

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

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

1a. Type of Work:  DRILL  REENTER

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

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

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

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

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface SESW 661' FSL 1983' FWL 632711X 39.957964  
At proposed prod. Zone 44240374 - 109.446304

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

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
661'

16. No. of Acres in lease  
320

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  
8800'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
5166.9' 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.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature *Debra Domenici* Name (Printed/Typed) **DEBRA DOMENICI** Date **9/19/2005**

Title **ASSOCIATE ENVIRONMENTAL ANALYST**

Approved by Signature *Bradley G. Hill* Name (Printed/Typed) **BRADLEY G. HILL** Date **09-27-05**

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

SEP 26 2005

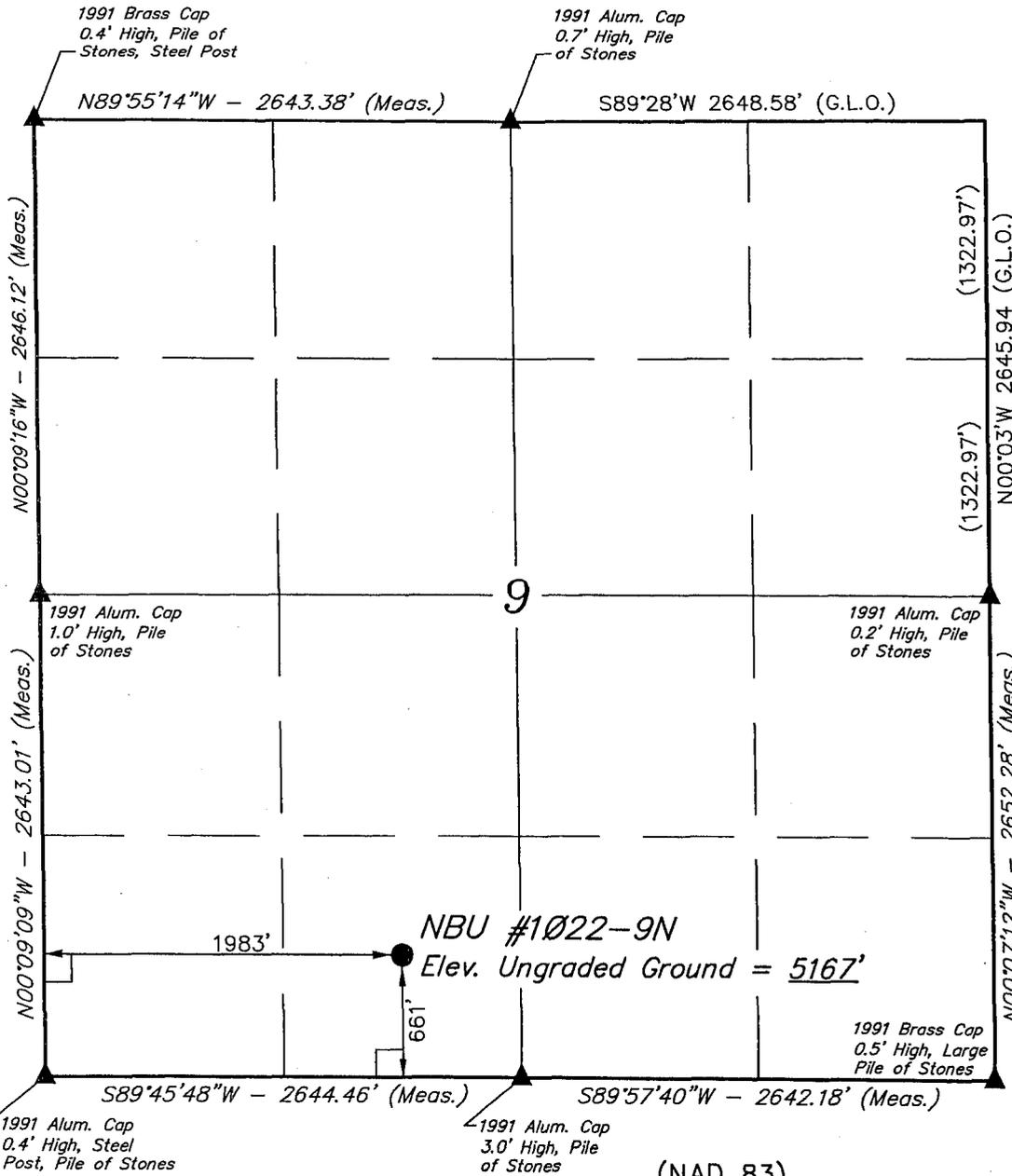
DIV. OF OIL, GAS & MINING

Federal Approval of this  
Action is Necessary

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

# WESTPORT OIL AND GAS COMPANY, L.P.

Well location, NBU #1022-9N, located as shown in the SE 1/4 SW 1/4 of Section 9, T10S, R22E, S.L.B.&M. Uintah County, Utah.

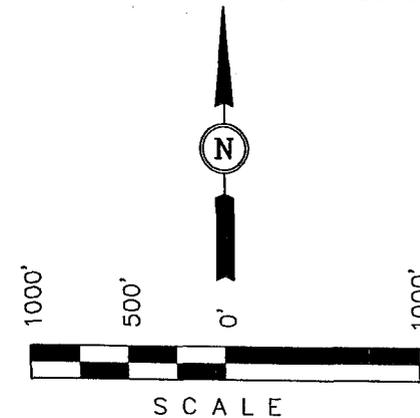


## BASIS OF ELEVATION

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

## BASIS OF BEARINGS

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



## CERTIFICATE

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

*Robert H. Gray*

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

## LEGEND:

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

(NAD 83)  
LATITUDE = 39°57'29.02" (39.958061)  
LONGITUDE = 109°26'49.68" (109.447133)

(NAD 27)  
LATITUDE = 39°57'29.14" (39.958094)  
LONGITUDE = 109°26'47.22" (109.446450)

## UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 07-18-05	DATE DRAWN: 07-20-05
PARTY D.K. L.K. L.K.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE WESTPORT OIL AND GAS COMPANY, L.P.	

NBU 1022-9N  
SESW SEC 9-T10S-R22E  
UINTAH COUNTY, UTAH  
UTU-01196-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	1060'
Wasatch	4275'
Mesaverde	6675'
TD	8800'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1060'
Gas	Wasatch	4275'
Gas	Mesaverde	6675'
Water	N/A	
Other Minerals	N/A	

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

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

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

*Please see the Natural Buttes Unit SOP.*

5. **Drilling Fluids Program:**

*Please see the Natural Buttes Unit SOP.*

6. **Evaluation Program:**

*Please see the Natural Buttes Unit SOP.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8800' TD, approximately equals 3520 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1584 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

*Please see Natural Buttes Unit SOP.*

10. **Other Information:**

*Please see Natural Buttes Unit SOP.*





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

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	OPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0 to 2000	32.30	H-40	STC	2270	1370	254000
						0.68*****	1.58	4.49
PRODUCTION	4-1/2"	0 to 8800	11.60	M-80 or I-80	LTC	7780	6350	201000
						2.34	1.21	2.26

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)  
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 11.5 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 3326 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
<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>							
SURFACE Option 2	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	3,770'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	5,030'	50/50 Poz/G + 10% salt + 2% gel	1410	60%	14.30	1.31

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

**FLOAT EQUIPMENT & CENTRALIZERS**

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

**ADDITIONAL INFORMATION**

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

DRILLING ENGINEER: \_\_\_\_\_  
 Brad Laney

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

DRILLING SUPERINTENDENT: \_\_\_\_\_  
 Randy Bayne

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



NBU 1022-9N  
SESW SEC 9-T10S-R22E  
UINTAH COUNTY, UTAH  
UTU-01196-B

ONSHORE ORDER NO. 1

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

An onsite inspection was conducted for the NBU 1022-9N on 8/23/05, for the subject well.

1. **Existing Roads:**

Refer to the attached location directions.

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

2. **Planned Access Roads:**

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

Approximately 400' of new access road is proposed. Refer to Topo Map B.

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

Please refer to Topo Map C.

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

*Please see the Natural Buttes Unit SOP.*

Approximately 147' of pipeline is proposed. Refer to Topo Map D for the location of the proposed pipelines.

**Variances to Best Management Practices (BMPs) Requested:**

Approximately 147' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

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 Brown (2.5Y 6/2), a non-reflective earthtone.

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

*Please see the Natural Buttes SOP.*

6. **Source of Construction Materials**

*Please see the Natural Buttes SOP.*

7. **Methods of Handling Waste Materials**

*Please see the Natural Buttes SOP.*

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

8. **Ancillary Facilities**

*Please see the Natural Buttes SOP.*

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

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

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

As per previous onsite discussion, a 20 mil reserve pit liner with felt will be used.

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

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

*Please see the Natural Buttes SOP.*

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Crested Wheat Grass	12 lbs.
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Operator shall call the BLM for the seed mixture when final reclamation occurs.

**11. Surface Ownership:**

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

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

**12. Other Information:**

A Class III archaeological survey and a paleontological survey have been performed and will be filed when received.

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

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

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

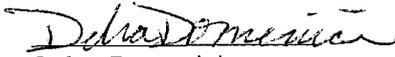
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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

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

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

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

  
Debra Domenici

9/19/2005  
Date

WESTPORT OIL AND GAS COMPANY, L.P.  
NBU #1022-9N  
SECTION 9, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 150' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 400' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.3 MILES.

# WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-9N  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 9, T10S, R22E, S.L.B.&M.

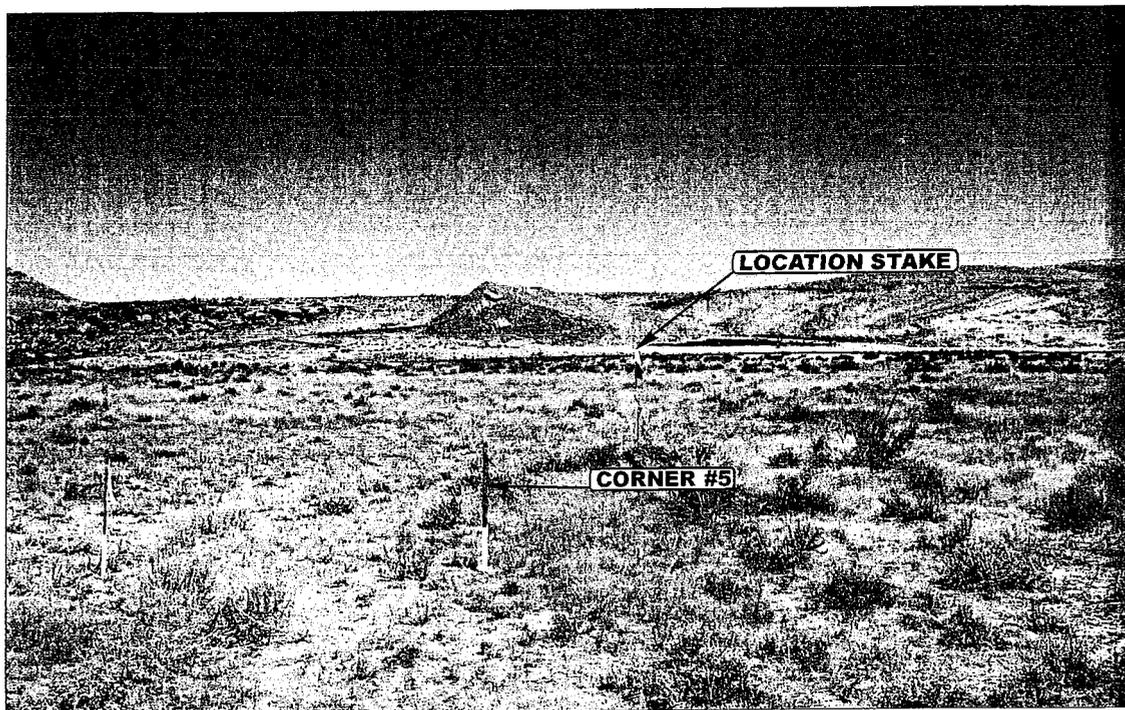


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

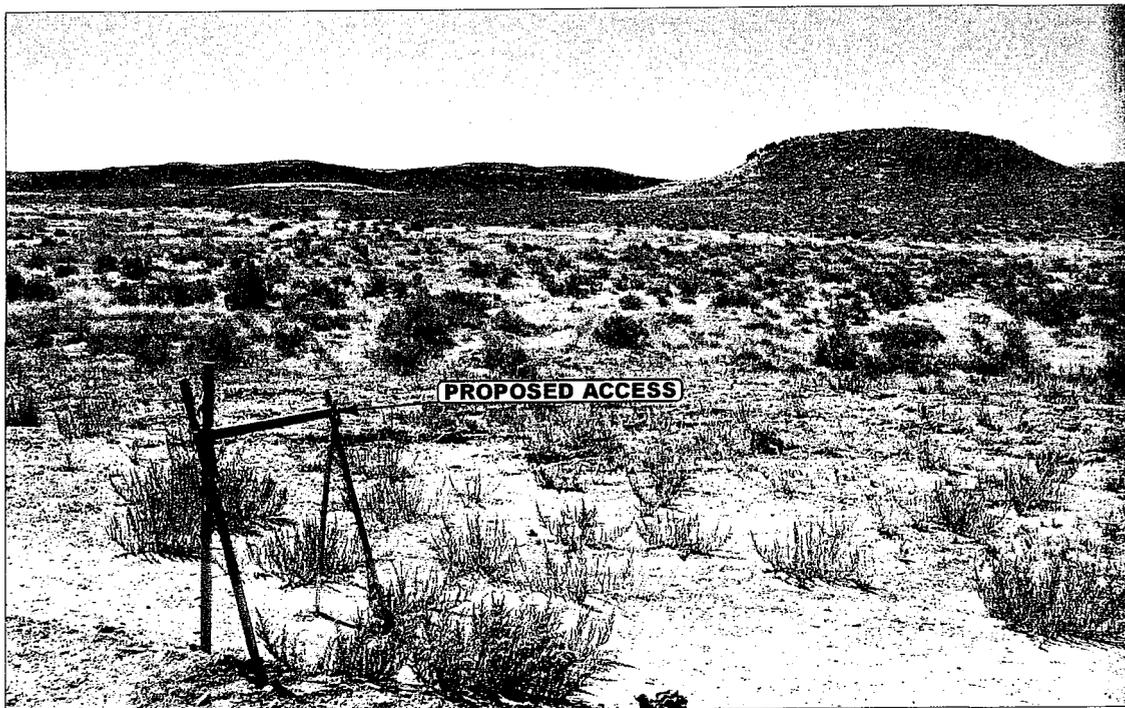


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

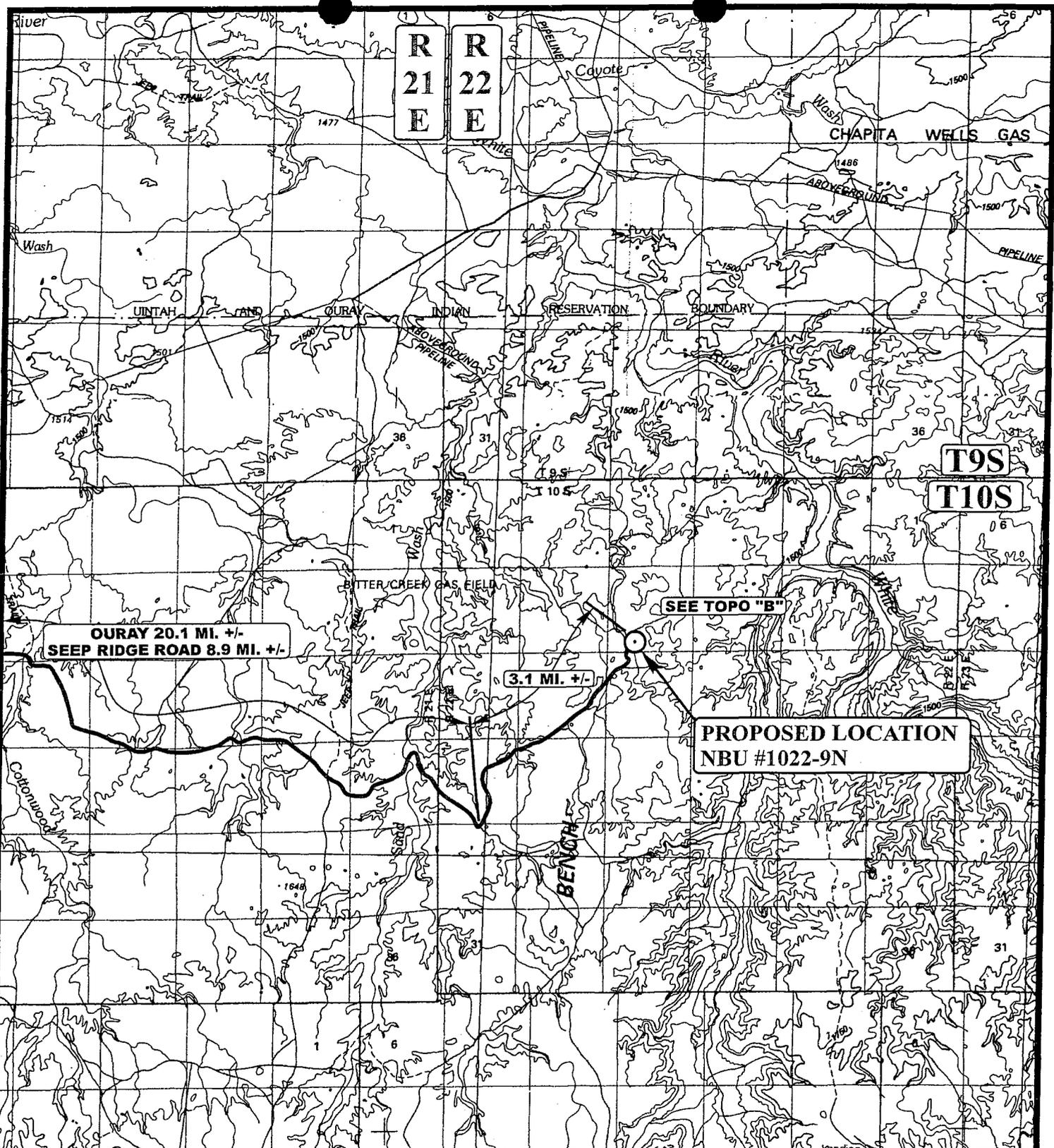
CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS			07	22	05	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: C.P.	REVISED: 00-00-00				



**LEGEND:**

⊙ PROPOSED LOCATION



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

NBU #1022-9N  
SECTION 9, T10S, R22E, S.L.B.&M.  
661' FSL 1983' FWL



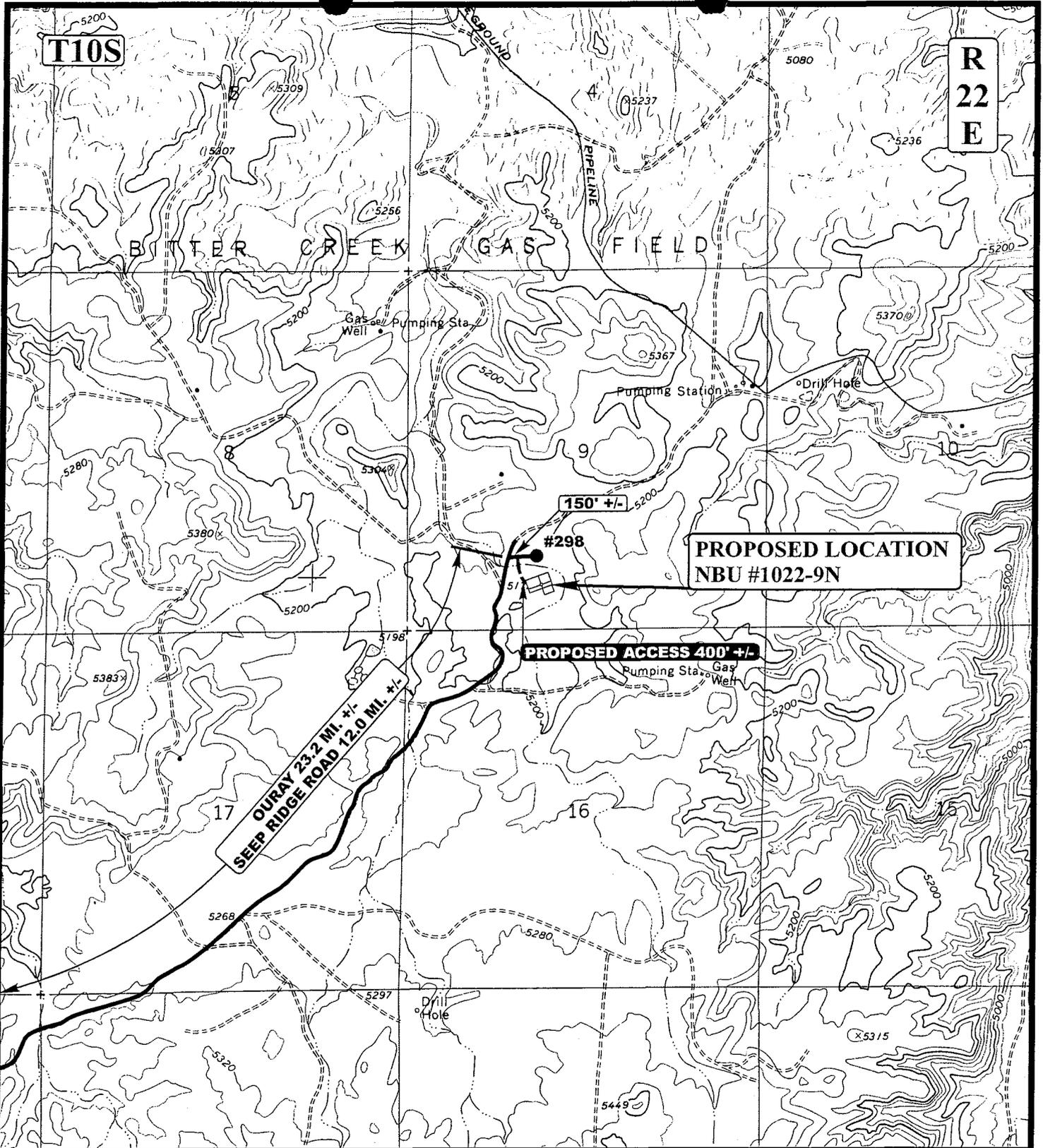
Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

07	22	05
MONTH	DAY	YEAR



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



**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

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

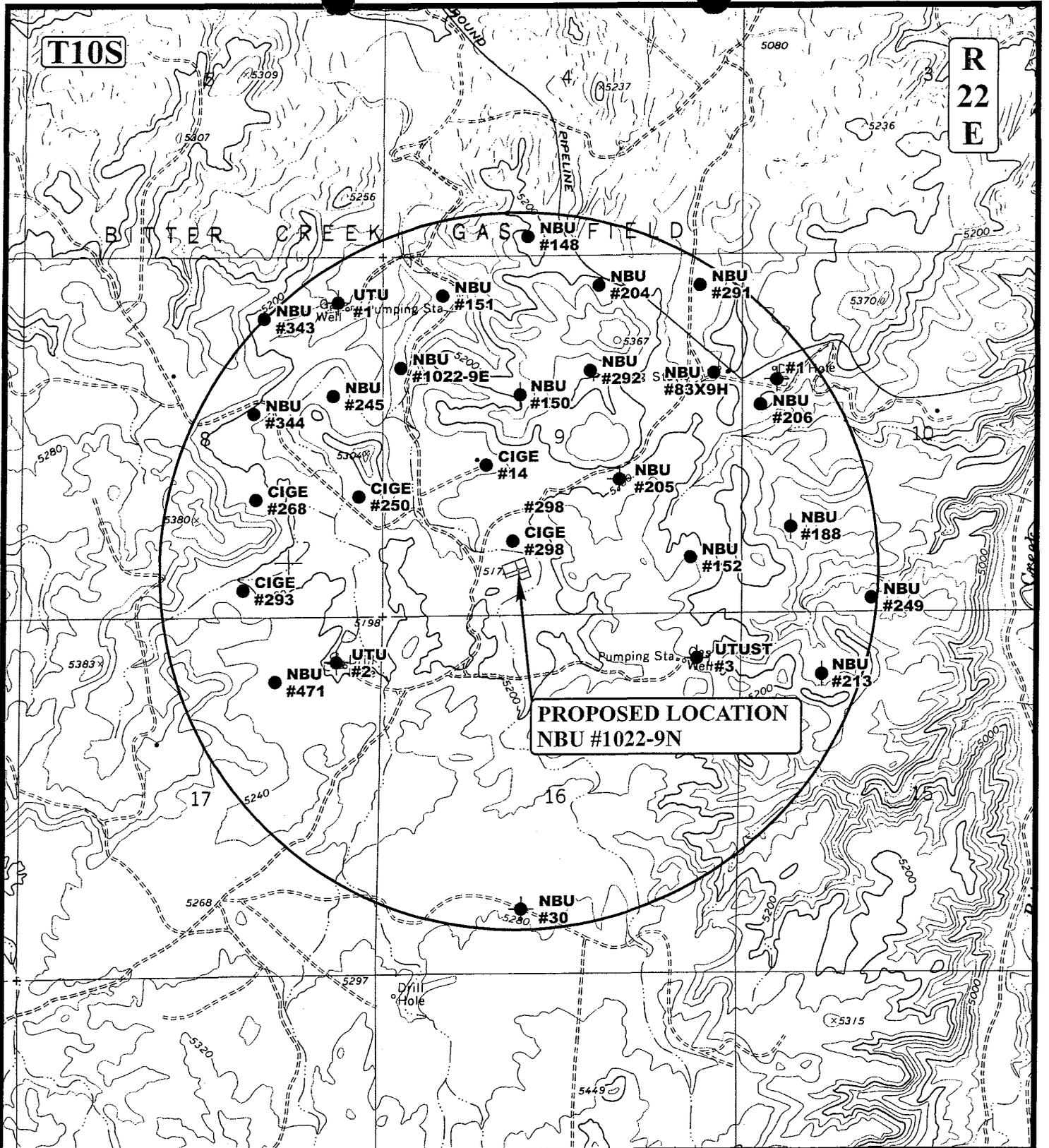


**WESTPORT OIL AND GAS COMPANY, L.P.**

NBU #1022-9N  
 SECTION 9, T10S, R22E, S.L.B.&M.  
 661' FSL 1983' FWL

TOPOGRAPHIC	07	22	05
MAP	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: C.P.		REVISED: 00-00-00

**B**  
TOPO



**LEGEND:**

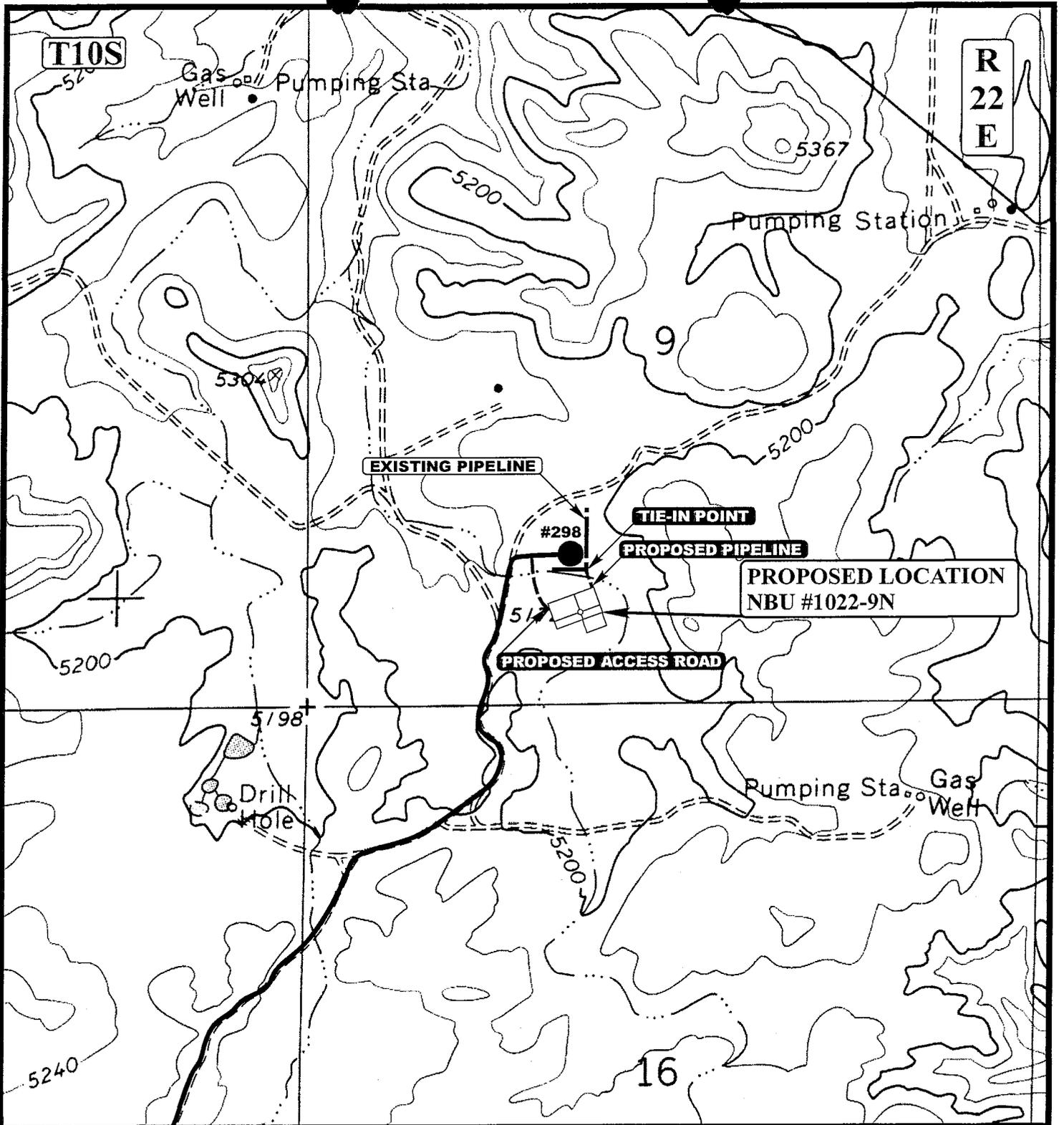
- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

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

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

**NBU #1022-9N**  
 SECTION 9, T10S, R22E, S.L.B.&M.  
 661' FSL 1983' FWL

**TOPOGRAPHIC MAP** 07 22 05  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 147' +/-

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

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

NBU #1022-9N

SECTION 9, T10S, R22E, S.L.B.&M.

661' FSL 1983' FWL



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

TOPOGRAPHIC MAP  
 07 22 05  
 MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #1

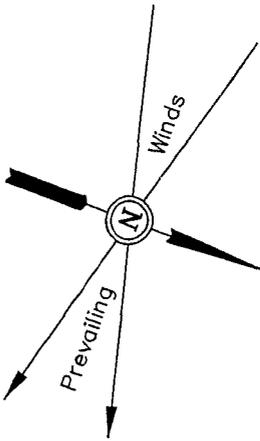
LOCATION LAYOUT FOR

NBU #1022-9N

SECTION 9, T10S, R22E, S.L.B.&M.

661' FSL 1983' FWL

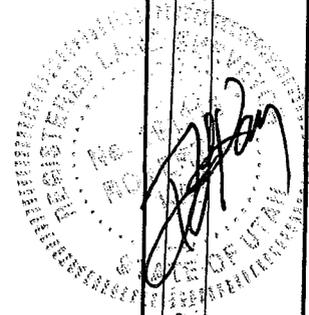
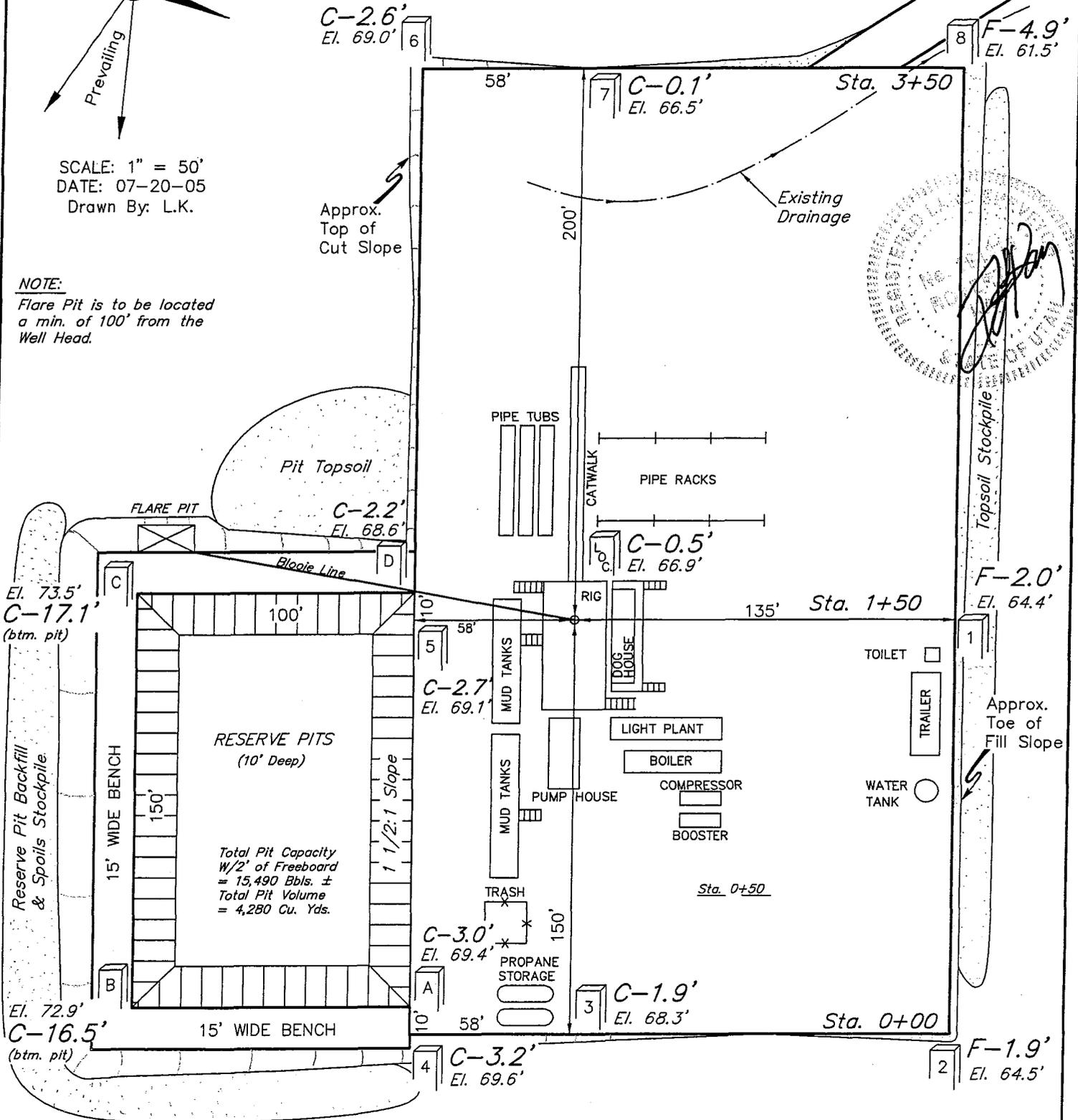
Proposed Access Road



SCALE: 1" = 50'  
DATE: 07-20-05  
Drawn By: L.K.

NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5166.9'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5166.4'

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

WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

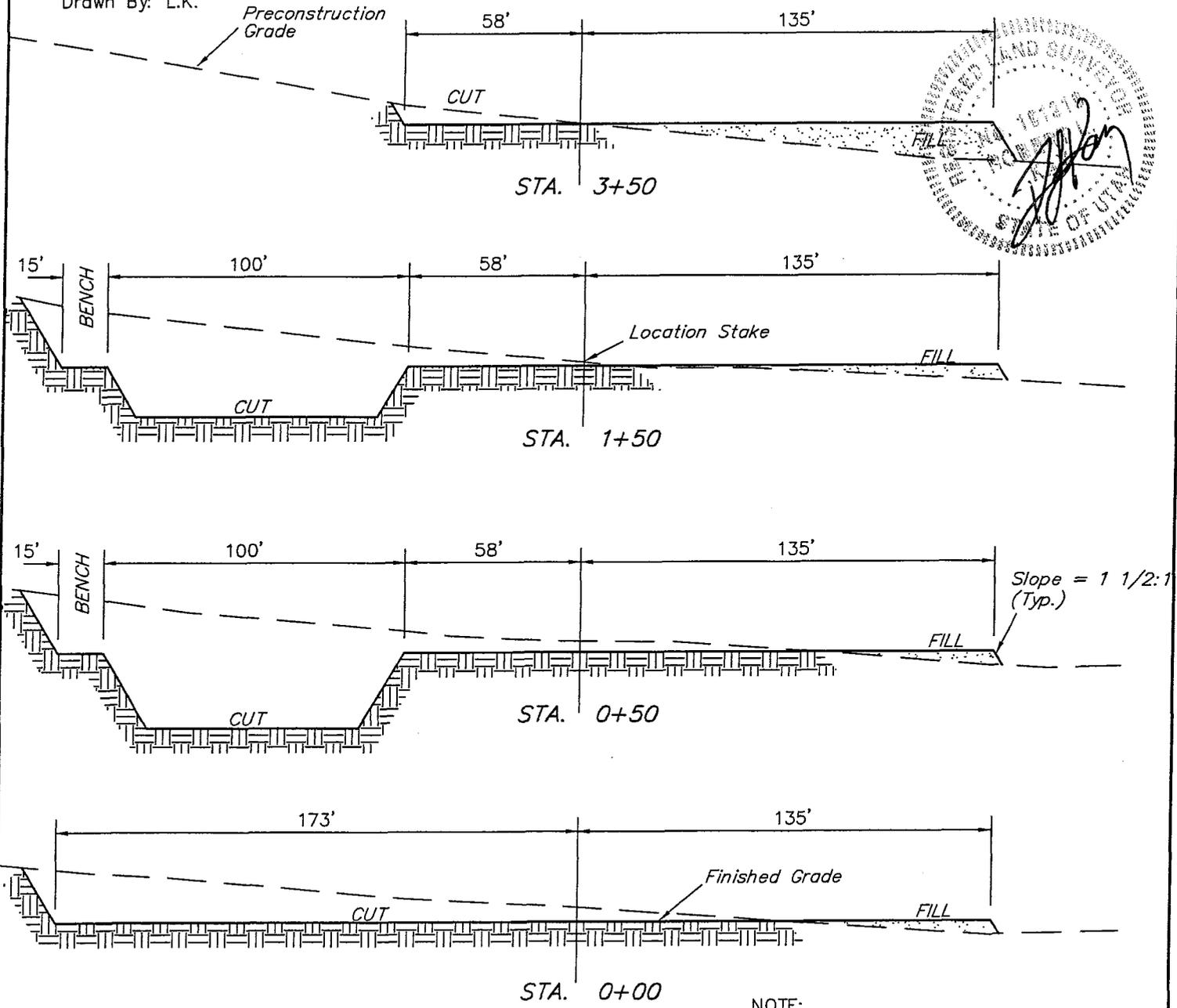
NBU #1022-9N

SECTION 9, T10S, R22E, S.L.B.&M.

661' FSL 1983' FWL

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

DATE: 07-20-05  
Drawn By: L.K.



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

\* NOTE:  
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,820 Cu. Yds.
Remaining Location	= 9,160 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 10,980 CU.YDS.</b>
<b>FILL</b>	<b>= 3,610 CU.YDS.</b>

EXCESS MATERIAL	= 7,370 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,960 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 3,410 Cu. Yds.

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/26/2005

API NO. ASSIGNED: 43-047-37167
--------------------------------

WELL NAME: NBU 1022-9N  
 OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

SESW 09 100S 220E  
 SURFACE: 0661 FSL 1983 FWL  
 BOTTOM: 0661 FSL 1983 FWL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

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

LATITUDE: 39.95796  
 LONGITUDE: -109.4463

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)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit NATURAL BUTTES
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' fr ubdry & uncomm Trial
- R649-3-11. Directional Drill

COMMENTS:

Sep. Separate File.

STIPULATIONS:

1- Federal Approval  
2- Oil Shale



# 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)

September 27, 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
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(Proposed PZ Wasatch-MesaVerde)

43-047-37166	NBU 1022-9J Sec 09 T10S R22E 1941 FSL 1739 FEL	
43-047-37167	NBU 1022-9N Sec 09 T10S R22E 0661 FSL 1983 FWL	
43-047-37168	NBU 1022-10J Sec 10 T10S R22E 2136 FSL 2620 FEL	
43-047-37169	NBU 1022-10L Sec 10 T10S R22E 2273 FSL 0580 FWL	
43-047-37170	NBU 1022-10M Sec 10 T10S R22E 0364 FSL 0358 FWL	
43-047-37171	NBU 1022-21M Sec 21 T10S R22E 0727 FSL 0560 FWL	
43-047-37172	NBU 1022-21L Sec 21 T10S R22E 1675 FSL 0420 FWL	
43-047-37173	NBU 1022-21P Sec 21 T10S R22E 0579 FSL 0852 FEL	
43-047-37174	NBU 1022-210 Sec 21 T10S R22E 0462 FSL 2059 FEL	
43-047-37175	NBU 1022-21J Sec 21 T10S R22E 2018 FSL 2162 FEL	
43-047-37176	NBU 1022-22E Sec 22 T10S R22E 2247 FNL 0228 FWL	
43-047-37177	NBU 1022-22C Sec 22 T10S R22E 0467 FNL 2018 FWL	
43-047-37165	NBU 1022-27C Sec 27 T10S R22E 0922 FNL 2341 FWL	
43-047-37178	NBU 1022-350 Sec 35 T10S R22E 0610 FSL 2139 FEL	
43-047-37179	NBU 1022-35N Sec 35 T10S R22E 0703 FSL 1995 FWL	
43-047-37180	NBU 1022-35J Sec 35 T10S R22E 1971 FSL 1844 FEL	

Page 2

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:9-27-05



**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*

September 27, 2005

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

Re: Natural Buttes Unit 1022-9N Well, 661' FSL, 1983' FWL, SE SW, Sec. 9,  
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 43-047-37167.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Westport Oil & Gas Company  
Well Name & Number Natural Buttes Unit 1022-9N  
API Number: 43-047-37167  
Lease: UTU-01196-B

Location: SE SW                      Sec. 9                      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

SEP 20 2005

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-01196-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 KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES UNIT	
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078		8. Lease Name and Well No. NBU 1022-9N	
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43,047,37167	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW 661' FSL 1983' FWL At proposed prod. Zone		10. Field and Pool, or Exploratory NATURAL BUTTES	
14. Distance in miles and direction from nearest town or post office* 23.2 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk, and Survey or Area SEC 9-T10S-R22E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 661'	16. No. of Acres in lease 320	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 8800'	20. BLM/BIA Bond No. on file CO-1203	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5166.9' 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 <i>Sheila Upchego</i>	Name (Printed/Typed) SHEILA UPCHEGO	Date 4/10/2006
Title REGULATORY ANALYST		
Approved by (Signature) <i>Peter K Sokolowski</i>	Name (Printed/Typed) PETER K SOKOLOWSKI	Date 4/14/2006
Title Assistant Field Manager LAND & MINING	Office VERNAL FIELD OFFICE	

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 ATTACHED**

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)

**UDOGM**

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

NOTICE OF APPROVAL RECEIVED

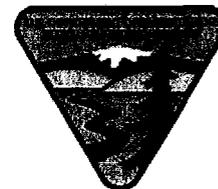
APR 21 2006

DIV. OF OIL, GAS & MINING



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:** Kerr-McGee Onshore O&G LP      **Location:** SESW, Sec 9, T10S, R22E  
**Well No:** NBU 1022-9N      **Lease No:** UTU-01196-B  
**API No:** 43-047-37167      **Agreement:** Natural Buttes WS MV

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Petroleum Engineer:	Roger Hall	Office: 435-781-4470	
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
Natural Resource Specialist:	Nathaniel West	Office: 435-781-4447	
Natural Resource Specialist:	Chris Carusona	Office: 435-781-4441	
Natural Resource Specialist:	Scott Ackerman	Office: 435-781-4437	
<b>After Hours Contact Number:</b>	<b>435-781-4513</b>	<b>Fax:</b> 435-781-4410	

**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. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

- Location Construction (Notify Holly Villa) - Forty-Eight (48) hours prior to construction of location and access roads.
- Location Completion (Notify Holly Villa) - Prior to moving on the drilling rig.
- Spud Notice (Notify Petroleum Engineer) - Twenty-Four (24) hours prior to spudding the well.
- Casing String & Cementing (Notify Jamie Sparger) - Twenty-Four (24) hours prior to running casing and cementing all casing strings.
- BOP & Related Equipment Tests (Notify Jamie Sparger) - Twenty-Four (24) hours prior to initiating pressure tests.
- First Production Notice (Notify Petroleum Engineer) - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

1. If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.
2. The interim seed mix for this location shall be:

Crested wheatgrass	<i>Agropyron cristatum</i>	4 lbs. /acre
Indian Ricegrass	<i>Stipa hymenoides</i>	4 lbs. /acre
Needle and Threadgrass	<i>Stipa comata</i>	4 lbs. /acre

All pounds are in pure live seed.  
Reseeding may be required if first seeding is not successful.
3. 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.
4. 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.

### ***DOWNHOLE CONDITIONS OF APPROVAL***

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

#### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

1. The operator must report encounters of gilsonite to Peter Sokolosky of the Vernal Field Office in writing within 5 working days of each encounter; each report shall include the date and depth (from KB or GL) of encounter and the vertical footage of the encounter.
2. A surface casing shoe integrity test shall be performed.

#### **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) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

All BOPE components shall 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 & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall 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 & 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 shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.

6. No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall 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 shall be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports shall 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 shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall 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, shall require the filing of a suitable plan pursuant to Onshore Oil & 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 shall 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 shall 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) shall 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, shall 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) shall be submitted only when requested by the BLM, Vernal Field Office.

A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

**Please submit an electronic copy of all other logs run on this well in LAS format to [UT\\_VN\\_Welllogs@BLM.gov](mailto:UT_VN_Welllogs@BLM.gov). This submission will supersede the requirement for submittal of paper logs to the BLM.**

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall 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 shall 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 shall 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 & 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 & 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 & 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 shall 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, shall 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 & 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 shall 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.

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

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

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

Operator Name Change/Merger

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

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

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

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area

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

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

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

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

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

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

5. Lease Serial No.

**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

**MULTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

**UINTAH COUNTY, UTAH**

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

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

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

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) <b>BRAD LANEY</b>	Title <b>ENGINEERING SPECIALIST</b>
Signature	Date <b>May 9, 2006</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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



## 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**

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

5. Lease Serial No.  
**UTU-01196-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 1022-9N**

9. API Well No.  
**4304737167**

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 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)  
**SESW SEC 9-T10S-R22E  
661' FSL 1983' 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 <b>APD EXTENSION</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>DOGM</b>
	<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.

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 THE DIVISION OF OIL, GAS AND MINING **Approved by the**, 2005.

**Utah Division of  
Oil, Gas and Mining**

Date: 11-02-06 **11:30 AM**  
By: [Signature]

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

Name (Printed/Typed) <b>RAMEY HOOPES</b>	Title <b>REGULATORY CLERK</b>
Signature <u>Ramey Hoopes</u>	Date <b>October 20, 2006</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

**RECEIVED**

**NOV 01 2006**

**DIV. OF OIL, GAS & MINING**

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

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

**API:** 4304737167  
**Well Name:** NBU 1022-9N  
**Location:** SESW SEC 9-T10S-R22E  
**Company Permit Issued to:** KERR MCGEE OIL AND GAS ONSHORE LP  
**Date Original Permit Issued:** 9/27/2005

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 Hoopes  
Signature

10/20/2006  
Date

Title: REGULATORY CLERK

Representing: KERR MCGEE OIL AND GAS ONSHORE L

**RECEIVED**  
**NOV 01 2006**  
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

**Division of Oil, Gas and Mining**

JOHN R. BAZA  
*Division Director*

February 15, 2008

Sheila Upchego  
Kerr McGee O&G Onshore LP  
1368 South 1200 East  
Vernal UT 84078

Re: APD Rescinded – NBU 1022-9N, Sec. 9, T. 10S, R. 22E  
Uintah County, Utah API No. 43-047-37167

Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 27, 2005. On November 2, 2006, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 15, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal





# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410



IN REPLY REFER TO:

3160

UT08300

March 11, 2008

43-042-37147

Sheila Upchego  
Kerr McGee Oil and Gas Onshore LP  
1368 South 1200 East  
Vernal, UT 84078

Re: Notice of Expiration  
Well No. NBU 1022-9N  
SESW, Sec. 9, T10S, R22E  
Uintah County, Utah  
Lease No. UTU-01196-B  
Natural Buttes Unit

Dear Ms. Upchego:

The Application for Permit to Drill (APD) the above-referenced well was approved on April 14, 2006. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

*Cindy Severson*

Cindy Severson  
Land Law Examiner

cc: UDOGM – Diana Mason

RECEIVED

MAR 18 2008

DIV. OF OIL, GAS & MINING