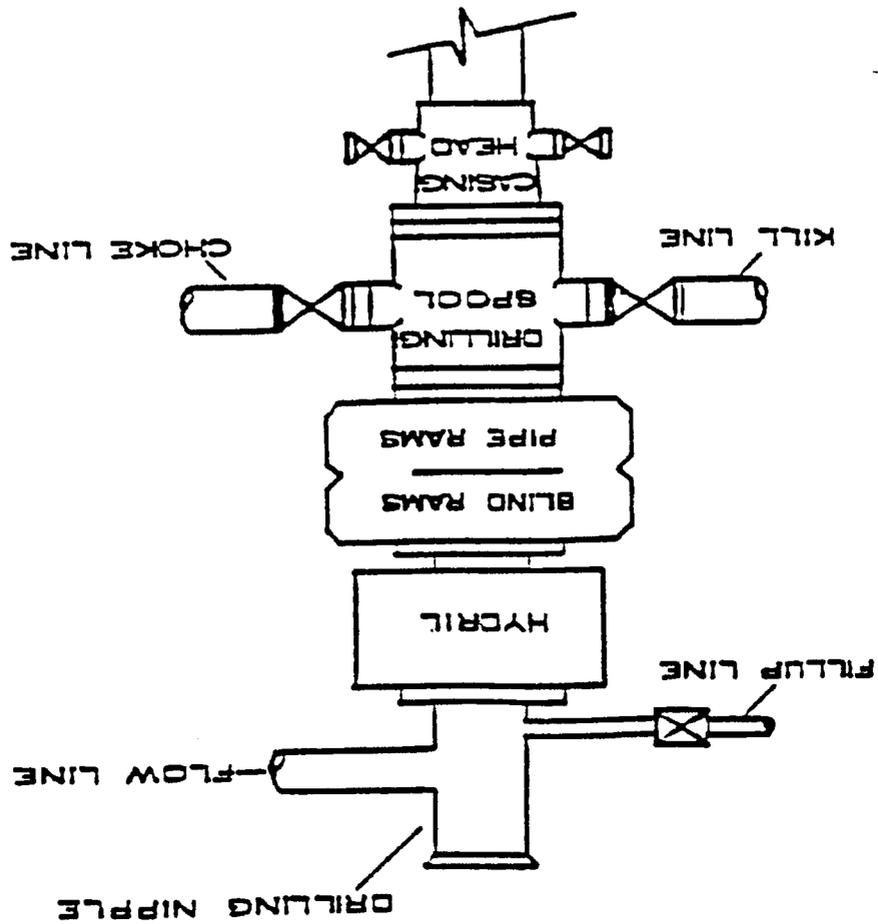
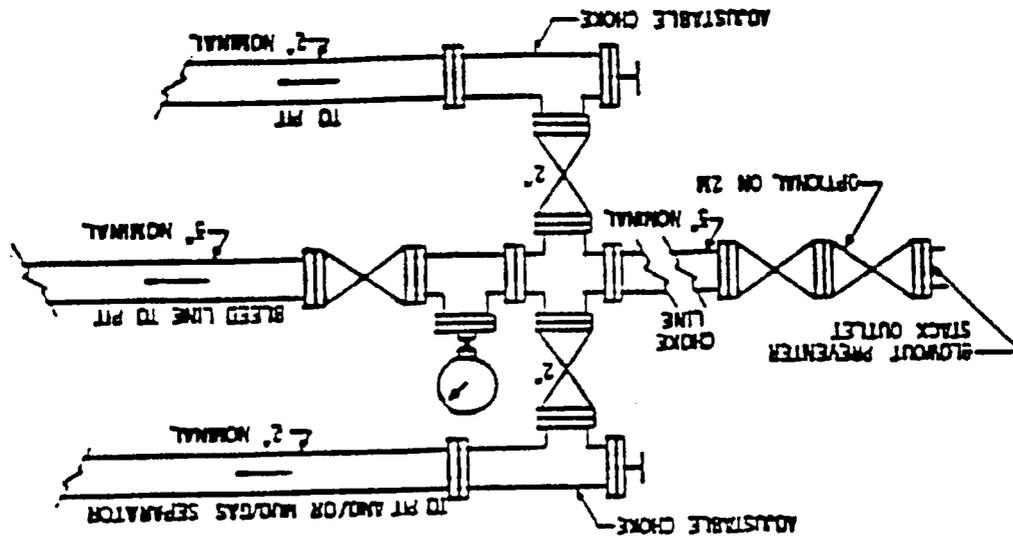
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

|                        |                         |
|------------------------|-------------------------|
| CUT                    |                         |
| (6") Topsoil Stripping | = 2,060 Cu. Yds.        |
| Remaining Location     | = 13,900 Cu. Yds.       |
| <b>TOTAL CUT</b>       | <b>= 15,960 CU.YDS.</b> |
| <b>FILL</b>            | <b>= 11,930 CU.YDS.</b> |

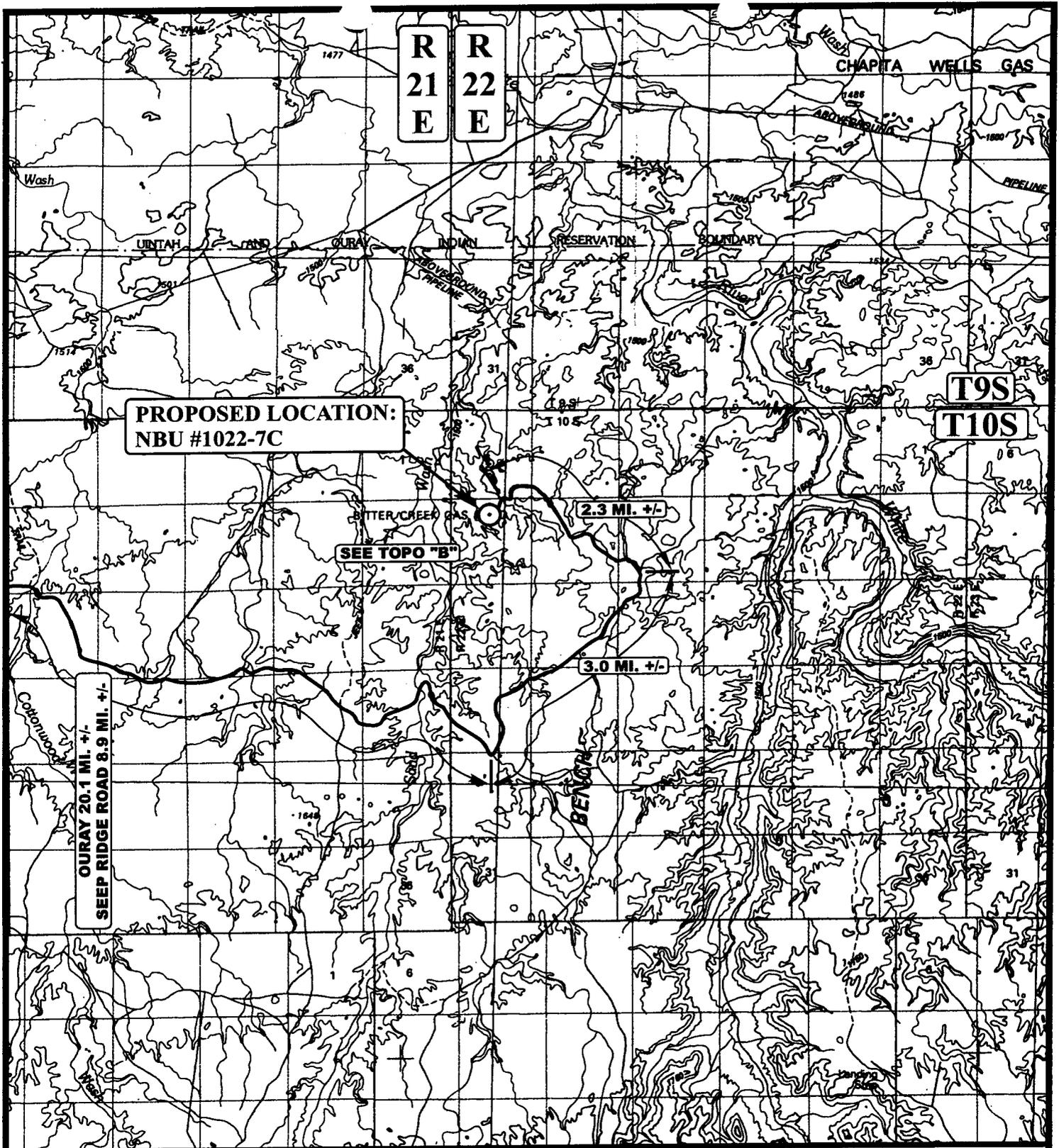
|  |                  |
|--|------------------|
| EXCESS MATERIAL                            | = 4,030 Cu. Yds. |
| Topsoil & Pit Backfill<br>(1/2 Pit Vol.)   | = 4,030 Cu. Yds. |
| EXCESS UNBALANCE<br>(After Rehabilitation) | = 0 Cu. Yds.     |

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



**BOP STACK**

3,000 PSI



**LEGEND:**

○ PROPOSED LOCATION



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

**NBU #1022-7C**

**SECTION 7, T10S, R22E, S.L.B.&M.**

**1052' FNL 2186' FWL**



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

**TOPOGRAPHIC**  
**MAP**

|           |           |           |
|-----------|-----------|-----------|
| <b>04</b> | <b>07</b> | <b>04</b> |
| MONTH     | DAY       | YEAR      |

**SCALE: 1:100,000**

**DRAWN BY: P.M.**

**REVISED: 00-00-00**



# WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-7C

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 7, T10S, R22E, S.L.B.&M.

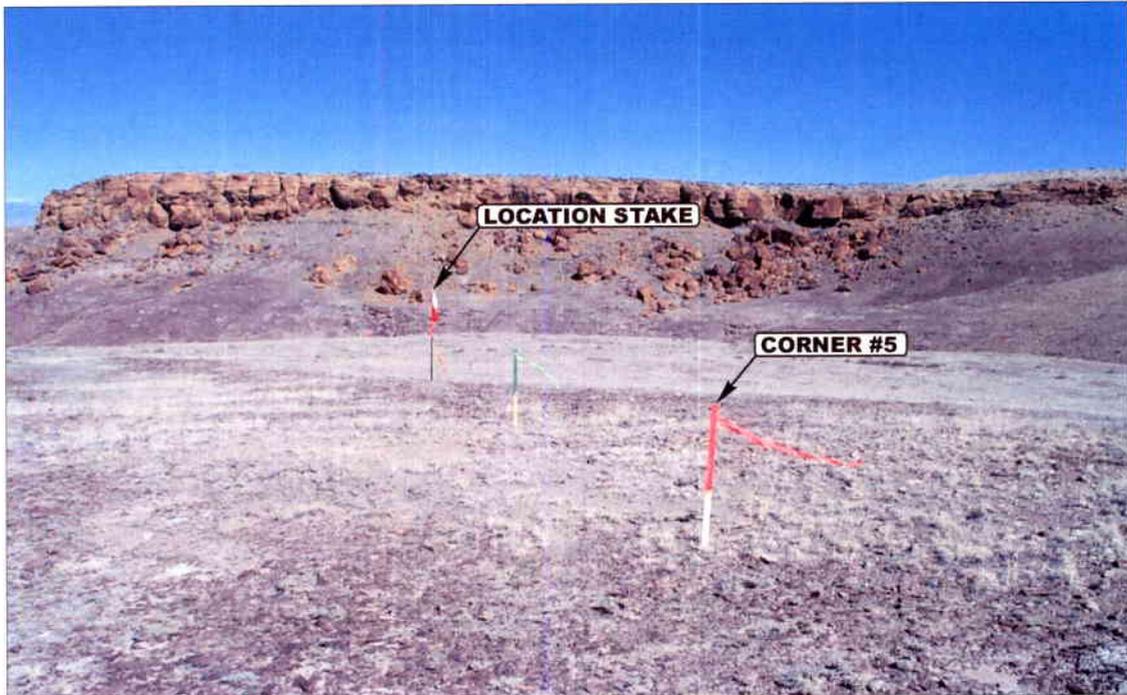


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

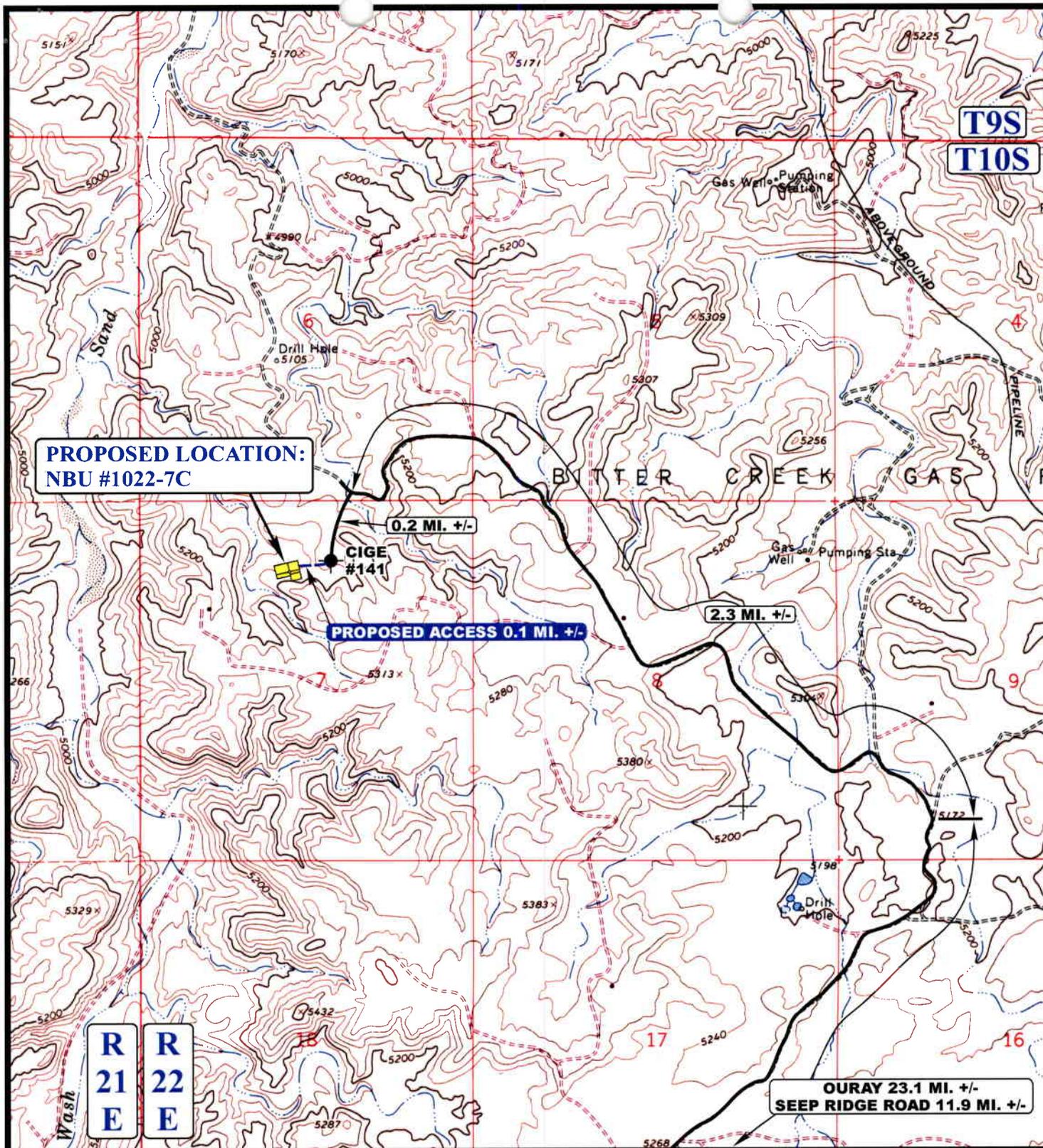
04 07 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: S.H.

DRAWN BY: P.M.

REVISED: 00-00-00



**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



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

**NBU #1022-7C**  
**SECTION 7, T10S, R22E, S.L.B.&M.**  
**1052' FNL 2186' FWL**

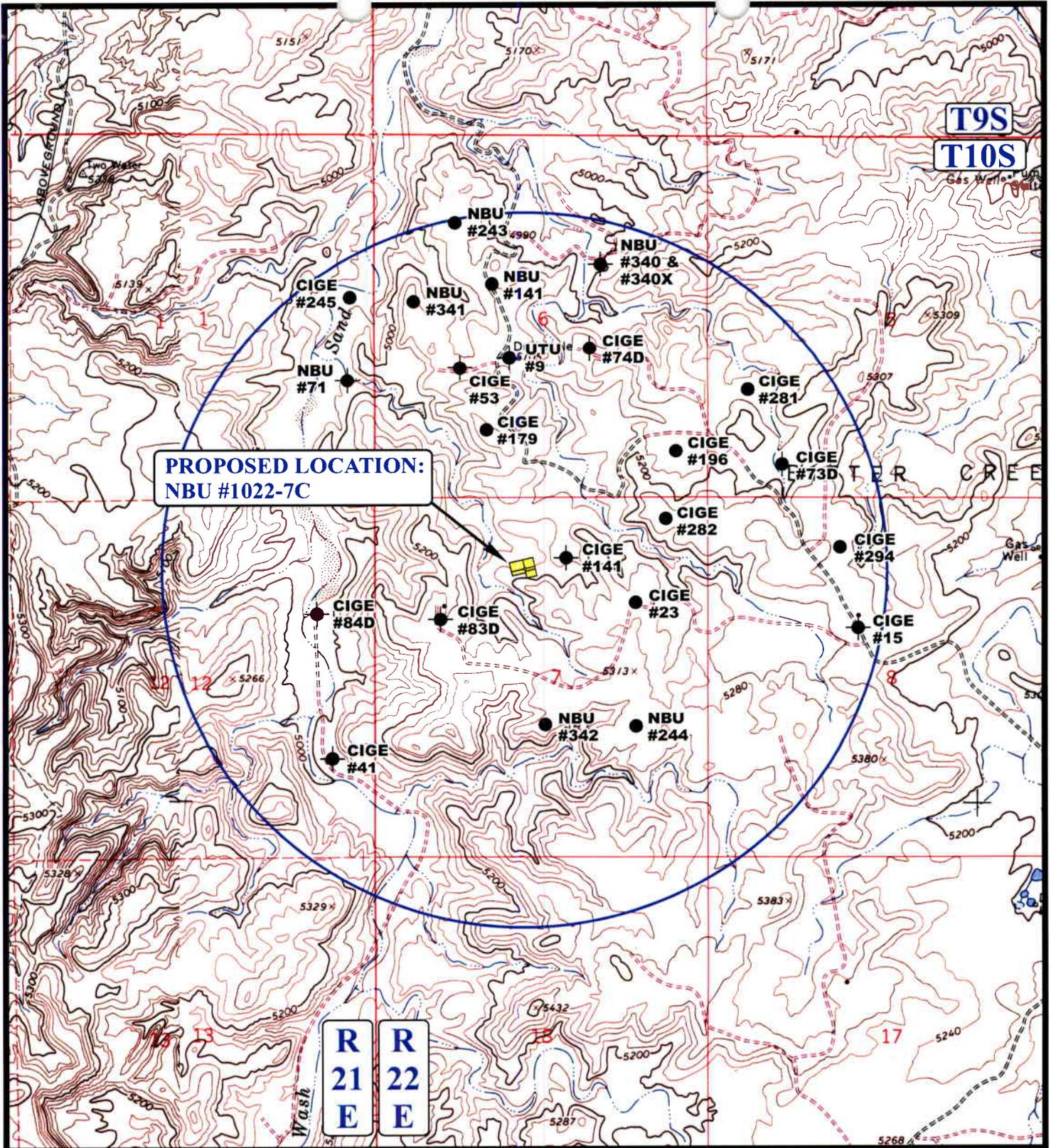


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** **04 07 04**  
**MAP** MONTH DAY YEAR

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





**PROPOSED LOCATION:  
NBU #1022-7C**

**T9S**

**T10S**

**R  
21  
E**

**R  
22  
E**

**LEGEND:**

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

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

**NBU #1022-7C  
SECTION 7, T10S, R22E, S.L.B.&M.  
1052' FNL 2186' FWL**



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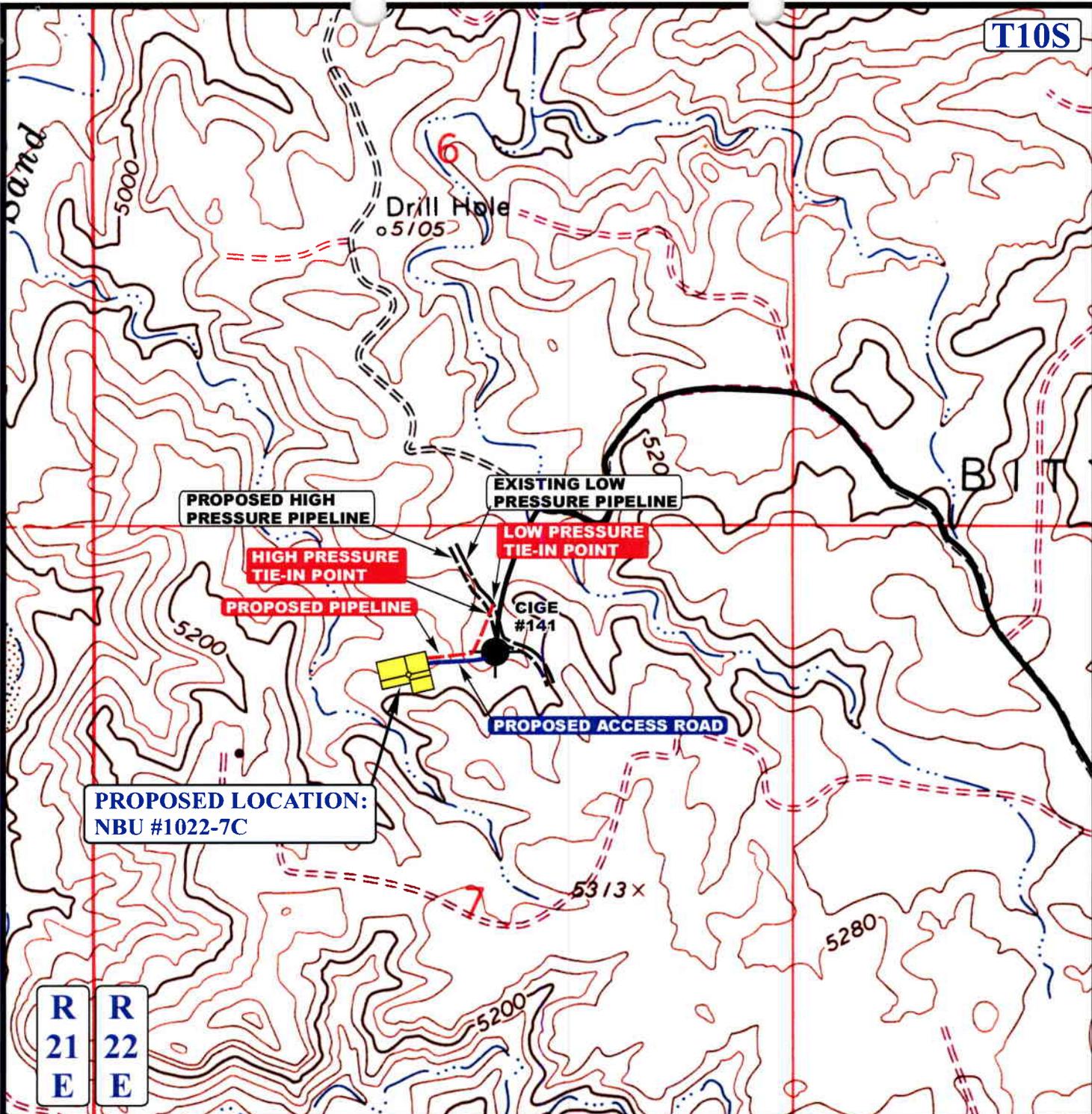
**TOPOGRAPHIC  
MAP**

**04 07 04**  
MONTH DAY YEAR

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



T10S



PROPOSED LOCATION:  
NBU #1022-7C

APPROXIMATE TOTAL HIGH PRESSURE PIPELINE DISTANCE = 600' +/-  
 APPROXIMATE TOTAL LOW PRESSURE PIPELINE DISTANCE = 700' +/-

**LEGEND:**

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



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

NBU #1022-7C  
 SECTION 7, T10S, R22E, S.L.B.&M.  
 1052' FNL 2186' FWL



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

**TOPOGRAPHIC** 04 07 04  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 1000' | DRAWN BY: P.M. | REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/19/2004

API NO. ASSIGNED: 43-047-35659

WELL NAME: NBU 1022-7C  
OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NEW 07 100S 220E  
SURFACE: 1052 FNL 2186 FWL  
BOTTOM: 1052 FNL 2186 FWL  
UINTAH  
NATURAL BUTTES ( 630 )

| INSPECT LOCATN BY: / / |          |         |
|------------------------|----------|---------|
| Tech Review            | Initials | Date    |
| Engineering            | DRD      | 5/21/04 |
| Geology                |          |         |
| Surface                |          |         |

LEASE TYPE: 3 - State  
LEASE NUMBER: ML-23609 *OK*  
SURFACE OWNER: 3 - State  
PROPOSED FORMATION: MVRD  
COALBED METHANE WELL? NO

LATITUDE: 39.96761  
LONGITUDE: 109.48206

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]  
(No. RLB0005238 *OK* )
- 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)

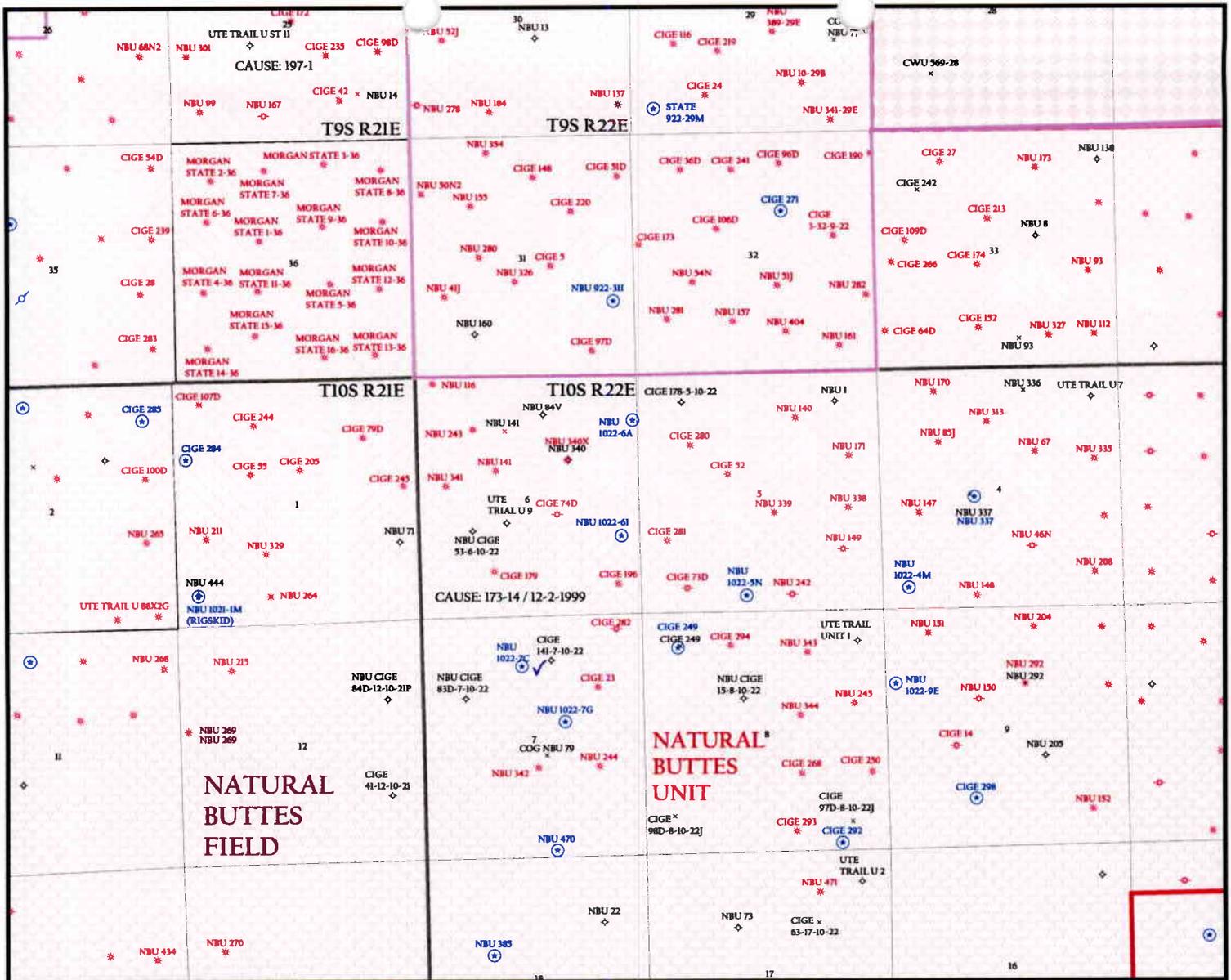
LOCATION AND SITING:

- 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: 123-14  
Eff Date: 12-2-99  
Siting: 460' Fr W boundary of uncomm. tract
- R649-3-11. Directional Drill

COMMENTS: Needs Drawings (05-06-04)

STIPULATIONS: ① Oil Shale

② STATEMENT OF BASIS



OPERATOR: WESTPORT O&G CO (N2115)

SEC. 7 T.10S, R.22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

**Well Status**

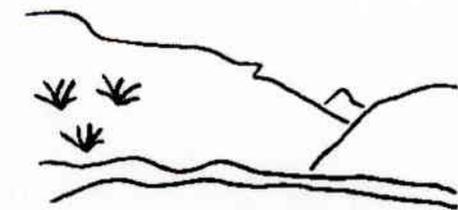
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

**Field Status**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 21-APRIL-2004

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

**IN REPLY REFER TO:**

3160

(UT-922)

April 23, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Natural Buttes Unit  
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2004 within the Natural Buttes Unit, Uintah County, Utah.

| API# | WELL NAME | LOCATION |
|------|-----------|----------|
|------|-----------|----------|

(Proposed PZ Mesaverde)

43-047-35657 NBU 922-31I Sec 31 T09S R22E 1620 FSL 0499 FEL

43-047-35658 NBU 1022-7G Sec 7 T10S R22E 2383 FNL 1685 FEL

43-047-35659 NBU 1022-7C Sec 7 T10S R22E 1052 FNL 2168 FWL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:4-23-04

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

003

|   |                                       |   |
|---|---------------------------------------|---|
| <p align="center"><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.<br/>Use APPLICATION FOR PERMIT -- for such proposals</p> |                                       | 6. Lease Designation and Serial Number<br>ML-23609          |
|   |                                       | 7. Indian Allottee or Tribe Name                            |
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)  |                                       | 8. Unit or Communitization Agreement<br>NATURAL BUTTES UNIT |
| 2. Name of Operator<br>WESTPORT OIL & GAS COMPANY L.P.  |                                       | 9. Well Name and Number<br>NBU 1022-7C                      |
| 3. Address of Operator<br>1368 SOUTH 1200 EAST VERNAL, UTAH 84078   | 4. Telephone Number<br>(435) 781-7024 | 10. API Well Number<br>43-049-35659                         |
| 5. Location of Well<br>Footage : 1052'FNL & 2186'FWL<br>QQ, Sec, T., R., M : NENW SECTION 7-T10S-R22E   |                                       | 11. Field and Pool, or Wildcat<br>NATURAL BUTTES            |
|   |                                       | County : UINTAH<br>State : UTAH                             |

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

|   |   |
|---|---|
| <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 checked="" type="checkbox"/> Other <u>REVISED PIPELINE</u> |   |

Approximate Date Work Will Start IMMEDIATE

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

|  |   |
|--|---|
| <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 type="checkbox"/> Other _____             |   |

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.)

THE OPERATOR REQUESTS AUTHORIZATION TO REVISE THE HIGH PRESSURE PIPELINE TO 650', AND THE LOW PRESSURE PIPELINE TO 650'.

PLEASE REFER TO THE ATTACHED TOPO MAP D FOR PIPELINE PLACEMENT.

COPY SENT TO OPERATOR  
Date: 5-17-04  
Initials: CHD

**RECEIVED**  
MAY 23 2004

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

Name & Signature Sheila Upchego *Sheila Upchego* Title Regulatory Analyst Date 04/29/04

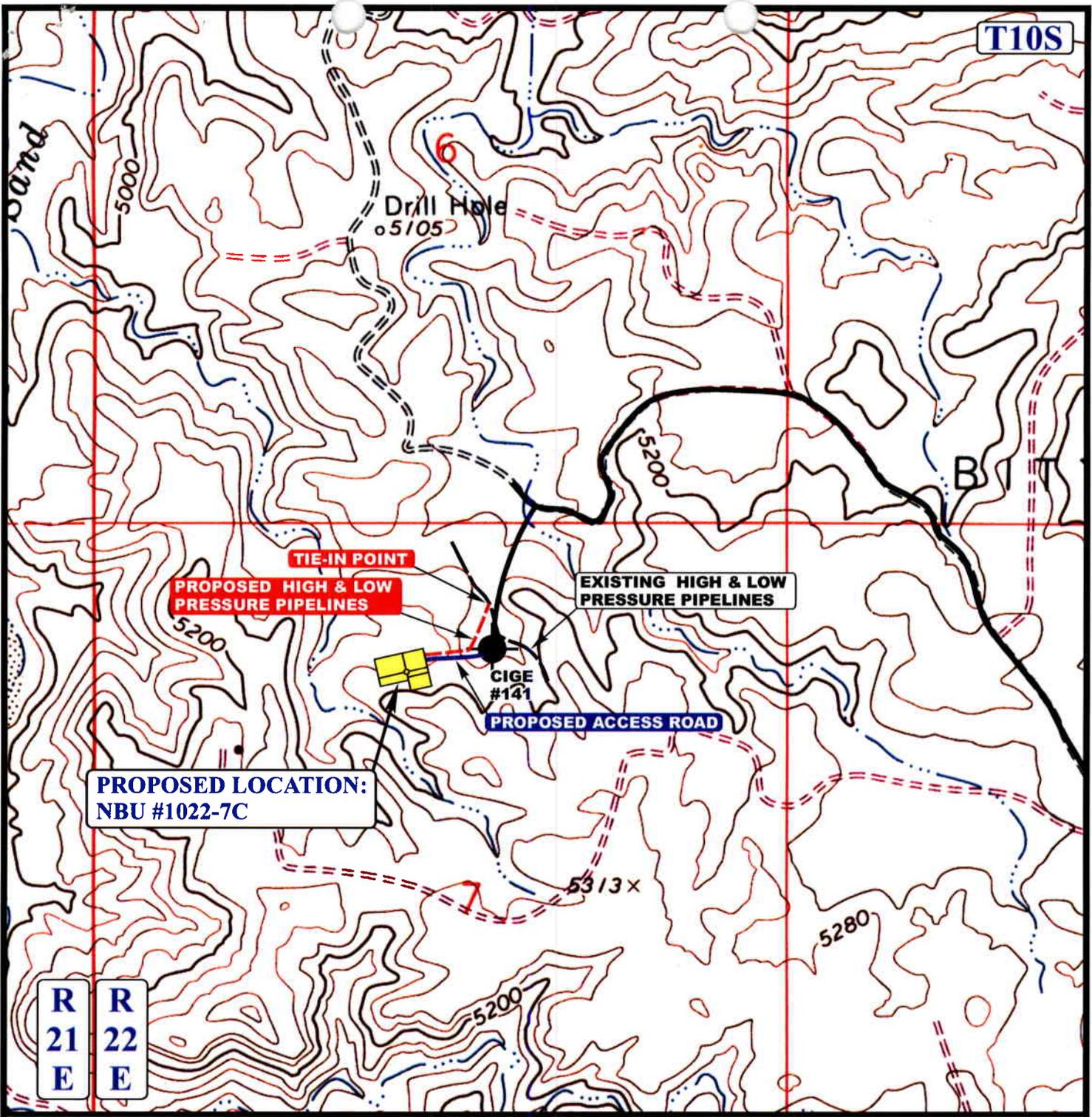
(State Use Only) Utah Division of Oil, Gas and Mining

Federal Approval Of This Action Is Necessary

Date: 5/10/04

(8/90) By: D. A. [Signature] See instructions on Reverse Side

\* Appropriate land management agencies and Regulatory Bodies should be contacted for approval



APPROXIMATE TOTAL HIGH PRESSURE PIPELINE DISTANCE = 650' +/-

APPROXIMATE TOTAL LOW PRESSURE PIPELINE DISTANCE = 650' +/-

**LEGEND:**

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



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

**NBU #1022-7C**

**SECTION 7, T10S, R22E, S.L.B.&M.**

**1052' FNL 2186' FWL**



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

**TOPOGRAPHIC**  
**MAP**

**04 07 04**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 04-22-04



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

**OPERATOR:** WESTORT OIL AND GAS COMPANY, L.P.  
**WELL NAME & NUMBER:** NBU 1022-7C  
**API NUMBER:** 43-047-35659  
**LEASE:** ML-23609 **FIELD/UNIT:** NATURAL BUTTES  
**LOCATION:** 1/4,1/4 NE/NW Sec: 7 TWP: 10S RNG: 22E 2186' FWL 1052' FNL  
**LEGAL WELL SITING:** 460 Feet from unit boundary and uncommitted tracts.  
**GPS COORD (UTM):** 629642E 4425082N **SURFACE OWNER:** STATE OF UTAH

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM), FLOYD BARTLETT (DWR), CARROLL ESTES, CLAY EINERSON, (WESTPORT), DAVID WESTON, (UELS).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS ON THE NORTH SAIDE OF A RIDGE WHICH RUNS EAST TO WEST. THE TOP OF THIS RIDGE IS 300' TO THE SOUTH. DRAINAGE IS TO THE NORTH. SHALLOW DRAWS CROSS THIS SITE. THESE DRAWS FORM DEEPER DRAWS WHICH RUN TO THE NORTHEAST TO THE WHITE RIVER THREE MILES AWAY. THERE ARE NUMEROUS SANDSTONE OUTCROPPINGS 500' TO THE NORTH.

**SURFACE USE PLAN**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 273'. 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 FOLLOW ACCESS ROAD.

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

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

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

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: WILDFLOWERS, GREASEWOOD, PRICKLY PEAR, SHADSCALE, SALTBRUSH: PRONGHORN, RODENTS, SONGBIRDS, RAPTORS, COYOTE, 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: 150' BY 100' AND 10' DEEP.

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

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WILL BE 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 WARM DAY WITH NO SNOW COVER.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

05/06/04, 1:00 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>0</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**            10            (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:** WESTPORT OIL AND GAS COMPANY, L.P.  
**WELL NAME & NUMBER:** NBU 1022-7C  
**API NUMBER:** 43-047-35659  
**LOCATION:** 1/4,1/4 NE/NW Sec: 7 TWP: 10S RNG: 22E 2186' FWL 1052' FSL

**Geology/Ground Water:**

Westport proposes to set 2,000' 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 3,000'. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the proposed location. This well is more than a mile from the proposed location. Use is listed as stock/wildlife watering. 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.

**Reviewer:** Brad Hill **Date:** 05/11/04

**Surface:**

The predrill investigation of the surface was performed on 05/06/04. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 04/28/04. Mr. Bartlett was present. SITLA did not have a representative present. Mr. Bartlett had no concerns regarding the construction of this location or the drilling of the well. This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area. There are numerous shallow drainages crossing this site. Diversion ditches will be constructed around the south edge and east edge of location to divert runoff water from crossing site. Mr. Bartlett gave Mr. Estes a prescribed seed mix to be used when reserve pit is reclaimed.

**Reviewer:** David W. Hackford **Date:** 05/07/2004

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

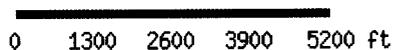
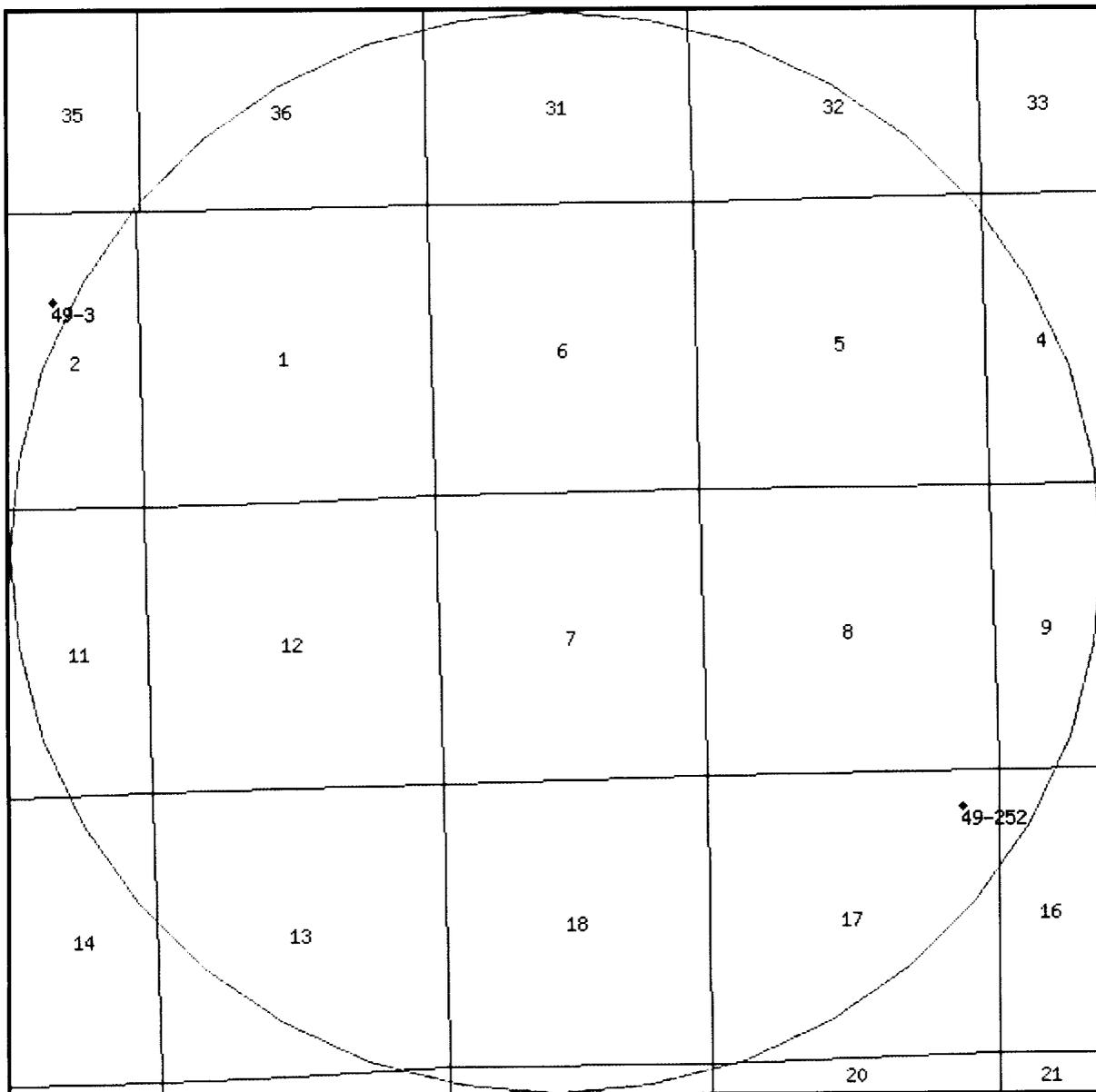
None.



### WRPLAT Program Output Listing

Version: 2004.03.26.00      Rundate: 05/11/2004 04:26 PM

Radius search of 10000 feet from a point S1052 E2186 from the NW corner, section 07, Township 10S, Range 22E, SL b&m Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



**Water Rights**

| <b>WR Number</b> | <b>Diversion Type/Location</b>                 | <b>Well Log</b> | <b>Status</b> | <b>Priority</b> | <b>Uses</b> | <b>CFS</b> | <b>ACFT</b> | <b>Owner</b>   |
|------------------|--|-----------------|---------------|-----------------|-------------|------------|-------------|--|
| <u>49-252</u>    | Underground<br>S660 W660 NE 17 10S<br>22E SL   |                 | P             | 19640613        | S           | 0.022      | 0.000       | Vernal District U:<br>Management<br><br>170 South 500 Ea |
| <u>49-3</u>      | Underground<br>S1650 W1564 NE 02 10S<br>21E SL |                 | P             | 19590617        | O           | 0.026      | 0.000       | DeKalb Agricultu<br>Incorporated<br><br>Box 523          |

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

05-04 Westport NBU 1022-7C  
Casing Schematic

Uinta

Surface

9-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

TOC @  
641.

Surface  
2000. MD

propose Top out

1375 Green River

w/ 18% Washout

$$(.052)(10)(9300) = 4836$$

Anticipate 3720

$$(.22)(9300) = 2046$$

MASP = 2790 ✓

BOPS - 3000 proposed

Surface Csg - 2270

$$76\% = 1589$$

propose Test To 1500 psiv

Adequate DWD 5/21/04

3000' BMSW

~~303622~~ TOC Tail

4575 Wasatch

w/ 15% Washout

7175 Mesaverde

4-1/2"  
MW 10.

Production  
9300. MD

|              |                                       |                             |
|--------------|---------------------------------------|-----------------------------|
| Well name:   | <b>05-04 Westport NBU 1022-7C</b>     |                             |
| Operator:    | <b>Westport Oil &amp; Gas Company</b> |                             |
| String type: | Surface                               | Project ID:<br>43-047-35659 |
| Location:    | Uintah County                         |                             |

|   |                                 |                                     |
|---|---------------------------------|-------------------------------------|
| <b>Design parameters:</b>                 | <b>Minimum design factors:</b>  | <b>Environment:</b>                 |
| <b>Collapse</b>                           | <b>Collapse:</b>                | H2S considered? No                  |
| Mud weight: 8.400 ppg                     | Design factor 1.125             | Surface temperature: 65 °F          |
| Design is based on evacuated pipe.        |                                 | Bottom hole temperature: 93 °F      |
|   |                                 | Temperature gradient: 1.40 °F/100ft |
|   |                                 | Minimum section length: 200 ft      |
|   | <b>Burst:</b>                   | Cement top: 641 ft                  |
|   | Design factor 1.00              |                                     |
| <b>Burst</b>                              |                                 | Non-directional string.             |
| Max anticipated surface pressure: 483 psi | <b>Tension:</b>                 |                                     |
| Internal gradient: 0.468 psi/ft           | 8 Round STC: 1.80 (J)           |                                     |
| Calculated BHP 1,418 psi                  | 8 Round LTC: 1.80 (J)           |                                     |
| No backup mud specified.                  | Buttress: 1.60 (J)              |                                     |
|   | Premium: 1.50 (J)               |                                     |
|   | Body yield: 1.50 (B)            | <b>Re subsequent strings:</b>       |
|   | Tension is based on air weight. | Next setting depth: 9,300 ft        |
|   | Neutral point: 1,753 ft         | Next mud weight: 10.000 ppg         |
|   |                                 | Next setting BHP: 4,831 psi         |
|   |                                 | Fracture mud wt: 19.250 ppg         |
|   |                                 | Fracture depth: 2,000 ft            |
|   |                                 | Injection pressure 2,000 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       | 2000                | 9.625                   | 32.30                   | H-40             | ST&C                 | 2000                 | 2000                | 8.876                   | 126.8                   |
| 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       | 873                 | 1370                    | 1.570                   | 1418             | 2270                 | 1.60                 | 65                  | 254                     | 3.93 J                  |

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

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

Date: May 18, 2004  
Salt Lake City, Utah

Remarks:  
Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

|              |                                       |             |              |
|--------------|---------------------------------------|-------------|--------------|
| Well name:   | <b>05-04 Westport NBU 1022-7C</b>     |             |              |
| Operator:    | <b>Westport Oil &amp; Gas Company</b> |             |              |
| String type: | Production                            | Project ID: | 43-047-35659 |
| Location:    | Uintah County                         |             |              |

**Design parameters:**

**Collapse**

Mud weight: 10.000 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 195 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 483 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP 4,831 psi

No backup mud specified.

**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)

Non-directional string.

Tension is based on air weight.  
 Neutral point: 7,909 ft

| 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       | 9300 ✓              | 4.5 ✓                   | 11.60 ✓                 | M-80 ✓           | LT&C ✓               | 9300                 | 9300                | 3.875                   | 215.6                   |
| 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       | 4831                | 6350                    | 1.314 ✓                 | 4831             | 7780                 | 1.61 ✓               | 108                 | 267                     | 2.48 B ✓                |

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

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

Date: May 18, 2004  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 9300 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 5/24/2004 9:43:21 AM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

The Houston Exploration Company  
Bonanza 2B-16

Westport Oil & Gas Company  
NBU 1022-7C  
NBU 1022-7D  
NBU 1022-7E  
NBU 1022-7F  
NBU 1022-7G  
State 1022-32I

If you have any questions regarding this matter please give me a call.

**CC:** Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

May 24, 2004

Westport Oil & Gas Company L.P.  
1368 S 1200 E  
Vernal, UT 84078

Re: Natural Buttes Unit 1022-7C Well, 1052' FNL, 2186' FWL, NE NW, Sec. 7,  
T. 10 South, R. 22 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 43-047-35659.

Sincerely,

John R. Baza  
Associate Director

pab  
Enclosures

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

Operator: Westport Oil & Gas Company L.P.  
Well Name & Number Natural Buttes Unit 1022-7C  
API Number: 43-047-35659  
Lease: ML-23609

Location: NE NW                      Sec. 7                      T. 10 South                      R. 22 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. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Page 2

Conditions of Approval API #43-047-35659

May 24, 2004

6. 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.

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: WESTPORT OIL & GAS COMPANY LP

Well Name: NBU 1022-7C

Api No: 43-047-35659 Lease Type: STATE

Section 07 Township 10S Range 22E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # BUCKET

**SPUDDED:**

Date 09/05/04

Time \_\_\_\_\_

How DRY

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

Reported by BOB BINKLEY

Telephone # 1-435-828-0983

Date 09/08/2004 Signed CHD

007

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

OPERATOR WESTPORT O&G COMPANY L.P  
ADDRESS 1368 SOUTH 1200 EAST  
VERNAL, UTAH 84078

OPERATOR ACCT. NO. N 2115

ENTITY ACTION FORM - FORM 6

P. 01

FAX NO. 4357817094

SEP-08-2004 THU 02:26 PM EL PASO PRODUCTION

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER   | WELL NAME      | WELL LOCATION |    |     |     |        | SPUD DATE | EFFECTIVE DATE |
|-------------|--------------------|----------------|--------------|----------------|---------------|----|-----|-----|--------|-----------|----------------|
|             |                    |                |              |                | QQ            | SC | TP  | RG  | COUNTY |           |                |
| A           | 99999              | 14295          | 43-047-35810 | STATE 1022-36E | SWNW          | 36 | 10S | 22E | UINTAH | 9/7/2004  | 9/9/04 K       |

WELL 1 COMMENTS:  
MIRU PETE MARTIN BUCKBT RIG WSMVED  
SPUD WELL LOCATION ON 9/7/04 AT 3:00 PM

| 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           | 43-047-35658 | NBU 1022-7G | SWNB          | 7  | 10S | 22E | UINTAH | 9/5/2004  | 9/9/04 K       |

WELL 2 COMMENTS:  
MIRU PETE MARTIN BUCKBT RIG MVED  
SPUD WELL LOCATION ON 9/5/04 AT 6 AM.

| 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           | 43-047-35659 | NBU 1022-7C | NENW          | 7  | 10S | 22B | UINTAH | 9/6/2004  | 9/9/04 K       |

WELL 3 COMMENTS:  
MIRU PETE MARTIN BUCKET RIG MVED  
SPUD WELL LOCATION ON 9/6/04 AT 6 AM

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER     | WELL NAME     | WELL LOCATION |    |     |     |        | SPUD DATE | EFFECTIVE DATE |
|-------------|--------------------|----------------|----------------|---------------|---------------|----|-----|-----|--------|-----------|----------------|
|             |                    |                |                |               | QQ            | SC | TP  | RG  | COUNTY |           |                |
|             | 99999              |                | NOT YET ASSIGN | NBU 1022-11IX | NESE          | 11 | 10S | 22E | UINTAH | 9/6/2004  |                |

WELL 4 COMMENTS:  
MIRU PETE MARTIN BUCKET RIG  
SPUD WELL LOCATION ON 9/6/04 AT 2100 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 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
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.  
(3/89)

|                   |                |         |                |
|-------------------|----------------|---------|----------------|
| Post-It* Fax Note | 7671           | Date    | # of pages     |
| To                | EDLANE Russell | From    | SHARLA UPHOFF  |
| Co./Dept.         | UTDOGIM        | Co.     | WESTPORT O&G   |
| Phone #           | (901) 538-5334 | Phone # | (435) 781-7024 |
| Fax #             | (901) 359-3940 | Fax #   | (435) 781-7094 |

*Sharla Uphoff*  
Signature

REGULATORY ANALYST 09/09/04  
Title Date

Phone No. (435) 781-7024

RECEIVED

SEP 09 2004

DIV. OF OIL, GAS & MINING

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

FORM 9

**009**

**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<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-23609</b>  |
| 2. NAME OF OPERATOR:<br><b>WESTPORT OIL &amp; GAS COMPANY L.P.</b>  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br>                   |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>                  |  | 7. UNIT or CA AGREEMENT NAME:<br><b>NATURAL BUTTES UNIT</b> |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>1052'FNL &amp; 2186'FWL</b>                                    |  | 8. WELL NAME and NUMBER:<br><b>NBU 1022-7C</b>              |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 7 10S 22E</b>  |  | 9. API NUMBER:<br><b>4304735659</b>                         |
|   |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES</b>    |
|   |  | COUNTY: <b>UINTAH</b>                                       |
|   |  | STATE: <b>UTAH</b>  |

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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____                    | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION      |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br><b>9/6/2004</b> | <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: <b>WELL SPUD</b> |
|   | <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.

**MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14# 64# CONDUCTOR PIPE. CMT W/28 SX READY MIX CMT.**

**SPUD WELL LOCATION ON 9/6/04 AT 6 AM.**

**RECEIVED**  
**SEP 21 2004**  
DIV. OF OIL, GAS & MINING

|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <b>SHEILA UPCHEGO</b>   | TITLE <b>REGULATORY ANALYST</b> |
| SIGNATURE  | DATE <b>9/9/2004</b>            |

(This space for State use only)

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

FORM 9

008

**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<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>ML-23609  |
| 2. NAME OF OPERATOR:<br>WESTPORT OIL & GAS COMPANY L.P.   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY VERNAL STATE UT ZIP 84078                                       |  | 7. UNIT or CA AGREEMENT NAME:<br>NATURAL BUTTES UNIT |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 1052'FNL & 2186'FWL   |  | 8. WELL NAME and NUMBER:<br>NBU 1022-7C              |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 7 10S 22E   |  | 9. API NUMBER:<br>4304735659                         |
| COUNTY: UINTAH  |  | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES    |
| 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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____              | <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<br>(Submit Original Form Only)<br>Date of work completion:<br>9/11/2004 | <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: SET SURFACE CSG |
|   | <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.

MIRU BILL JR'S AIR RIG #4. DRILLED 12 1/4" SURFACE HOLE TO 1950'. RAN 9 5/8" 32.3# H-40 STC CSG. HOOK UP CMT HEAD. RAN 1" PIPE TO 200'. TEST LINES TO 2000 PSI. PMP 120 BBLS FW FOLLOWED BY 40 BBLS GEL WATER MIX & PMP 170 SX LEAD CMT @11.0 PPG 3.82 YIELD. TAILED W/200 SX PREM CMT @15.8 PPG 1.15 YIELD. DROP PLUG & DISP W/145.3 BBL FW BUMP PLUG TO 960 PSI FCP @210 PSI. OK FLOATS HOLDING. PARTIAL RETURNS AT TIMES. FLUID DROPPED OUT OF SIGHT WHEN SHUT DN. HOOKED ONTO 1" PIPE 1" COLAR BROKE OFF & 200' X 1" PIPE FELL DN HOLE. CK FLUID LEVEL. APPROX 400' RU SWAGE & TOP OUT W/100 SX PREM CMT @15.8 PPG. TOP OUT #2: W/250 SX PREM CMT @15.8 PPG. TOP OUT #3: W/140 SX PREM CMT @15.8 PPG. CMT TO SURFACE & HOLDING.

|                                    |                          |
|------------------------------------|--------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO | TITLE REGULATORY ANALYST |
| SIGNATURE                          | DATE 9/14/2004           |

(This space for State use only)

**RECEIVED**  
**SEP 21 2004**

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

**010**

**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<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____                      |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>ML-23609   |
| 2. NAME OF OPERATOR:<br>WESTPORT OIL & GAS COMPANY L.P.  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br><br>7. UNIT or CA AGREEMENT NAME:<br>NATURAL BUTTES UNIT |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY VERNAL STATE UT ZIP 84078  |  | 8. WELL NAME and NUMBER:<br>NBU 1022-7C   |
| PHONE NUMBER:<br>(435) 781-7024  |  | 9. API NUMBER:<br>4304735659  |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 1052'FNL & 2186'FWL<br><br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 7 10S 22E |  | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES   |
| COUNTY: UINTAH   |  | STATE: UTAH   |

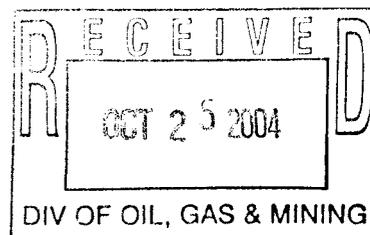
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |   |
|---|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br><br>Approximate date work will start:<br>_____              | <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<br>(Submit Original Form Only)<br><br>Date of work completion:<br>10/8/2004 | <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>FINAL DRILLING OPERATIONS</u> |
|   | <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.

FINISHED DRILLING FROM 1950' TO 9145'. RAN 4 1/2" 11.6# I-80 CSG. CMT W/20 SX SCAVENGER CMT @9.5 PPG 8.44 YIELD. LEAD CMT W/390 SX @11.0 PPG 3.88 YIELD TAILED W/1910 SX 50/50 POZ @14.3 PPG 1.31 YIELD. NO CMT TO SURFACE.

RELEASED CAZA 12 ON 10/7/04 AT 1600 HRS.



|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u> | TITLE <u>REGULATORY ANALYST</u> |
| SIGNATURE                                 | DATE <u>10/11/2004</u>          |

(This space for State use only)

cc  
7/1/05

011

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-23609**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
**NATURAL BUTTES UNIT**

8. WELL NAME and NUMBER:  
**NBU 1022-7C**

9. API NUMBER:  
**4304735659**

10. FIELD AND POOL, OR WILDCAT:  
**NATURAL BUTTES**

**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  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**WESTPORT OIL & GAS COMPANY L.P.**

3. ADDRESS OF OPERATOR: 1368 S. 1200 E. CITY **VERNAL** STATE **UT** ZIP **84078** PHONE NUMBER: **(435) 781-7024**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1052'FNL & 2186'FWL** COUNTY: **UINTAH**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN **NENW 7 10S 22E** STATE: **UTAH**

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |   |
|---|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____                      | <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<br>(Submit Original Form Only)<br>Date of work completion:<br><b>11/17/2004</b> | <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: <b>PRODUCTION START-UP</b> |
|   | <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.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 11/17/04 AT 11 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

NAME (PLEASE PRINT) **SHEILA UPCHEGO** TITLE **REGULATORY ANALYST**

SIGNATURE *Sheila Upchego* DATE **11/22/2004**

(This space for State use only)

RECEIVED  
NOV 26 2004

DIV. OF OIL, GAS & MINING

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

AMENDED REPORT  FORM 8  
(highlight changes)

012

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: WESTPORT OIL & GAS COMPANY L.P.

3. ADDRESS OF OPERATOR: 1368 S. 1200 E. CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-7024

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 1052'FNL & 2186'FWL  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
AT TOTAL DEPTH:

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-23609

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT

8. WELL NAME and NUMBER: NBU 1022-7C

9. API NUMBER: 4304735659

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 7 10S 22E

12. COUNTY: Uintah 13. STATE: UTAH

14. DATE SPURRED: 9/6/2004 15. DATE T.D. REACHED: 10/6/2004 16. DATE COMPLETED: 11/17/2004 ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): 5167'GL

18. TOTAL DEPTH: MD 9,145 TVD 19. PLUG BACK T.D.: MD 9,050 TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
✓ CBL-CCL-GR, HRT, SD/DSV

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 20"       | 14" STL    | 64#            |          | 40          |                      | 28 SX                      |                     |               |               |
| 12 1/4    | 9 5/8 H-40 | 32.3#          |          | 1,950       |                      | 860 SX                     |                     |               |               |
| 7 7/8     | 4 1/2 I-80 | 11.6#          |          | 9,145       |                      | 2320                       |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |

25. TUBING RECORD

| SIZE  | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|-------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2 3/8 | 8,309          |                 |      |                |                 |      |                |                 |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS   |
|----------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|--|
| (A) WASATCH    | 5,032    | 5,514       |           |              | 5,032 5,514             | 0.35 | 80        | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| (B) MESAVERDE  | 7,079    | 9,003       |           |              | 7,079 9,003             | 0.35 | 248       | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| (C)            |          |             |           |              |                         |      |           | Open <input type="checkbox"/> Squeezed <input type="checkbox"/>            |
| (D)            |          |             |           |              |                         |      |           | Open <input type="checkbox"/> Squeezed <input type="checkbox"/>            |

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL                          |
|----------------|--|
| 5032'-5514'    | FRAC W/2673 BBLs 18# GEL FLUID & 433,600# 20/40 SD   |
| 7079'-9003'    | FRAC W/8770 BBLs 20# GEL FLUID & 1,108,600# 20/40 SD |

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: \_\_\_\_\_

30. WELL STATUS: **PROD**

**RECEIVED**  
**MAR 01 2005**

DIV. OF OIL, GAS & MINING

**31. INITIAL PRODUCTION**

**INTERVAL A (As shown in Item #26)**

|                                    |                    |                        |             |                     |               |                           |                 |                   |                     |                          |
|------------------------------------|--------------------|------------------------|-------------|---------------------|---------------|---------------------------|-----------------|-------------------|---------------------|--------------------------|
| DATE FIRST PRODUCED:<br>11/17/2004 |                    | TEST DATE:<br>1/7/2005 |             | HOURS TESTED:<br>24 |               | TEST PRODUCTION RATES: →  | OIL - BBL:<br>0 | GAS - MCF:<br>701 | WATER - BBL:<br>450 | PROD. METHOD:<br>FLOWING |
| CHOKE SIZE:<br>23/64               | TBG. PRESS.<br>444 | CSG. PRESS.<br>612     | API GRAVITY | BTU - GAS           | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL:<br>0 | GAS - MCF:<br>701 | WATER - BBL:<br>450 | INTERVAL STATUS:<br>PROD |

**INTERVAL B (As shown in Item #26)**

|                                    |                    |                        |             |                     |               |                           |                 |                   |                     |                          |
|------------------------------------|--------------------|------------------------|-------------|---------------------|---------------|---------------------------|-----------------|-------------------|---------------------|--------------------------|
| DATE FIRST PRODUCED:<br>11/17/2004 |                    | TEST DATE:<br>1/7/2005 |             | HOURS TESTED:<br>24 |               | TEST PRODUCTION RATES: →  | OIL - BBL:<br>0 | GAS - MCF:<br>701 | WATER - BBL:<br>450 | PROD. METHOD:<br>FLOWING |
| CHOKE SIZE:<br>23/64               | TBG. PRESS.<br>444 | CSG. PRESS.<br>612     | API GRAVITY | BTU - GAS           | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL:<br>0 | GAS - MCF:<br>701 | WATER - BBL:<br>450 | INTERVAL STATUS:<br>PROD |

**INTERVAL C (As shown in Item #26)**

|                      |             |             |             |               |               |                           |            |            |              |                  |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: |             | TEST DATE:  |             | HOURS TESTED: |               | TEST PRODUCTION RATES: →  | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS     | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

**INTERVAL D (As shown in Item #26)**

|                      |             |             |             |               |               |                           |            |            |              |                  |
|----------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: |             | TEST DATE:  |             | HOURS TESTED: |               | TEST PRODUCTION RATES: →  | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS     | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

**32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)**

**SOLD**

**33. SUMMARY OF POROUS ZONES (Include Aquifers):**

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

**34. FORMATION (Log) MARKERS:**

| Formation            | Top (MD)       | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|----------------------|----------------|-------------|------------------------------|------|----------------------|
| WASATCH<br>MESAVERDE | 4,458<br>7,055 | 7,055       |                              |      |                      |

**35. ADDITIONAL REMARKS (Include plugging procedure)**

**36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.**

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE 

DATE 2/21/2005

This report must be submitted within 30 days of

- completing or plugging a new well
- reentering a previously plugged and abandoned well
- drilling horizontal laterals from an existing well bore
- significantly deepening an existing well bore below the previous bottom-hole depth
- recompleting to a different producing formation
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

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

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

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

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **1/6/2006**

|   |  |
|---|--|
| <b>FROM:</b> (Old Operator):<br>N2115-Westport Oil & Gas Co., LP<br>1368 South 1200 East<br>Vernal, UT 84078<br>Phone: 1-(435) 781-7024 | <b>TO:</b> ( New Operator):<br>N2995-Kerr-McGee Oil & Gas Onshore, LP<br>1368 South 1200 East<br>Vernal, UT 84078<br>Phone: 1-(435) 781-7024 |
|---|--|

|                  |            |              |            |                            |                  |                   |                  |                    |
|------------------|------------|--------------|------------|----------------------------|------------------|-------------------|------------------|--------------------|
| <b>CA No.</b>    |            | <b>Unit:</b> |            | <b>NATURAL BUTTES UNIT</b> |                  |                   |                  |                    |
| <b>WELL NAME</b> | <b>SEC</b> | <b>TWN</b>   | <b>RNG</b> | <b>API NO</b>              | <b>ENTITY NO</b> | <b>LEASE TYPE</b> | <b>WELL TYPE</b> | <b>WELL STATUS</b> |

**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

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet

7. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006

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

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen                                     |
| <input type="checkbox"/> Final Abandonment Notice     | <input type="checkbox"/> Fracture Treat                             |
|   | <input type="checkbox"/> Alter Casing                               |
|   | <input type="checkbox"/> New Construction                           |
|   | <input type="checkbox"/> Casing Repair                              |
|   | <input type="checkbox"/> Plug and Abandon                           |
|   | <input type="checkbox"/> Change Plans                               |
|   | <input type="checkbox"/> Plug Back                                  |
|   | <input type="checkbox"/> Convert to Injection                       |
|   | <input type="checkbox"/> Production (Start/Resume)                  |
|   | <input type="checkbox"/> Reclamation                                |
|   | <input type="checkbox"/> Temporarily Abandon                        |
|   | <input type="checkbox"/> Water Disposal                             |
|   | <input type="checkbox"/> Water Shut-Off                             |
|   | <input type="checkbox"/> Well Integrity                             |
|   | <input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b> |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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.

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 5116106

*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)<br><b>RANDY BAYNE</b> | Title<br><b>DRILLING MANAGER</b> |
| Signature<br><i>Randy Bayne</i>            | Date<br><b>May 9, 2006</b>       |

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

9. API Well No.

3a. Address **1368 SOUTH 1200 EAST VERNAL, UT 84078**  
3b. Phone No. (include area code) **(435) 781-7024**

10. Field and Pool, or Exploratory Area

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

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

**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 <b>CHANGE OF OPERATOR</b> |

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

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

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

RECEIVED  
MAY 10 2006

DIV. OF OIL, GAS & MINING

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

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

THIS SPACE FOR FEDERAL OR STATE USE

|   |        |                       |
|---|--------|-----------------------|
| Approved by<br><i>Brad Laney</i>  | Title  | Date<br><b>5-9-06</b> |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office |                       |

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

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

FORM 9

|  |  |  |  |
|--|--|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-23609</b> |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                      |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____  |  |  | 7. UNIT or CA AGREEMENT NAME:<br><b>UNIT #891008900A</b>   |
| 2. NAME OF OPERATOR:<br><b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>   |  |  | 8. WELL NAME and NUMBER:<br><b>NBU 1022-7C</b>             |
| 3. ADDRESS OF OPERATOR:<br><b>1368 SOUTH 1200 EAST</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>   |  | PHONE NUMBER:<br><b>(435) 781-7024</b> | 9. API NUMBER:<br><b>4304735659</b>                        |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>1052'FNL, 2186'FWL</b>  |  |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES</b>   |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 7 10S 22E</b>   |  |  | COUNTY: <b>UINTAH</b>                                      |
|  |  |  | STATE: <b>UTAH</b>   |

| 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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <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<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <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><b>MAINTENANCE</b></u> |
|   | <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.

06/12/06 06/12/06 PROG: 7:00 ROAD RIG FROM NBU 922-33C TO NBU 1022-7C, WAITED ON ROCKY MTN ANCHOR TO SET 2 DEADMAN, MIRU SPOT EQUIP, PUMP'D 15 BBLS DN TBG, N/D WELL HEAD N/U BOPS, POOH W/ HANGER, POOH W/ 192 JTS TOTAL  
FOUND SCALE @ JT #177, PERFORATRD JT #186, SWIFN. WAIT ON FLOAT TO L/D TBG ON. 5:00

06/13/06 PROG:7:00 HSM 700# SITP, 600# SICP, BLOW WELL DN, PUMP'D 10 BBLS DN TBG TO CONTROL WELL, FINISH L/D 66 JTS TBG, P/U MILL W/ POBS RIH W/ 89 STDS, P/U OFF FLOAT. RIH TAGGED @ 8325', P/U PS. BRK CIRC W/ AIR FOAM, FELL THROUGH BRIDGE @ 8465'. HUNG PS BACK, RIH AND TAGGED @ 8900'. P/U PS C/O TO 9050' CIRC HOLE FOR 1 HR STARTED BRINGING LOTS OF SAND CIRC TILL CLEAN. HUNG PS BACK POOH W/ 24 STNDS SWIFN. 7:00 EOT @ 7403'

06/14/06 PROG: 7:00 HSM JSA #6 750# SICP BLOW WELL DN. RIH W/ TBG TAG @ 9050'. POOH L/D 27 JTS. P/U HANGER. LAND TBG W/ 151 JTS 2-3/8 TBG EOT @ 8101.33'. DROP BALL PUMP OFF MILL W/ 1000#. P/U BROACH & BROACH TBG TO PROFILE NIPPLE. R/D TBG EQUIP, N/D BOPS, N/U WELL HEAD SWIFN. TO WINDY TO RIG DN,

|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u> | TITLE <u>REGULATORY ANALYST</u> |
| SIGNATURE                                 | DATE <u>7/17/2006</u>           |

(This space for State use only)

**RECEIVED**  
**JUL 25 2006**

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>ML-23609                                     |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES          |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 1022-7C  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047356590000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6515 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1052 FNL 2186 FWL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NENW Section: 07 Township: 10.0S Range: 22.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |   |
|---|--|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>4/20/2011 | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:                                 | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:  | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>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 checked="" type="checkbox"/> TEMPORARY ABANDON   |
|   | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|   | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|   | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER: <input style="width: 50px;" type="text"/>        |

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

The operator requests authorization to temporarily abandon the subject well. The operator proposes to temporarily abandon the well in order to drill the NBU 1022-7C pad location which includes the NBU 1022-7B4BS, NBU 1022-7C1BS, NBU 1022-7C4BS, NBU 1022-7D1CS, NBU 1022-7F1BS, AND NBU 1022-7F1CS. Please see the attached procedure. Thank you.

**Approved by the Utah Division of Oil, Gas and Mining**

Date: 04/27/2011

By: *Dark K. Quist*

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Andy Lytle | <b>PHONE NUMBER</b><br>720 929-6100 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                  | <b>DATE</b><br>4/20/2011            |                                    |

NBU 1022-7C  
1052' FNL & 2186' FWL  
NENW SEC.7, T10S, R22E  
Uintah County, UT

KBE: 5182'  
GLE: 5167'  
TD: 9145' (10/6/04)  
PBTD: 9050'

API NUMBER: 4304735659  
LEASE NUMBER: ML-23609  
WINS#: 72154  
WI: 100.0000%  
NRI: 83.494445%

CASING: 12.25" hole  
9.625" 32.3# H-40 @ 1950'  
Cemented with 860 sx  
  
7.875" hole  
4.5" 11.6# I-80 @ 9145'  
Cemented with 2320 sx, TOC @ 830' per CBL

TUBING: 2 3/8" 4.7# J-55 tubing landed at 8101'

PERFORATIONS: Wasatch 5032' - 5514'  
Mesaverde 7079' - 9003'

| Tubular/Borehole              | Drift<br>inches | Collapse<br>psi | Burst<br>Psi | Capacities |          |          |
|-------------------------------|-----------------|-----------------|--------------|------------|----------|----------|
|                               |                 |                 |              | Gal./ft.   | Cuft/ft. | Bbl./ft. |
| 2.375" 4.7# J-55 tbg.         | 1.901           | 8100            | 7700         | 0.1626     | 0.02171  | 0.00387  |
| 4.5" 11.6# N/M/I-80 csg       | 3.875           | 6350            | 7780         | 0.6528     | 0.0872   | 0.0155   |
| 9.625" 32.3# H-40 csg         | 8.845           | 1400            | 2270         | 3.3055     | 0.4418   | 0.0787   |
| Annular Capacities            |                 |                 |              |            |          |          |
| 2.375" tbg. X 4.5" 11.6# csg. |                 |                 |              | 0.4226     | 0.0565   | 0.01     |
| 4.5" csg. X 9.625" 32.3# csg. |                 |                 |              | 2.478      | 0.3314   | 0.059    |
| 4.5" csg. X 7.875" hole       |                 |                 |              | 1.7052     | 0.2278   | 0.0406   |
| 9.625" csg. X 12.25" hole     |                 |                 |              | 2.3436     | 0.3132   | 0.0558   |

#### GEOLOGIC INFORMATION:

|           |                   |                               |            |
|-----------|-------------------|-------------------------------|------------|
| Formation | Depth to top, ft. | Tech. Pub. #92 Base of USDW's |            |
| Uinta     | Surface           | USDW Elevation                | ~500' MSL  |
| Wasatch   | 4458'             | USDW Depth                    | ~4682' KBE |
| Mesaverde | 7055'             |                               |            |

#### Recommended future action for disposition of well bore:

Temporarily abandon the wellbore during the drilling and completion operations of the NBU 1022-7C pad wells. Return to production as soon as possible once completions are done.

**NBU 1022-7C TEMPORARY ABANDONMENT PROCEDURE - Workorder# 88129080**

**GENERAL**

- H2S MAY BE PRESENT. CHECK FOR H2S AND TAKE APPROPRIATE PRECAUTIONS.
- CEMENT QUANTITIES BELOW ASSUME NEAT CLASS G, YIELD 1.145 CUFT./SX. IF A DIFFERENT PRODUCT IS USED, WELLSITE PERSONNEL ARE RESPONSIBLE FOR CORRECTING QUANTITIES TO YIELD THE STATED SLURRY VOLUME. WHEN SQUEEZING, INCLUDE 10% EXCESS PER 1000' OF DEPTH.
- TREATED FRESH WATER WILL BE PLACED BETWEEN ALL PLUGS INSTEAD OF BRINE.
- ALL DISPLACEMENT FLUID SHALL CONTAIN CORROSION INHIBITOR AND BIOCIDES. PREMIX 5 GALLONS PER 100 BBLS FLUID.
- NOTIFY UDOGM 24 HOURS BEFORE MOVING ON LOCATION.

**PROCEDURE**

**Note: An estimated 24 sx Class "G" cement needed for procedure**

**Note: Gyro ran on 4/11/08**

1. MIRU. KILL WELL AS NEEDED. ND WH, NU AND TEST BOPE.
2. RU WIRELINE AND MAKE A GAUGE RING RUN TO CHECK FOR FILL. **A GPS READING WILL NEED TO BE TAKEN AT THE WELL SITE AND RECORDED IN OPENWELLS. PLEASE TAKE IT TO THE 6TH DECIMAL PLACE.**
3. **PLUG #1, ISOLATE WASATCH/MV PERFORATIONS (5032'-9003')**: RIH W/ 4 1/2" CBP. SET @ ~4980'. RELEASE CBP, PUH 10', BRK CIRC W/ FRESH WATER. PRESSURE TEST CASING TO 500 PSI. INFORM ENGINEERING IF IT DOESN'T TEST. DISPLACE A MINIMUM OF **8 SX/ 1.6 BBL/ 8.72 CUFT**. ON TOP OF PLUG. PUH ABOVE TOC (~4880'). REVERSE CIRCULATE W/ TREATED FRESH WATER.
4. **PLUG #2, PROTECT WASATCH TOP (4458')**: PUH TO ~4560'. BRK CIRC W/ FRESH WATER. DISPLACE A MINIMUM OF **16 SX/ 3.2 BBL/ 17.88 CUFT** AND BALANCE PLUG W/ TOC @ ~4355' (205' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED FRESH WATER.
5. LOWER WELLHEAD TO GROUND LEVEL TO ACCOMMODATE DRILLING OPS AND INSTALL MARKER PER BLM GUIDELINES.
6. RDMO. TURN OVER TO DRILLING OPERATIONS.

ALM 4/19/11

| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING   |   | FORM 9  |   |
|---|---|---|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  |   | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>ML-23609  |   |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.                                    |   | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  |   |
| <b>1. TYPE OF WELL</b><br>Gas Well  |   | <b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES  |   |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.   |   | <b>8. WELL NAME and NUMBER:</b><br>NBU 1022-7C  |   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779   |   | <b>9. API NUMBER:</b><br>43047356590000   |   |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1052 FNL 2186 FWL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NENW Section: 07 Township: 10.0S Range: 22.0E Meridian: S   |   | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES  |   |
|   |   | <b>COUNTY:</b><br>UINTAH  |   |
|   |   | <b>STATE:</b><br>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<br>Approximate date work will start:  | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input checked="" type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> APD EXTENSION<br>OTHER: <input style="width: 50px;" type="text"/> |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  |   |   |   |
| <p>The operator has concluded the temporary abandonment operations on the subject well location on 04/29/2011. This well has been temporarily abandoned in order to drill the NBU 1022-7C pad wells. Please see the attached chronological well history for details. Thank you.</p> |   |   |   |
| <b>Accepted by the<br/>Utah Division of<br/>Oil, Gas and Mining<br/>FOR RECORD ONLY</b>   |   |   |   |
| <b>NAME (PLEASE PRINT)</b><br>Andy Lytle  |   | <b>PHONE NUMBER</b><br>720 929-6100   |   |
| <b>SIGNATURE</b><br>N/A   |   | <b>TITLE</b><br>Regulatory Analyst  |   |
|   |   | <b>DATE</b><br>5/9/2011   |   |

**US ROCKIES REGION**  
**Operation Summary Report**

| Well: NBU 1022-7C                                   |                |               |       |                       |          |     | Spud Date: 9/23/2004              |  |  |  |
|---|----------------|---------------|-------|-----------------------|----------|-----|-----------------------------------|--|--|--|
| Project: UTAH-UINTAH                                |                |               |       | Site: NBU 1022-7C PAD |          |     | Rig Name No: WESTERN WELLSITE/UNK |  |  |  |
| Event: ABANDONMENT                                  |                |               |       | Start Date: 4/29/2011 |          |     | End Date: 5/2/2011                |  |  |  |
| Active Datum: GL @5,164.99ft (above Mean Sea Level) |                |               |       |                       |          |     | UWI: NBU 1022-7C                  |  |  |  |
| Date  | Time Start-End | Duration (hr) | Phase | Code                  | Sub Code | P/U | MD From (ft)                      | Operation  |  |  |
| 4/29/2011   | 7:00 - 17:00   | 10.00         | ABAND | 30                    | A        |     |                                   | HSM JSA. MOVE RIG F/ CIGE 28 TO NBU 1022-7C. RIG UP. PUMP 80 BBLS WATER TO KILL WELL. NDWH, NU BOPE. RU INSPECTION TOOL. TOH/ INSPECT 250 JTS, LD SN. RD PRS INSPECTIONT OOL. PU 3 3/4" BIT. TIH W/ TBG TO 4992'. SWI, SDFN.   |  |  |
| 5/2/2011  |                |               | ABAND |                       |          |     |                                   | HSM JSA. PUMP 80 BBLS KCL WATER TO KILL WELL. CONT PUMPING WATER WHILE TRIPPING TBG. PU 4 1/2" CBP. RIH W/ CBP, SET @ 4983'. PUH 10', ROLL HOLE. PRESS TEST CSG TO 500 PSI, TEST GOOD. PUMP 8 SX CLASS G CMT, TOC @ 4876'. PUH TO 4800', REV CIRC. PUH TO 4564', PUMP 16 SX CMT, TOC @ 4350'. PUH TO 4300'. REV CIRC. POOH TBG. NDBOP, RDMO. |  |  |