

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
UTU-01196-E

6. If Indian, Allottee or Tribe Name

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

NATURAL BUTTES UNIT

8. Lease Name and Well No.

NBU 1022-17G

9. API Well No.

43-047-36084

10. Field and Pool, or Exploratory

NATURAL BUTTES

11. Sec., T., R., M., or Blk, and Survey or Area

SECTION 17-T10S-R22E

12. County or Parish

UINTAH

13. State

UTAH

1a. Type of Work: DRILL REENTER

b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

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

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

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

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **SWNE 1650'FNL & 1602'FEL 631631X 39.951619**
At proposed prod. Zone **4423314Y -109.459090**

14. Distance in miles and direction from nearest town or post office*
36.3 MILES SOUTHEAST OF OURAY, UTAH

12. County or Parish

UINTAH

13. State

UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **1602'**

16. No. of Acres in lease
560.00

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **REFER TO TOPO C**

19. Proposed Depth
8,800'

20. BLM/BIA Bond No. on file
CO-1203

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5233'GL

22. Approximate date work will start*

23. Estimated duration

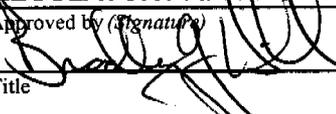
24. Attachments

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

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature  Name (Printed/Typed) **SHEILA UPCHEGO** Date **11/8/2004**

Title **REGULATORY ANALYST**

Approved by (Signature)  Name (Printed/Typed) **BRADLEY G. HILL** Date **11-17-04**

Title **ENVIRONMENTAL SCIENTIST III**

Application approval 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.

Conditions of approval, if any, are attached.

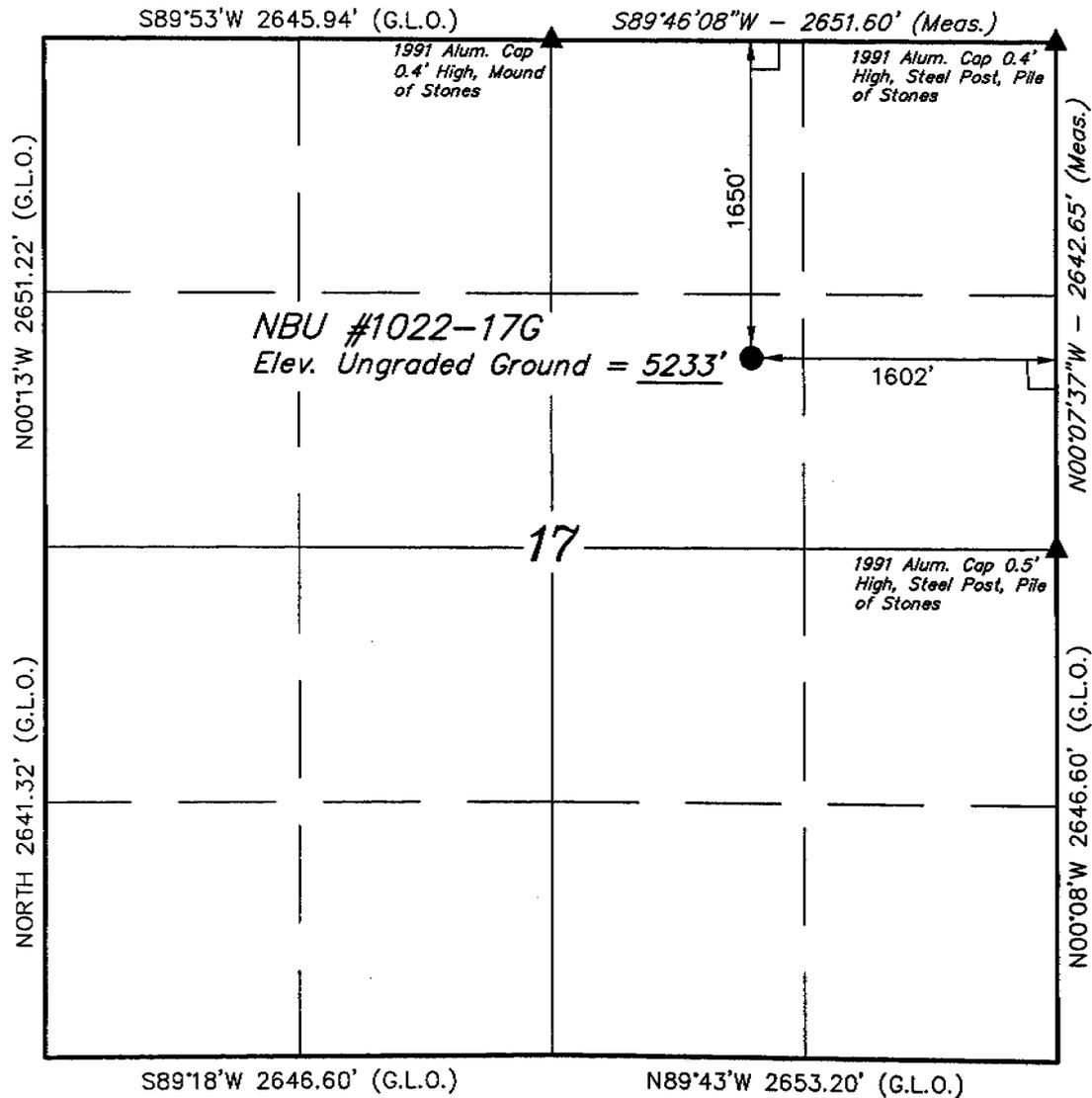
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Federal Approval of this Action is Necessary

RECEIVED
NOV 15 2004
DIV. OF OIL, GAS & MINING

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



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 39°57'06.04" (39.951678)
 LONGITUDE = 109°27'35.64" (109.459900)

WESTPORT OIL & GAS COMPANY, L.P.

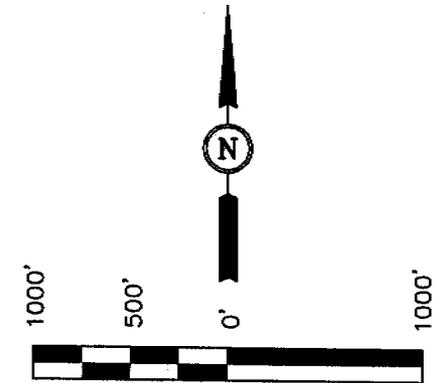
Well location, NBU #1022-17G, located as shown in the SW 1/4 NE 1/4 of Section 17, T10S, R22E, S.L.B.&M. Uintah County, Utah.

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.



SCALE

CERTIFIED LAND SURVEYOR

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

ROBERT L. KAY

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 164319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

| | | |
|--------------------------|--|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 04-30-04 | DATE DRAWN: 05-07-04 |
| PARTY K.K. R.W. D.COX | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE WESTPORT OIL & GAS COMPANY, L.P. | |

NBU #1022-17G
 SW/NE Sec. 17,T10S,R22E
 UINTAH COUNTY, UTAH
 UTU-01196-E

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta | Surface |
| Green River | 1160' |
| Wasatch | 4370' |
| Mesaverde | 6775' |
| TD | 8,800' |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| | Green River | 1160' |
| Gas | Wasatch | 4370' |
| Gas | Mesaverde | 6775' |
| Water | N/A | |
| Other Minerals | N/A | |

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

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

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

Please see the Natural Buttes Unit SOP.

5. **Drilling Fluids Program:**

Please see the Natural Buttes Unit SOP.

6. **Evaluation Program:**

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8,800' TD, approximately equals 3520 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1584 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 Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.



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 1800 | 32.30 | H-40 | STC | 0.86***** | 1.63 | 4.99 |
| | | | | | | 7780 | 6350 | 201000 |
| PRODUCTION | 4-1/2" | 0 to 8800 | 11.60 | I-80 | LTC | 2.95 | 1.39 | 2.26 |

- 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 2640 psi

***** Burst strength is much stronger than formula at 2000' EFW @ 2000' for 2270# is 21.8 ppg and 1.3 psi/ft

CEMENT PROGRAM

| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | YIELD |
|---|-----------------|-------------|--|---------|--------|--------|-------|
| SURFACE | LEAD | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 215 | 60% | 15.60 | 1.18 |
| Option 1 | TOP OUT CMT (1) | 200 | 20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele | 50 | | 15.60 | 1.18 |
| | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| NOTE: If well will circulate water to surface, option 2 will be utilized | | | | | | | |
| SURFACE | LEAD | 1500 | Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOOC | 170 | 35% | 11.00 | 3.82 |
| Option 2 | TAIL | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 180 | 35% | 15.60 | 1.18 |
| | TOP OUT CMT | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| PRODUCTION | LEAD | 3,860' | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 420 | 60% | 11.00 | 3.38 |
| | TAIL | 4,940' | 50/50 Poz/G + 10% salt + 2% gel +.1% R-3 | 1380 | 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

DATE: _____
 DATE: _____

**NBU #1022-17G
SW/NE Sec. 17,T10S,R22E
UINTAH COUNTY, UTAH
UTU-01196-E**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the NBU#1022-17G on 9/9/04, for the subject well.

1. Existing Roads:

Refer to the attached location directions.

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

2. Planned Access Roads:

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

Approximately 0.1 Miles +/- of proposed access road. Refer to Topo Map B.

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Approximately 450' of high pressure and approximately 800' of low pressure pipeline is proposed. Up to 8" pipeline shall be Butt Welded. Refer to Topo Map D for the location of the proposed pipeline.

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

5. Location and Type of Water Supply:

Please see the Natural Buttes SOP.

6. Source of Construction Materials:

Please see the Natural Buttes SOP.

7. Methods of Handling Waste Materials:

Please see the Natural Buttes SOP.

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

8. Ancillary Facilities:

Please see the Natural Buttes SOP.

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

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

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

As per previous onsite discussion, a 16 mil reserve pit liner with felt will be required.

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

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes SOP.

The following seed mixture will be used to reclaim the surface. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

| | |
|----------------------|--------|
| Scarlet Globe Mallow | 4 lbs. |
| Shadscale | 4 lbs. |
| Galleta Grass | 4 lbs. |

11. Surface Ownership:

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

United States of America
 Bureau of Land Management
 170 South 500 East
 Vernal, UT 84078
 (435)781-4400

12. Other Information:

A Class III archaeological survey has been completed and submitted to Bureau of Land Management.

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.

All lease and/or 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, pipeline, well sites, or other applicable facilities.

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

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

Randy Bayne
Drilling Manager
Westport Oil & Gas Company 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.

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

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.

Bond coverage pursuant to 43 CFR for lease activities is being provided by BLM Nationwide Bond #CO-1203.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

/s/ Sheila Upchego
Sheila Upchego



11/8/04
Date

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-17G

SECTION 17, 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 DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE NBU #471 AND THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 24.4 MILES.

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-17G

LOCATED IN UINTAH COUNTY, UTAH
SECTION 17, T10S, R22E, S.L.B.&M.

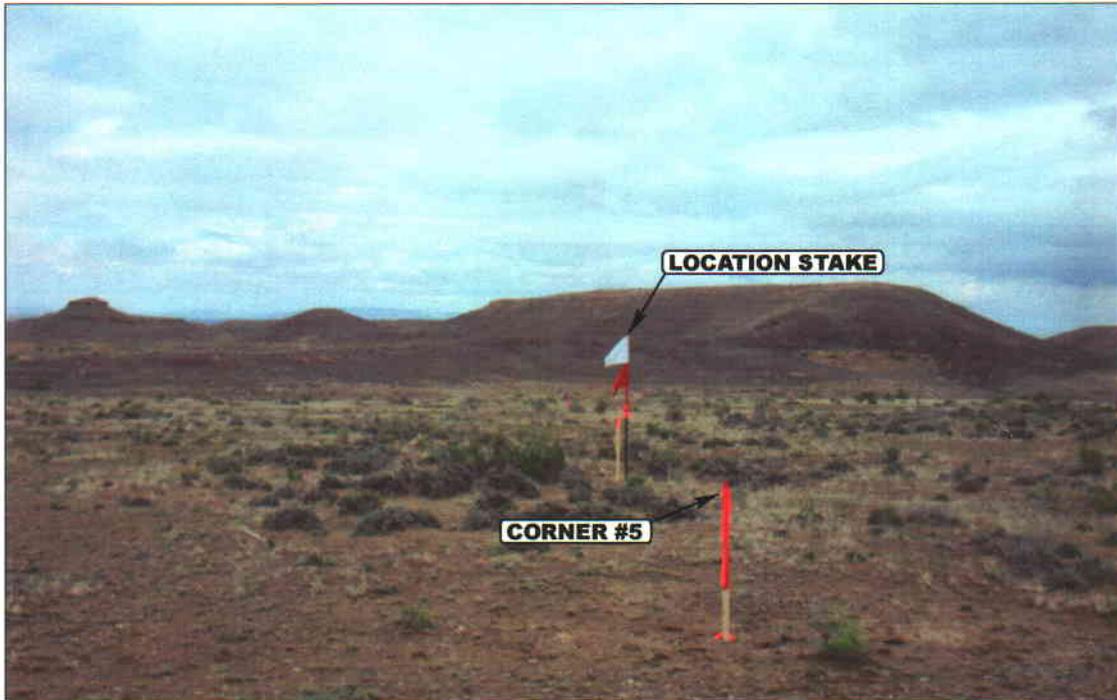


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

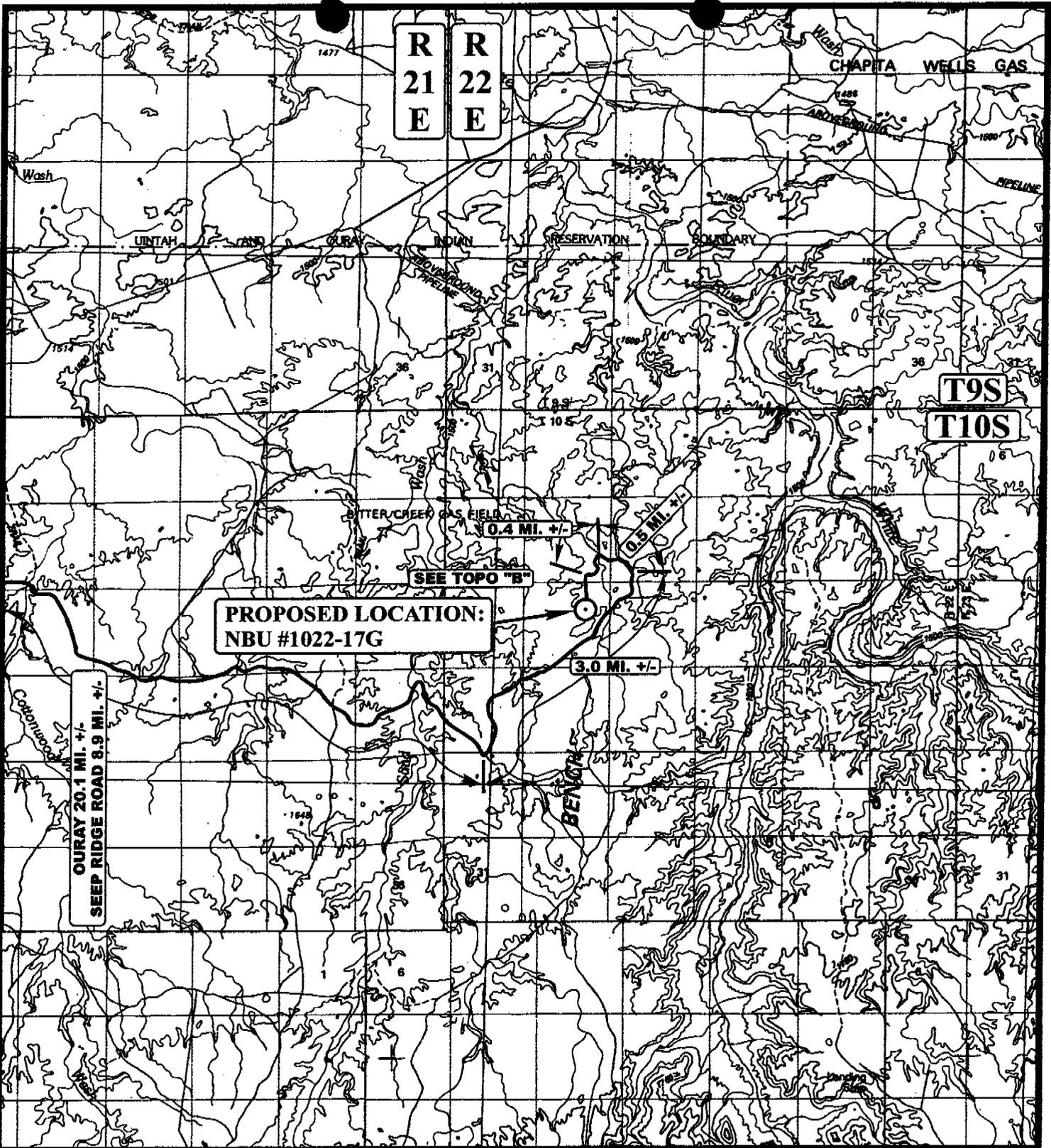
CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

| | | | | |
|------------------------|----------------|-----------|-------------------|--------------|
| LOCATION PHOTOS | 05 | 03 | 04 | PHOTO |
| | MONTH | DAY | YEAR | |
| TAKEN BY: K.K. | DRAWN BY: P.M. | | REVISED: 00-00-00 | |



LEGEND:

⊙ PROPOSED LOCATION

N



WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-17G
SECTION 17, T10S, R22E, S.L.B.&M.
1650' FNL 1602' FEL



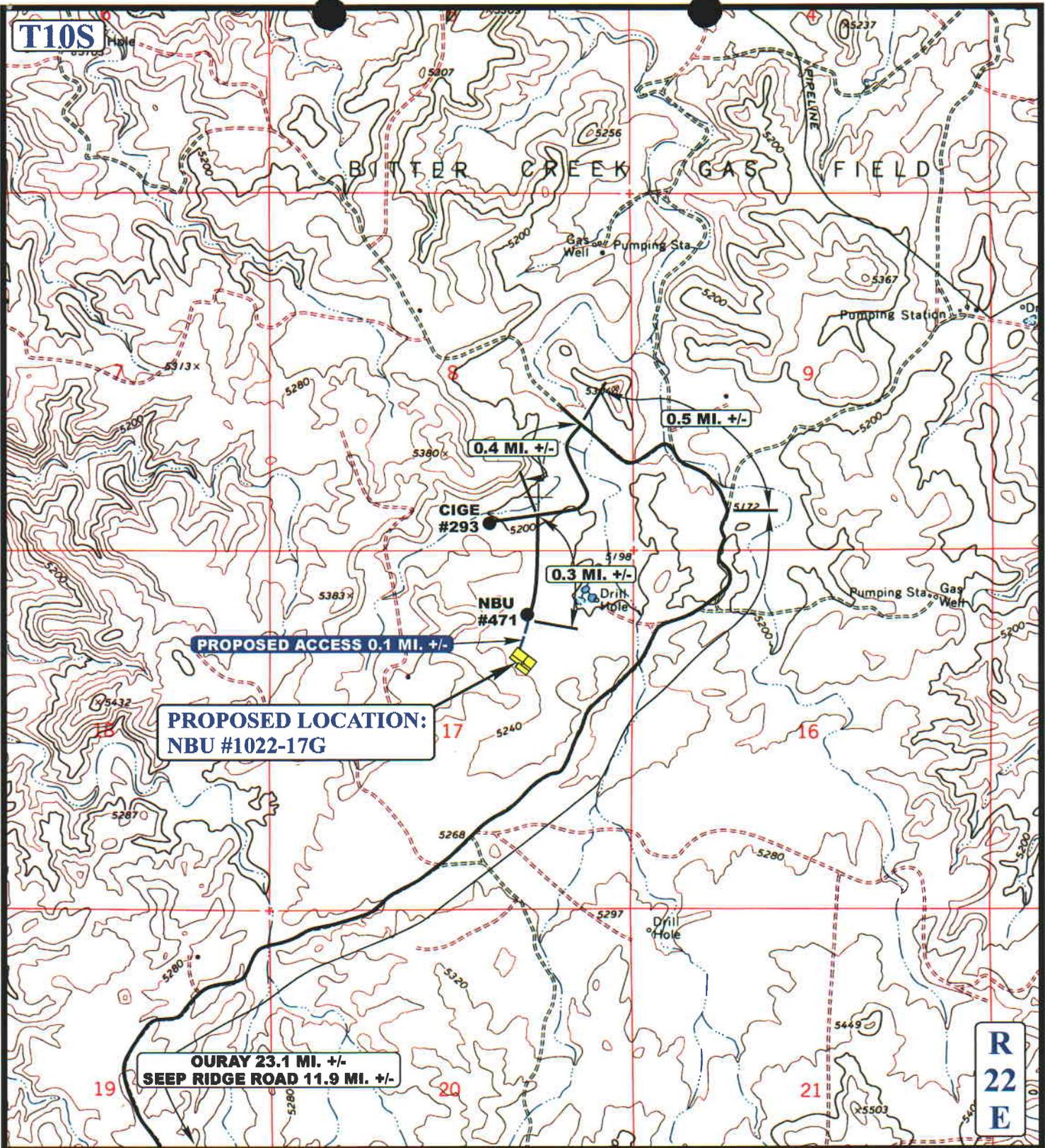
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 03 04
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



WESTPORT OIL AND GAS COMPANY, L.P.

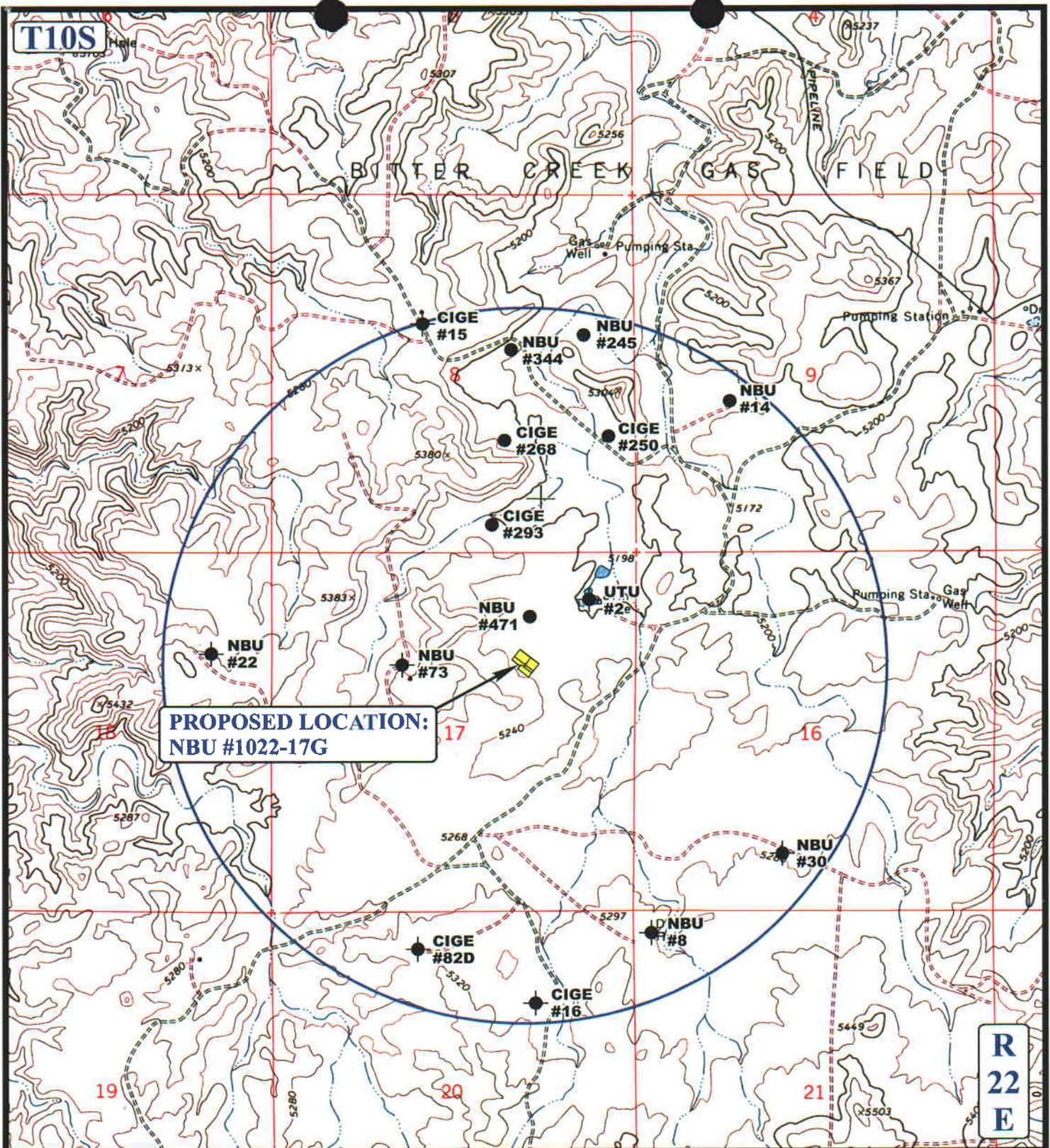
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SECTION 17, T10S, R22E, S.L.B.&M.
1650' FNL 1602' FEL



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 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **05 03 04**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:
NBU #1022-17G**

LEGEND:

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

WESTPORT OIL AND GAS COMPANY, L.P.

**NBU #1022-17G
SECTION 17, T10S, R22E, S.L.B.&M.
1650' FNL 1602' FEL**



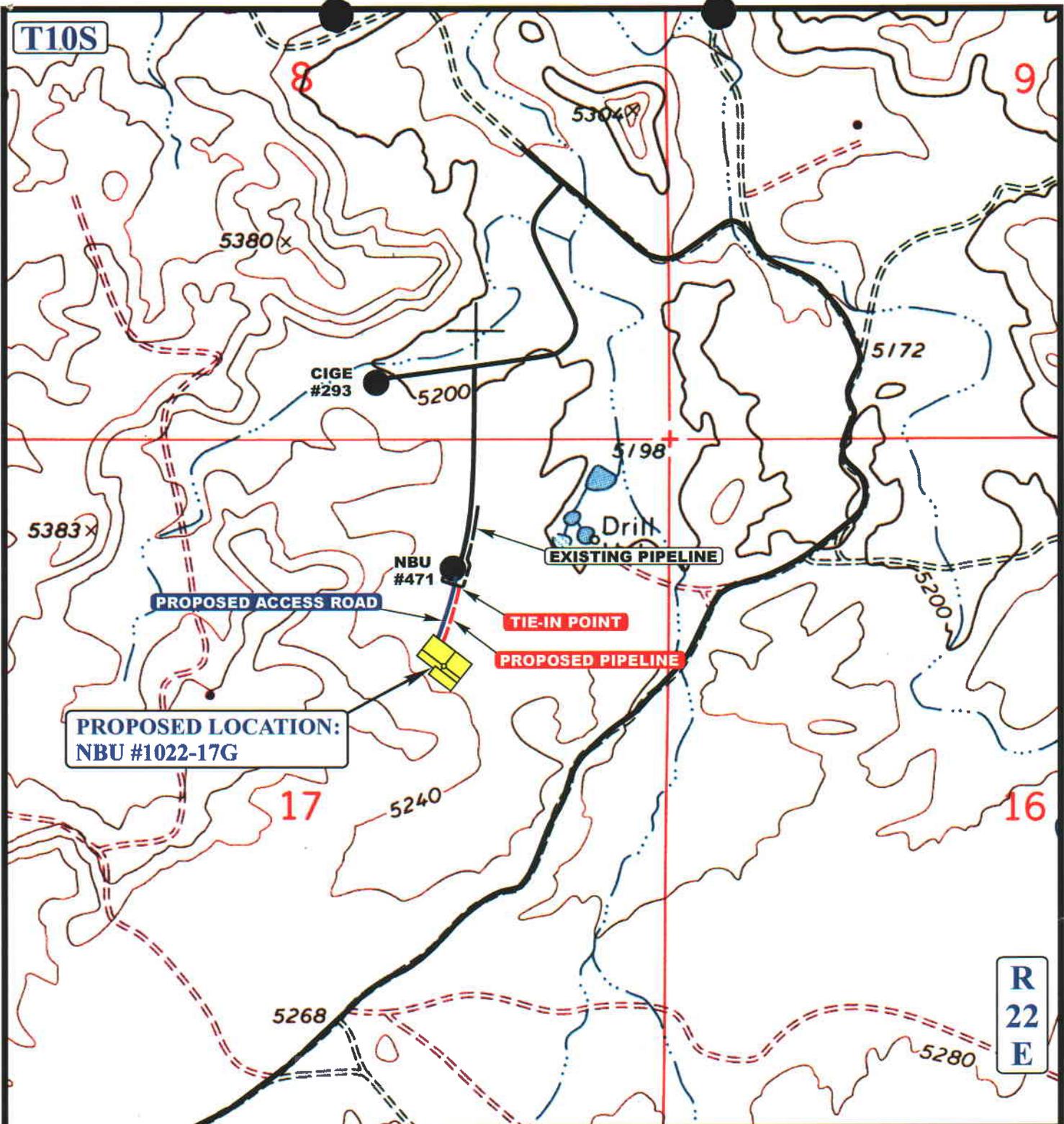
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP 05 03 04
MONTH DAY YEAR

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





APPROXIMATE TOTAL LOW PRESSURE PIPELINE DISTANCE = 450' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-17G
SECTION 17, T10S, R22E, S.L.B.&M.
1650' FNL 1602' FEL



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 85 South 200 East Vernal, Utah 84078
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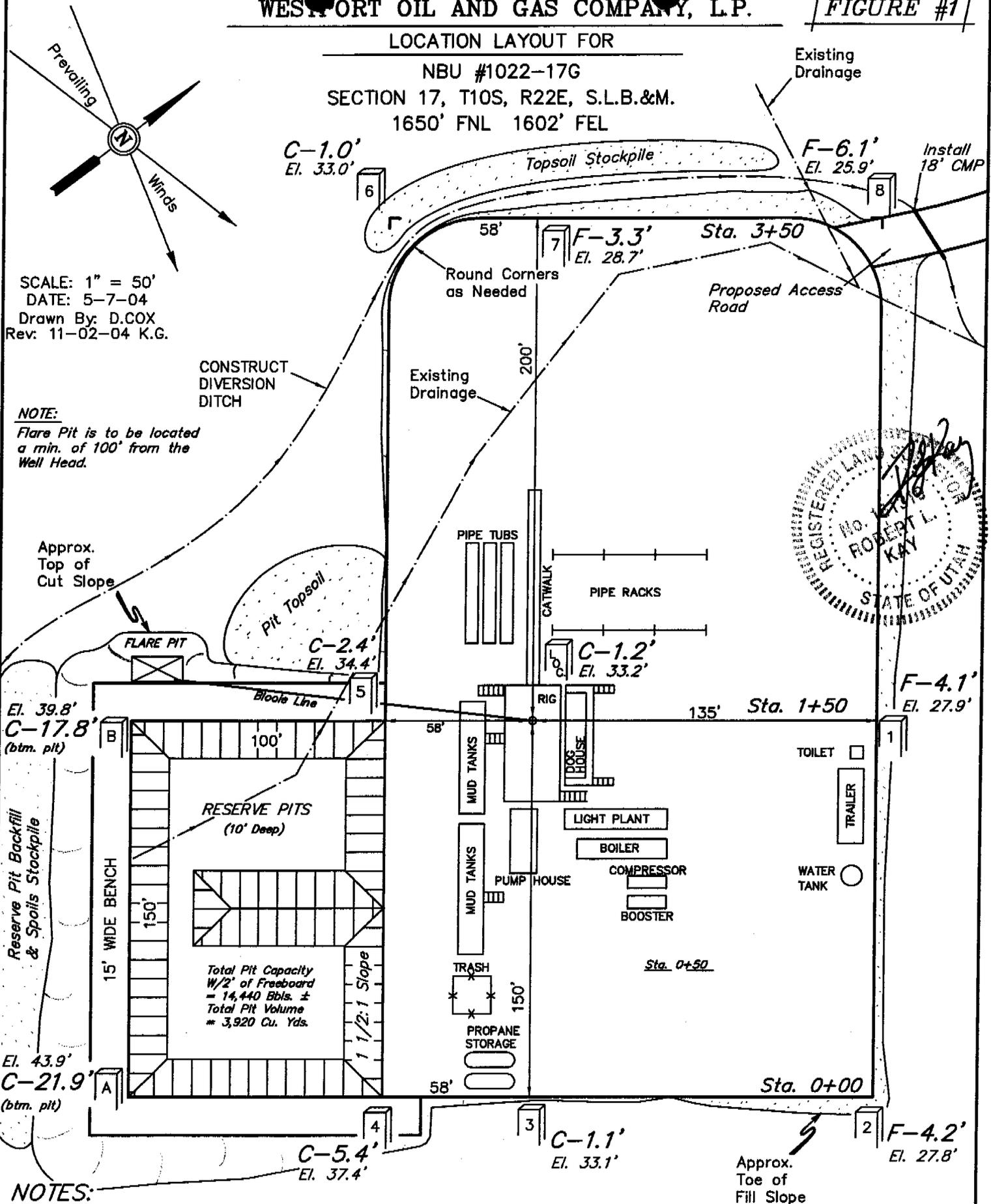
TOPOGRAPHIC MAP **05 03 04**
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 09-18-04



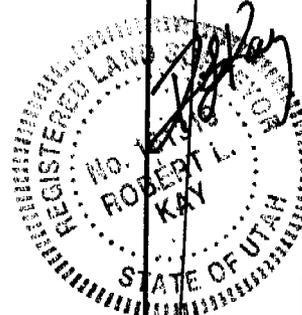
LOCATION LAYOUT FOR

NBU #1022-17G
SECTION 17, T10S, R22E, S.L.B.&M.
1650' FNL 1602' FEL



SCALE: 1" = 50'
DATE: 5-7-04
Drawn By: D.COX
Rev: 11-02-04 K.G.

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



NOTES:
Elev. Ungraded Ground At Loc. Stake = 5233.2'
FINISHED GRADE ELEV. AT LOC. STAKE = 5232.0'

TYPICAL CROSS SECTIONS FOR

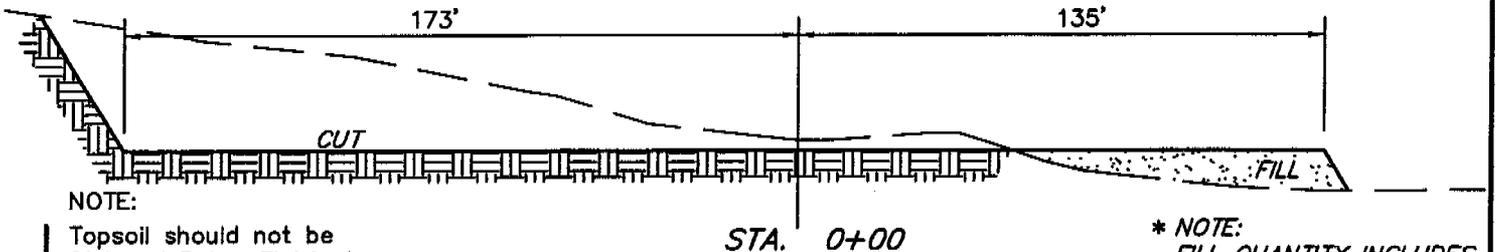
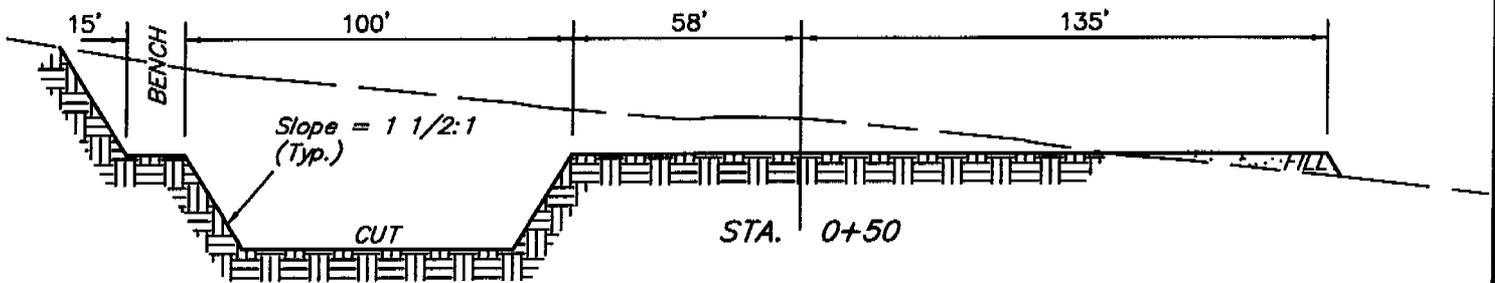
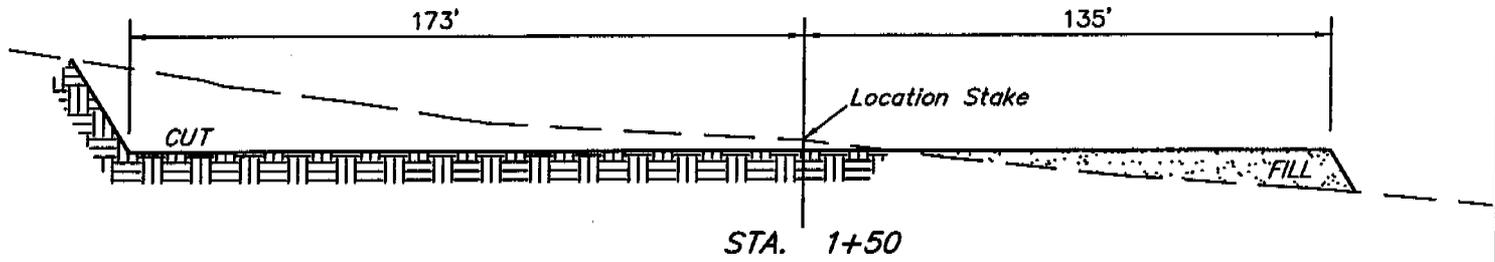
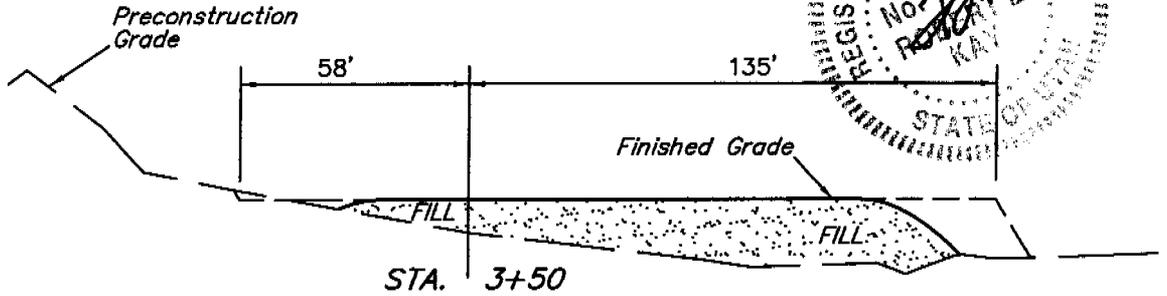
NBU #1022-17G

SECTION 17, T10S, R22E, S.L.B.&M.

1650' FNL 1602' FEL

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

DATE: 5-7-04
Drawn By: D.COX
Rev: 11-02-04 K.G.



NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

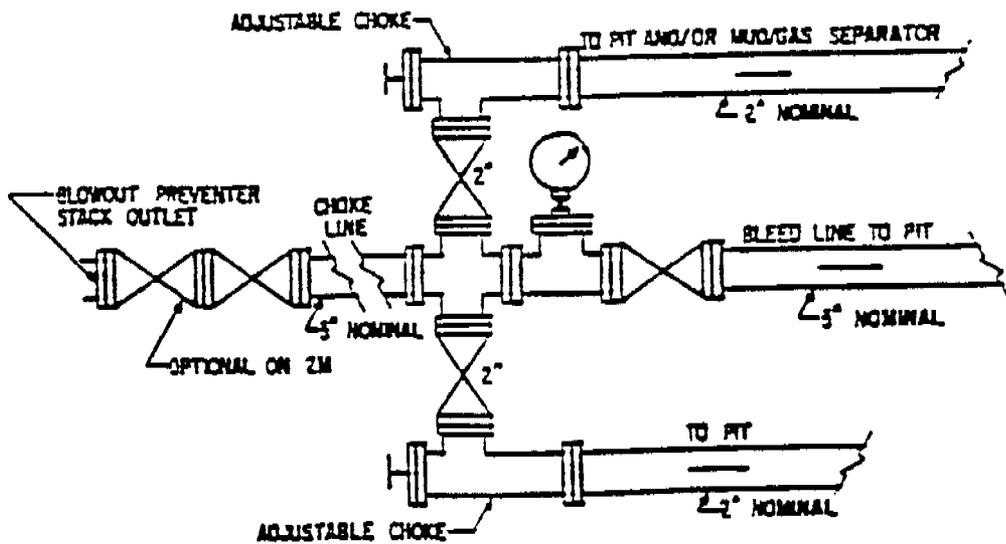
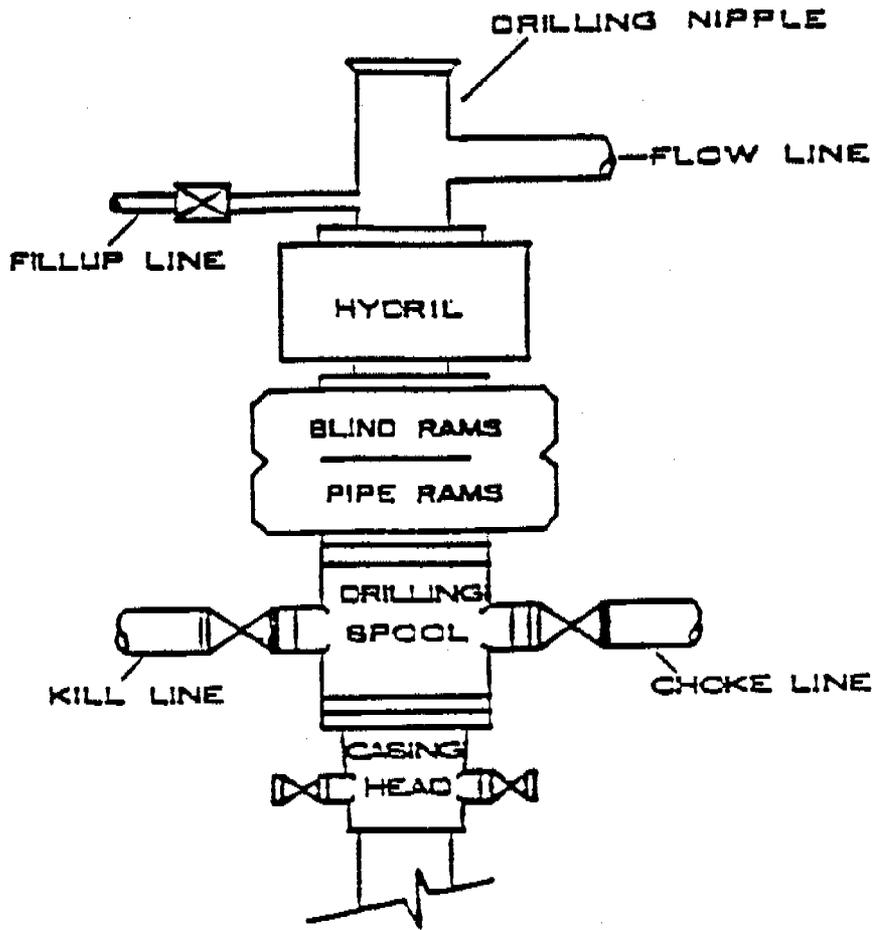
APPROXIMATE YARDAGES

| | | |
|------------------------|-----------------|----------------|
| CUT | | |
| (6") Topsoil Stripping | = 1,910 | Cu. Yds. |
| Remaining Location | = 11,090 | Cu. Yds. |
| TOTAL CUT | = 13,000 | CU.YDS. |
| FILL | = 7,730 | CU.YDS. |

| | | |
|---|---------|----------|
| EXCESS MATERIAL | = 5,270 | Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,870 | Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 1,400 | Cu. Yds. |

3,000 PSI

EOP STACK



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

004

APD RECEIVED: 11/15/2004

API NO. ASSIGNED: 43-047-36084

WELL NAME: NBU 1022-17G
 OPERATOR: WESTPORT OIL & GAS CO (N2115)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SWNE 17 100S 220E
 SURFACE: 1650 FNL 1602 FEL
 BOTTOM: 1650 FNL 1602 FEL
 UINTAH
 NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-01196-E
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

LATITUDE: 39.95162
 LONGITUDE: -109.4591

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. CO-1203)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

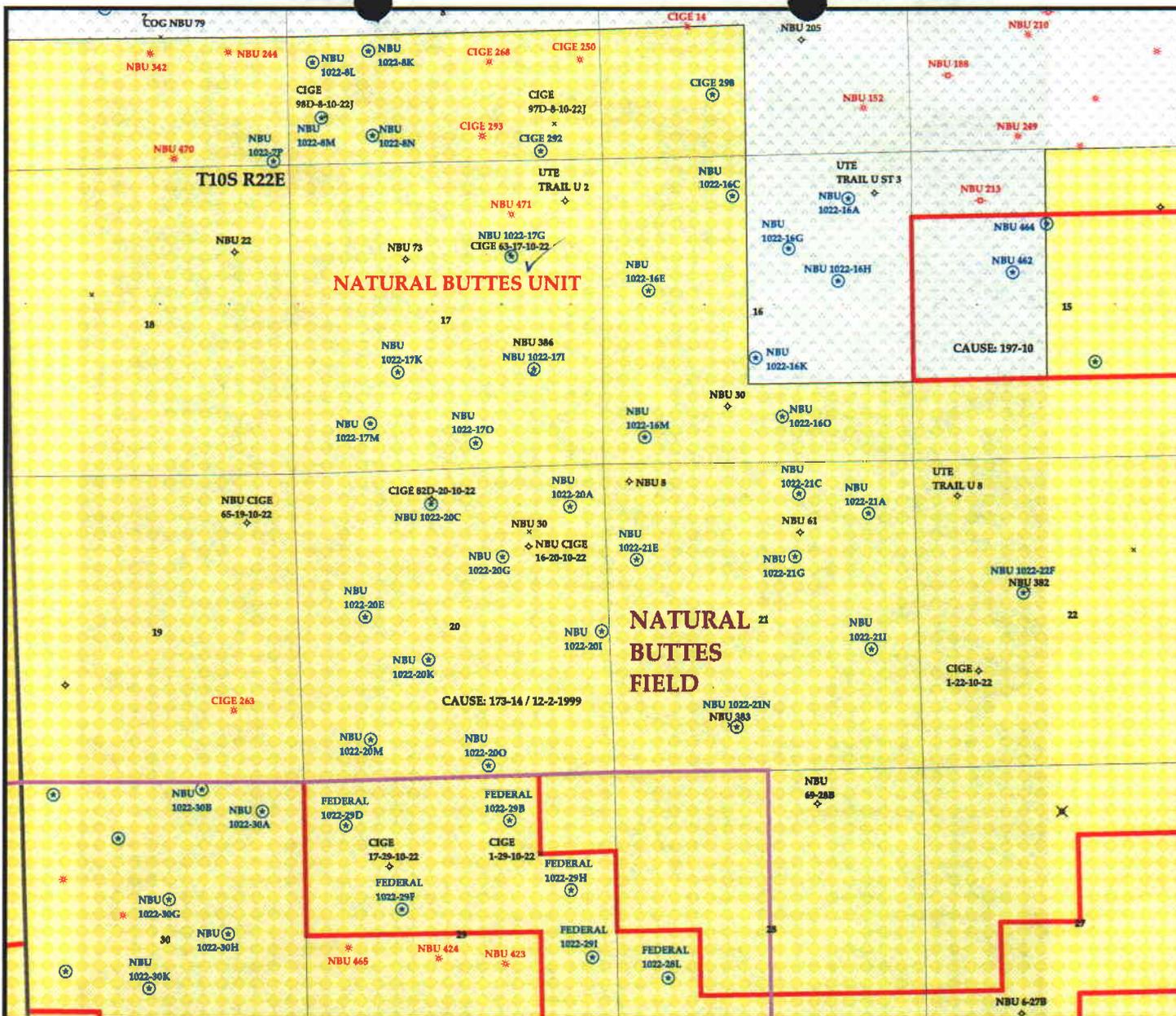
- ___ R649-2-3.
- Unit NATURAL BUTTES
- ___ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-99
Siting: 460' fr u bdr of Unimom Tract
- ___ R649-3-11. Directional Drill

COMMENTS:

Sep, Separate file

STIPULATIONS:

*1- Federal Approval
2- Oil SHALE*



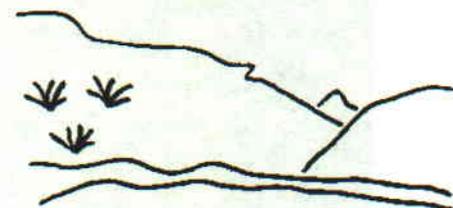
OPERATOR: WESTPORT O&G CO (N2115)

SEC. 17 T10S R.22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999



Utah Oil Gas and Mining

Wells

- ♣ 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

Units.shp

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

Fields.shp

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



PREPARED BY: DIANA WHITNEY
DATE: 16-NOVEMBER-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)

November 17, 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) | | |
| 43-047-36062 | NBU 921-14J Sec 14 T09S R21E 1838 | FSL 1952 FEL |
| 43-047-36063 | NBU 921-19G Sec 19 T09S R21E 1758 | FNL 1970 FEL |
| 43-047-36064 | NBU 921-19I Sec 19 T09S R21E 1659 | FSL 0861 FEL |
| 43-047-36065 | NBU 922-18M Sec 18 T09S R22E 0600 | FSL 0559 FWL |
| 43-047-36066 | NBU 1022-21E Sec 21 T10S R22E 1601 | FNL 0452 FWL |
| 43-047-36083 | NBU 1022-17O Sec 17 T10S R22E 0464 | FSL 2250 FEL |
| 43-047-36084 | NBU 1022-17G Sec 17 T10S R22E 1650 | FNL 1602 FEL |
| 43-047-36085 | NBU 1022-20O Sec 20 T10S R22E 0209 | FSL 2124 FEL |
| 43-047-36086 | NBU 1022-20I Sec 20 T10S R22E 2462 | FSL 0154 FEL |
| 43-047-36087 | NBU 1022-20G Sec 20 T10S R22E 1507 | FNL 1813 FEL |
| 43-047-36089 | NBU 1022-21A Sec 21 T10S R22E 0877 | FNL 0851 FEL |
| 43-047-36090 | NBU 1022-21I Sec 21 T10S R22E 2068 | FSL 0853 FEL |
| 43-047-36091 | NBU 1022-21G Sec 21 T10S R22E 1601 | FNL 2117 FEL |
| 43-047-36082 | NBU 921-15P Sec 15 T09S R21E 0375 | FSL 0921 FEL |

Our records indicate the NBU 1022-200 is closer than 460 feet from the Natural Buttes Unit boundary.

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard



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

November 17, 2004

Westport Oil & Gas Company, L P
1368 South 1200 East
Vernal, UT 84078

Re: Natural Buttes Unit 1022-17G Well, 1650' FNL, 1602' FEL, SW NE, Sec. 17,
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 43-047-36084.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Operator: Westport Oil & Gas Company, L P

Well Name & Number Natural Buttes Unit 1022-17G

API Number: 43-047-36084

Lease: UTU-01196-E

Location: SW NE Sec. 17 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

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

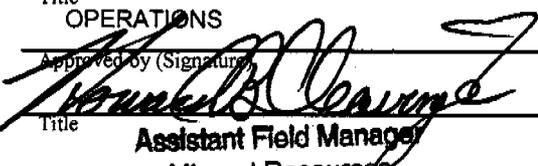
APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|--|--|--|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. UTU-01196-E |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator WESTPORT OIL & GAS COMPANY, LP Contact: SHEILA UPCHEGO E-Mail: SUPCHEGO@KMG.COM | | 7. If Unit or CA Agreement, Name and No. NATURAL BUTTES |
| 3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078 | 3b. Phone No. (include area code) Ph: 435.781.7024 | 8. Lease Name and Well No. NBU 1022-17G |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SWNE 1650FNL 1602FEL At proposed prod. zone SWNE 1650FNL 1602FEL | | 9. API Well No. 43-047-36084 |
| 14. Distance in miles and direction from nearest town or post office* 36.3 MILES SOUTHEAST OF OURAY, UTAH | 11. Sec., T., R., M., or Blk. and Survey or Area Sec 17 T10S R22E Mer SLB | 10. Field and Pool, or Exploratory NATURAL BUTTES |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1602' | 16. No. of Acres in Lease 560.00 | 12. County or Parish UINTAH |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C | 19. Proposed Depth 8800 MD | 13. State UT |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.) 5233 GL | 22. Approximate date work will start | 17. Spacing Unit dedicated to this well 40.00 |
| 24. Attachments | | 20. BLM/BIA Bond No. on file CO-1203 |
| 23. Estimated duration | | |

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

| | | |
|---|---|--------------------|
| 25. Signature (Electronic Submission) | Name (Printed/Typed) SHEILA UPCHEGO Ph: 435.781.7024 | Date 11/08/2004 |
| Title OPERATIONS | | |
| Approved by (Signature)  | Name (Printed/Typed) | Date 08/17/2005 |
| Title Assistant Field Manager Mineral Resources | Office | |

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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

Electronic Submission #50783 verified by the BLM Well Information System
For WESTPORT OIL & GAS COMPANY, LP, sent to the Vernal
Committed to AFMS for processing by LESLIE WALKER on 11/12/2004 ()

RECEIVED
SEP 09 2005

DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHEE

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

04LW4645 AE UDOB 105 8/12/04

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Westport Oil and Gas Company LP.
Well Name & Number: NBU 1022-17G
Lease Number: U-01196E
Location: SWNE Sec. 17 T.10S R. 22E
API Number: 43-047-36084
Agreement: Natural Buttes Unit

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

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

A. DRILLING PROGRAM

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

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

2. Pressure Control Equipment

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

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

3. Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend at least 200' above the top of the surface casing shoe.

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

Cement Bond Logs will be required from TD of the production casing to the top of cement.

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

Please submit to this office, in LAS format, an electronic copy of all logs run on this well. This submission will replace the requirement for submittal of paper logs to the BLM.

6. Notifications of Operations

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

7. Other Information

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

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

Matt Baker (435) 828-4470
Petroleum Engineer

Michael Lee (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

- If any paleontological or cultural materials are encountered, stop work immediately and report the find to this office.
- The seed mix for this location shall be:

| | | |
|---------------|-----------------------------|-------------|
| Globemallow | <i>Sphaeralcea coccinea</i> | 4 lbs./acre |
| Galleta grass | <i>Pleuraphis jamesii</i> | 4 lbs./acre |
| Shadscale | <i>Atriplex canescens</i> | 4 lbs./acre |

 - All pounds are in pure live seed.
 - Reseeding may be required if first seeding is not successful.
- 4 to 6 inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding should take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.

Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt

The pipeline shall be buried within the identified construction width of an access corridor that contains the access road and pipelines. The operator may request in writing an exception to this COA. Exceptions to this COA may be include but are not limited to: laterally extensive, hard indurated bedrock, such as sandstone, which is at or within 2 feet of the surface; and, soil types with a poor history for successful rehabilitation. The exception request will be reviewed by the authorized officer (AO) and a determination made.

Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-01196-E

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-17G

9. API Well No.
43-047-36084

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWNE SECTION 17-T10S-R22E 1650'FNL & 1602'FEL

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) |
| <input type="checkbox"/> 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 DOGM APD EXTENSION |

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.

THE OPERATOR REQUESTS AUTHORIZATION FOR AN ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION, SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED ON NOVEMBER 2002.

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: **10-25-05**
By: *[Signature]*

COPY SENT TO OPERATOR
Date: **11-8-05**
Initials: **CHD**

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

Name (Printed/Typed)
Sheila Upchego

Signature
[Signature]

Title
Regulatory Analyst

Date
October 19, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____

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

Office _____

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

(Instructions on reverse)

RECEIVED

OCT 24 2005

DIV. OF OIL, GAS & MINING

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

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

API: 4304736084
Well Name: NBU 1022-17G
Location: SWNE SECTION 17-T10S-R22E
Company Permit Issued to: WESTPORT OIL & GAS CO., L.P.
Date Original Permit Issued: 11/17/2005

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

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

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

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

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

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

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

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

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


Signature

10/19/2005

Date

Title: REGULATORY ANALYST

Representing: WESTPORT OIL & GAS COMPANY L.P.

RECEIVED

OCT 24 2005

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

| |
|----------------|
| ROUTING |
| 1. DJJ |
| 2. CDW |

X Change of Operator (Well Sold)

Operator Name Change/Merger

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

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

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

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203
BIA BOND = RLB0005239*

APPROVED 5/16/06

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

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

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

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

RECEIVED
 MAY 10 2006

DIV OF OIL, GAS & MINING

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

| | |
|---|--|
| Name (Printed/Typed) BRAD LANEY | Title ENGINEERING SPECIALIST |
| Signature | Date May 9, 2006 |

THIS SPACE FOR FEDERAL OR STATE USE

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

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



United States Department of the Interior

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

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

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

Merger/Name Change - Recognized

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

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

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

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

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

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

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

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

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

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

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

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

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior



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

IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

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

Chief, Branch of
Fluid Minerals

Enclosure

Approval letter from BLM COSO (2 pp)

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

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERAL

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

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
 Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 4304736084 | NBU 1022-17G | | SWNE | 17 | 10S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <i>C</i> <u>B</u> | 99999 | <u>2900</u> | 6/6/2006 | | 6/15/06 | | |
| Comments: <u>MIRU PETE MARTIN BUCKET RIG.</u> <u>WSTMVD SPUD WELL LOCATION ON 06/06/2006 AT 0930 HRS</u> <u>-K</u> | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| | | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| | | | | | | | |
| Comments: | | | | | | | |

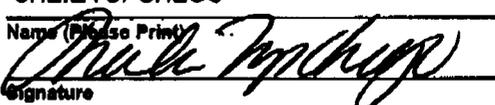
Well 3

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| | | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| | | | | | | | |
| Comments: | | | | | | | |

ACTION CODES:

- 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 existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

To EARLENE RUSSELL From SHEILA UPCHEGO
 (8/2000) Co./Dept. UTDOGIM Co. KMLG
 Phone # (801) 530-5330 Phone # (435) 781-7024
 Fax # (801) 539-3940 Fax # (435) 781-7094

SHEILA UPCHEGO
 Name (Please Print)

 Signature
 REGULATORY ANALYST 6/8/2006
 Title Date

RECEIVED
 JUN 08 2006

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.
UTU-01196-E

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-17G

9. API Well No.
4304736084

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
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)
SWSE SECTION 17, T10S, R22E 1650'FNL, 1602'FEL

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

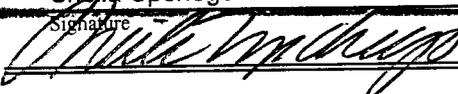
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> 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 <u>WELL SPUD</u> |

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 recompleat 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 recompleat 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.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 06/06/2006 AT 0930 HRS.

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

| | |
|--|------------------------------------|
| Name (Printed/Typed) Sheila Upchego | Title Regulatory Analyst |
| Signature  | Date June 8, 2006 |

THIS SPACE FOR FEDERAL OR STATE USE

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

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

(Instructions on reverse)

RECEIVED

JUN 12 2006

DIV. OF OIL, GAS & MINING

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.
UTU-01196-E

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-17G

9. API Well No.
4304736084

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
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)
SWSE SECTION 17, T10S, R22E 1650'FNL, 1602'FEL

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

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

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

MIRU BILL MARTIN AIR RIG ON 06/07/2006. DRILLED 12 1/4" SURFACE HOLE TO 1980'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TOP OUT W/325 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE CMT TO SURFACE HOLE STAYED FULL.

WORT.

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

| | |
|--|-----------------------------|
| Name (Printed/Typed) Sheila Upchego | Title Regulatory Analyst |
| Signature | Date June 13, 2006 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|-------------|-------|------|
| Approved by | Title | Date |
|-------------|-------|------|

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

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RECEIVED
JUN 20 2006

(Instructions on reverse)

DIV OF OIL, GAS & MINING

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.

UTU-01196-E

6. If Indian, Allottee or Tribe Name

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

UNIT #891008900A

8. Well Name and No.

NBU 1022-17G

9. API Well No.

4304736084

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

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)

SWSE SECTION 17, T10S, R22E 1650'FNL, 1602'FEL

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

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

13. Describe Proposed or Completed 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.

FINISHED DRILLING FROM 1980' TO 8918' ON 07/14/2006. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/345 SX PREM LITE II @11.3 PPG 3.02 YIELD. TAILED CMT W/1364 SX 50/50 POZ @14.3 PPG 1.31 YIELD. WORKED PIPE THRU CMT JOB 5 BBLs CMT TO SURFACE BUMP PLUG & PLUG HELD. W/500 OVER SET SLIPS W/95K W/VETCO. CLEAN PITS.

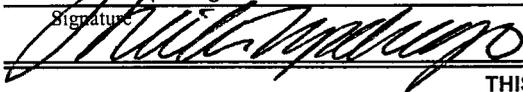
RELEASED PIONEER RIG 38 ON 07/16/2006 AT 0100 HRS.

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

Name (Printed/Typed)

Sheila Upchego

Signature



Title

Regulatory Analyst

Date

July 17, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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(Instructions on reverse)

RECEIVED

JUL 25 2006

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.
UTU-01196-E

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-17G

9. API Well No.
4304736084

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
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)
SWSE SEC. 17, T10S, R22E 1650'FNL, 1602'FEL

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

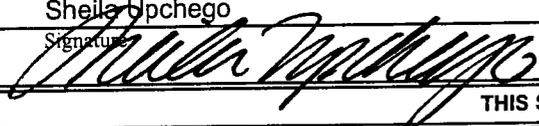
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|---|---|---|--|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off | |
| <input checked=""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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 08/05/2006 AT 9:30 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

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

| | |
|--|------------------------------------|
| Name (Printed/Typed) Sheila Upchego | Title Regulatory Analyst |
| Signature  | Date August 8, 2006 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|-------------|-------|------|
| Approved by | Title | Date |
|-------------|-------|------|

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

| | |
|--------|-----------------|
| Office | RECEIVED |
|--------|-----------------|

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.

AUG 21 2006

KERR MCGEE OIL AND GAS ONSHORE LP

CHRONOLOGICAL HISTORY

NBU 1022-17G

| | SPUD | Surface Casing Air Rig | Activity | Status |
|-----------------|---------------|-----------------------------------|---|------------------|
| 05/18/06 | | | Build Location, 10% complete | Pioneer38 |
| 05/22/06 | | | Build Location, 25% complete | Pioneer38 |
| 05/23/06 | | | Build Location, 40% complete | Pioneer38 |
| 05/24/06 | | | Build Location, 55% complete | Pioneer38 |
| 05/26/06 | | | Build Location, 55% complete | Pioneer38 |
| 05/30/06 | | | Build Location, 60% complete | Pioneer38 |
| 05/31/06 | | | Build Location, 70% complete | Pioneer38 |
| 06/01/06 | | | Build Location, 80% complete | Pioneer38 |
| 06/02/06 | | | Build Location, 90% complete | Pioneer38 |
| 06/05/06 | | | Build Location, 95% complete | Pioneer38 |
| 06/06/06 | | | Build Location, 100% complete | Pioneer38 |
| 06/08/06 | 6/6/06 | | Set conductor, WOBR | Pioneer38 |
| 06/12/06 | 6/7/06 | | Air Rig Spud, WOBR | Pioneer38 |
| 06/14/06 | 6/7/06 | 9 5/8" @ 1951' | WORT | |
| 06/19/06 | 6/7/06 | 9 5/8" @ 1951' | Ring In, WORT | |
| 07/06/06 | | | TD: 1980' Csg. 9 5/8" @ 1951' MW: 8.4 SD: 7/06/06 DSS: 0 Finish RU. NU and test BOPE. PU BHA and DP. Drill cmt and FE @ report time. | |
| 07/07/06 | | | TD: 4065' Csg. 9 5/8" @ 1951' MW: 8.4 SD: 7/06/06 DSS: 1 Drill and survey f/ 1980'-4065'. DA @ report time. | |
| 07/10/06 | | | TD: 7245' Csg. 9 5/8" @ 1951' MW: 9.3 SD: 7/06/06 DSS: 4 Drill f/ 4065'-7245'. DA @ report time. | |
| 07/11/06 | | | | |

TD: 7820' Csg. 9 5/8"@ 1951' MW: 10.1 SD: 7/06/06 DSS: 5
Drill f/ 7245'-7820'. DA @ report time.

07/12/06

TD: 8047' Csg. 9 5/8"@ 1951' MW: 10.7 SD: 7/06/06 DSS: 6
Drill f/ 7820'-8047'. Pump slug and POOH for new bit @ report time.

07/13/06

TD: 8474' Csg. 9 5/8"@ 1951' MW: 10.9 SD: 7/06/06 DSS: 7
PU new bit and MM. Drill f/ 8047'-8474'. DA @ report time.

07/14/06

TD: 8918' Csg. 9 5/8"@ 1951' MW: 11.8 SD: 7/06/06 DSS: 8
Drill f/ 8474'-8918' TD. CCH and raise mud weight to 11.8 ppg to control gas. Short trip to 7000'. CCH. Lay down drill string @ report time.

07/17/06

TD: 8918' Csg. 9 5/8"@ 1951' MW: 11.8 SD: 7/06/06 DSS: 10
Lay down drill string. Run Triple Combo. Run and cement 4 1/2" Production Casing. Set slips and release rig @ 0100 hrs 7/16/2006. RDRT and move to NBU 1022-20N.

07/31/06

PROG: 7:00 AM HSM. ROAD RIG FROM STATE 1021-36P TO NBU 1022-17G. SPOT RIG EQUIPMENT & RU RIG. ND WELL HEAD NU BOP'S. PU 3 7/8" MILL & SUB. DRIFT & TALLY 280 JTS OF 2 3/8" J-55 4.7# NEW TBG. TAG PBTD @ 8,840' RU RIG PUMP CIRCULATE WELL CLEAN. POOH LD 30 JTS, SB 125 STANDS. ND BOP'S NU FRAC VALVES. SWI SDFN 6:30 PM

08/01/06

PROG: 7:00 AM. HSM. MIRU CUTTERS TO LOG & PERFORATE.

RIH TAG PBTD @ 8,840' RUN CEMENT BOND LOG TO SURFACE. CEMENT TOP @ 300'. GOOD BOND. MIRU B&C QUICK TEST TO TEST CASING & FRAC VALVES. TEST CASING & BOTH FRAC VALVES TO 7,500 PSI. GOOD TEST

RIH W/3 3/8" EXP GUNS, 23 GRM, .35 HOLES, 90 DEG PHASING PERF 8,792' - 8,796' 4 SPF, 8,699' - 8,705' 4 SPF, 40 HOLES
SWI SDFN

08/02/06

PROG: 7:00 AM. HSM. MIRU SCHLUMBERGER & CUTTERS TO FRAC & PERFORATE. PRESSURE TEST PUMPS & LINE TO 8,522 PSI GOOD TEST.

STG 1) WHP 150 PSI, BRK 5,300 PSI @ 5.3 BPM ISIP 2,824 PSI FG .76 PUMP 100 BBLS @ 51.3 BPM @ 5,050 PSI = 40 OF 40 HOLES OPEN MP 7,157 PSI, MR 51.4 BPM, AP 4,643 PSI, AR 50.0 BPM, ISIP 2,750 PSI, FG .75 NPI -74 PSI, PUMP 841 BBLS OF SLICK WATER, 15,900 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND

STG 2) RIH W/ 3 3/8" EXP GUNS, 23 GRM, .35 HOLES 120 & 90 DEG PHASING SET 8K BAKER CBP @ 8,499' & PERF 8,463' - 69' 4 SPF, 8,455' - 57' 3 SPF, 8,344' - 48', 4 SPF, 46 HOLES. WHP 0 PSI, BRK 3,611 PSI @ 5.3 BPM ISIP 2,432 PSI FG .73 PUMP 100 BBLS @ 50.6 BPM @ 4,900 PSI = 41 OF 46 HOLES OPEN MP 5,239 PSI, MR 51.1 BPM, AP 4,240 PSI, AR 48.7 BPM, ISIP 2,776 PSI, FG .77 NPI 344 PSI, PUMP 693 BBLS OF SLICK WATER, 17,000 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND.

STG 3) RIH W/ 3 3/8" EXP GUNS, 23 GRM, .35 HOLES 120, 90, & 180 DEG PHASING @ 6,500' CBP STARTED FLOATING WE COULD PICK UP RIH VERY SLOW SET 8K BAKER

CBP @ 7,987' & PERF 7,953' - 57' 4 SPF, 7,929' - 31' 2 SPF, 7,870' - 75', 4 SPF, 7,856' - 58' 3 SPF, 46 HOLES. WHP 260 PSI, BRK 3,135 PSI @ 5.3 BPM ISIP 2,215 PSI FG .72 PUMP 100 BBLs @ 49.3 BPM @ 4,500 PSI = 42 OF 46 HOLES OPEN MP 4,599 PSI, MR 51.1 BPM, AP 3,726 PSI, AR 48.6 BPM, ISIP 2,710 PSI, FG .78 NPI 495 PSI, PUMP 1,189 BBLs OF SLICK WATER, 36,500 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND.

STG 4) RIH W/ 3 3/8" EXP GUNS, 23 GRM, .35 HOLES 90, DEG PHASING @ 6,500' CBP STARTED FLOATING WE COULD NOT PICK UP BUT COULD GO IN RIH. SET 8K BAKER CBP @ 7,627' & PERF 7,586' - 92' 4 SPF, 7,549' - 53' 4 SPF, 40 HOLES. WHP 0 PSI, BRK 3,436 PSI @ 5.3 BPM ISIP 2,140 PSI FG .72 PUMP 100 BBLs @ 51 BPM @ 4,330 PSI = 39 OF 40 HOLES OPEN MP 4,877 PSI, MR 51.1 BPM, AP 3,948 PSI, AR 48.7 BPM, ISIP 2,854 PSI, FG .82 NPI 714 PSI, PUMP 1,111 BBLs OF SLICK WATER, 35,500 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND

STG 5) RIH W/ 3 3/8" EXP GUNS, 23 GRM, .35 HOLES 120, 90, & 180 DEG PHASING SET 8K BAKER CBP @ 7,362' & PERF 7,329' - 32' 4 SPF, 7,317' - 22' 4 SPF, 7,218' - 20', 2 SPF, 7,122' - 25' 3 SPF, 45 HOLES. WHP 0 PSI, BRK 3,475 PSI @ 5.3 BPM ISIP 2,224 PSI FG .75 PUMP 100 BBLs @ 50.7 BPM @ 4,700 PSI = 40 OF 45 HOLES OPEN MP 5,013 PSI, MR 51.1 BPM, AP 4,093 PSI, AR 48.2 BPM, ISIP 2,808 PSI, FG .83 NPI 584 PSI, PUMP 832 BBLs OF SLICK WATER, 24,100 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND

STG 6) RIH W/ 3 3/8" EXP GUNS, 23 GRM, .35 HOLES 90, & 120 DEG PHASING SET 8K BAKER CBP @ 7,016' & PERF 6,984' - 86' 4 SPF, 6,931' - 34' 3 SPF, 6,871' - 75', 3 SPF, 6,826' - 30' 3 SPF, 45 HOLES. WHP 0 PSI, BRK 2,449 PSI @ 5.3 BPM ISIP 1,588 PSI FG .67 PUMP 100 BBLs @ 50.2 BPM @ 3,800 PSI = 41 OF 41 HOLES OPEN MP 4,648 PSI, MR 52.7 BPM, AP 3,619 PSI, AR 49.2 BPM, ISIP 2,455 PSI, FG .79 NPI 867 PSI, PUMP 3,204 BBLs OF SLICK WATER, 117,500 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND

STG 7) RIH W/ 3 3/8" EXP GUNS, 23 GRM, .35 HOLES 90 DEG PHASING SET 8K BAKER CBP @ 6,602' & PERF 6,562' - 72' 4 SPF, 40 HOLES. WHP 0 PSI, BRK 3,031 PSI @ 5.3 BPM ISIP 1,501 PSI FG .67 PUMP 100 BBLs @ 50.5 BPM @ 3,800 PSI = 38 OF 40 HOLES OPEN MP 4,326 PSI, MR 51.2 BPM, AP 3,799 PSI, AR 48.6 BPM, ISIP 2,801 PSI, FG .86 NPI 1,300 PSI, PUMP 670 BBLs OF SLICK WATER, 19,600 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND SWI SDFN 5:30 PM

08/03/06

PROG: 7:00 AM. HOLD SAFETY MEETING WITH CUTTERS & SCHLUMBERGER

STG 8) RIH W/ 3 3/8" EXP GUNS 23 GRM .35 HOLES 90 DEG PHASING SET 8K BAKER CBP @ 5,708' PERF 5,674' - 78' 4 SPF, 5,608' - 5,614' 4 SPF, 40 HOLES WHP 0 PSI, BRK 3,031 PSI @ 5.3 BPM ISIP 1,501 PSI FG .67 PUMP 100 BBLs @ 50.1 BPM @ 3,400 PSI = 40 OF 40 HOLES OPEN MP 3,454 PSI, MR 50.2 BPM, AP 2,826 PSI, AR 47.7 BPM, ISIP 2,093 PSI, FG .81 NPI 773 PSI, PUMP 670 BBLs OF SLICK WATER, 19,200 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND

STG 9) RIH W/ 3 3/8" EXP GUNS 23 GRM .35 HOLES 90 DEG PHASING SET 8K BAKER CBP @ 5,051' PERF 5,011' - 5,021' 4 SPF, 40 HOLES WHP 770 PSI, BRK 3,294 PSI @ 5.3 BPM ISIP 900 PSI FG .62 PUMP 100 BBLs @ 50.4 BPM @ 3,185 PSI = 40 OF 40 HOLES OPEN MP 3,245 PSI, MR 51 BPM, AP 2,808 PSI, AR 46.1 BPM, ISIP 2,330 PSI, FG .9 NPI 1,430 PSI, PUMP 668 BBLs OF SLICK WATER, 18,540 # 30/50 SAND & 5,000 # OF 20/40 RESIN COATED SAND

KILL PLG) RIH SET 8K BAKER CBP @ 4,950'. RDMO CUTTERS & SCHLUMBERGER

ND FRAC VALVES NU BOP'S. PU 3 7/8" BIT FAST EDDIE POBS & SN. RIH W/156 JTS

OF 2 3/8" J-55 4.7# TBG. RIG UP POWER SWIVEL BRK CIRC. RIH C/O 5' OF SAND TAG
PLG 1 @ 4,950' DRL PLG IN 10 MIN 800 PSI INCREASE RIH C/O 30' OF SAND TAG PLG 2
@ 5,050' DRL PLG IN 10 MIN 700 PSI INCREASE RIH C/O 30' OF SAND TAG PLG 3 @
5,708' DRL PLG IN 10 MIN 400 PSI INCREASE RIH W/ JT 181 CIRC WELL CLEAN EOT @
5,728' SWI SDFN

08/04/06

PROG: 7:00 AM. HSM. WHP 000 PSI. RIH
C/O 40" SAND TAG PLG 4 @ 6,602' DRL PLG IN 10 MIN 400 PSI INCREASE RIH
C/O 30" SAND TAG PLG 5 @ 7,016' DRL PLG IN 10 MIN 300 PSI INCREASE RIH
C/O 30" SAND TAG PLG 6 @ 7,362' DRL PLG IN 10 MIN 700 PSI INCREASE RIH
C/O 30" SAND TAG PLG 7 @ 7,627' DRL PLG IN 10 MIN 600 PSI INCREASE RIH
C/O 30" SAND TAG PLG 8 @ 7,987' DRL PLG IN 10 MIN 500 PSI INCREASE RIH
C/O 30" SAND TAG PLG 9 @ 8,499' DRL PLG IN 10 MIN 400 PSI INCREASE RIH
C/O TO 8,830' PBD. RD POWER SWIVEL CIRCULATE WELL CLEAN.
LD 34 JTS LAND TUBING W/246 JTS 2 3/8" J-55 4.7# TBG. EOT @ 7,785.46'.
ND BOP'S NU WH DROP BALL TO SHEAR OFF BIT. PUMP OFF BIT W/1,725 PSI
TURN WELL OVER TO FLOW TESTERS

| | |
|------------------|-------------------------|
| 295 JTS OUTBOUND | 9,847 BBLs TLTR |
| 246 LANDES | 1,125 BBLs RIG RECOVERY |
| 49 RETURNED | 8,722 BBLs LTR |

08/04/06 PROG: WELL ON FLOWBACK, FLOWBACK REPORT: CP: 1200#, TP: 1200 #,
20/64 CHK, 42 BWPH, 24 HRS, SD: TRACE, TTL BBLs FLWD: 1002 BBLs, TODAY'S LTR:
8722 BBLs, LOAD REC TODAY: 1002 BBLs, REMAINING LTR: 7720 BBLs, TOTAL
LOAD REC TO DATE: 2127 BBLs.

08/05/06 PROG: WELL ON FLOWBACK, FLOWBACK REPORT: CP: 1900#, TP: 1400 #,
20/64 CHK, 32 BWPH, 24 HRS, SD: TRACE, TTL BBLs FLWD: 848 BBLs, TODAY'S LTR:
7720 BBLs, LOAD REC TODAY: 848 BBLs, REMAINING LTR: 6872 BBLs, TOTAL LOAD
REC TO DATE: 2975 BBLs.

08/06/06 PROG: WELL ON FLOWBACK, FLOWBACK REPORT: CP: 2175#, TP: 1475 #,
20/64 CHK, 25 BWPH, 24 HRS, SD: LIGHT, TTL BBLs FLWD: 668 BBLs, TODAY'S LTR:
6872 BBLs, LOAD REC TODAY: 668 BBLs, REMAINING LTR: 6204 BBLs, TOTAL LOAD
REC TO DATE: 3643 BBLs.

WELL WENT ON SALES: 08/05/2006, 09:30 AM, 580 MCF, 20/64 CHK, SICP: 101 #. FTP:
1250 #, 40 BWPH.

08/07/06

ON SALES

08/05/06: 376 MCF, 0 BC, 980 BW, TP: 1400#, CP: 1950#, 20/64 CHK, 14 HRS, LP: 96#.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No.
UTU-01196-E

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

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

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

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
NBU 1022-17G

9. API Well No.
4304736084

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

At surface **SWNE 1650'FNL, 1602'FEL**

At top prod. interval reported below

At total depth

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area **SEC 17, T10S, R22E**

12. County or Parish **UINTAH** 13. State **UTAH**

14. Date Spudded **06/06/06** 15. Date T.D. Reached **07/14/06** 16. Date Completed D & A Ready to Prod. **08/05/06**

17. Elevations (DF, RKB, RT, GL)*
5233'GL

18. Total Depth: MD **8918'** TVD **MD 8840'** 19. Plug Back T.D.: MD **8840'** TVD **MD 8840'** 20. Depth Bridge Plug Set: MD **MD** TVD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR

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

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

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 20" | 14" | 36.7# | | 40' | | 28 SX | | | |
| 12 1/4" | 9 5/8" | 32.3# | | 1980' | | 525 SX | | | |
| 7 7/8" | 4 1/2" | 11.6# | | 8918' | | 1709 SX | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Set (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-----------------|
| 2 3/8" | 7785' | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|--------------|-------|--------|---------------------|------|-----------|--------------|
| A) WASATCH | 5011' | 6572' | 5011'-6572' | 0.35 | 120 | OPEN |
| B) MESAVERDE | 6826' | 8796' | 6826'-8796' | 0.35 | 258 | OPEN |
| C) | | | | | | |
| D) | | | | | | |

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

| Depth Interval | Amount and type of Material |
|----------------|--|
| 5011'-6572' | PMP 1977 BBLs SLICK H2O & 67,340# 30/50 OTTOWA SD |
| 6826'-8796' | PMP 7870 BBLs SLICK H2O & 276,500# 30/50 OTTOWA SD |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------------|-------------------|-----------------|---------|---------|-----------|-----------------------|--------------------|-------------------|
| 08/05/06 | 08/17/06 | 24 | → | 0 | 1,971 | 336 | | | FLOWS FROM WELL |
| Choke Size | Tbg. Press. Flwg. 1041# SI | Csg. Press. 1440# | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Well Status | |
| 18/64 | SI | 1440# | → | 0 | 1971 | 336 | | PRODUCING GAS WELL | |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------------|-------------------|-----------------|---------|---------|-----------|-----------------------|--------------------|-------------------|
| 08/05/06 | 08/17/06 | 24 | → | 0 | 1971 | 336 | | | FLOWS FROM WELL |
| Choke Size | Tbg. Press. Flwg. 1041# SI | Csg. Press. 1440# | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Well Status | |
| 18/64 | SI | 1440# | → | 0 | 1971 | 336 | | PRODUCING GAS WELL | |

RECEIVED
SEP 01 2006
DIV. OF OIL, GAS & MINING
PRODUCING GAS WELL

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

28b. Production - Interval C

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

28c. Production - Interval D

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

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

SOLD

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

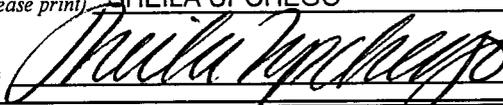
| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|----------------------|----------------|--------|------------------------------|------|-------------|
| | | | | | Meas. Depth |
| WASATCH MESAVERDE | 4302' 6886' | 6886' | | | |

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

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

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

Name (please print) SHEILA UPCHEGO Title REGULATORY ANALYST
 Signature  Date 8/28/2006

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1211, 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.