

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

FORM 3

001

AMENDED REPORT   
(highlight changes)

|  |   |   |   |
|--|---|---|---|
| <b>APPLICATION FOR PERMIT TO DRILL</b>   |   | 5. MINERAL LEASE NO:<br>ML-3276                                     | 6. SURFACE:<br>State                              |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>   |   | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME:                               |   |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> |   | 8. UNIT or CA AGREEMENT NAME:<br>NATURAL BUTTES UNIT                |   |
| 2. NAME OF OPERATOR:<br>WESTPORT OIL & GAS COMPANY L.P.  |   | 9. WELL NAME and NUMBER:<br>NBU 1022-16D                            |   |
| 3. ADDRESS OF OPERATOR:<br>1368 S. 1200 E. CITY VERNAL STATE UT ZIP 84078  |   | PHONE NUMBER:<br>(435) 781-7024                                     | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES |
| 4. LOCATION OF WELL (FOOTAGES)<br>AT SURFACE: 529'FNL & 834'FWL<br>AT PROPOSED PRODUCINGZONE:  |   | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>NWNW 16 10S 22E |   |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>34.3 MILES SOUTHEAST OF OURAY, UT   |   | 12. COUNTY:<br>UINTAH   | 13. STATE:<br>UTAH                                |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>529'  | 16. NUMBER OF ACRES IN LEASE:<br>480.00 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>40.00                 |   |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>REFER TO TOPO C   | 19. PROPOSED DEPTH:<br>8,800            | 20. BOND DESCRIPTION:<br>RLB0005238                                 |   |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br>5203'GL   | 22. APPROXIMATE DATE WORK WILL START:   | 23. ESTIMATED DURATION:   |   |

24. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT |      |      | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |
|--------------|---|------|------|---------------|---|
| 12 1/4       | 9 5/8                                   | H-40 | 32.3 | 1,900         | 265 SX  |
| 7 7/8        | 4 1/2                                   | I-80 | 11.6 | 8,800         | 1820 SX   |
|              |   |      |      |               |   |
|              |   |      |      |               |   |
|              |   |      |      |               |   |
|              |   |      |      |               |   |
|              |   |      |      |               |   |

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST  
SIGNATURE *Sheila Upchego* DATE 12/3/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36157

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-22-05  
By: *[Signature]*

RECEIVED  
DEC 06 2004

DIV. OF OIL, GAS & MINING



WESTPORT OIL AND GAS COMPANY, L.P.

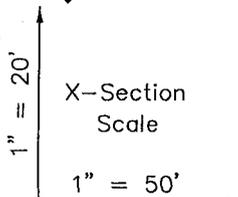
FIGURE #2

TYPICAL CROSS SECTIONS FOR

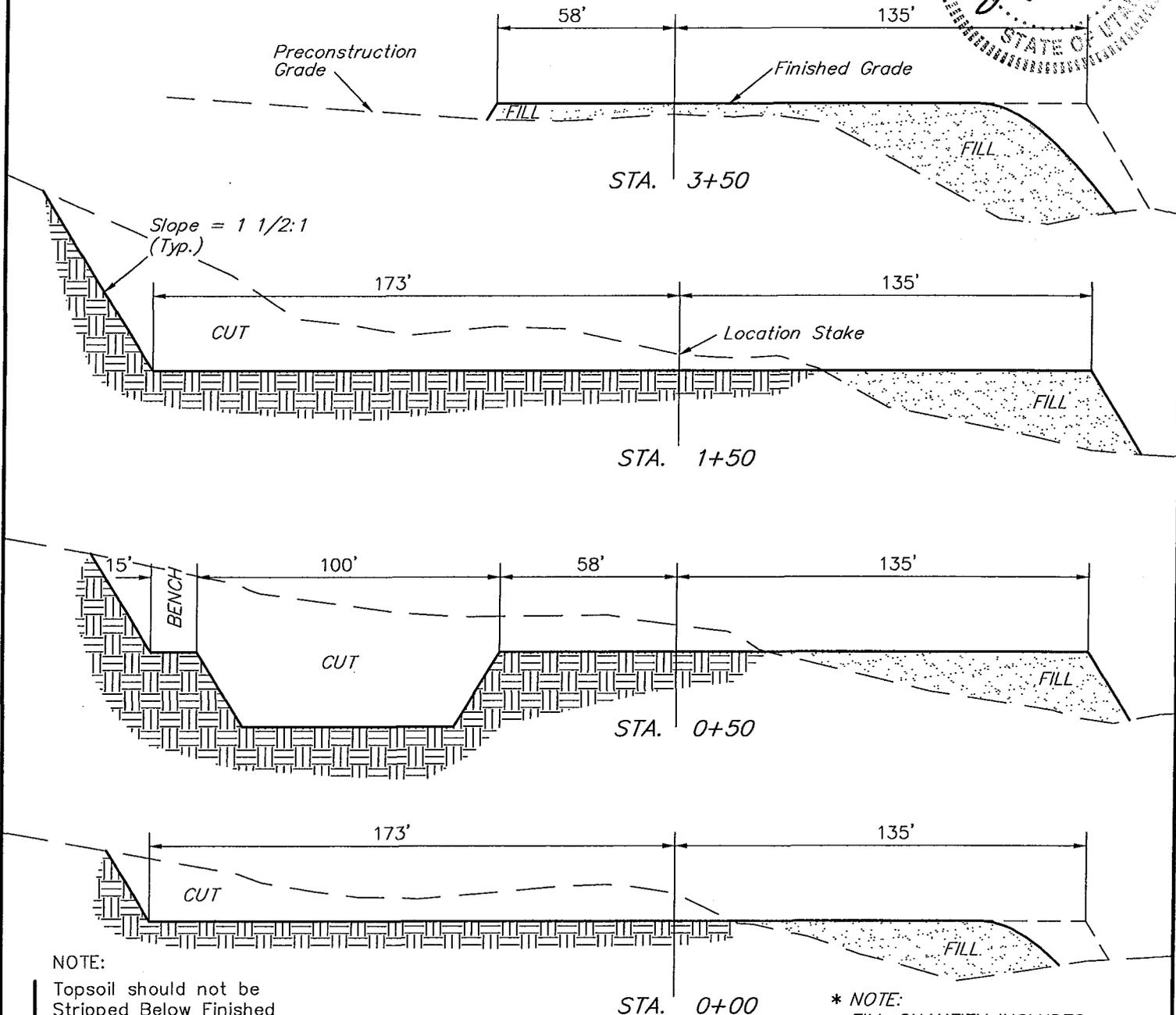
NBU #1022-16D

SECTION 16, T10S, R22E, S.L.B.&M.

529' FNL 834' FWL



DATE: 10-07-04  
Drawn By: C.G.  
Rev: 12-11-04 E.C.O.



\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

|                        |                         |
|------------------------|-------------------------|
| CUT                    |                         |
| (6") Topsoil Stripping | = 2,030 Cu. Yds.        |
| Remaining Location     | = 13,620 Cu. Yds.       |
| <b>TOTAL CUT</b>       | <b>= 15,650 CU.YDS.</b> |
| <b>FILL</b>            | <b>= 11,480 CU.YDS.</b> |

|  |                  |
|--|------------------|
| EXCESS MATERIAL                            | = 4,170 Cu. Yds. |
| Topsoil & Pit Backfill<br>(1/2 Pit Vol.)   | = 4,170 Cu. Yds. |
| EXCESS UNBALANCE<br>(After Rehabilitation) | = 0 Cu. Yds.     |

NBU #1022-16D  
 NW/NW Sec. 16, T10S, R22E  
 UTAH COUNTY, UTAH  
 ML-3276

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

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

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta            | Surface      |
| Green River      | 1235'        |
| Wasatch          | 4250'        |
| Mesaverde        | 6700'        |
| TD               | 8800'        |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
|                  | Green River      | 1235'        |
| Gas              | Wasatch          | 4250'        |
| Gas              | Mesaverde        | 6700'        |
| Water            | N/A              |              |
| Other Minerals   | N/A              |              |

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

*Please see the attached Drilling Program.*

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

*Please see the attached Drilling Program*

5. **Drilling Fluids Program:**

*Please see the attached Drilling Program.*

6. **Evaluation Program:**

*Please see the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 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 the attached Drilling Program.*

10. **Other Information:**

*Please see the attached Drilling Program.*





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

**CASING PROGRAM**

|            | SIZE   | INTERVAL  | WT.   | GR.  | CPLG. | DESIGN FACTORS |          |         |
|------------|--------|-----------|-------|------|-------|----------------|----------|---------|
|            |        |           |       |      |       | BURST          | COLLAPSE | TENSION |
| CONDUCTOR  | 14"    | 0-40'     |       |      |       |                |          |         |
| SURFACE    | 9-5/8" | 0 to 1900 | 32.30 | H-40 | STC   | 2270           | 1370     | 254000  |
|            |        |           |       |      |       | 0.86*****      | 1.54     | 4.73    |
| PRODUCTION | 4-1/2" | 0 to 8800 | 11.60 | I-80 | LTC   | 7780           | 6350     | 201000  |
|            |        |           |       |      |       | 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 SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

**CEMENT PROGRAM**

|   |                 | FT. OF FILL | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |
|---|-----------------|-------------|--|---------|--------|--------|-------|
| SURFACE<br>Option 1   | LEAD            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 215     | 60%    | 15.60  | 1.18  |
|   | TOP OUT CMT (1) | 200         | 20 gals sodium silicate + Premium cmt<br>+ 2% CaCl + .25 pps flocele                             | 50      |        | 15.60  | 1.18  |
|   | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b> |                 |             |  |         |        |        |       |
| SURFACE<br>Option 2   | LEAD            | 1500        | Prem cmt + 16% Gel + 10 pps gilsonite<br>+ .25 pps Flocele + 3% salt BWOC                        | 170     | 35%    | 11.00  | 3.82  |
|   | TAIL            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 180     | 35%    | 15.60  | 1.18  |
|   | TOP OUT CMT     | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| PRODUCTION  | LEAD            | 3,750'      | Premium Lite II + 3% KCl + 0.25 pps<br>celloflake + 5 pps gilsonite + 10% gel<br>+ 0.5% extender | 410     | 60%    | 11.00  | 3.38  |
|   | TAIL            | 5,050'      | 50/50 Poz/G + 10% salt + 2% gel<br>+.1% R-3  | 1410    | 60%    | 14.30  | 1.31  |

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

**FLOAT EQUIPMENT & CENTRALIZERS**

|            |   |
|------------|---|
| SURFACE    | Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.                   |
| PRODUCTION | Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers. |

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER: \_\_\_\_\_  
 Brad Laney  
 DRILLING SUPERINTENDENT: \_\_\_\_\_  
 Randy Bayne DHD\_NBU1022-16D\_APD.xls

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

NBU #1022-16D  
NW/NW Sec. 16, T10S-R22E  
Uintah County, UT  
ML-3276

ONSHORE ORDER NO. 1

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

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

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

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

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

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

2. **Planned Access Roads:**

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

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

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

*The following guidelines will apply if the well is productive.*

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

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

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

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

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

Refer to Topo D for the proposed pipeline.

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

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

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

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

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

Any gravel will be obtained from a commercial source.

**7. Methods of Handling Waste Materials:**

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

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

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

If a plastic reinforced liner is used, it will be a minimum of 16 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

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

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

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

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

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

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

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

8. **Ancillary Facilities:**

None are anticipated.

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

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). ***This section is subject to modification as a result of the on-site inspection.***

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

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

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

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

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

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

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

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

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

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

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

*Producing Location:*

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

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

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

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

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

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

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

*Dry Hole/Abandoned Location:*

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

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

11. **Surface Ownership:**

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

12. **Other Information:**

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

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

A Class III archaeological survey will be submitted when report becomes available.

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

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

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

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

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

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Westport O&G Co. L.P. State Surety Bond: RLB0005238.

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

  
Sheila Upchego

12/3/04

Date

WESTPORT OIL AND GAS COMPANY, L.P.  
NBU #1022-16D  
SECTION 16, 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 2.6 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 53.8 MILES.

# WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-16D

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 16, T10S, R22E, S.L.B.&M.

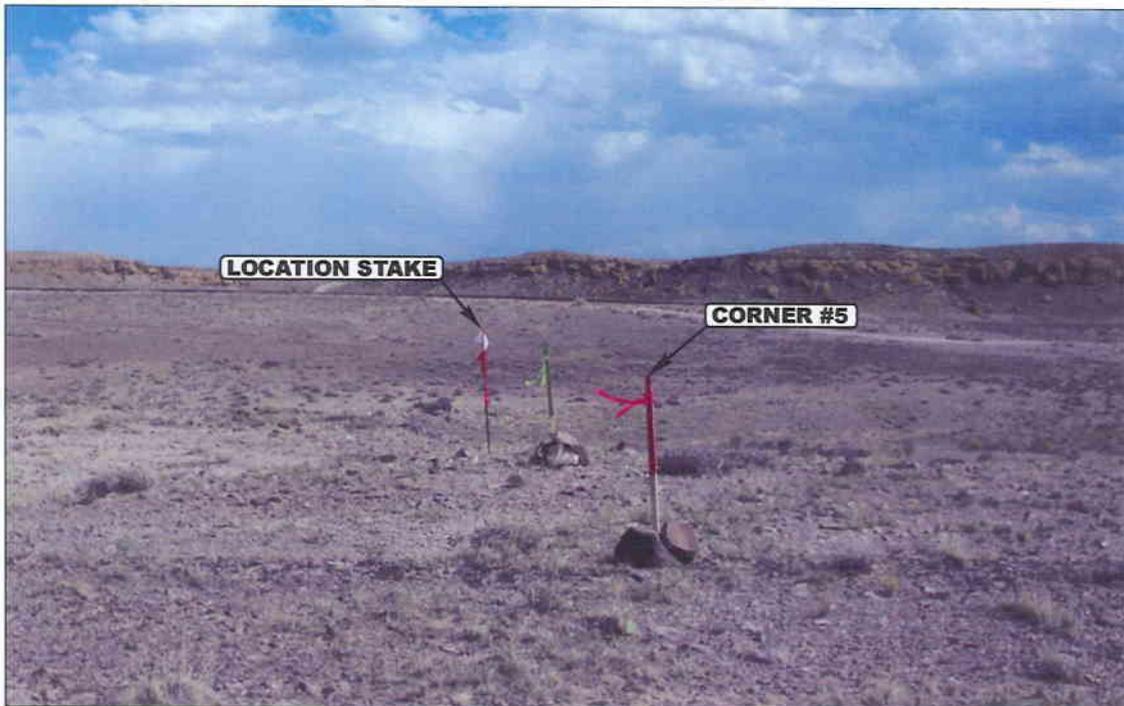


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

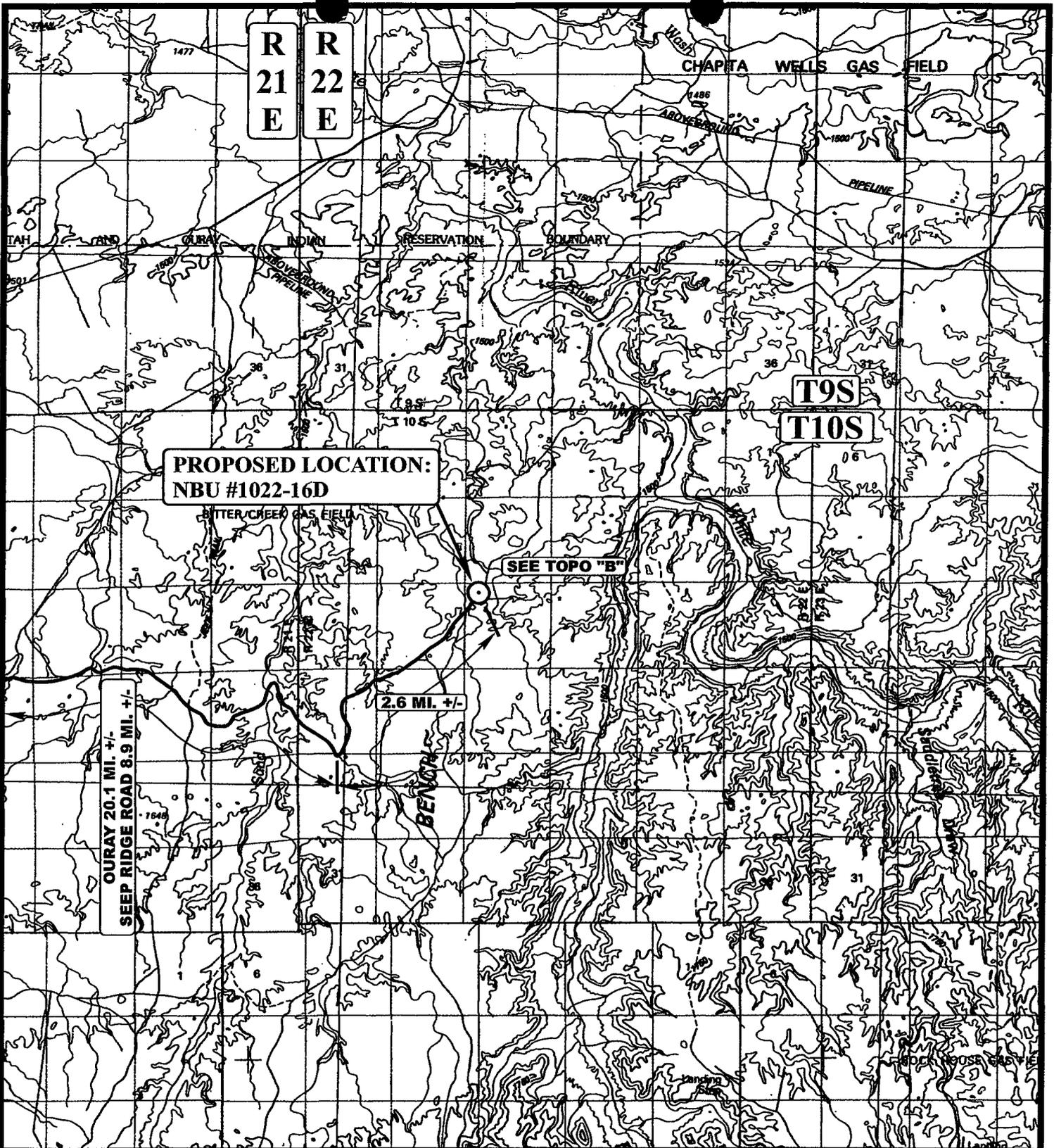
Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

10 04 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: K.K. | DRAWN BY: P.M. | REVISED: 00-00-00



**PROPOSED LOCATION:  
NBU #1022-16D**

**SEE TOPO "B"**

**OURAY 20.1 MI. +/-  
SEEP RIDGE ROAD 8.9 MI. +/-**

**2.6 MI. +/-**

**LEGEND:**

○ PROPOSED LOCATION



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

**NBU #1022-16D  
SECTION 16, T10S, R22E, S.L.B.&M.  
529' FNL 834' FWL**



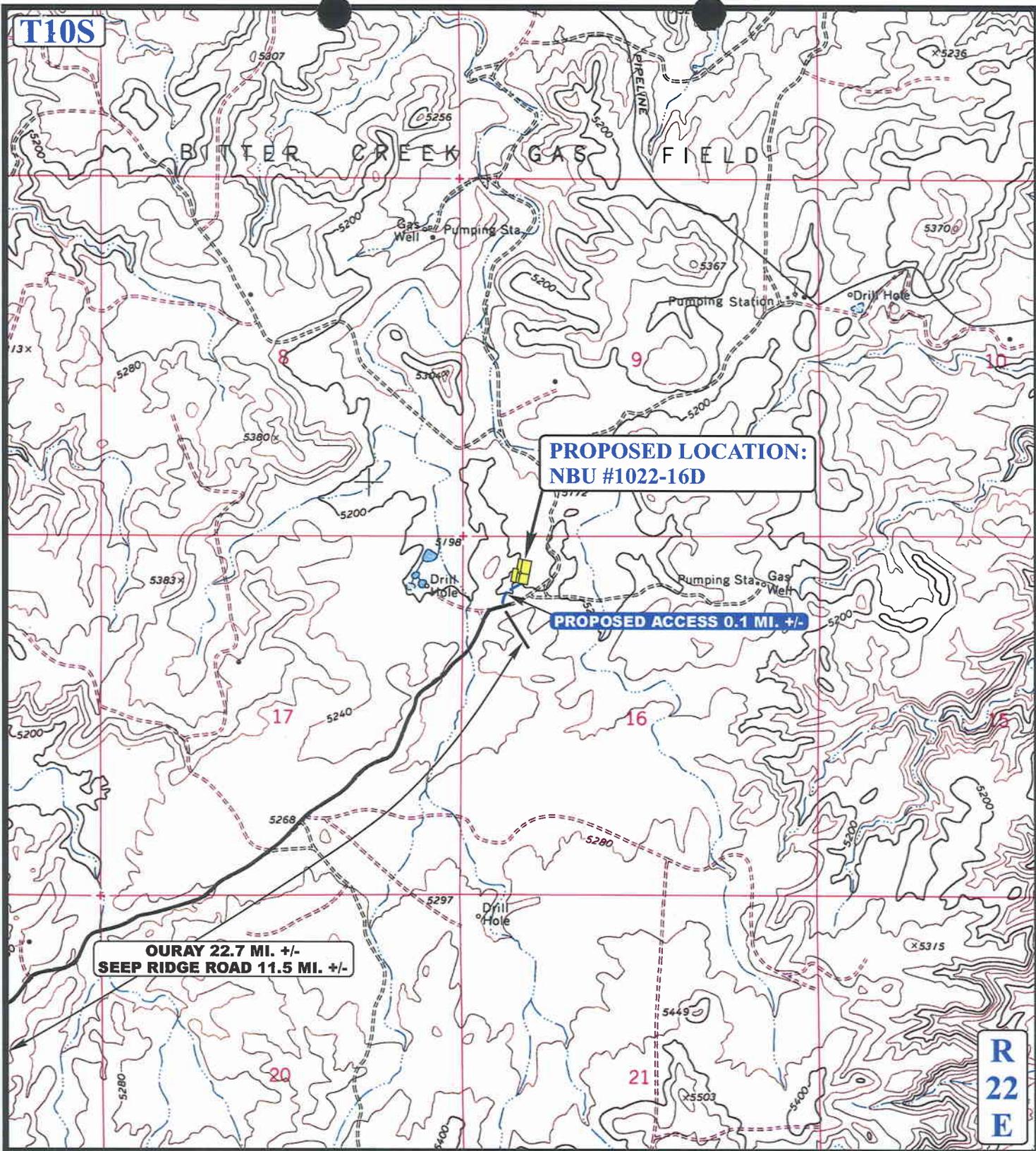
**Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813**

**TOPOGRAPHIC MAP**  

|           |           |           |
|-----------|-----------|-----------|
| <b>10</b> | <b>04</b> | <b>04</b> |
| MONTH     | DAY       | YEAR      |

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





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



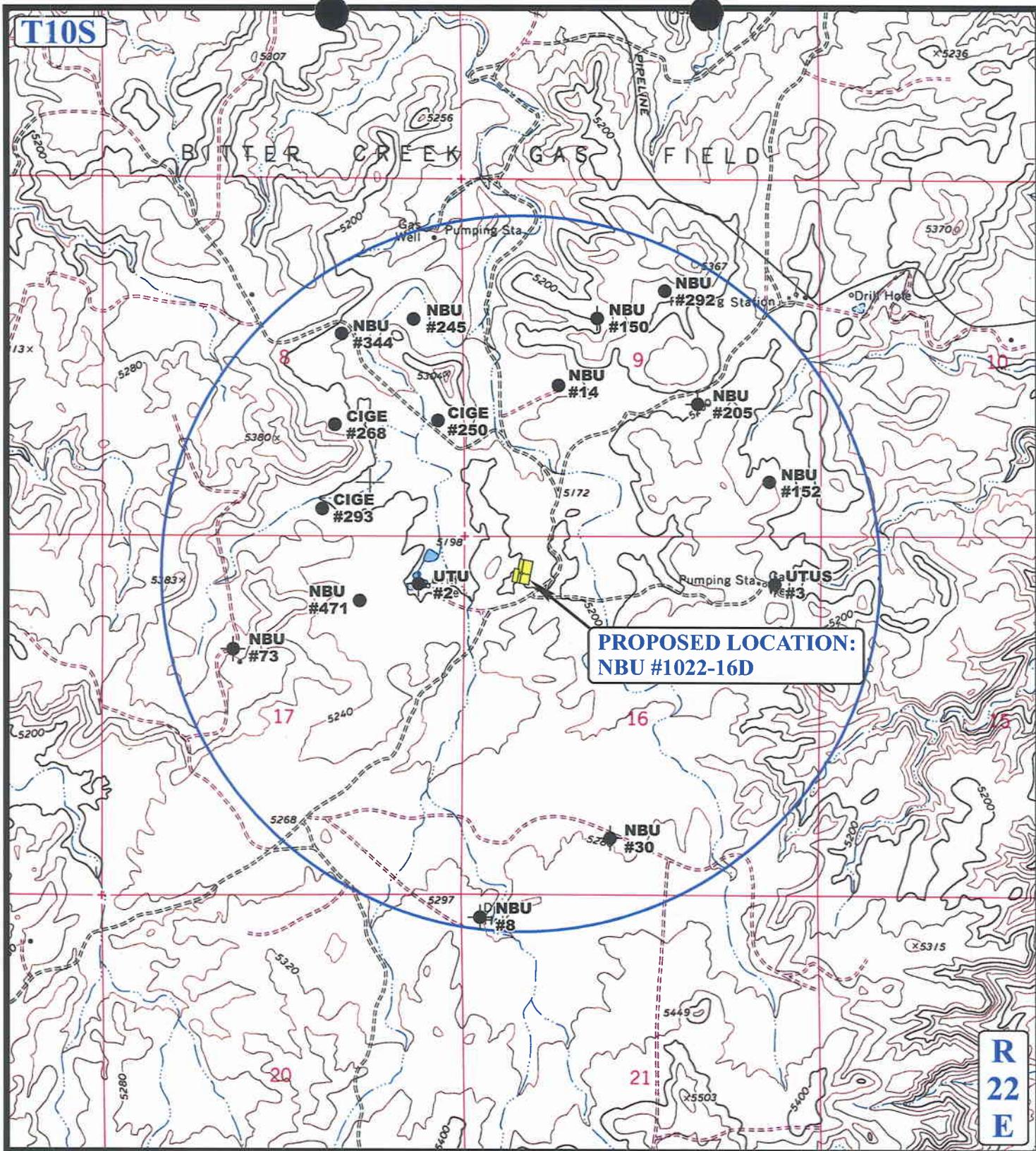
**WESTPORT OIL AND GAS COMPANY, L.P.**

**NBU #1022-16D**  
**SECTION 16, T10S, R22E, S.L.B.&M.**  
**529' FNL 834' FWL**

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

**TOPOGRAPHIC MAP** **10 04 04**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

**B**  
**TOPO**



**LEGEND:**

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



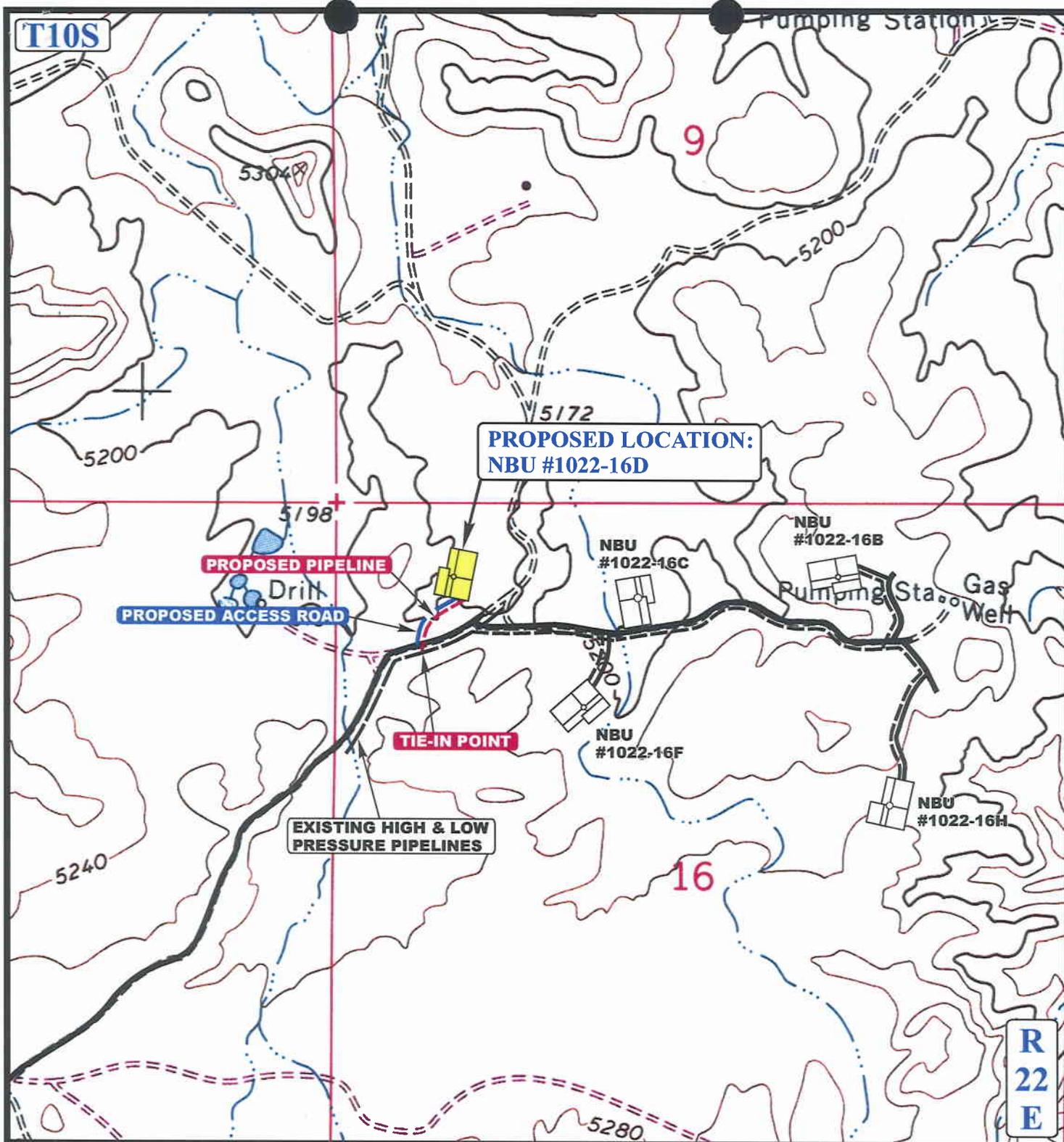
**WESTPORT OIL AND GAS COMPANY, L.P.**

**NBU #1022-16D**  
**SECTION 16, T10S, R22E, S.L.B.&M.**  
**529' FNL 834' FWL**

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

**TOPOGRAPHIC MAP**  
**10 04 04**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

**C**  
**TOPO**



**APPROXIMATE TOTAL PIPELINE DISTANCE = 500' +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



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

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**SECTION 16, T10S, R22E, S.L.B.&M.**  
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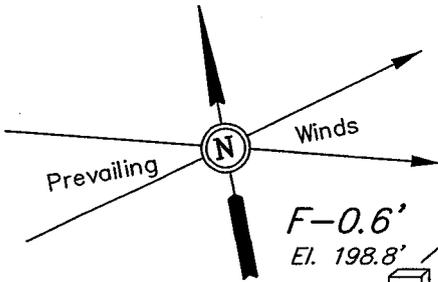
**TOPOGRAPHIC MAP** **10 04 04**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00

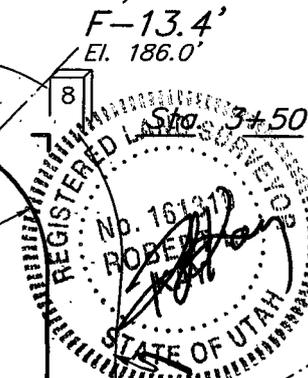


# WESTPORT OIL AND GAS COMPANY, L.P.

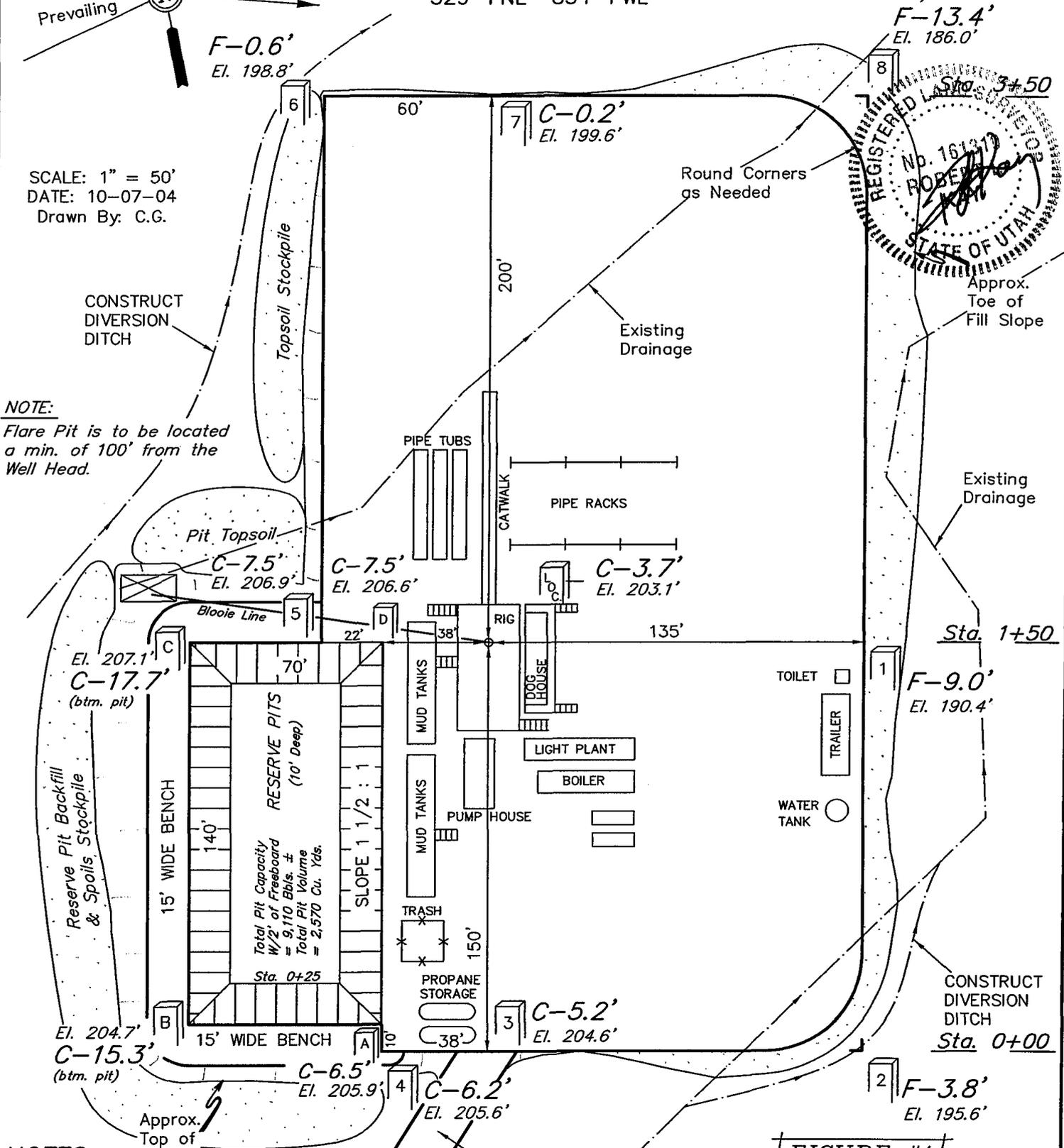
LOCATION LAYOUT FOR  
 NBU #1022-16D  
 SECTION 16, T10S, R22E, S.L.B.&M.  
 529' FNL 834' FWL



SCALE: 1" = 50'  
 DATE: 10-07-04  
 Drawn By: C.G.



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



**NOTES:**  
 Elev. Ungraded Ground At Loc. Stake = 5203.1'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5199.4'

**FIGURE #1**

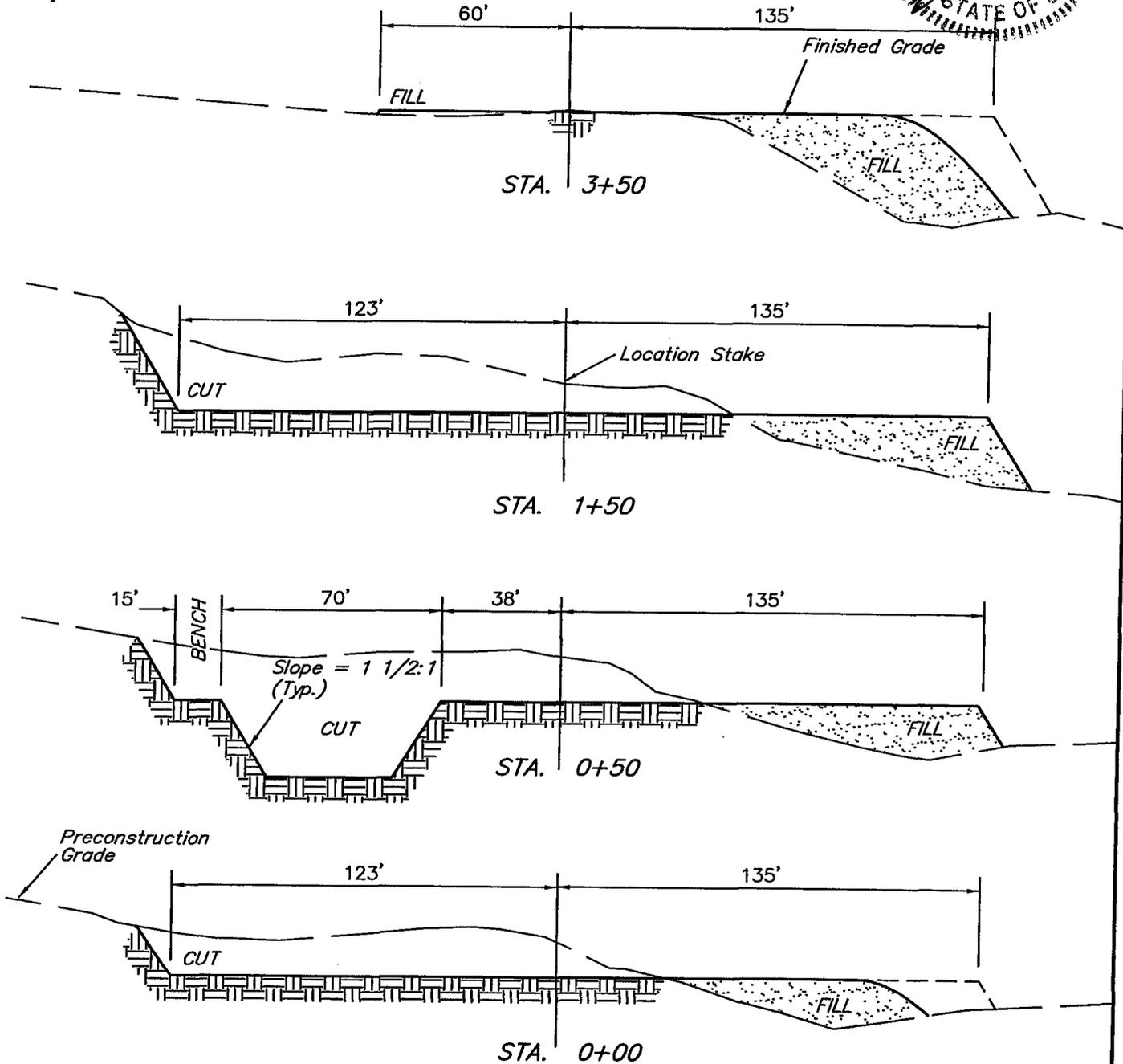
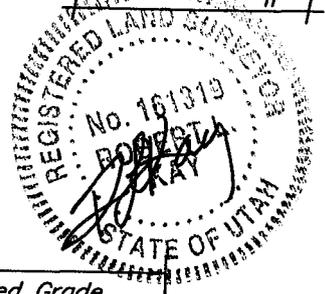
# WESTPORT OIL AND GAS COMPANY, L.P.

**FIGURE #2**

## TYPICAL CROSS SECTIONS FOR NBU #1022-16D SECTION 16, T10S, R22E, S.L.B.&M. 529' FNL 834' FWL

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

DATE: 10-07-04  
Drawn By: C.G.



### APPROXIMATE YARDAGES

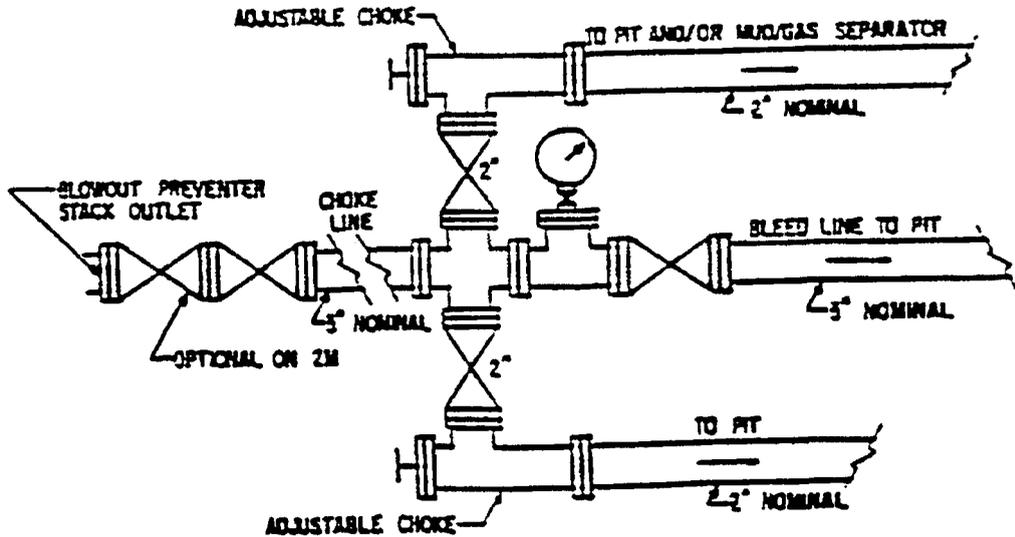
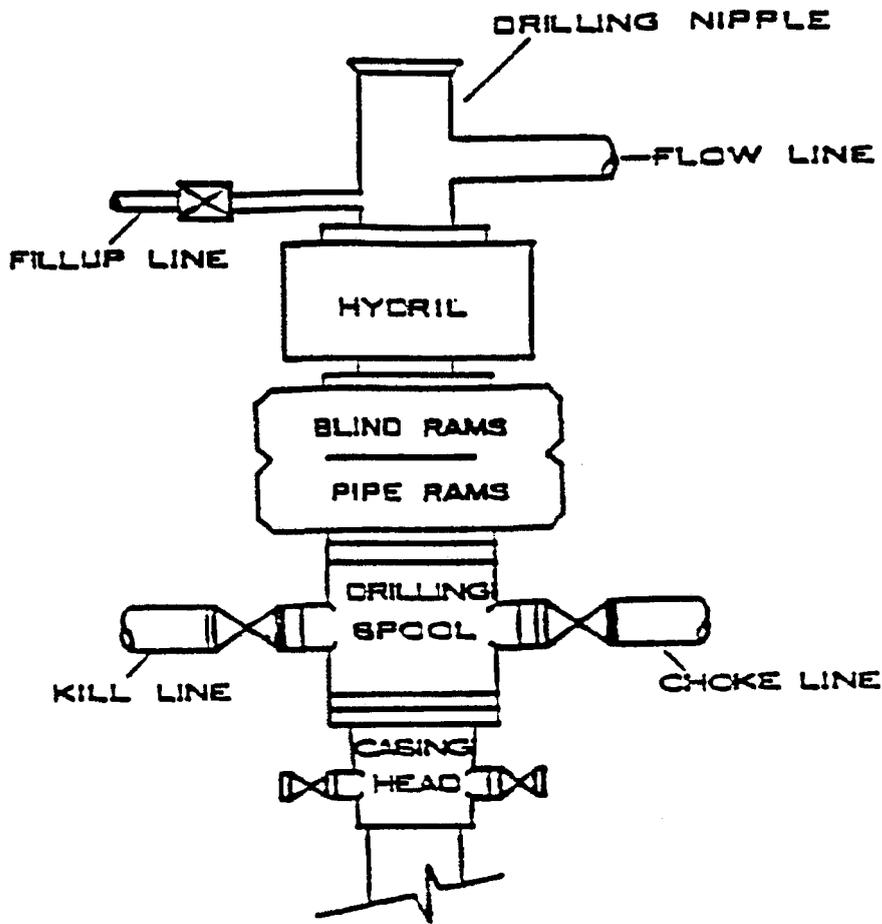
|                        |                         |
|------------------------|-------------------------|
| <b>CUT</b>             |                         |
| (6") Topsoil Stripping | = 1,750 Cu. Yds.        |
| Remaining Location     | = 9,880 Cu. Yds.        |
| <b>TOTAL CUT</b>       | <b>= 11,630 CU.YDS.</b> |
| <b>FILL</b>            | <b>= 8,590 CU.YDS.</b>  |

|  |                  |
|--|------------------|
| EXCESS MATERIAL                            | = 3,040 Cu. Yds. |
| Topsoil & Pit Backfill<br>(1/2 Pit Vol.)   | = 3,040 Cu. Yds. |
| EXCESS UNBALANCE<br>(After Rehabilitation) | = 0 Cu. Yds.     |

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

3,000 PSI

# EOP STACK



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/06/2004

|                                |
|--------------------------------|
| API NO. ASSIGNED: 43-047-36157 |
|--------------------------------|

WELL NAME: NBU 1022-16D  
 OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NWNW 16 100S 220E  
 SURFACE: 0529 FNL 0834 FWL  
 BOTTOM: 0529 FNL 0834 FWL  
 UINTAH  
 NATURAL BUTTES ( 630 )

| INSPECT LOCATN BY: / / |          |          |
|------------------------|----------|----------|
| Tech Review            | Initials | Date     |
| Engineering            | DKD      | 12/29/04 |
| Geology                |          |          |
| Surface                |          |          |

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-3276  
 SURFACE OWNER: 3 - State  
 PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

LATITUDE: 39.95470  
 LONGITUDE: -109.4504

RECEIVED AND/OR REVIEWED:

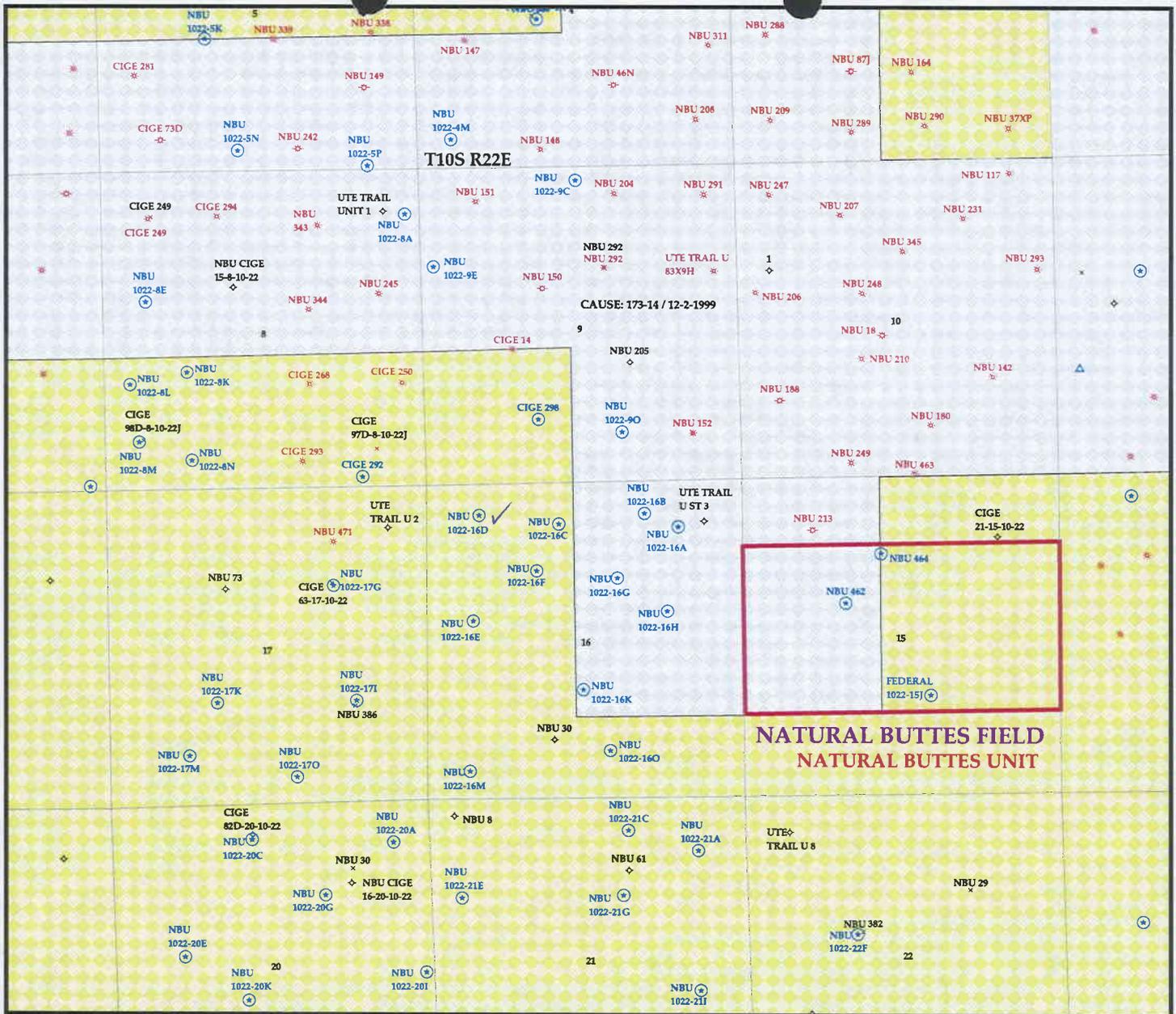
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. RLB0005236 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

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 bdrly p w/comm. tract
- \_\_\_ R649-3-11. Directional Drill

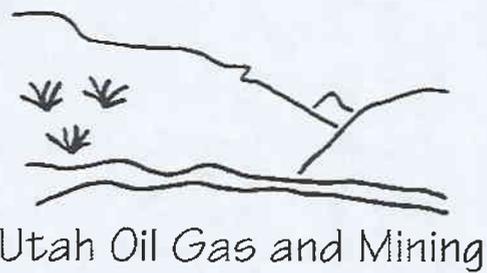
COMMENTS: Needs Permit (12-27-04)

STIPULATIONS: 1. OIL SHALE  
2. STATEMENT OF BASIS



**NATURAL BUTTES FIELD  
NATURAL BUTTES UNIT**

OPERATOR: WESTPORT O&G INC (N2115)  
 SEC. 16 T.10S R.22E  
 FIELD: NATURA BUTTES (630)  
 COUNTY: UINTAH  
 CAUSE: 173-14 / 12-2-1999



| Wells                 | Units.shp      | Fields.shp   |
|-----------------------|----------------|--------------|
| ☆ GAS INJECTION       | □ EXPLORATORY  | □ ABANDONED  |
| ○ GAS STORAGE         | □ GAS STORAGE  | □ ACTIVE     |
| × LOCATION ABANDONED  | □ NF PP OIL    | □ COMBINED   |
| ⊕ NEW LOCATION        | □ NF SECONDARY | □ INACTIVE   |
| ⊖ PLUGGED & ABANDONED | □ PENDING      | □ PROPOSED   |
| ☆ PRODUCING GAS       | □ PI OIL       | □ STORAGE    |
| ● PRODUCING OIL       | □ PP GAS       | □ TERMINATED |
| ⊖ SHUT-IN GAS         | □ PP GEOTHERML |              |
| ⊖ SHUT-IN OIL         | □ PP OIL       |              |
| × TEMP. ABANDONED     | □ SECONDARY    |              |
| ○ TEST WELL           | □ TERMINATED   |              |
| ▲ WATER INJECTION     |                |              |
| ⊕ WATER SUPPLY        |                |              |
| ⊖ WATER DISPOSAL      |                |              |



PREPARED BY: DIANA WHITNEY  
 DATE: 8-DECEMBER-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)

December 8, 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)

|              |   |  |
|--------------|---|--|
| 43-047-36156 | NBU 1022-16F Sec 16 T10S R22E 1466 FNL 1786 FWL |  |
| 43-047-36157 | NBU 1022-16D Sec 16 T10S R22E 0529 FNL 0834 FWL |  |
| 43-047-36158 | NBU 1022-16B Sec 16 T10S R22E 0532 FNL 1655 FEL |  |
| 43-047-36154 | NBU 0921-27G Sec 27 T09S R21E 1727 FNL 2166 FEL |  |
| 43-047-36155 | NBU 1022-90 Sec 9 T10S R22E 0839 FSL 1991 FEL   |  |

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:12-8-04

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

OPERATOR: WESTPORT OIL AND GAS COMPANY, L.P.

WELL NAME & NUMBER: NBU 1022-16D

API NUMBER: 43-047-36157

LEASE: ML-3276 FIELD/UNIT: NATURAL BUTTES

LOCATION: 1/4,1/4 NW/NW Sec: 16 TWP: 10S RNG: 22E 834' FWL 529' FNL

LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.

GPS COORD (UTM): 632356E 4423681N SURFACE OWNER: STATE OF UTAH

**PARTICIPANTS**

DAVID W. HACKFORD (DOG M), FLOYD BARTLETT (DWR), DEBRA DOMENICI, CARROLL ESTES (WESTPORT), ROBERT KAY (UELS).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS IN AN AREA OF RUGGED, STEEP RIDGES AND SHARP DRAWS DRAINING TO THE WHITE RIVER 2.4 MILES TO THE NORTHEAST. BITTER CREEK IS TWO MILES TO THE EAST. THERE IS A FLAT TOPPED MESA 300' TO THE WEST AND NUMEROUS SANDSTONE OUTCROPPINGS 500' TO THE NORTHEAST. THE HEAD OF A SHALLOW DRAW HEADS 100' EAST OF SITE AND RUNS TO THE NORTHWEST FOR 600' BEFORE TURNING TO THE NORTHEAST. OURAY, UTAH IS 34.3 MILES TO THE NORTHWEST.

**SURFACE USE PLAN**

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 293'. ACCESS ROAD WILL BE 0.1 MILES.

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

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

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

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?  
EXPLAIN: UNLIKELY.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL

BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: GREASEWOOD, HORSEBRUSH, PRICKLY PEAR, SHADSCALE, SALTBRUSH, RABBITBRUSH: PRONGHORN, RODENTS, SONGBIRDS, RAPTORS, COYOTE, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

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

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT**

CHARACTERISTICS: 150' BY 100' AND 10' DEEP.

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

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

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

**OTHER OBSERVATIONS/COMMENTS**

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A COLD, CLOUDY DAY WITH PARTIAL SNOW COVER.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

12/27/04, 10:30 AM  
DATE/TIME

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

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

**Final Score**      15      (Level II Sensitivity)

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





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

**OPERATOR:** WESTPORT OIL AND GAS COMPANY, L.P  
**WELL NAME & NUMBER:** NBU 1022-16D  
**API NUMBER:** 43-047-36157  
**LOCATION:** 1/4,1/4 NW/NW Sec: 16 TWP: 10S RNG: 22E 834' FWL 529' FNL

**Geology/Ground Water:**

Westport proposes to set 1,900' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,100'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water.

**Reviewer:** Brad Hill **Date:** 12/28/04

**Surface:**

The predrill investigation of the surface was performed on 12/27/04. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 12/15/04. Mr. Bartlett was present. He did not have any concerns regarding the construction of this location or the drilling of the well. This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area. Mr. Bartlett gave Ms. Domenici a prescribed seed mix to be used when reserve pit is reclaimed. An existing drainage crossing this site will be rerouted around the west side of location where a diversion ditch will be constructed.

**Reviewer:** David W. Hackford **Date:** 12/28/2004

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

1. Reroute existing drainage around the well pad.

|              |                                    |              |
|--------------|------------------------------------|--------------|
| Well name:   | <b>12-04 Westport NBU 1022-16D</b> |              |
| Operator:    | <b>Westport Oil and Gas</b>        | Project ID:  |
| String type: | Surface                            | 43-047-36157 |
| Location:    | Uintah County                      |              |

|   |                                    |                                     |
|---|------------------------------------|-------------------------------------|
| <b>Design parameters:</b>                   | <b>Minimum design factors:</b>     | <b>Environment:</b>                 |
| <u><b>Collapse</b></u>                      | <u><b>Collapse:</b></u>            | H2S considered? No                  |
| Mud weight: 8.300 ppg                       | Design factor 1.125                | Surface temperature: 75 °F          |
| Design is based on evacuated pipe.          |                                    | Bottom hole temperature: 102 °F     |
|   |                                    | Temperature gradient: 1.40 °F/100ft |
|   |                                    | Minimum section length: 250 ft      |
|   | <u><b>Burst:</b></u>               | Cement top: 541 ft                  |
|   | Design factor 1.00                 |                                     |
| <u><b>Burst</b></u>                         |                                    |                                     |
| Max anticipated surface pressure: 1,672 psi | <u><b>Tension:</b></u>             | Non-directional string.             |
| Internal gradient: 0.120 psi/ft             | 8 Round STC: 1.80 (J)              |                                     |
| Calculated BHP 1,900 psi                    | 8 Round LTC: 1.80 (J)              |                                     |
| No backup mud specified.                    | Buttress: 1.60 (J)                 |                                     |
|   | Premium: 1.50 (J)                  |                                     |
|   | Body yield: 1.50 (B)               |                                     |
|   | Tension is based on buoyed weight. | <b>Re subsequent strings:</b>       |
|   | Neutral point: 1,668 ft            | Next setting depth: 8,800 ft        |
|   |                                    | Next mud weight: 10.000 ppg         |
|   |                                    | Next setting BHP: 4,571 psi         |
|   |                                    | Fracture mud wt: 19.250 ppg         |
|   |                                    | Fracture depth: 1,900 ft            |
|   |                                    | Injection pressure 1,900 psi        |

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|-------------------------|
| 1       | 1900                | 9.625     | 32.30                   | H-40  | ST&C       | 1900                 | 1900                | 8.876               | 120.4                   |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 1       | 819                 | 1370                    | 1.672                  | 1900             | 2270                 | 1.19                | 54                  | 254                     | 4.71 J                |

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

Phone: 801-538-5280  
FAX: 801-359-3940

Date: December 29, 2004  
Salt Lake City, Utah

Remarks:  
Collapse is based on a vertical depth of 1900 ft, a mud weight of 8.3 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:

**12-04 Westport NBU 1022-16D**

Operator: **Westport Oil and Gas**

String type: Production

Project ID:

43-047-36157

Location: Uintah County

**Design parameters:**

**Collapse**

Mud weight: 10,000 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 198 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

**Burst:**

Design factor 1.00

Cement top: Surface

**Burst**

Max anticipated surface pressure: 3,515 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 4,571 psi

No backup mud specified.

**Tension:**

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

Non-directional string.

Tension is based on buoyed weight.  
Neutral point: 7,484 ft

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1       | 8800                | 4.5                     | 11.60                   | N-80             | LT&C                 | 8800                 | 8800                | 3.875                   | 204                     |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor   |
| 1       | 4571                | 6350                    | 1.389                   | 4571             | 7780                 | 1.70                 | 87                  | 223                     | 2.57 J                  |

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

Phone: 801-538-5280  
FAX: 801-359-3940

Date: December 29, 2004  
Salt Lake City, Utah

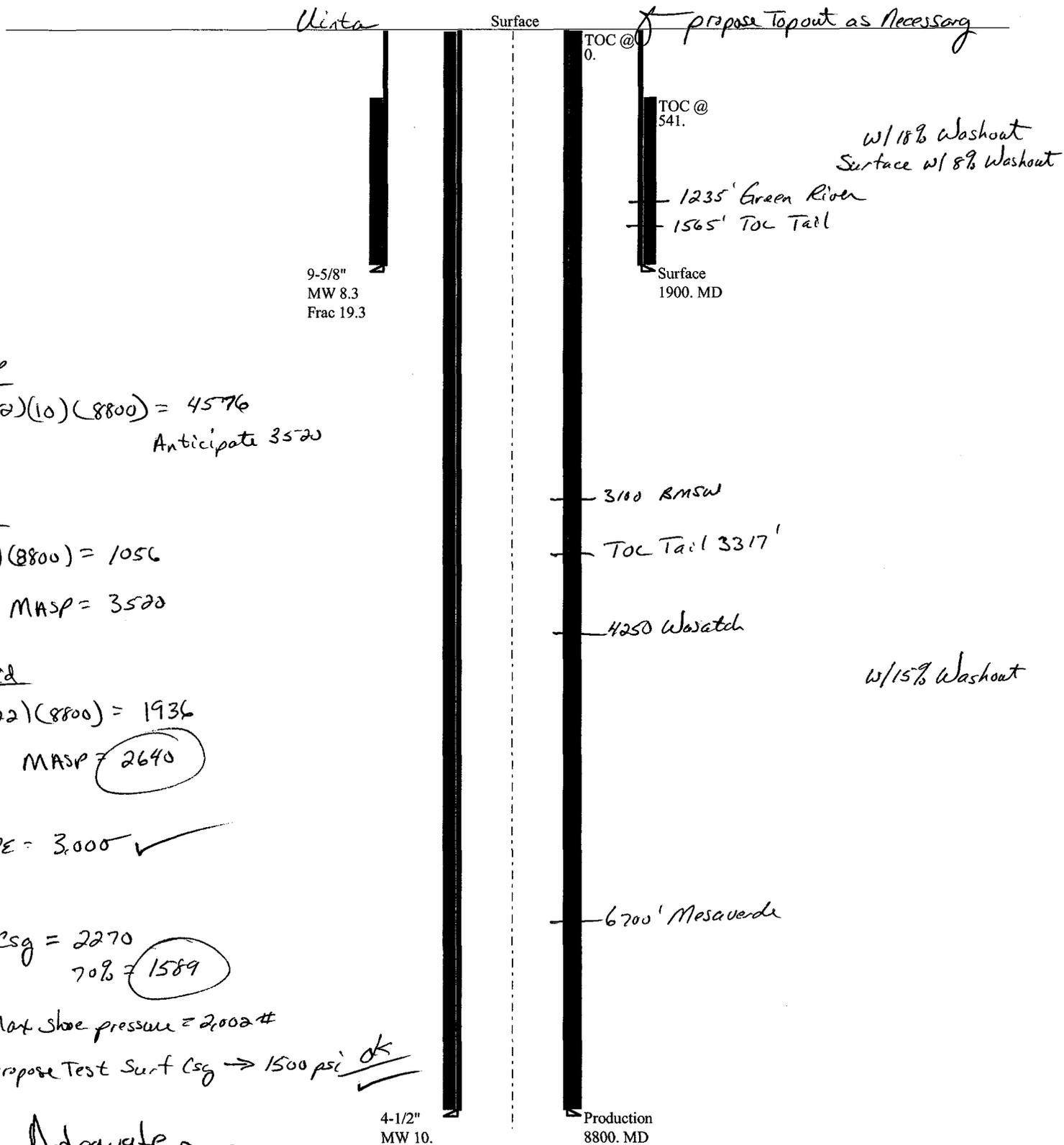
Remarks:

Collapse is based on a vertical depth of 8800 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

12-04 Westport NBU 10226D

Casing Schematic



BHP

$$(0.052)(10)(8800) = 4576$$

Anticipate 3520

Gas

$$(0.12)(8800) = 1056$$

MASP = 3520

fluid

$$(0.22)(8800) = 1936$$

MASP = 2640

BOPE = 3000 ✓

$$\text{Surf Csg} = 2270$$

$$70\% = 1589$$

Max shoe pressure = 2002#

propose Test Surf Csg → 1500 psi ✓

Adequate ✓

12/29/04

4-1/2"  
MW 10.

Production  
8800. MD

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |   |
|---|--|---|
|   |  | 6. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-3276</b>   |
|   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                       |
|   |  | 7. UNIT or CA AGREEMENT NAME:<br><b>NATURAL BUTTES UNIT</b> |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 8. WELL NAME and NUMBER:<br><b>NBU 1022-16D</b>             |
| 2. NAME OF OPERATOR:<br><b>WESTPORT OIL &amp; GAS COMPANY L.P.</b>  |  | 9. API NUMBER:<br><b>NOT ASSIGN</b>                         |
| 3. ADDRESS OF OPERATOR:<br>1368 S. 1200 E. CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>                |  | PHONE NUMBER:<br><b>(435) 781-7024</b>                      |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>529'FNL &amp; 834'FWL</b>                                      |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES</b>    |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 16 10S 22E</b>   |  | COUNTY: <b>UINTAH</b>                                       |
|   |  | STATE: <b>UTAH</b>  |

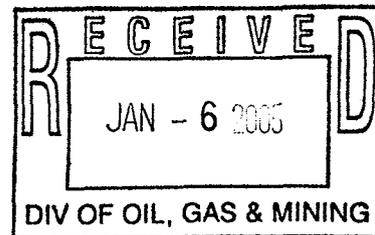
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

THE OPERATOR REQUESTS AUTHORIZATION TO CHANGE THE LOCATION LAYOUT AND THE TYPICAL CROSS SECTIONS FOR THE SUBJECT WELL LOCATION. IN ORDER TO ACCOMMODATE THE PIONEER DRILLING RIG #38.

PLEASE REFER TO THE ATTACHED LOCATION LAYOUT AND THE TYPICAL CROSS SECTION PLATS.



|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u> | TITLE <u>REGULATORY ANALYST</u> |
| SIGNATURE <u><i>Sheila Upchego</i></u>    | DATE <u>12/27/2004</u>          |

(This space for State use only)

WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #1

LOCATION LAYOUT FOR

NBU #1022-16D

SECTION 16, T10S, R22E, S.L.B.&M.

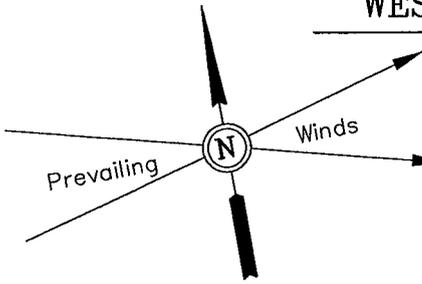
F-2.2' 529' FNL 834' FWL

Approx. Toe of Fill Slope

F-2.2' El. 198.8'

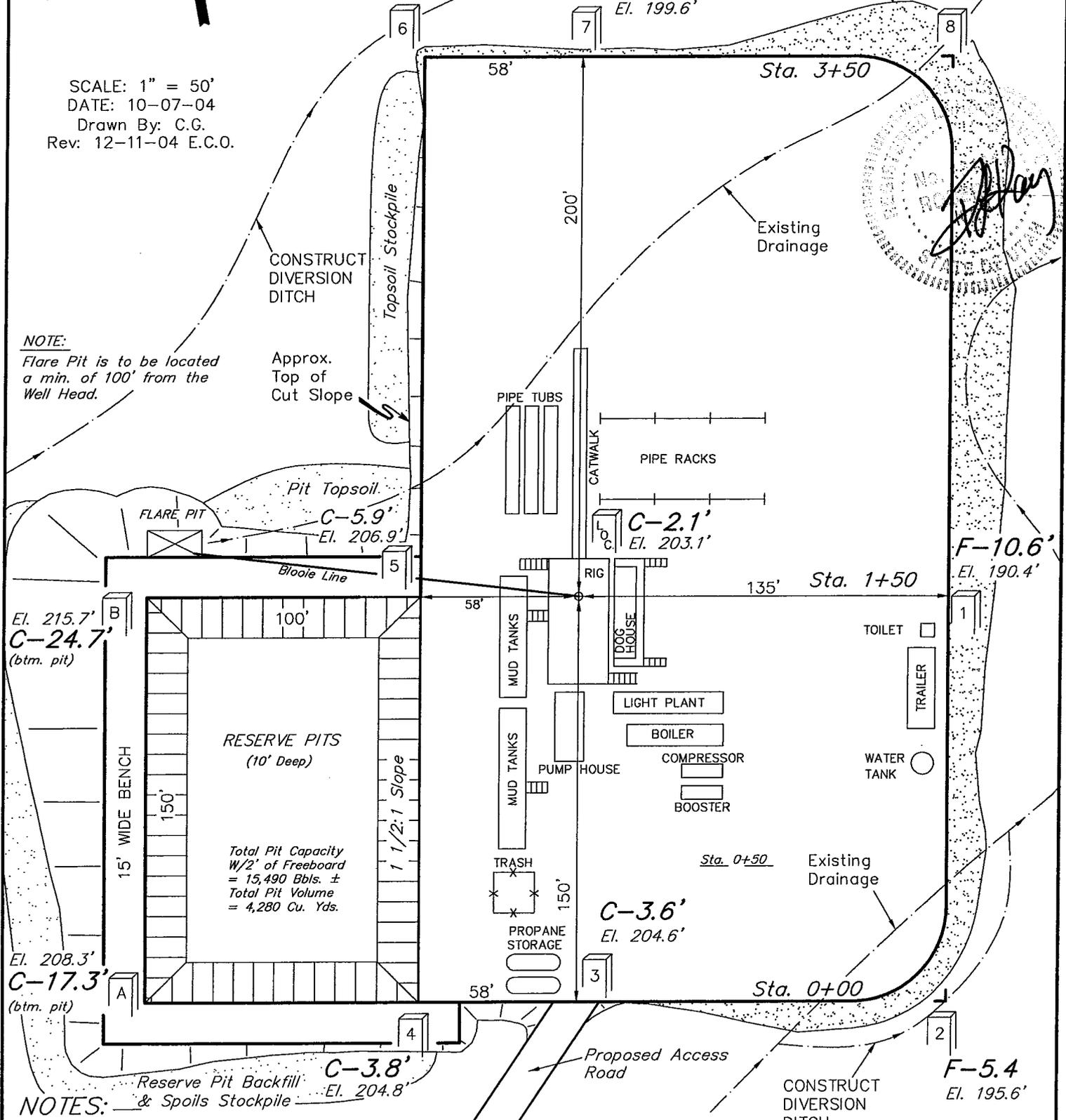
F-1.4' El. 199.6'

F-15.0' El. 186.0'



SCALE: 1" = 50'  
DATE: 10-07-04  
Drawn By: C.G.  
Rev: 12-11-04 E.C.O.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5203.1'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5201.0'

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 2/1/2005 9:55:25 AM  
**Subject:** Well Clearance

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

Westport Oil & Gas Company  
NBU 1022-16B  
NBU 1022-16D  
NBU 1022-16F

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

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

**State of Utah****Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

February 2, 2005

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

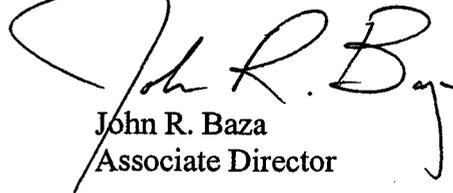
Re: Natural Buttes Unit 1022-16D Well, 529' FNL, 834' FWL, NW NW, Sec. 16,  
T. 10 South, R. 22 East, Uintah County, Utah

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 43-047-36157.

Sincerely,



John R. Baza  
Associate Director

pab  
Enclosures

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

**Operator:** Westport Oil & Gas Company, L P  
**Well Name & Number** Natural Buttes Unit 1022-16D  
**API Number:** 43-047-36157  
**Lease:** ML-3276

**Location:** NW NW                      **Sec.** 16                      **T.** 10 South                      **R.** 22 East

### Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

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

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

3. **Reporting Requirements**

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

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

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

Page 2

API #43-047-36157

February 2, 2005

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

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: WESTPORT OIL & GAS COMPANY LP

Well Name: NBU 1022-16D

Api No: 43-047-36157 Lease Type: STATE

Section 16 Township 10S Range 22E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # BUCKET

### **SPUDDED:**

Date 04/05/06

Time 11:00 AM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 04/05/2006 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

Operator: WESTPORT OIL & GAS COMPANY L.P. Operator Account Number: N 2115  
 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 |
|---|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 4304736157  | NBU 1022-16D          |                   | NWNW      | 16  | 10S                              | 22E | UINTAH |
| Action Code   | Current Entity Number | New Entity Number | Spud Date |     | Entity Assignment Effective Date |     |        |
| B   | 99999                 | 2900              | 4/5/2006  |     | 4/6/06                           |     |        |
| <b>Comments:</b> MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i><br>SPUD WELL LOCATION ON 04/05/2006 AT 1100 HRS. <span style="float:right">-K</span> |                       |                   |           |     |                                  |     |        |

**Well 2**

| API Number  | Well Name             |                   | QQ        | Sec | Twp                              | Rng | County |
|---|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 4304735982  | NBU 921-14M           |                   | SWSW      | 14  | 9S                               | 21E | UINTAH |
| Action Code   | Current Entity Number | New Entity Number | Spud Date |     | Entity Assignment Effective Date |     |        |
| B   | 99999                 | 2900              | 4/5/2006  |     | 4/6/06                           |     |        |
| <b>Comments:</b> MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i><br>SPUD WELL LOCATION ON 04/05/2006 AT 1300 HRS. <span style="float:right">-K</span> |                       |                   |           |     |                                  |     |        |

**Well 3**

| API Number  | Well Name             |                   | QQ        | Sec | Twp                              | Rng | County |
|---|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 4304736417  | STATE 1021-36G        |                   | SWNE      | 36  | 10S                              | 21E | UINTAH |
| Action Code   | Current Entity Number | New Entity Number | Spud Date |     | Entity Assignment Effective Date |     |        |
| A   | 99999                 | 15297             | 4/5/2006  |     | 4/6/06                           |     |        |
| <b>Comments:</b> MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i><br>SPUD WELL LOCATION ON 04/05/2006 AT 0800 HRS. <span style="float:right">-K</span> |                       |                   |           |     |                                  |     |        |

**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)

(6/2000) To: BARBARA RUSSELL From: SHEILA UPCHEGO  
 Co./Dept: 0020617 WESTPORT OIL & GAS CO  
 Phone #: (901) 538-5336 Phone #: (435) 781-7024  
 Fax #: (901) 358-3440 Fax #: (435) 781-7094

SHEILA UPCHEGO

Name (Please Print)

Signature

REGULATORY ANALYST

4/8/2006

Title

Date

RECEIVED

APR 06 2006

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

FORM 9

|  |  |   |
|--|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-3276</b>   |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                       |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____  |  | 7. UNIT or CA AGREEMENT NAME:<br><b>NATURAL BUTTES UNIT</b> |
| 2. NAME OF OPERATOR:<br><b>WESTPORT OIL &amp; GAS COMPANY L.P.</b>   |  | 8. WELL NAME and NUMBER:<br><b>NBU 1022-16D</b>             |
| 3. ADDRESS OF OPERATOR:<br>1368 S. 1200 E.      CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>  |  | 9. API NUMBER:<br><b>4304736157</b>                         |
| 3. ADDRESS OF OPERATOR: (continued)<br>PHONE NUMBER:<br><b>(435) 781-7024</b>  |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES</b>    |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>529'FNL, 834'FWL</b>  |  | COUNTY: <b>UINTAH</b>                                       |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 16 10S 22E</b>  |  | STATE: <b>UTAH</b>  |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |   |  |  |
|---|---|--|--|
| TYPE OF SUBMISSION  | TYPE OF ACTION  |  |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br><br>Approximate date work will start:<br>_____<br><br><input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br><br>Date of work completion:<br>_____ | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> DEEPEN<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> PRODUCTION (START/RESUME)<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> TEMPORARILY ABANDON<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> WATER SHUT-OFF<br><input checked="" type="checkbox"/> OTHER: <u>WELL SPUD</u> |

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

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

SPUD WELL LOCATION ON 04/05/2006 AT 1100 HRS.

|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u> | TITLE <u>REGULATORY ANALYST</u> |
| SIGNATURE                                 | DATE <u>4/5/2006</u>            |

(This space for State use only)

**RECEIVED**  
**APR 12 2006**  
**DIV. OF OIL, GAS & MINING**

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

FORM 9

|  |  |   |
|--|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-3276</b> |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                     |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____  |  | 7. UNIT or CA AGREEMENT NAME:<br><b>UNIT #891008900A</b>  |
| 2. NAME OF OPERATOR:<br><b>KERR McGEE OIL &amp; GAS ONSHORE LP</b>   |  | 8. WELL NAME and NUMBER:<br><b>NBU 1022-16D</b>           |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>   |  | 9. API NUMBER:<br><b>4304736157</b>                       |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>529'FNL, 834'FWL</b>  |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES</b>  |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 16 10S 22E</b>  |  | COUNTY: <b>UINTAH</b>                                     |
|  |  | STATE: <b>UTAH</b>  |

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

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

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

MIRU BILL MARTIN AIR RIG ON 04/10/2006. DRILLED 12 1/4" SURFACE HOLE TO 1950'. 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/4 20 SX CLASS G @15.8 PPG 1.15 YIELD.

WORT

|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u> | TITLE <u>REGUALTORY ANALYST</u> |
| SIGNATURE                                 | DATE <u>4/13/2006</u>           |

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

FORM 9

|  |   |  |   |
|--|---|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-3276</b> |
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| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____  | 8. WELL NAME and NUMBER:<br><b>NBU 1022-16D</b> |  | 9. API NUMBER:<br><b>4304736157</b>                       |
| 2. NAME OF OPERATOR:<br><b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>   |   | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES</b> |   |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>   |   | PHONE NUMBER:<br><b>(435) 781-7024</b>                   |   |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>529'FNL, 834'FWL</b>  |   |  | COUNTY: <b>UINTAH</b>                                     |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 16 10S 22E</b>  |   |  | STATE: <b>UTAH</b>  |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |   |
|---|---|---|---|
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|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL                           |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON                                |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                                      |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                                      |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                                     |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                                     |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: <b>FINAL DRILLING OPERATIONS</b> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |   |

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

FINISHED DRILLING FROM 1950' TO 8825' ON 05/20/2006. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG, LEAD CMT W/463 SX PREM LITE II @12.0 PPG 2.38 YIELD, TAILED CMT W/1461 SX 50/50 POZ @14.3 PPG 1.31 YIELD. SET SLIPS W/95K CLEAN PITS.

RELEASED PIONEER RIG 38 ON 05/21/2006 AT 0300 HRS.

|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <b>SHEILA UPCHEGO</b> | TITLE <b>REGUALTORY ANALYST</b> |
| SIGNATURE                                 | DATE <b>5/22/2006</b>           |

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

FORM 9

|  |   |   |
|--|---|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |   | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>ML-3276</b> |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |   | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                     |
|  |   | 7. UNIT or CA AGREEMENT NAME:<br><b>UNIT #891008900A</b>  |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____  | 8. WELL NAME and NUMBER:<br><b>NBU 1022-16D</b> |   |
| 2. NAME OF OPERATOR:<br><b>KERR McGEE OIL &amp; GAS ONSHORE LP</b>   |   | 9. API NUMBER:<br><b>4304736157</b>                       |
| 3. ADDRESS OF OPERATOR:<br><b>1368 SOUTH 1200 EAST</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>   | PHONE NUMBER:<br><b>(435) 781-7024</b>          | 10. FIELD AND POOL, OR WILDCAT:<br><b>NATURAL BUTTES</b>  |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>529'FNL, 834'FWL</b>  |   | COUNTY: <b>UINTAH</b>                                     |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 16 10S 22E</b>  |   | STATE: <b>UTAH</b>  |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA                                  |   |  |  |
|--|---|--|--|
| TYPE OF SUBMISSION   | TYPE OF ACTION  |  |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> DEEPEN<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> PRODUCTION (START/RESUME)<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> TEMPORARILY ABANDON<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> WATER SHUT-OFF<br><input checked="" type="checkbox"/> OTHER: <b>PRODUCTION START-UP</b> |

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

**THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 06/11/2006 AT 11:00 AM.**

**PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.**

|   |                                 |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u> | TITLE <u>REGULATORY ANALYST</u> |
| SIGNATURE                                 | DATE <u>6/15/2006</u>           |

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(See Instructions on Reverse Side)

**WESTPORT OIL & GAS COMPANY, LP**

**CHRONOLOGICAL HISTORY**

**NBU 1022-16D**

|          | <b>SPUD</b> | <b>Surface Casing<br/>Air Rig</b> | <b>Activity</b>  | <b>Status</b> |
|----------|-------------|-----------------------------------|--|---------------|
| 03/16/06 |             |                                   | Build Location, 20% complete   | Pioneer38     |
| 03/17/06 |             |                                   | Build Location, 20% complete   | Pioneer38     |
| 03/20/06 |             |                                   | Build Location, 35% complete   | Pioneer38     |
| 03/21/06 |             |                                   | Build Location, 40% complete   | Pioneer38     |
| 03/22/06 |             |                                   | Build Location, 50% complete   | Pioneer38     |
| 03/23/06 |             |                                   | Build Location, 60% complete   | Pioneer38     |
| 03/24/06 |             |                                   | Build Location, 70% complete   | Pioneer38     |
| 03/27/06 |             |                                   | Build Location, 70% complete   | Pioneer38     |
| 03/30/06 |             |                                   | Build Location, 95% complete   | Pioneer38     |
| 03/31/06 |             |                                   | Location complete. Bldg.   | Pioneer38     |
| 04/03/06 |             |                                   | Location Complete, WOBR  | Pioneer38     |
| 04/06/06 | 04/05/06    |                                   | Set conductor, WOAR  | Pioneer38     |
| 04/13/06 | 04/10/06    | 9 5/8" @ 1940'                    | WORT   | Pioneer38     |
| 05/08/06 |             |                                   | TD: 1950' Csg. 9 5/8"@ 1941' MW: 8.4 SD: 5/XX/06 DSS: 0<br>Moved rig from 1022-16B to 1022-16D. RURT. NU and test BOPE @ report time.  |               |
| 05/09/06 |             |                                   | TD: 1960' Csg. 9 5/8"@ 1941' MW: 8.4 SD: 5/XX/06 DSS: 0<br>Finish testing BOPE. PU 7 7/8" PDC bit and Mud Motor and TIH to 1703'. Work on generator and mud pumps @ report time. |               |
| 05/10/06 |             |                                   | TD: 1960' Csg. 9 5/8"@ 1941' MW: 8.4 SD: 5/XX/06 DSS: 0<br>Rig on repair. Work on generator and mud pumps @ report time.   |               |
| 05/11/06 |             |                                   | TD: 3635' Csg. 9 5/8"@ 1941' MW: 8.4 SD: 5/10/06 DSS: 1<br>Finish rig repair. Drill cement and FE. Drill from 1960'-3635'. DA @ report time.                                     |               |

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05/15/06 TD: 7440' Csg. 9 5/8"@ 1941' MW: 9.9 SD: 5/10/06 DSS: 5  
Drill from 5472'-7440'. DA @ report time.

05/16/06 TD: 7845' Csg. 9 5/8"@ 1941' MW: 10.5 SD: 5/10/06 DSS: 6  
Mix slug and TFNB and MM. Drill from 7440'- 7845'. DA @ report time.

05/17/06 TD: 8340' Csg. 9 5/8"@ 1941' MW: 11.1 SD: 5/10/06 DSS: 7  
Drill from 7845'- 8340'. DA @ report time.

05/18/06 TD: 8473' Csg. 9 5/8"@ 1941' MW: 11.9 SD: 5/10/06 DSS: 8  
Drill from 8340'-8413'. Raise mud weight to control gas. Drill to 8473'. DA @ report time.

05/19/06 TD: 8762' Csg. 9 5/8"@ 1941' MW: 12.4 SD: 5/10/06 DSS: 9  
Finish TFNB. W&R 5 jts to btm. Drill from 8473'-8762'. DA @ report time.

05/22/06 TD: 8825' Csg. 9 5/8"@ 1941' MW: 12.8 SD: 5/10/06 DSS: 11  
Drill from 8762'-8825' TD. CCH and raise mud weight to 12.8 ppg. Short trip to 8000'.  
CCH for casing. Lay down drill string and run Triple Combo. Run and cement 4 1/2"  
Production Casing. Set slips and release rig @ 0300 hrs 5/21/06. RDRT. Will move to NBU  
1022-18H.

06/06/06 PROG: 7:00AM ND WLHEAD , NU FRAC VALVES . RU CUTTERS , RUN CBL FROM 8687  
TO SURF . RU TEST UNIT. PRESS TEST TO 7500 # , HELD . BLED PRESS . RIH PERF  
8676-84 ' .4 SPF 32 HOLES .PREP FOR FRAC IN AM . SWI .

06/07/06 PROG: 7:AM . HSM . RU BJ & CUTTERS .STAGE 1# PERFS 8676-84 .BROKE @ 3550 , IR  
44.5 , IP 4890 , ISIP 2900 , FG .77 , MP 5160 , MR 44.6 , AP 4998 , AR 44.3 , FG .85 , ISIP  
3650 , NPI 750 , CLEAN 831 BBLs , SAND 78,850# , 20# GEL .

STAGE 2# . SET FRAC PLUG @ 8496' .PERF 8234-40 , 8458-66 , 4SPF , 56 HOLES . BROKE  
@ 3624 , IR 50 , IP 5100 , ISIP 2825 , FG .77 , MP 5580 , MR 50.1 , AP 5325 , AR 49.9 , FG .83  
, ISIP 3300 , NPI 475 , CLEAN 1599 BBLs , SAND 206,520# , 20# GEL

STAGE 3# SET FRAC PLUG @ 8107 , PERF 7799-7804 , 8071-77 , 4SPF , 44 HOLES ,  
BROKE @ 2602 , IR 49.8 , IP 5630 , ISIP 2680 , FG .77 , MP 5714 , MR 49.9 , AP 5402 , AR  
49.8 , FG .83 , ISIP 3220 , NPI 540 , CLEAN 1958 BBLs , SAND 254,075# , 20# GEL

STAGE 4# SET FRAC PLUG @ 7682' , PERF 7642-52' , 4SPF , 40 HOLES , BROKE @ 3970 ,  
IR 28.2 , IP 4244 , ISIP 2650 , FG .78 , MP 4285 , MR 29.3 , AP 3946 , AR 29.2 , FG .93 , ISIP  
3800 , NPI 1150 , CLEAN 518 BBLs , SAND 53,162# , 18# GEL

STAGE 5# SET FRAC PLUG @ 7406' , PERF 7371-80 , 4SPF , 36 HOLES , BROKE @ 4620 ,  
IR 44.8 , IP 4770 , ISIP 2600 , FG .79 , MP 4460 , MR 45 , AP 4297 , , AR 44.8 , FG .86 , ISIP  
3170 , NPI 570 , CLEAN 532 BBLs , SAND 52,650# , 18# GEL .

STAGE 6# SET FRAC PLUG @ 7267 , PERF 6940-44 , 7021-25 , 7192-97 , 4SPF , 52 HOLES .  
SWI 5:30 PM

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06/08/06

PROG: 7:00 AM HSM.

STAGE 6#: PERFS 6940-7197. OPEN WL 1860#. BROKE @ 1933, IR: 50, IP: 4140, ISIP: 2240, FG: .75, MP: 4307, MR: 50.5, AP: 4107, AR: 50.4, FG: .79, ISIP: 2500, NPI: 260, CLEAN 1943 BBLs, SD 250,550#, 18# GEL.

STAGE 7#: SET FRAC PLUG @ 6836, PERF 6720-26, 6810-14, 4SPF, 40 HOLES, BROKE @ 2040, IR: 50.3, IP: 4470, ISIP: 2200, FG: .76, MP: 4584, MR: 50.4, AP: 4356, AR: 50.2, FG: .84, ISIP: 2770, NPI: 570, CLEAN 202,500#, 18# GEL.

STAGE 8#: SET FRAC PLUG @ 5582, PERF 5557-62, 4SPF, 20 HOLES, BROKE @ 3635, IR: 21.7, IP: 2724, ISIP: 1700, FG: .74, MP: 2808, MR: 21.9, AP: 2228, AR: 19, FG: .87, ISIP: 2400, NPI: 700, CLEAN 587 BBLs, SD 69,400#, 18# GEL.

STAGE 9#: SET FRAC PLUG @ 5235, PERF 4820-22, 5215-20, 4SPF, 28 HOLES, BROKE @ 1724, IR: 21.9, IP: 2565, ISIP: 2030, FG: .84, MP: 2687, MR: 22, AP: 2489, AR: 21.9, FG: .84, ISIP: 2400, NPI: 370, CLEAN 819 BBLs, SD 104,800#, 18# GEL. TOTALS=SD 1,272,507#, CLEAN 10,363 BBLs, DVE 819 GAL. SET TOP KILL @ 4780. RD CUTTERS & BJ SERVICES.

MOVE IN MILES WL SERVICE. RU RIG. ND FRAC VALVES. NU BOP. SWI 6:00 PM.

06/11/06

PROG: 7:00 AM. HSM. PU POBS 3 7/8" BIT SN TALLY & DRIFT 150 JTS OF 2 3/8" J-55 4.7# TBG. RU POWER SWIVEL BRK CIRCULATION. RIH

C/O 10' OF SAND TAG PLG 1 @ 4,782' DRL PLG IN 10 MIN 1,000 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 2 @ 5,235' DRL PLG IN 10 MIN 200 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 3 @ 5,582' DRL PLG IN 10 MIN 400 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 4 @ 6,836' DRL PLG IN 10 MIN 300 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 5 @ 7,250' DRL PLG IN 10 MIN 100 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 6 @ 7,406' DRL PLG IN 10 MIN 200 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 7 @ 7,680' DRL PLG IN 10 MIN 100 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 8 @ 8,107' DRL PLG IN 10 MIN 100 PSI INCREASE RIH  
C/O 0' OF SAND TAG PLG 9 @ 8,496' DRL PLG IN 10 MIN 100 PSI INCREASE RIH  
C/O TO 8,718' PBTD. POOH LD 33 JTS LAND TBG W/ 243 JTS EOT @ 7,712.11'  
ND BOP'S NU WELL HEAD. DROP BALL PMP 30 BBLs PUMP OFF BITT @  
1,700 PSI. TURN WELL OVER TO FLOW TESTERS

|          |                              |              |             |
|----------|------------------------------|--------------|-------------|
| OUTBOUND | 300 JTS 2 3/8" J-55 4.7# TBG | TLTR         | 10,360 BBLs |
| LAND     | 243 JTS                      | RIG RECOVERY | 1,250 BBLs  |
| RETURN   | 57 JTS                       | LTR          | 9,110 BBLs  |

WELL ON FLOWBACK FLOWBACK REPORT: CP: 1300#, TP: 1100#, 22/64 CHK, 50 BWPH, 17 HRS, SD: LIGHT, TTL BBLs FLWD: 870, TODAY'S LTR: 9110 BBLs, LOAD REC TODAY: 9110 BBLs, REMAINING LTR: 9110 BBLs, TOTAL LOAD REC TO DATE: 2120 BBLs.

WELL ON FLOWBACK FLOWBACK REPORT: CP: 1200#, TP: 1150#, 22/64 CHK, 45 BWPH, 24 HRS, SD: TRACE, TTL BBLs FLWD: 1005, TODAY'S LTR: 8240 BBLs, LOAD REC TODAY: 1005 BBLs, REMAINING LTR: 7235 BBLs, TOTAL LOAD REC TO DATE: 3125 BBLs.

WELL ON FLOWBACK FLOWBACK REPORT: CP: 1100#, TP: 1050#, 22/64 CHK, 40 BWPH, 24 HRS, SD: TRACE, TTL BBLs FLWD: 995, TODAY'S LTR: 7235 BBLs, LOAD REC TODAY: 995 BBLs, REMAINING LTR: 6240 BBLs, TOTAL LOAD REC TO DATE: 4120 BBLs.

**06/13/06**      **PROG: WELL ON FLOWBACK, FLOWBACK REPORT: CP: 1900#, TP: 1050, 20/64 CHK, 25 BWPH, 24 HRS, SD: TRACE, TTL BBLs FLWD: 645 BBLs, TODAYs LTR: 4768 BBLs, LOAD REC TODAY: 645 BBLs, REMAINING LTR: 4123 BBLs, TOTAL LOAD REC TO DATE: 1401 BBLs.**

**ON SALES**

06/11/06: 248 MCF, 0 BC, 960 BW, TP: 1050#, CP: 1100#, 22/64 CHK, 24 HRS, LP: 396#.

**06/14/06**

**ON SALES**

06/12/06: 448 MCF, 0 BC, 720 BW, TP: 1050#, CP: 1700#, 20/64 CHK, 24 HRS, LP: 392#.

**06/15/06**

**ON SALES**

06/13/06: 503 MCF, 0 BC, 600 BW, TP: 1050#, CP: 2000#, 20/64 CHK, 24 HRS, LP: 399#.

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-3276**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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

8. WELL NAME and NUMBER:  
**NBU 1022-16D**

9. API NUMBER:  
**4304736157**

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

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**NWNW 16 10S 22E**

12. COUNTY  
**UINTAH**

13. STATE  
**UTAH**

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

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

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

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

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **529'FNL, 834'FWL**  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
AT TOTAL DEPTH:

14. DATE SPUDDED: **4/5/2006** 15. DATE T.D. REACHED: **5/20/2006** 16. DATE COMPLETED: **6/11/2006** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**5203'GL**

18. TOTAL DEPTH: MD **8,825** TVD \_\_\_\_\_ 19. PLUG BACK T.D.: MD **8,761** TVD \_\_\_\_\_ 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* \_\_\_\_\_ 21. DEPTH BRIDGE MD \_\_\_\_\_ PLUG SET: TVD \_\_\_\_\_

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**CBL-CCL-GR**

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

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

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 20"       | 14" STL    | 36.7#          |          | 40          |                      | 28                         |                     |               |               |
| 12 1/4"   | 9 5/8 H-40 | 32.3#          |          | 1,950       |                      | 620                        |                     |               |               |
| 7 7/8"    | 4 1/2 I-80 | 11.6#          |          | 8,825       |                      | 1924                       |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
|      |                |                 |      |                |                 |      |                |                 |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS                       |                                   |
|----------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|--|-----------------------------------|
| (A) WASATCH    | 4,820    | 5,562       |           |              | 4,820 5,562             | 0.35 | 48        | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (B) WAS/MESA   | 6,720    | 6,814       |           |              | 6,720 6,814             | 0.35 | 40        | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (C) MESAVERDE  | 6,940    | 8,684       |           |              | 6,940 8,684             | 0.35 | 260       | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (D)            |          |             |           |              |                         |      |           | Open <input type="checkbox"/>            | Squeezed <input type="checkbox"/> |

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

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL                             |
|----------------|---|
| 4820'-5562'    | PMP 1406 BBLs LIGHTNING 18 & 174,200# 20/40 MESH SD     |
| 6720'-6814'    | PMP 1576 BBLs LIGHTNING 18 & 202,500# 20/40 MESH SD     |
| 6940'-8684'    | PMP 7381 BBLs LIGHTNING 18, 20 & 895,807# 20/40 MESH SD |

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY

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

30. WELL STATUS:  
**PROD**

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31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

|                                   |                    |                         |             |                     |               |                           |                 |                     |                     |                          |
|-----------------------------------|--------------------|-------------------------|-------------|---------------------|---------------|---------------------------|-----------------|---------------------|---------------------|--------------------------|
| DATE FIRST PRODUCED:<br>6/11/2006 |                    | TEST DATE:<br>6/24/2006 |             | HOURS TESTED:<br>24 |               | TEST PRODUCTION RATES: →  | OIL - BBL:<br>0 | GAS - MCF:<br>1,710 | WATER - BBL:<br>480 | PROD. METHOD:<br>FLOWING |
| CHOKE SIZE:<br>22/64              | TBG. PRESS.<br>959 | CSG. PRESS.<br>1,597    | API GRAVITY | BTU - GAS           | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL:<br>0 | GAS - MCF:<br>1,710 | WATER - BBL:<br>480 | INTERVAL STATUS:<br>PROD |

INTERVAL B (As shown in Item #26)

|                                   |                    |                         |             |                     |               |                           |                 |                     |                     |                          |
|-----------------------------------|--------------------|-------------------------|-------------|---------------------|---------------|---------------------------|-----------------|---------------------|---------------------|--------------------------|
| DATE FIRST PRODUCED:<br>6/11/2006 |                    | TEST DATE:<br>6/24/2006 |             | HOURS TESTED:<br>24 |               | TEST PRODUCTION RATES: →  | OIL - BBL:<br>0 | GAS - MCF:<br>1,710 | WATER - BBL:<br>480 | PROD. METHOD:<br>FLOWING |
| CHOKE SIZE:<br>22/64              | TBG. PRESS.<br>959 | CSG. PRESS.<br>1,597    | API GRAVITY | BTU - GAS           | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL:<br>0 | GAS - MCF:<br>1,710 | WATER - BBL:<br>480 | INTERVAL STATUS:<br>PROD |

INTERVAL C (As shown in Item #26)

|                                   |             |             |             |               |               |                           |            |            |              |                  |
|-----------------------------------|-------------|-------------|-------------|---------------|---------------|---------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED:<br>6/11/2006 |             | TEST DATE:  |             | HOURS TESTED: |               | TEST PRODUCTION RATES: →  | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD:    |
| CHOKE SIZE:                       | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS     | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

INTERVAL D (As shown in Item #26)

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

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

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

| Formation            | Top (MD)       | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|----------------------|----------------|-------------|------------------------------|------|----------------------|
| WASATCH<br>MESAVERDE | 4,300<br>6,750 | 6,750       |                              |      |                      |

34. FORMATION (Log) MARKERS:

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST  
 SIGNATURE  DATE 7/11/2006

This report must be submitted within 30 days of

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

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

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

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

Phone: 801-538-5340  
 Fax: 801-359-3940

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____                 |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>ML-3276   |
| 2. NAME OF OPERATOR:<br>WESTPORT OIL & GAS COMPANY L.P.   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  |
| 3. ADDRESS OF OPERATOR:<br>1368 S. 1200 E. CITY VERNAL STATE UT ZIP 84078   |  | 7. UNIT or CA AGREEMENT NAME:<br>NATURAL BUTTES UNIT   |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 529'FNL & 834'FWL<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 16 10S 22E |  | 8. WELL NAME and NUMBER:<br>NBU 1022-16D<br>9. API NUMBER:<br>4304736157<br>10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES<br>COUNTY: UINTAH<br>STATE: UTAH |
| PHONE NUMBER:<br>(435) 781-7024   |  |  |

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

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

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

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 BY THE DIVISION OF OIL, GAS AND MINING ON FEBRUARY 2, 2005.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 01-31-06  
By: [Signature]

COPIES SENT TO OPERATOR  
DATE: 2-2-06  
BY: [Signature]

|                                    |                          |
|------------------------------------|--------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO | TITLE REGULATORY ANALYST |
| SIGNATURE <u>[Signature]</u>       | DATE 1/26/2006           |

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

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

**API:** 4304736157  
**Well Name:** NBU 1022-16D  
**Location:** NWNW SECTION 16-T10S-R22E  
**Company Permit Issued to:** WESTPORT OIL & GAS CO., L.P.  
**Date Original Permit Issued:** 2/2/2005

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

1/26/2006

Date

Title: REGULATORY ANALYST

Representing: WESTPORT OIL & GAS COMPANY L.P.

RECEIVED  
JAN 31 2006  
DIV. OF OIL, GAS & MINING

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

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

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

Operator Name Change/Merger

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

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

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

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area

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

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

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

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

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**

**BLM BOND = C01203**  
**BIA BOND = RLB0005239**

**APPROVED 5116106**

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

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)  
**RANDY BAYNE**

Signature  
*Randy Bayne*

Title  
**DRILLING MANAGER**

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

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

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area

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

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

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

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

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

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

RECEIVED  
 MAY 10 2006

DIV. OF OIL, GAS & MINING

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>ML-3276                                      |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES          |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 1022-16D   |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047361570000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>0529 FNL 0834 FWL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NWNW Section: 16 Township: 10.0S Range: 22.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |   |
|--|---|---|---|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:                | <input type="checkbox"/> ACIDIZE                                      | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br>4/5/2010 | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS                     | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:   | <input type="checkbox"/> CHANGE WELL STATUS                           | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:                                      | <input type="checkbox"/> DEEPEN                                       | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE                              | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|  | <input checked="" type="checkbox"/> <b>PRODUCTION START OR RESUME</b> | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION                | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|  | <input type="checkbox"/> TUBING REPAIR                                | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|  | <input type="checkbox"/> WATER SHUTOFF                                | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION                   | <input type="checkbox"/> OTHER                          | OTHER: _____  |

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

THIS WELL RETURNED TO PRODUCTION ON 4/5/2010.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 April 13, 2010

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Andy Lytle | <b>PHONE NUMBER</b><br>720 929-6100 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                  |                                     | <b>DATE</b><br>4/13/2010           |