

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

001 APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-01198-B	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator WESTPORT OIL & GAS COMPANY, L.P.		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES UNIT	
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UT 84078		8. Lease Name and Well No. NBU 1022-26E	
3b. Phone No. (include area code) (435) 781-7060		9. API Well No. 43-047-36708	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW 2166' FNL 634' FWL 635585X 39.921184 At proposed prod. Zone 4420004Y -109.413504		10. Field and Pool, or Exploratory NATURAL BUTTES	
14. Distance in miles and direction from nearest town or post office* 25.85 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk, and Survey or Area SEC 26-T10S-R22E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 634'		12. County or Parish UINTAH	
16. No. of Acres in lease 2040		13. State UT	
17. Spacing Unit dedicated to this well 40			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Refer to Topo C		19. Proposed Depth 8300'	
20. BLM/BIA Bond No. on file CO-1203			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5469.7' GL		22. Approximate date work will start* UPON APPROVAL	
		23. Estimated duration TO BE DETERMINED	

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) DEBRA DOMENICI	Date 5/11/2005
Title ASSOCIATE ENVIRONMENTAL ANALYST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 05-26-05
Title ENVIRONMENTAL SCIENTIST III		

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

Conditions of approval, if any, are attached.

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

*(Instructions on reverse)

RECEIVED

MAY 13 2005

DIV. OF OIL, GAS & MINING

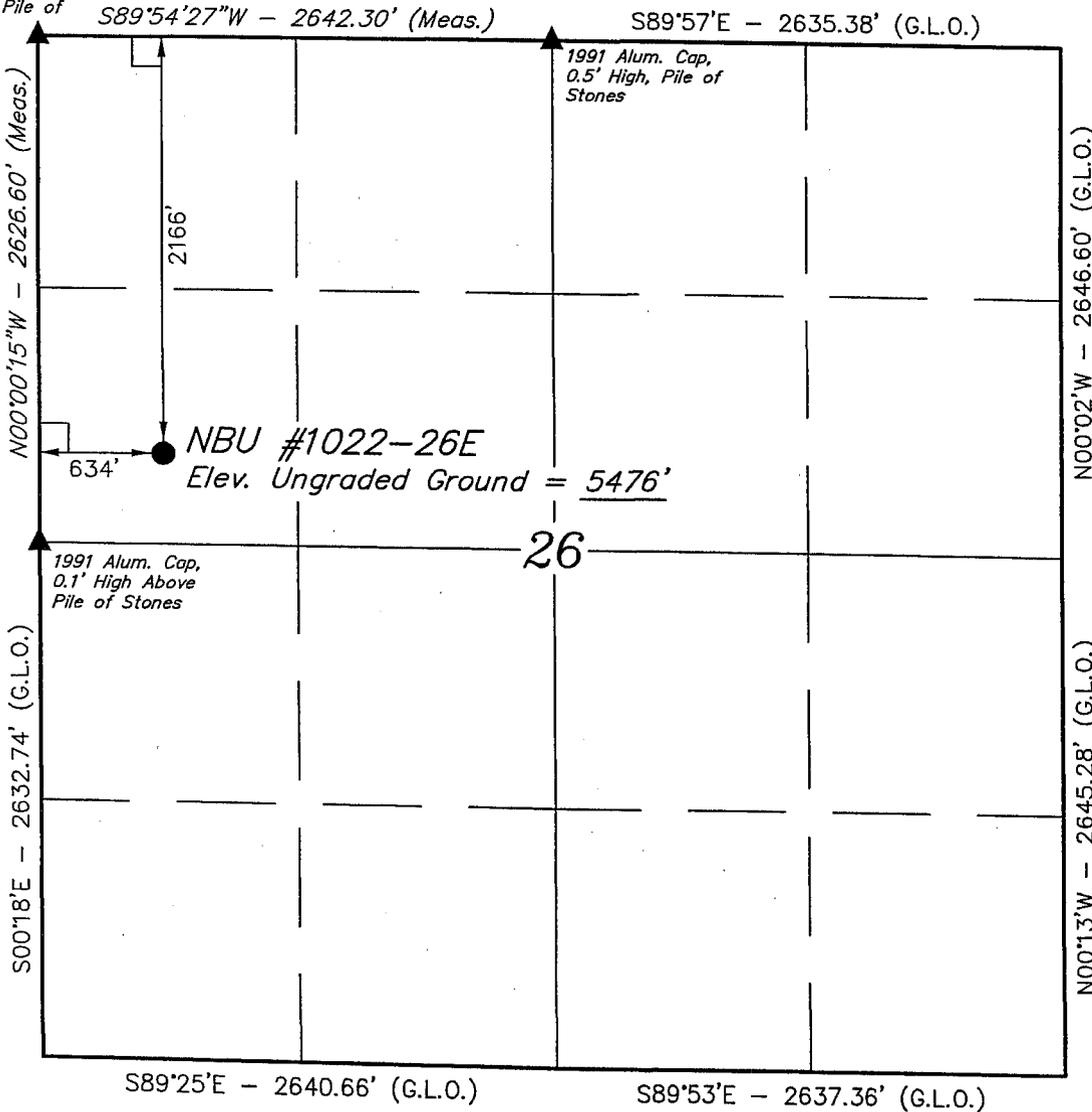
Federal Approval of this
Action is Necessary

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

WESTPORT OIL AND GAS COMPANY, L.P.

Well location, NBU #1022-26E, located as shown in the SW 1/4 NW 1/4 of Section 26, T10S, R22E, S.L.B.&M. Uintah County, Utah.

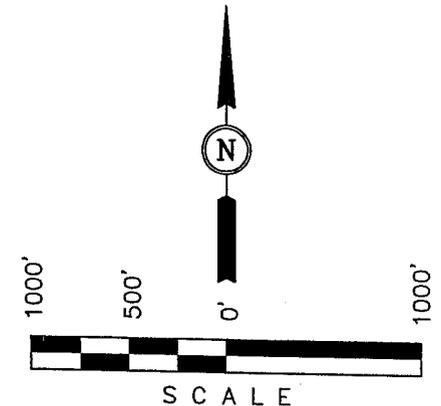
1991 Alum. Cap,
0.5' High, Pile of
Stones



N00°02'W - 2646.60' (G.L.O.)
N00°13'W - 2645.28' (G.L.O.)

BASIS OF ELEVATION

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



CERTIFICATE

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

John H. Gray
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

BASIS OF BEARINGS

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

(NAD 83)
LATITUDE = 39°55'16.09" (39.921136)
LONGITUDE = 109°24'51.36" (109.414267)
(NAD 27)
LATITUDE = 39°55'16.21" (39.921169)
LONGITUDE = 109°24'48.91" (109.413586)

LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 2-21-05	DATE DRAWN: 3-3-05
PARTY M.A. C.R. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE	WESTPORT OIL AND GAS COMPANY, L.P.

NBU 1022-26E
 SWNW SEC 26-T10S-R2~~3~~²E
 UINTAH COUNTY, UTAH
 UTU-01198-B

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1057'
Wasatch	3987'
Mesaverde	6237'
TD	8300'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1057'
Gas	Wasatch	3987'
Gas	Mesaverde	6237'
Water	N/A	
Other Minerals	N/A	

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

Please refer to the attached Drilling Program.

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

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8300' TD, approximately equals 3320 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1494 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 refer to the attached Drilling Program.

10. **Other Information:**

Please refer to 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 1800	32.30	H-40	STC	2270	1370	254000
						0.84*****	1.63	4.99
PRODUCTION	4-1/2"	0 to 8300	11.60	I-80	LTC	7780	6350	201000
						2.88	1.40	2.39

- 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 = 10.5 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 2706 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 Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18	
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18	
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
SURFACE Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized							
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82	
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18	
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
PRODUCTION	LEAD	3,480'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	380	60%	11.00	3.38	
	TAIL	4,820'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1350	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.

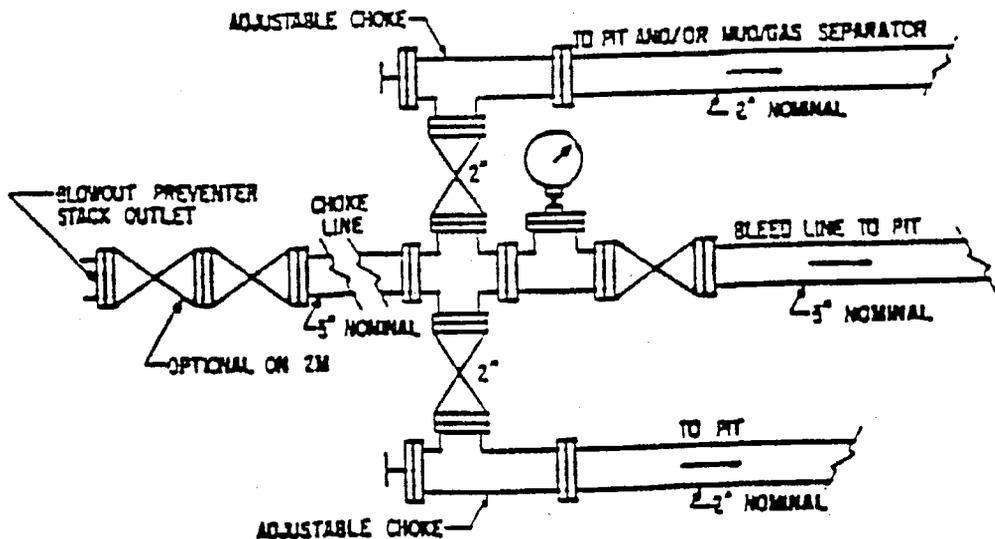
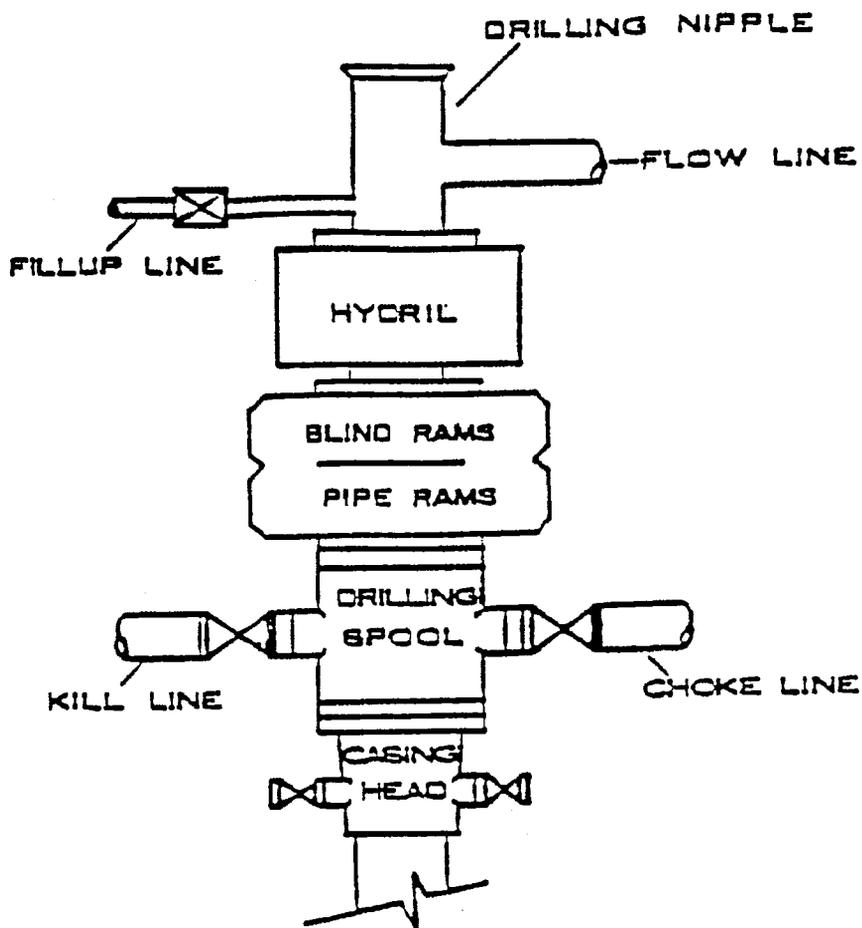
ADDITIONAL INFORMATION

Test casing head to 760 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: _____ DATE: _____
 Brad Laney
 DRILLING SUPERINTENDENT: _____ DATE: _____
 Randy Bayne

3,000 PSI

BOP STACK



NBU 1022-26E
SWNW SEC 26-T10S-R22E
UINTAH COUNTY, UTAH
UTU-01198-B

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

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

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:

The proposed access road is approximately 0.3 miles +/- . Refer to Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

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 requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

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

Refer to Topo Map D for the placement of the proposed pipeline. Operator will have 2 4" pipelines running to the main tie-in point. One pipeline is already existing and one new one will be laid.

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.

A double layer plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 16 mil thick and double layer felt, 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. (Request is in lieu of filing Form 3160-5, after initial production).

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).

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

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.

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.

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:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 789-1362

12. Other Information:

A Class III archaeological survey and a paleontological survey have been completed and the reports will be submitted separately.

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

All lease and/or 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.

Seed Mixture:

Scarlet Globemallow	3 lb/acre
Shadscale	3 lb/acre
Indian Ricegrass	3 lb/acre
Needle & Thread Grass	3 lb/acre

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

Debra Domenici
Associate Environmental Analyst
Westport O&G Co.
1368 South 1200 East
Vernal, UT 84078
(435) 781-7060

Randy Bayne
Drilling Manager
Westport O&G Co.
1368 South 1200 East
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 Oil & Gas Company is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #CO-1203.

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

/s/Sheila Upchego
Sheila Upchego

May 26, 2005
Date

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-26E

SECTION 26, 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 9.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1022-23M TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 56.85 MILES.

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-26E
LOCATED IN UINTAH COUNTY, UTAH
SECTION 26, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

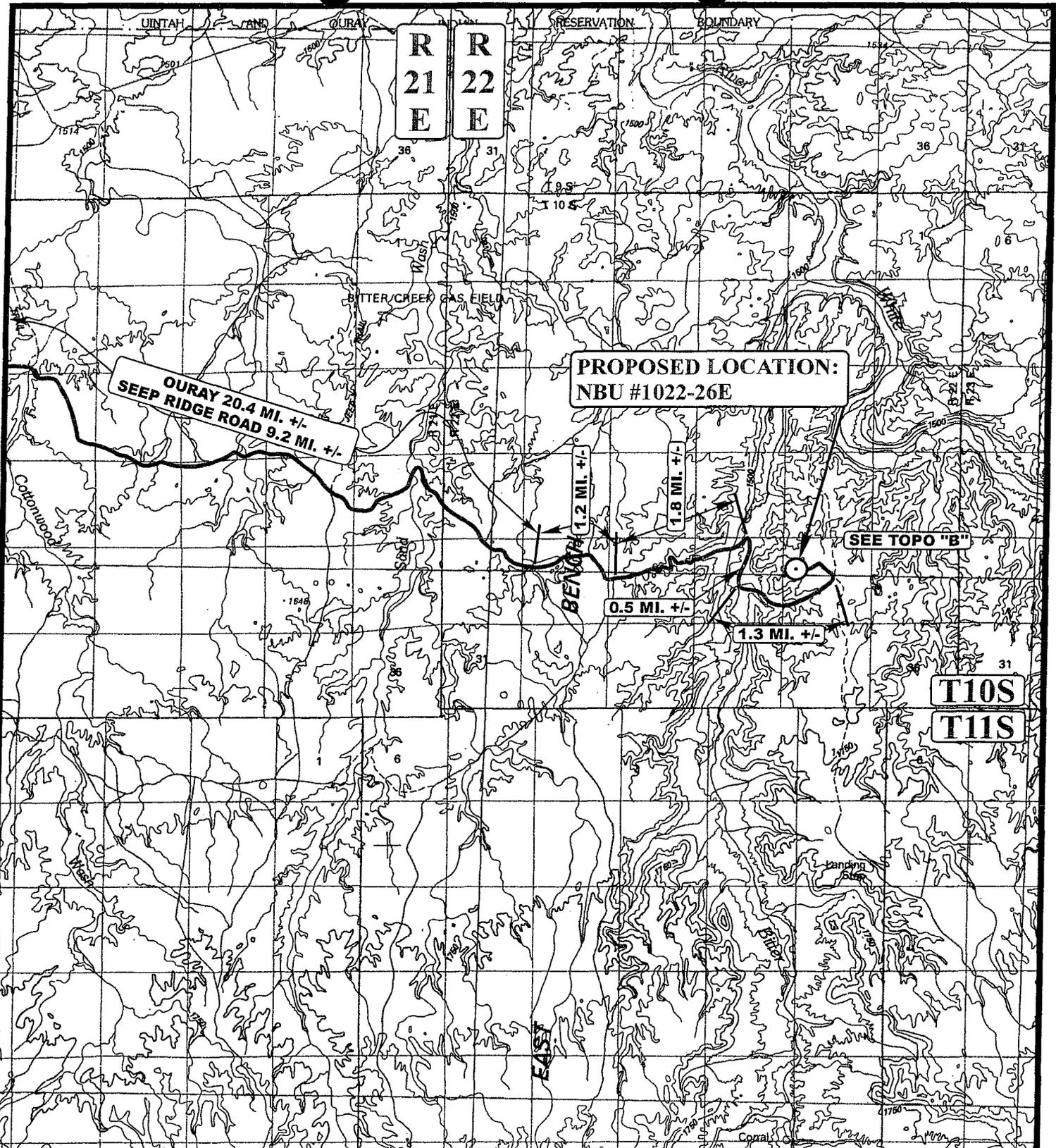
CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS	02	25	05	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: M.A.	DRAWN BY: C.P.		REVISED: 00-00-00	



LEGEND:

○ PROPOSED LOCATION



WESTPORT OIL & GAS COMPANY, L.P.

NBU #1022-26E

SECTION 26, T10S, R22E, S.L.B.&M.

2166' FNL 634' FWL



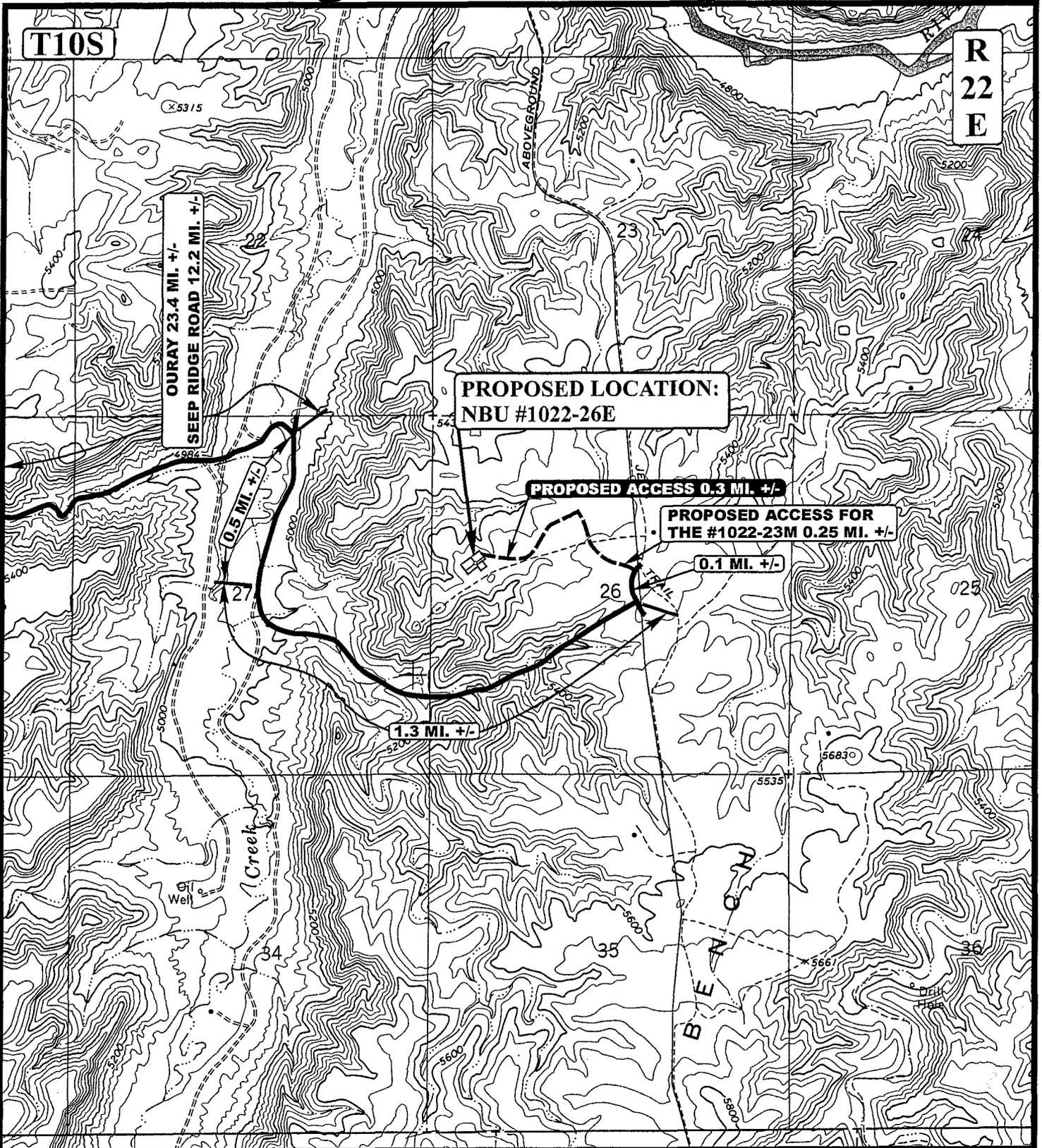
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

02	25	05
MONTH	DAY	YEAR



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



LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



WESTPORT OIL & GAS COMPANY, L.P.

NBU #1022-26E
 SECTION 26, T10S, R22E, S.L.B.&M.
 2166' FNL 634' FWL



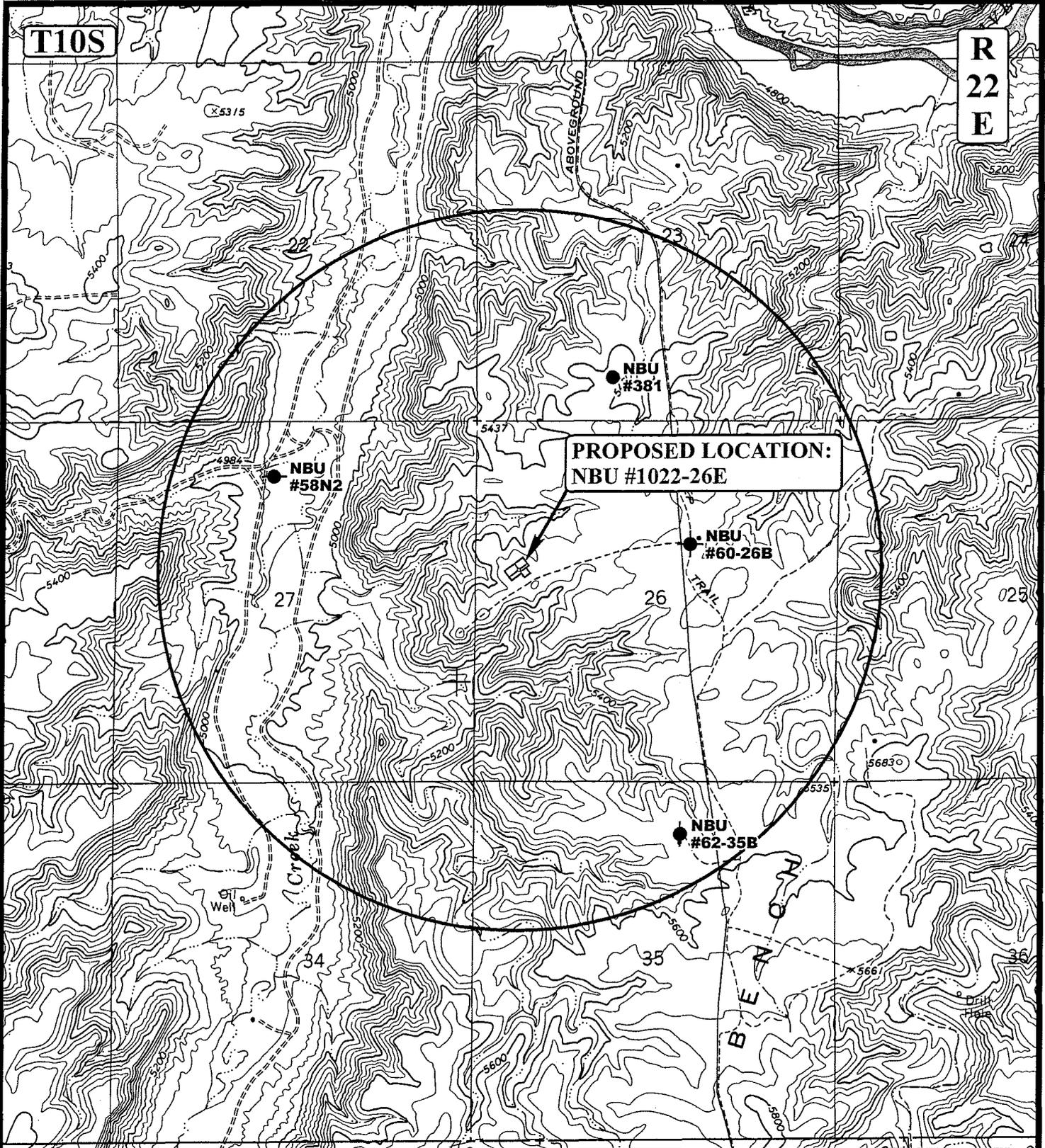
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	02	25	05
	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: C.P.		REVISED: 00-00-00



T10S

R
22
E



LEGEND:

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

WESTPORT OIL & GAS COMPANY, L.P.

NBU #1022-26E
 SECTION 26, T10S, R22E, S.L.B.&M.
 2166' FNL 634' FWL

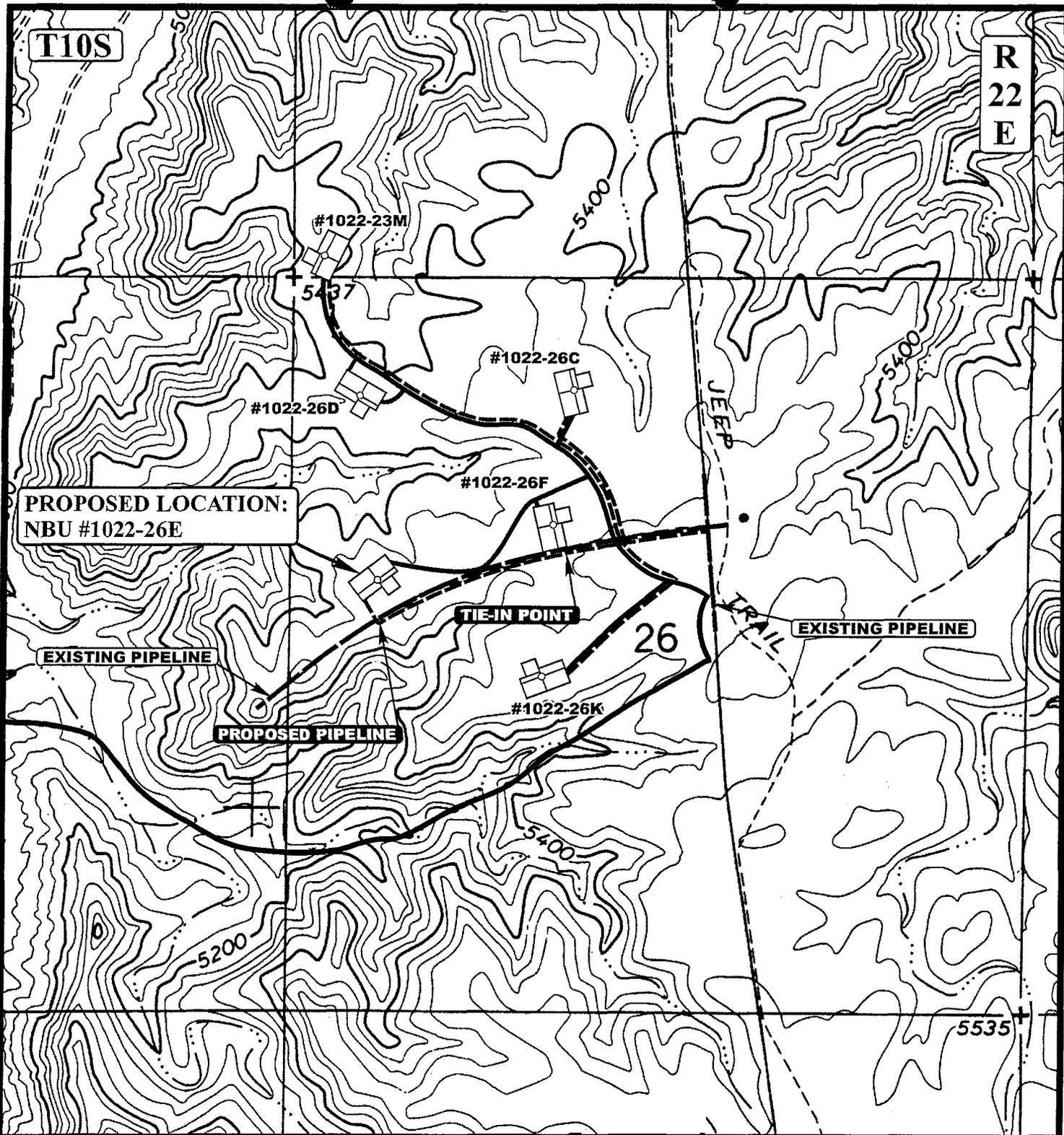


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP
 02 25 05
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,690' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



WESTPORT OIL & GAS COMPANY, L.P.

NBU #1022-26E
SECTION 26, T10S, R22E, S.L.B.&M.
2166' FNL 634' FWL



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

TOPOGRAPHIC MAP
02 25 05
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #1

LOCATION LAYOUT FOR

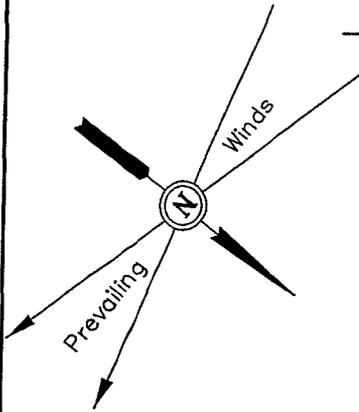
NBU #1022-26E

SECTION 26, T10S, R22E, S.L.B.&M.

F-8.4' 2166' FNL 634' FWL
El. 61.3'

Approx. Toe of Fill Slope

F-10.1' El. 59.6'



SCALE: 1" = 50'
DATE: 3-3-05
Drawn By: K.G.

NOTE:

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

Approx. Top of Cut Slope

FLARE PIT

El. 71.6'
C-11.9' (btm. pit)

Reserve Pit Backfill & Spoils Stockpile

15' WIDE BENCH

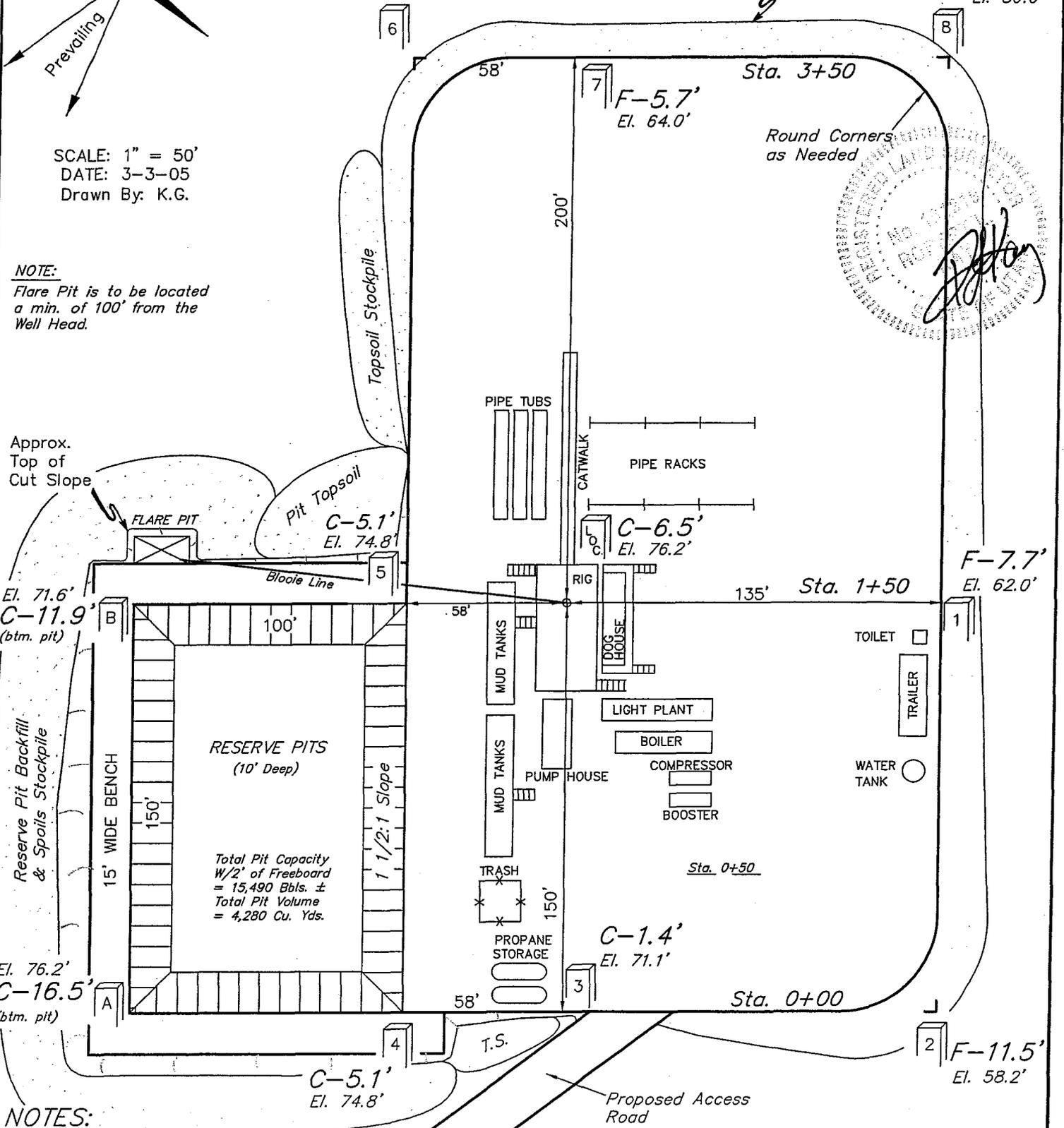
RESERVE PITS (10' Deep)

Total Pit Capacity W/2' of Freeboard = 15,490 Bbbs. ±
Total Pit Volume = 4,280 Cu. Yds.

El. 76.2'
C-16.5' (btm. pit)

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5476.2'
FINISHED GRADE ELEV. AT LOC. STAKE = 5469.7'



WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

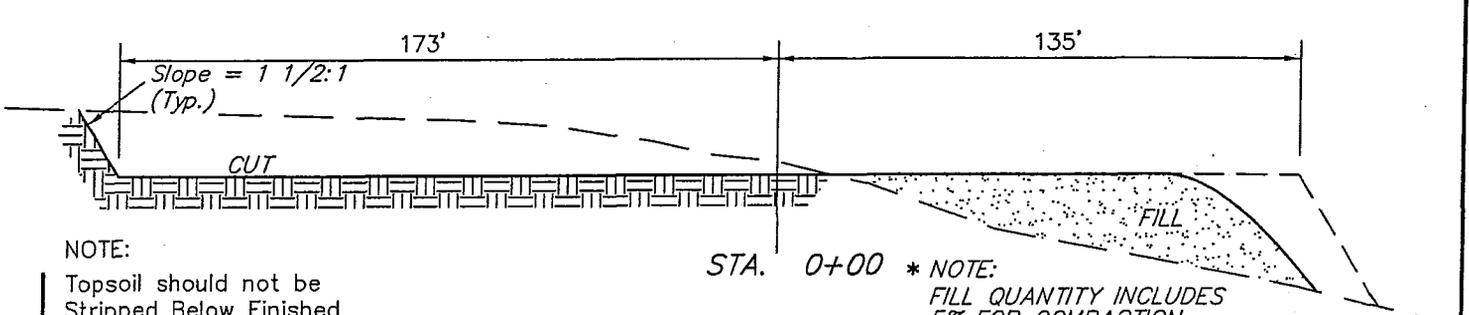
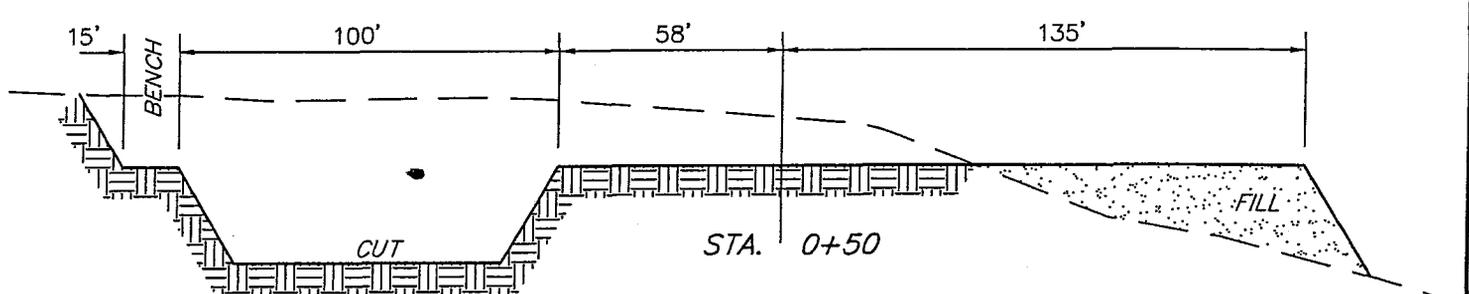
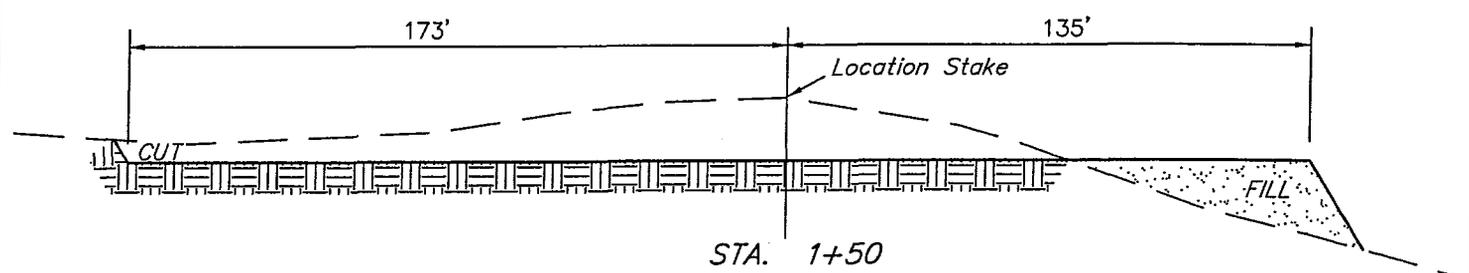
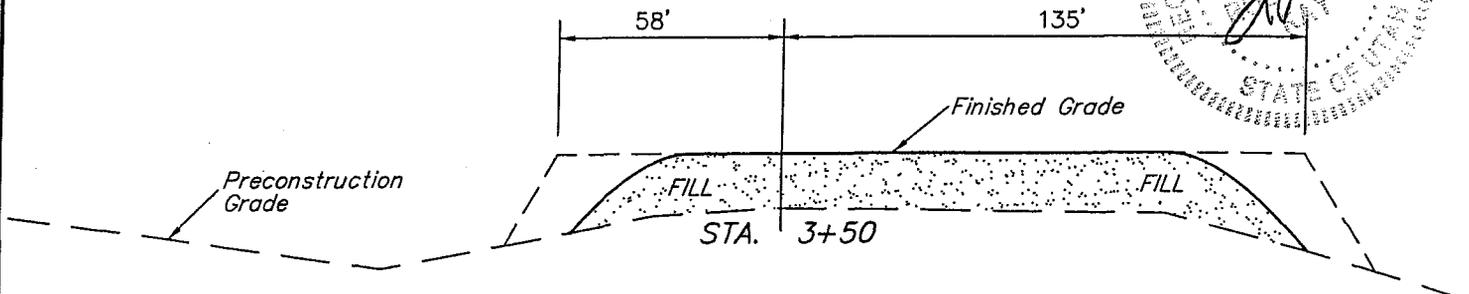
NBU #1022-26E

SECTION 26, T10S, R22E, S.L.B.&M.

2166' FNL 634' FWL

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

DATE: 3-3-05
Drawn By: K.G.



NOTE:

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

STA. 0+00 * NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,950 Cu. Yds.
Remaining Location	= 12,190 Cu. Yds.
TOTAL CUT	= 14,140 CU.YDS.
FILL	= 10,050 CU.YDS.

EXCESS MATERIAL	= 4,090 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,090 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

004

APD RECEIVED: 05/13/2005

API NO. ASSIGNED: 43-047-36708

WELL NAME: NBU 1022-26E
 OPERATOR: WESTPORT OIL & GAS CO (N2115)
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

SWNW 26 100S 220E
 SURFACE: 2166 FNL 0634 FWL
 BOTTOM: 2166 FNL 0634 FWL
 UINTAH
 NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-01198-B
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

LATITUDE: 39.92118
 LONGITUDE: -109.4135

RECEIVED AND/OR REVIEWED:

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

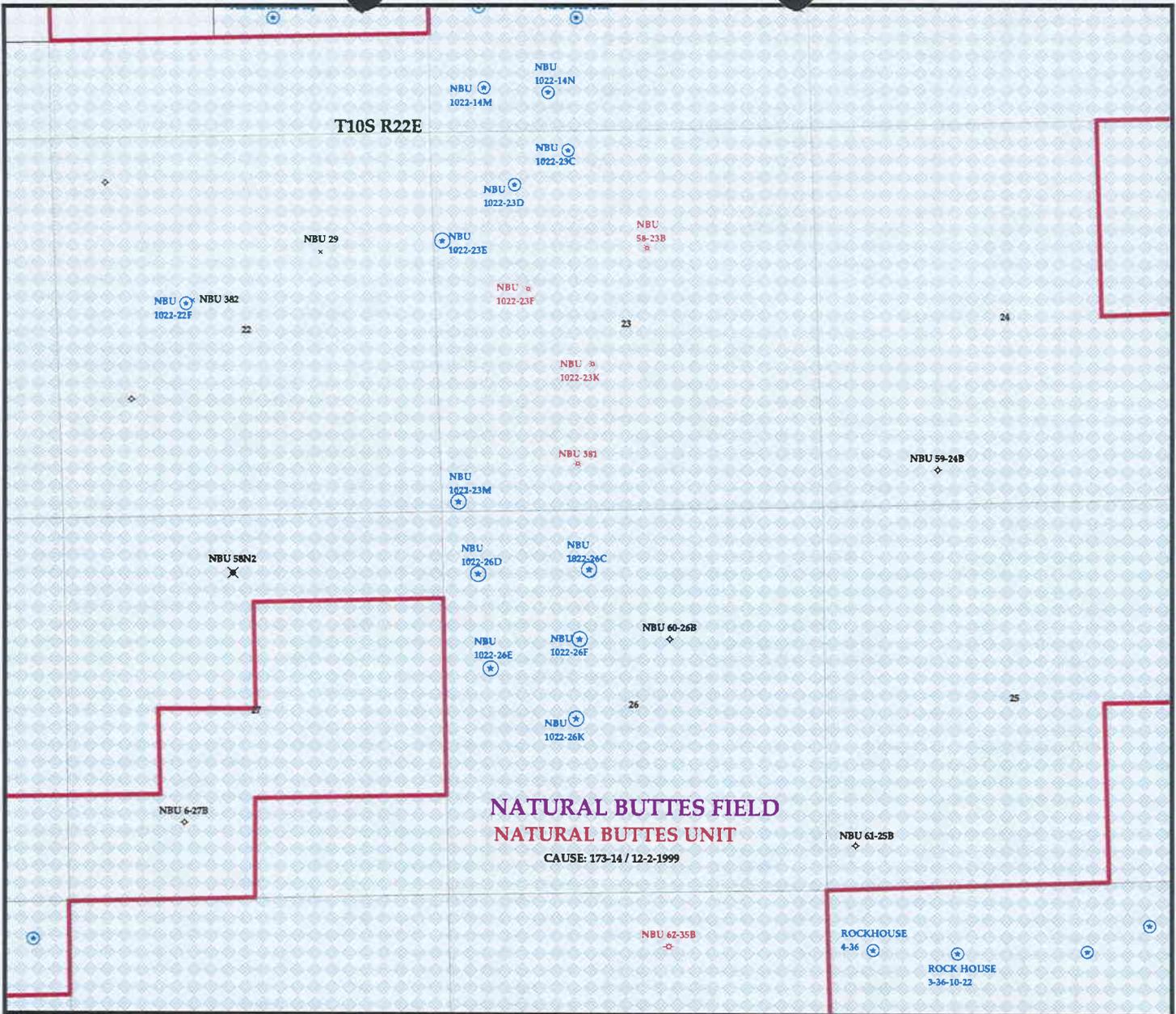
LOCATION AND SITING:

- ___ R649-2-3.
- Unit NATURAL BUTTES
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' fr u bary & uncomm. tracts
- ___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1-Federal Approval
2-OIL SHALE



NATURAL BUTTES FIELD
NATURAL BUTTES UNIT
 CAUSE: 173-14 / 12-2-1999

OPERATOR: WESTPORT O&G CO (N2115)
 SEC: 23 & 26 T. 10S R. 22E
 FIELD: NATURAL 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: 16-MAY-2005

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)

May 17, 2005

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2005 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 2005 within the Natural Buttes Unit, Uintah County, Utah.

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

(Proposed PZ MesaVerde)

43-047-36704	NBU 1022-23M Sec 23	T10S R22E 0151 FSL 0227 FWL
43-047-36705	NBU 1022-23E Sec 23	T10S R22E 1479 FNL 0068 FWL
43-047-36706	NBU 1022-26K Sec 26	T10S R22E 2409 FSL 1811 FWL
43-047-36707	NBU 1022-26F Sec 26	T10S R22E 1773 FNL 1877 FWL
43-047-36708	NBU 1022-26E Sec 26	T10S R22E 2166 FNL 0634 FWL
43-047-36709	NBU 1022-26D Sec 26	T10S R22E 0852 FNL 0483 FWL
43-047-36710	NBU 1022-26C Sec 26	T10S R22E 0807 FNL 2019 FWL
43-047-36700	NBU 921-25D Sec 25	T09S R21E 0845 FNL 0851 FWL
43-047-36698	NBU 921-13P Sec 13	T09S R21E 0565 FSL 0540 FEL
43-047-36699	NBU 921-13J Sec 13	T09S R21E 1941 FSL 2177 FEL
43-047-36703	NBU 1021-21A Sec 21	T10S R21E 0841 FNL 0762 FEL
43-047-36702	NBU 1021-21H Sec 21	T10S R21E 1993 FNL 0599 FEL
43-047-36701	CW 1-18 GR Sec 18	T10S R21E 1684 FSL 0755 FEL

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

/s/ Michael L. Coulthard

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

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 26, 2005

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

Re: Natural Buttes Unit 1022-26E Well, 2166' FNL, 634' FWL, SW NW, Sec. 26,
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 43-047-36708.

Sincerely,

Gil Hunt
Acting Associate Director

pab
Enclosures

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

Operator: Westport Oil & Gas Company, LP
Well Name & Number Natural Buttes Unit 1022-26E
API Number: 43-047-36708
Lease: UTU-01198-B

Location: SW NW Sec. 26 T. 10 South R. 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-01198-B
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator WESTPORT OIL & GAS COMPANY, L.P.		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES UNIT
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UT 84078	3b. Phone No. (include area code) (435) 781-7060	8. Lease Name and Well No. NBU 1022-26E
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW 2166' FNL 634' FWL At proposed prod. Zone		9. API Well No. 4304736708
14. Distance in miles and direction from nearest town or post office* 25.85 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 634'	16. No. of Acres in lease 2040	11. Sec., T., R., M., or Blk, and Survey or Area SEC 26-T10S-R22E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Refer to Topo C	19. Proposed Depth 8300'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5469.7' GL	20. BLM/BIA Bond No. on file CO-1203	13. State UT
22. Approximate date work will start* UPON APPROVAL		23. Estimated duration TO BE DETERMINED

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) DEBRA DOMENICI	Date 5/11/2005
Title ASSOCIATE ENVIRONMENTAL ANALYST		
Approved by (Signature) 	Name (Printed/Typed)	Date 11/17/2005
Title Assistant Field Manager Mineral Resources		

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

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

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

*(Instructions on reverse)

RECEIVED APPROVAL

NOV 22 2005

DIV. OF OIL, GAS & MINING

UDOGM



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO
DRILL**

Company: Westport Oil & Gas Co
Well No: NBU 1022-26E

Location: SWNW Sec 26, T10S, R22E
Lease No: UTU-01198B

Petroleum Engineer: Matt Baker
Petroleum Engineer: Michael Lee
Supervisory Petroleum Technician:
Jamie Sparger

Office: 435-781-4490 Cell: 435-828-4470
Office: 435-781-4432 Cell: 435-828-7875
Office: 435-781-4502 Cell: 435-828-3913

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval.. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

Downhole Conditions of Approval

All provisions outlined in Onshore Oil and Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. None.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil and Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil and Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be

suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.

7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR ' 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR ' 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration

reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

11. A schematic facilities diagram as required by Onshore Oil and Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil and Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil and Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production.

A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method should be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- If any paleontological or cultural materials are encountered, stop work immediately and report the find to this office.
- Paint all facilities Fuller O'Brian color Carlsbad Canyon (2.5Y 6/2). Any paint brand may be used provided the colors match.
- The authorized officer may prohibit surface disturbing activities during wet and muddy periods to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The seed mix for this location shall be:

Indian Ricegrass	<i>Achnatherum hymenoides</i>	3lbs. /acre
Needle and Threadgrass	<i>Stipa comata</i>	3lbs. /acre
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	3lbs. /acre
Shadscale	<i>Atriplex confertifolia</i>	3lbs. /acre

 - All pounds are in pure live seed.
 - Reseeding may be required if first seeding is not successful.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.
UTU-01198-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-26E

9. API Well No.
43-047-36708

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

3b. Phone No. (include area code)
435-781-7060

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWNW SEC 26-T10S-R22E
2166' FNL 634' FWL

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input checked="" 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 type="checkbox"/> Other
			INTERIM SURFACE RECLAMATION PLAN

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

WHEN THE PIT IS BACKFILLED, WITHIN 180 DAYS OF WELL COMPLETION, OPERATOR SHALL SPREAD THE TOPSOIL PILE ON THE LOCATION UP TO THE RIG ANCHOR POINTS. THE LOCATION WILL BE RESHAPED TO THE ORIGINAL CONTOUR TO THE EXTENT POSSIBLE. OPERATOR WILL RESEED THE AREA USING THE BLM RECOMMENDED SEED MIXTURE AND RECLAMATION METHODS.

COPY SENT TO OPERATOR
Date: 12-1-05
Initials: CHQ

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

Name (Printed/Typed) DEBRA DOMENICI	Title ASSOCIATE ENVIRONMENTAL ANALYST
Signature <i>Debra Domenici</i>	Date November 21, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title Accepted by the Utah Division of Oil, Gas and Mining	Date 11/30/05	Federal Approval Of This Action Is Necessary
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.			
Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.			

(Instructions on reverse)

NOV 30 2005
DIV. OF OIL, GAS & MINING
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

APR 17 2006

SUNDRY NOTICES AND REPORTS ON WELLS

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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, UTAH 84078

3b. Phone No. (include area code)
(435)781-7003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2166' FNL 634' FWL
 SWNW, SEC 26-T10S-R22E**

5. Lease Serial No.
UTU-01198-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-26E

9. API Well No.
4304736708

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH, UTAH

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

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<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 <u>APD EXTENSION</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>DOGM</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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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 & MINING ON MAY 26, 2004

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

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

Name (Printed/Typed) RAMEY HOOPES	Title REGULATORY CLERK
Signature <i>Ramey Hoopes</i>	Date April 12, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date MAY - 2 2006
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(instructions on reverse)



MAY 08 2006

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

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

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

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

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203
BIA BOND = RLB0005239*

APPROVED 5/16/06

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

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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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

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MUTIPLE WELLS

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	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR

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

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

RECEIVED
 MAY 10 2006

DIV OF OIL, GAS & MINING

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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United States Department of the Interior

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

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

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

Merger/Name Change - Recognized

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

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

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

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

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

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

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

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

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

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

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

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

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior



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

IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

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

Chief, Branch of
Fluid Minerals

Enclosure

Approval letter from BLM COSO (2 pp)

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

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERAL

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
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8. Well Name and No.
NBU 1022-26E

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

9. API Well No.
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3b. Phone No. (include area code)
(435)781-7003

10. Field and Pool, or Exploratory Area
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4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2166' FNL 634' FWL
SWNW, SEC 26-T10S-R22E**

11. County or Parish, State
UINTAH, UTAH

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

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<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DOGM
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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 & MINING ON MAY 26, 2004

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

RECEIVED

Date: 06-05-06
By: [Signature]

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) RAMEY HOOPES	Title REGULATORY CLERK
Signature <u>[Signature]</u>	Date April 12, 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	COPY SENT TO OPERATOR Date: <u>8-15-06</u> Initials: <u>[Signature]</u>

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

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

API: 4304736708
Well Name: NBU 1022-26E
Location: SWNW, SEC 26-T10S-R22E
Company Permit Issued to: KERR MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 5/26/2000 *KS*

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

Ramsey Lopez

 Signature

4/12/2006

 Date

Title: REGULATORY CLERK

Representing: KERR MCGEE OIL AND GAS ONSHORE L

RECEIVED
 DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS NOV 07 2006

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

BLM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

3b. Phone No. (include area code)
 435-781-7003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 2166' FNL 634' FWL
 SWNW SEC 26-T10S-R22E

5. Lease Serial No.
 UTU-01198B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
 NBU 1022-26E

9. API Well No.
 4304736708

10. Field and Pool, or Exploratory Area
 UNDESIGNATED

11. County or Parish, State

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	BLM
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY BUREAU OF LAND MANAGEMENT ON NOVEMBER 17, 2005.

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

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
DEC 01 2006

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

Name (Printed/Typed) RAMEY HOOPES Title REGULATORY CLERK

Signature *Ramey Hoopes* Date November 3, 2006

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by *Mark Baker* Title Petroleum Engineer Date NOV 13 2006

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.



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

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

API: 4304736708
Well Name: NBU 1022-26E
Location: SWNW SEC 26-T10S-R22E
Company Permit Issued to: KERR MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 11/17/2005

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

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

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

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

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

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

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

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

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

Ramey Hooper
Signature

11/3/2006
Date

Title: REGULATORY CLERK

Representing: Kerr McGee Oil and Gas Onshore LP

CONDITIONS OF APPROVAL

Kerr McGee Oil & Gas Onshore.

Notice of Intent APD Extension

Lease: UTU-01198B
Well: NBU 1022-26E
Location: SWNW Sec 26-T10S-R22E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 11/17/07
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

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

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
 Address: 1388 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
4304738567	NBU 922-32N-1T		SESW	32	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	5/31/2007		6/14/07		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 05/31/2007 AT 1000 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304739020	NBU 1021-30I		NESE	30	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	5/31/2007		6/14/07		
Comments: MIRU ROCKY MTN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 05/31/2007 AT 1100 HRS.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736708	NBU 1022-26E		SWNW	26	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	5/31/2007		6/14/07		
Comments: MIRU PETE MARTIN BUCKET. <u>WSMVD</u> SPUD WELL LOCATION ON 05/31/2007 AT 1630 HRS							

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)

SHEILA UPCHEGO

Name (Please Print) _____
 Signature [Signature]
 SENIOR LAND SPECIALIST 6/1/2007
 Title Date

To: Earlene Russell From: Sheila Upchego
 Co./Dept. UTD0GM Co. KMG
 Phone (801) 538-5336 Phone (435) 781-7024
 Fax # (801) 359-3440 Fax # (435) 781-7094

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JUN 01 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-01198-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-26E

9. API Well No.
4304736708

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SW/NW SEC. 26, T10S, R22E 2166'FNL, 634'FWL

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 WELL SPUD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or 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.

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 05/31/2007 AT 1630 HRS.

RECEIVED

JUN 05 2007

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
Signature 	Date June 1, 2007

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.

UTU-01198-B

6. If Indian, Allottee or Tribe Name

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

UNIT #891008900A

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-26E

9. API Well No.

4304736708

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

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

SW/NW SEC. 26, T10S, R22E 2166'FNL, 634'FWL

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

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

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

MIRU BILL MARTIN AIR RIG ON 06/02/2007. DRILLED 12 1/4" SURFACE HOLE TO 1830'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/160 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOT RETURNS 76 BBL INTO DISPLACEMENT NO LEAD CMT TO PIT. RAN 220' OF 1" PIPE. CMT W/125 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" PIPE NO CMT TO SURFACE. TOP OUT W/210 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

RECEIVED

JUN 11 2007

WORT

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)

SHEILA UPCHEGO

Signature

Title

SENIOR LAND ADMIN SPECIALIST

Date

June 5, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-01198-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-26E

9. API Well No.
4304736708

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SW/NW SEC. 26, T10S, R22E 2166'FNL, 634'FWL

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

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

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

FINISHED DRILLING FROM 1830' TO 8315' ON 06/25/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/310 SX PREM LITE II @11.2 PPG 3.13 YIELD. TAILED CMT W/1000 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DROP PLUG DISPLACE W/128.4 BBLS WATER BUMP PLUG W/500 OVER FINAL CIRC PSI OF 2460 PLUG HELD HAD FULL RETURNS GOT BACK 20 BBLS MUD CLEAN & CELLO FLAKE TO PIT. SET HANGER 70 STRING WT L/D LANDING JT CLEAN MUD TANKS.

**RECEIVED
JUL 02 2007**

RELEASED ENSIGN RIG 83 ON 06/27/2007 AT 0600 HRS.

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
	Date June 27, 2007

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-01198-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NBU 1022-26E

9. API Well No.
4304736708

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SW/NW SEC. 26, T10S, R22E 2166'FNL, 634'FWL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other PRODUCTION START-UP
	<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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 07/30/2007 AT 6:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
AUG 06 2007

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

DIV. OF OIL, GAS & MINING

Name (Printed/Typed) SHEILA UPCHEGO	Title SENIOR LAND ADMIN SPECIALIST
Signature 	Date July 30, 2007

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.



Anadarko Petroleum Corporation
1368 S. 1200 East
Vernal, UT 84078

CHRONOLOGICAL WELL HISTORY

NBU 1022-26E

SWNW, SEC. 26, T10S, R22E
UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
	LOCATION STARTED	
05/30/07	LOCATION COMPLETE	P/L IN, WOBR
05/31/07	SET CONDUCTOR	WOAR
06/02/07	SET AIR RIG	WORT
06/06/07	9 5/8" @ 1818'	
06/20/07	TD: 1830' Csg. 9 5/8" @ 1818' MW: 8.4 SD: 6/XX/07 RDRT and move to NBU 1022-26E.	DSS: 0
06/21/07	TD: 2562' Csg. 9 5/8" @ 1818' MW: 8.5 SD: 6/20/07 NU and test BOPE. PU drill string and drill FE. Rotary spud @ 1930 hrs 6/20/07. Drill from 1830'-2562'. DA.	DSS: 1
06/22/07	TD: 5200' Csg. 9 5/8" @ 1818' MW: 9.8 SD: 6/20/07 Drill from 2562'-5200'. DA @ report time.	DSS: 2
06/25/07	TD: 7955' Csg. 9 5/8" @ 1818' MW: 11.4 SD: 6/20/07 Drill from 5200'-7261'. TFNB. Drill to 7955'. DA @ report time.	DSS: 5
06/26/07	TD: 8315' Csg. 9 5/8" @ 1818' MW: 11.6 SD: 6/20/07 Drill from 7955'-8315' TD. CCH and short trip 20 STDs. Lay down drill string @ report time.	DSS: 6
06/27/07	TD: 8315' Csg. 9 5/8" @ 1818' MW: 11.6 SD: 6/20/07 Lay down drill string. Run and cement 4 1/2" Production Casing. Set slips and release rig @ 0600 hrs 6/27/07.	DSS: 7
06/28/07	TD: 8315' Csg. 9 5/8" @ 1818' MW: 11.6 SD: 6/20/07 RDRT. Will move to NBU 1022-23E, first pad well, on Friday, 6/29/07.	DSS: 7
07/23/07	PICK TBG Days On Completion: 1 Remarks: 7AM RIG REPAIR 12 PM START TIME MIRU NIPPLE UP BOP TALLY & PICK UP 2,3/8 TBG SDFN EOT 4300'	
07/24/07	TALLY, PICK UP TBG Days On Completion: 2 Remarks: TALLY PICK UP 2, 3/8 TBG TAG @ 8246' RIG UP DRILL EQUIP DRILL OUT FC & CMT TO 8275' CIRC OUT CLEAN POOH SDFN	

07/25/07

PERF

Days On Completion: 3

Remarks: TEST CSG TO 7500# GOOD TEST RIG UP CUTTERS & PERF @ 8244'-8252' 4 SPF NO BLOW

07/26/07

FRAC

Days On Completion: 4

Remarks: MIRU HSC & CUTTERS STAGE #1 BRK PERF @ 3850# INJ RT 35 BPM INJ PSI 3350# ISIP 2459# FG .74 FRAC W/ 11800# 30/50 SAND + 574 BBL SLICK MP 5147# MR 36.5 BPM AP 3491# AR 34.7 BPM ISIP 2233# FG .71 NPI -226#

STAGE #2 RIH SET 8K CBP @ 7907' PERF @ 7814'-20' 4 SPF 7873'-77' 4 SPF BRK PERF @ 2800# INJ RT 50 BPM INJ PSI 4300# ISIP 2373# FG .74 FRAC W/ 64900# 30/50 SAND + 1767 BBL SLICKWATER MP 4489# MR 51 BPM AP 4052# AR 49.4 BPM ISIP 3049# FG .83 NPI 676#

STAGE #3 RIH SET 8K CBP @ 7731' PERF @ 7606'-11' 4 SPF 7680'-83' 4 SPF 7698'-7701' 4 SPF BRK PERF @ 3940 # INJ RT 50 BPM INJ PSI 4296# ISIP 2350# FG .75 FRAC W/ 54909# 30/50 SAND + 1519 BBL SLICKWATER MP 4415# MR 51.8 AP 4056# AR 51.2 ISIP 3235# FG .83 NPI 885#

STAGE#4 RIH SET 8K CBP @7007' PERF @ 6950'-54' 4 SPF 6971'-77' 4 SPF BRK PERF @ 3490# INJ RT 35 BPM INJ PSI 2700# ISIP 1704# FG .68 FRAC W/ 46137# 30/50 SAND + 1292 BBL SLICKWATER MP 3670# MR 35.8 BPM AP 2585# AR 34.8 BPM ISIP 2000# FG .73 NPI 296#

STAGE #5 RIH SET 8K CBP @ 5205' PERF @ 5061'-64' 4 SPF 5168'-75' 4 SPF BRK PERF @ 1950# INJ RT 50 BPM INJ PSI 3000# ISIP 914# FG .62 FRAC W/ 50975# 30/50 SAND + 1392 BBL SLICK WATER MP 3166# MR 53.6 AP 2741# AR 52.7 BPM ISIP 1666# FG .77 NPI 752# RIH SET 8K CBP 4960' RIG DOWN SDFN SAND CONTROL PUMPED IN ALL STAGES + SCALE INHIBITOR.

07/27/07

DRILL CBP

Days On Completion: 5

Remarks: MAKE UP POBS & BIT RIH TAG @ 4961' RIG UP DRILG EQUIP DRILL OUT CBP @ 4961' 600# KICK RIH TAG @5175' 30' SAND ON CBP DRILL OUT SAND & CBP @ 5205' 200# KICK RIH TAG @ 6977' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7007' 400# KICK RIH TAG @ 7700' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7731' 200# KICK RIH TAG @ 7877' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7907' 300# KICK RIH TAG @8250' CLEAN OUT TO 8275' PULL & LAY DOWN 37 JTS LAND ON WELL W/ 230 JTS J-55 TBG EOT 7104.40' NIPPLE DOWN BOP NIPPLE UP TREE PUMP OFF BIT TRUN WELL TO FLOWBACK CREW SDFWE.

TBG DETAL

KB	17.00
HANGER	.83
230 JTS 2, 3/8 J-55 TBG	7084.37
F-NIPPLE F-EDDIE	2.20
EOT	7104.40
43 JTS BACK TO YARD	

FLOWBACK REPORT: CP 1700#, TP 1500#, CK 20/64", 50 BWPH, LOAD REC'D 876 BBLS, LLTR 4318 BBLS

07/28/07 **FLOWBACK REPORT:** CP 2350#, TP 1400#, CK 20/64", 40 BWPH, LOAD REC'D 1941 BBLS,
LLTR 3253 BBLS

07/29/07 **FLOWBACK REPORT:** CP 2150#, TP 1450#, CK 20/64", 25 BWPH, LOAD REC'D 2586 BBLS,
LLTR 2608 BBLS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No.
UTU-01198-B

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

6. If Indian, Allottee or Tribe Name

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

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

3. Address
1368 SOUTH 1200 EAST VERNAL, UTAH 84078

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

8. Lease Name and Well No.
NBU 1022-26E

4. Location of Well (Report locations clearly and in accordance with Federal requirements)*
At surface SW/NW 2166'FNL, 634'FWL

9. API Well No.
4304736708

At top prod. interval reported below
At total depth

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area
SEC. 26, T10S, R22E

12. County or Parish
UINTAH

13. State
UTAH

14. Date Spudded
05/31/07

15. Date T.D. Reached
06/25/07

16. Date Completed
 D & A Ready to Prod.
07/30/07

17. Elevations (DF, RKB, RT, GL)*
5468'GL

18. Total Depth: MD 8315'
TVD

19. Plug Back T.D.: MD 8275'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR, SD/DSV/ARRAY COMP TRUE RES

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14"	36.7#		40'		28 SX			
12 1/4"	9 5/8"	32.3#		1830'		695 SX			
7 7/8"	4 1/2"	11.6#		8315'		1310 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2 3/8"	7104'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5061'	5175'	5061'-5175'	0.34	30	OPEN
B) MESAVERDE	6950'	8252'	6950'-8252'	0.36	127	OPEN
C)						
D)						

26. Perforation Record

Depth Interval	Amount and type of Material
5061'-5175'	PMP 1392 BBLs SLICK HEO & 50,975# 30/50 SD
6950'-8252'	PMP 5152 BBLs SLICK H2O & 177,746# 30/50 SD

RECEIVED
SEP 04 2007

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

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
07/30/07	08/07/07	24	→	0	1,811	241			DIV. OF OIL, GAS & MINING FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 1214#	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
18/64	SI	1505#	→	0	1811	241		PRODUCING GAS WELL	

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
07/30/07	08/07/07	24	→	0	1811	241			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 1214#	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
18/64	SI	1505#	→	0	1811	241		PRODUCING GAS WELL	

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

28b. Production - Interval C

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

28c. Production - Interval D

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

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

SOLD

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH MESAVERDE	3979' 6220'	6220'			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

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

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

Name (please print) SHEILA UPCHEGO Title SENIOR LAND ADMIN SPECIALIST
 Signature  Date 8/21/2007

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