

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: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. UTU-0469 |
| 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 |
| 3A. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078 | | 8. Lease Name and Well No. NBU 1022-20J |
| 3b. Phone No. (include area code) (435) 781-7060 | | 9. API Well No. 43-047-37355 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSE 2484' FSL 1930' FEL 631562 X 39.933894 At proposed prod. Zone 4421345-1 -109.460289 | | 10. Field and Pool, or Exploratory NATURAL BUTTES |
| 14. Distance in miles and direction from nearest town or post office* 22.8 MILES SOUTHEAST OF OURAY, UTAH | | 11. Sec., T., R., M., or Blk, and Survey or Area SEC 20-T10S-R22E |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1930' | 16. No. of Acres in lease 640 | 12. County or Parish UINTAH |
| 17. Spacing Unit dedicated to this well 40 | 13. State UT | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C | 19. Proposed Depth 8625' | 20. BLM/BIA Bond No. on file CO-1203 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5366.1' 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 10/28/2005 |
| Title ASSOCIATE ENVIRONMENTAL ANALYST | | |
| Approved by (Signature) | Name (Printed/Typed) BRADLEY G. HILL | Date 11-03-05 |
| 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)

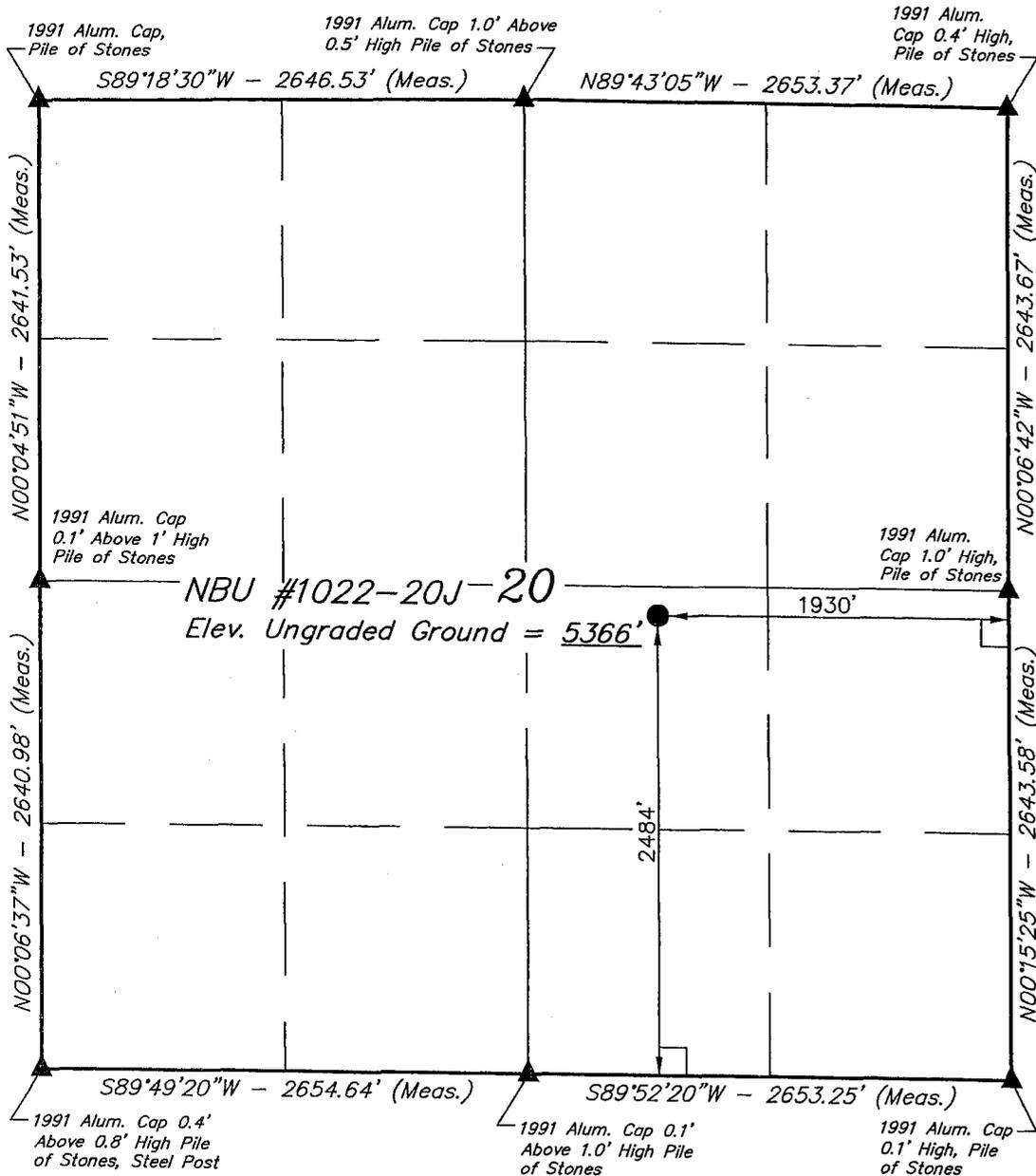
Federal Approval of this
Action is Necessary

RECEIVED

NOV 02 2005

DIV. OF OIL, GAS & MINING

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



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

(NAD 83)
 LATITUDE = 39°56'02.42" (39.934006)
 LONGITUDE = 109°27'39.67" (109.461019)

(NAD 27)
 LATITUDE = 39°56'02.54" (39.934039)
 LONGITUDE = 109°27'37.21" (109.460336)

WESTPORT OIL AND GAS COMPANY, L.P.

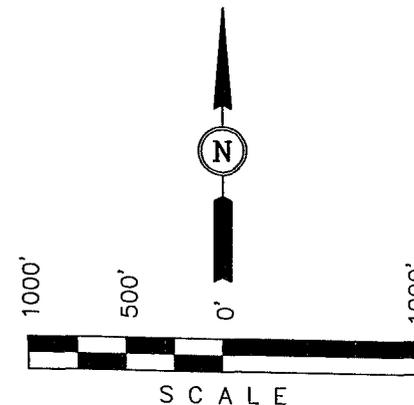
Well location, NBU #1022-20J, located as shown in the NW 1/4 SE 1/4 of Section 20, T10S, R22E, S.L.B.&M. Uintah County, Utah.

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.

John R. [Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

| | | |
|--|--|-------------------------|
| UINTAH ENGINEERING & LAND SURVEYING | | |
| 85 SOUTH 200 EAST - VERNAL, UTAH 84078 | | |
| (435) 789-1017 | | |
| SCALE 1" = 1000' | DATE SURVEYED: 08-12-05 | DATE DRAWN: 09-01-05 |
| PARTY D.K. L.K. L.K. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE WESTPORT OIL AND GAS COMPANY, L.P. | |

NBU 1022-20J
NWSE SEC 20-T10S-R22E
UINTAH COUNTY, UTAH
UTU-0469

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta | 0- Surface |
| Green River | 1075' |
| Wasatch | 4225' |
| Mesaverde | 6700' |
| TD | 8625' |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| | Green River | 1075' |
| Gas | Wasatch | 4225' |
| Gas | Mesaverde | 6700' |
| 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 8625' TD, approximately equals 5347.5 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3450 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

Please see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.



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

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|------------|--------|-----------|-------|--------------|-------|-------------------|--------------|----------------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | | | |
| SURFACE | 9-5/8" | 0 to 1900 | 32.30 | H-40 | STC | 2270 0.76***** | 1370 1.66 | 254000 4.73 |
| PRODUCTION | 4-1/2" | 0 to 8625 | 11.60 | M-80 or I-80 | LTC | 7780 2.60 | 6350 1.30 | 201000 2.30 |

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 = 10.9 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 2991 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 | LEAD | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 215 | 60% | 15.60 | 1.18 |
| Option 1 | TOP OUT CMT (1) | 200 | 20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele | 50 | | 15.60 | 1.18 |
| | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| SURFACE | | | NOTE: If well will circulate water to surface, option 2 will be utilized | | | | |
| 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 | 3,725' | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 390 | 60% | 11.00 | 3.38 |
| | TAIL | 4,900' | 50/50 Poz/G + 10% salt + 2% gel | 1370 | 60% | 14.30 | 1.31 |

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder &

tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper

& lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE:

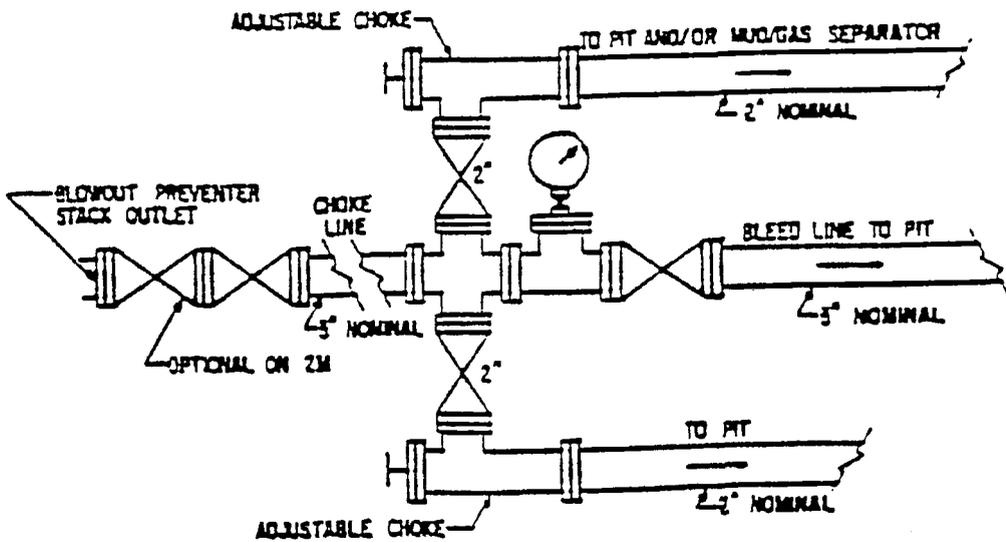
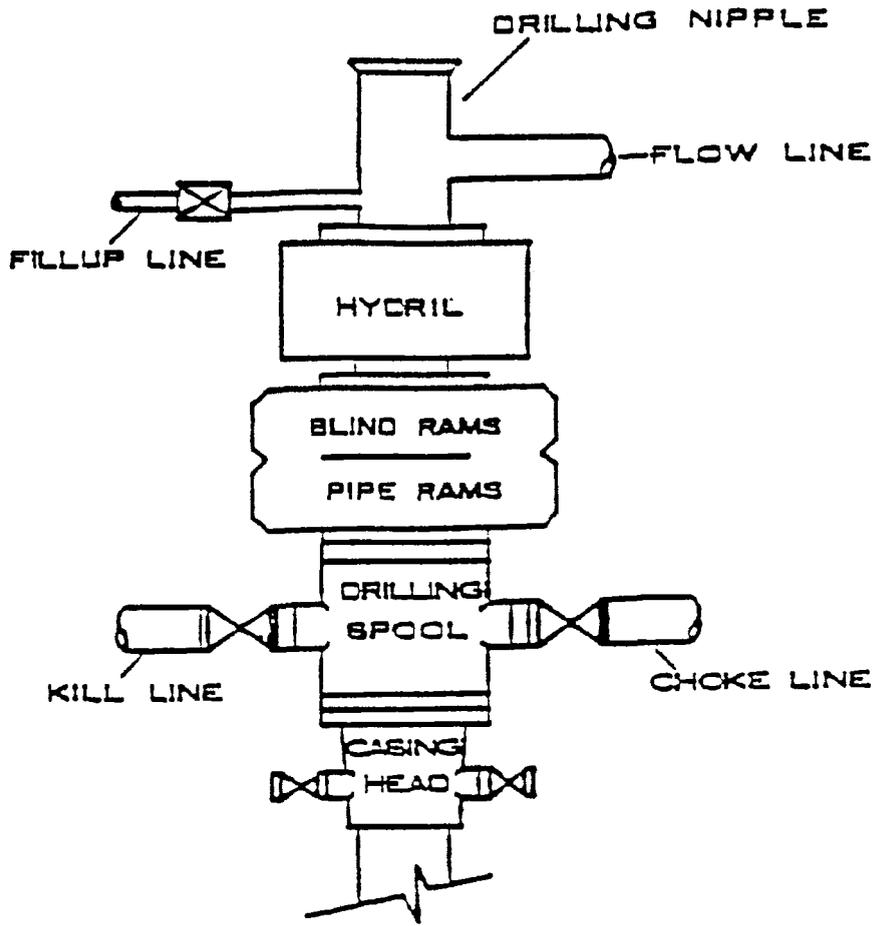
DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

3,000 PSI

BOP STACK



NBU 1022-20J
NWSE SEC 20-T10S-R22E
UINTAH COUNTY, UTAH
UTU-0469

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the NBU 1022-20J on 10/25/05, 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 280' 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.

Refer to Topo Map D for the location of the proposed pipelines.

Variances to Best Management Practices (BMPs) Requested:

Approximately 300' 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 | 6 lbs. |
| Needle and Thread Grass | 6 lbs. |

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. Stipulations:**Wildlife Stipulations:****Antelope Stipulations:**

No construction from May 15 through June 20.

13. 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.

14. 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

10/28/2005

Date

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-20J

SECTION 20, 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 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 280' TO THE PROPOSED LOCATION.

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

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-20J

LOCATED IN UINTAH COUNTY, UTAH
SECTION 20, T10S, R22E, S.L.B.&M.

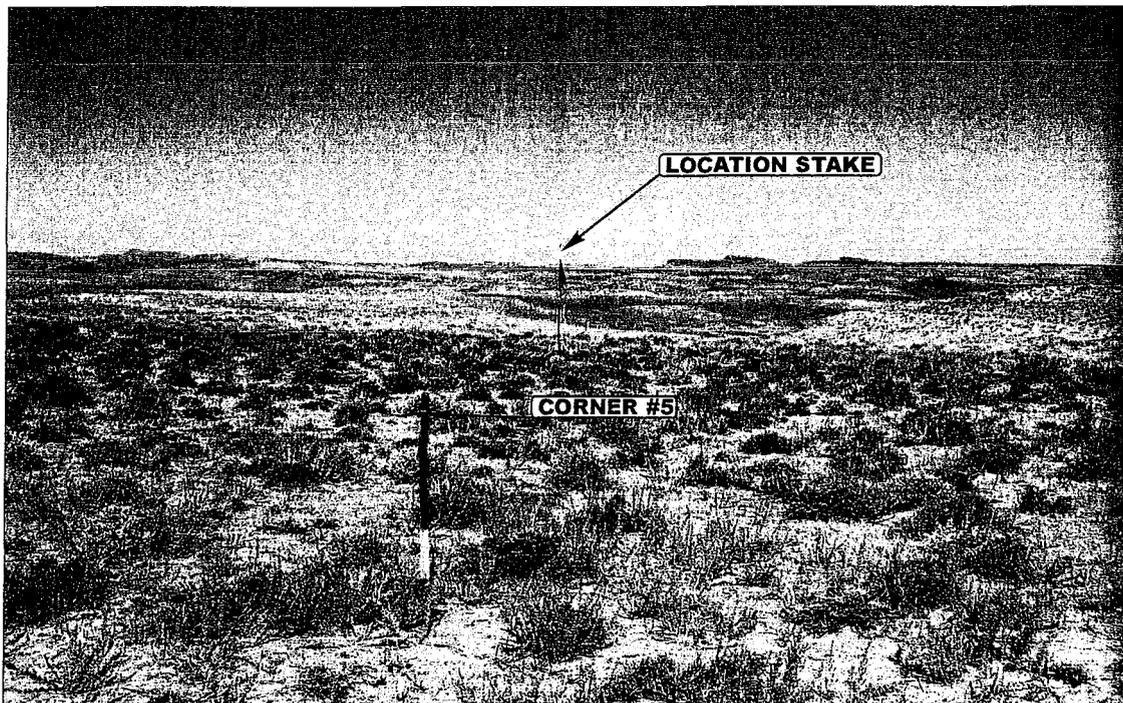


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

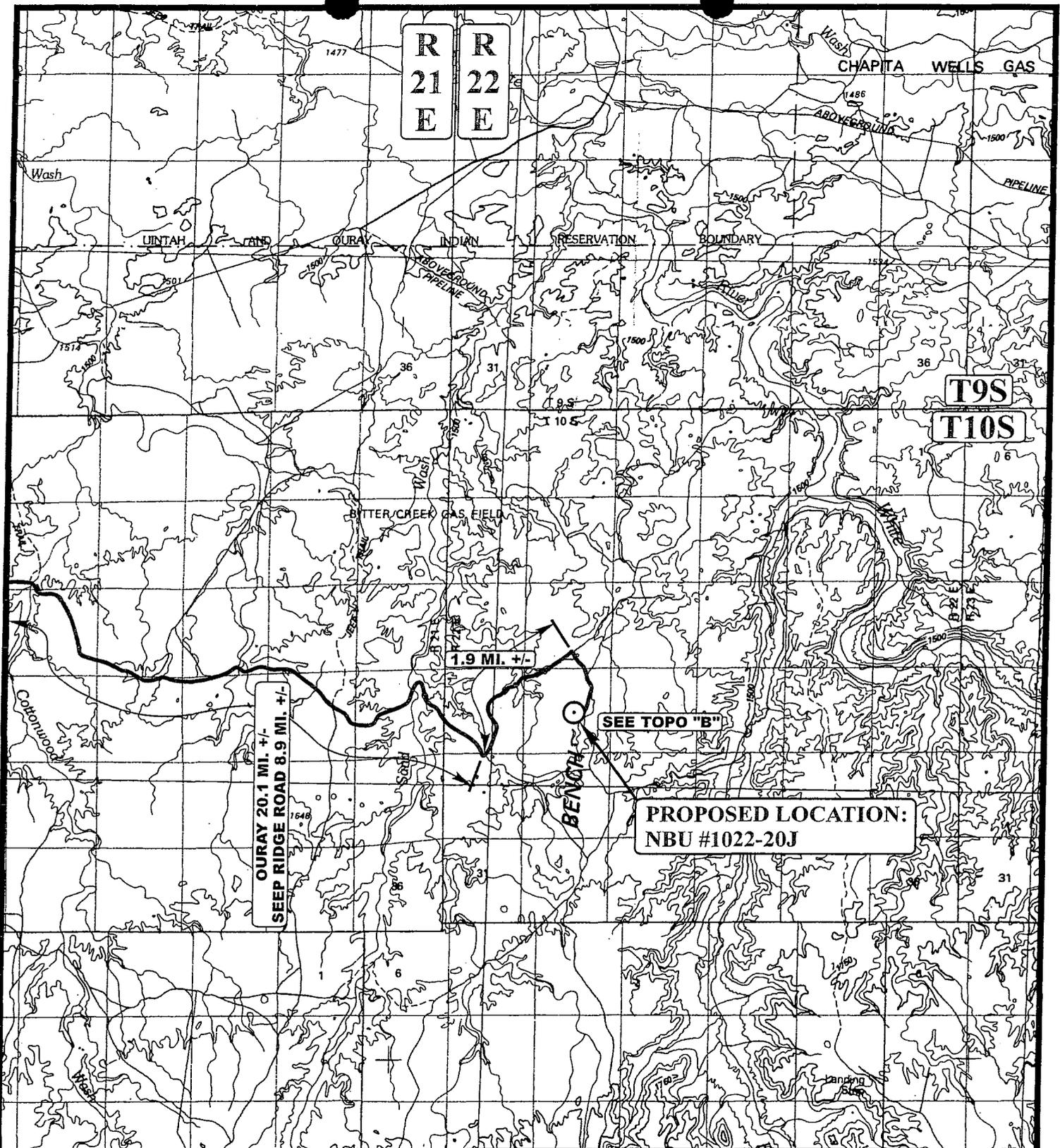
CAMERA ANGLE: WESTERLY



- Since 1964 -

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

| | | | | |
|-----------------|-------------------|-----|------|-------|
| LOCATION PHOTOS | 08 | 23 | 05 | PHOTO |
| TAKEN BY: D.K. | MONTH | DAY | YEAR | |
| DRAWN BY: C.P. | REVISED: 00-00-00 | | | |



LEGEND:

○ PROPOSED LOCATION

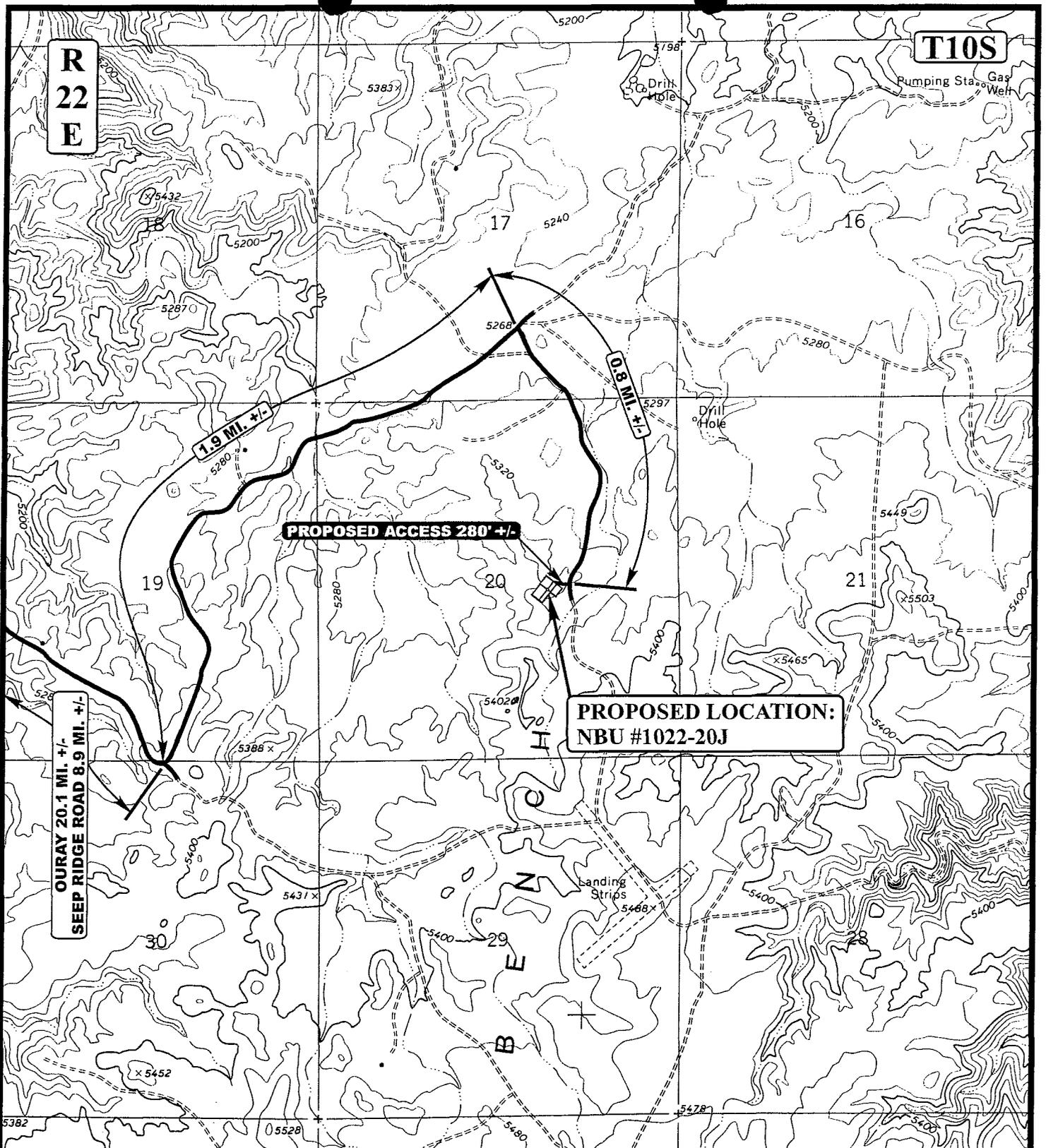
WESTPORT OIL AND GAS COMPANY, L.P.
NBU #1022-20J
SECTION 20, T10S, R22E, S.L.B.&M.
2484' FSL 1930' FEL

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

TOPOGRAPHIC MAP 08 23 05
 MONTH DAY YEAR

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

A
TOPO



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

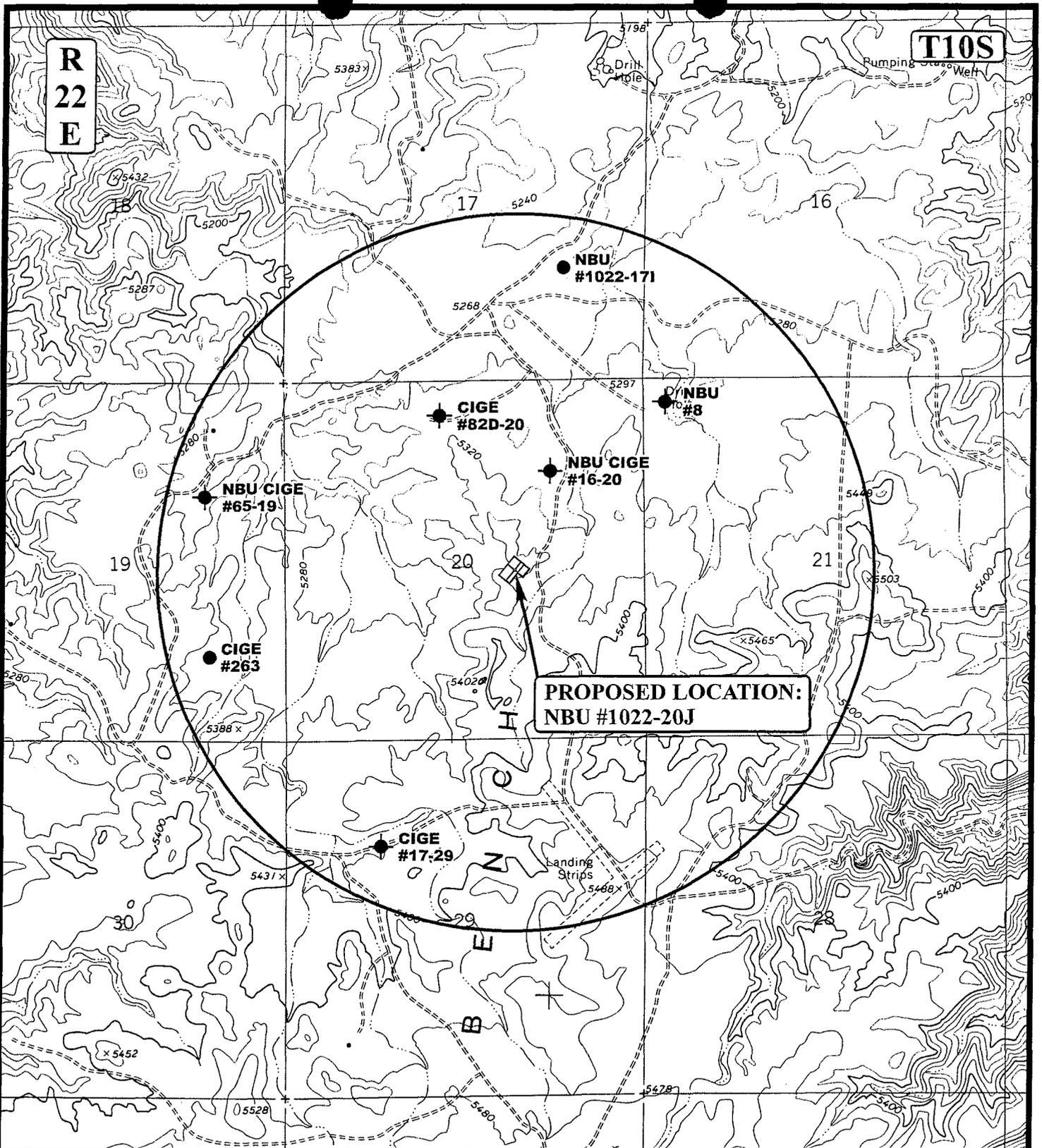
WESTPORT OILAND GAS COMPANY, L.P.

NBU #1022-20J
 SECTION 20, T10S, R22E, S.L.B.&M.
 2484' FSL 1930' FEL



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

| | | |
|--------------------|----------------------------|------------------|
| TOPOGRAPHIC MAP | 08 23 05 MONTH DAY YEAR | B TOPO |
| SCALE: 1" = 2000' | DRAWN BY: C.P. | |



T10S

**R
22
E**

**PROPOSED LOCATION:
NBU #1022-20J**

- LEGEND:**
- DISPOSAL WELLS
 - PRODUCING WELLS
 - SHUT IN WELLS
 - WATER WELLS
 - ABANDONED WELLS
 - TEMPORARILY ABANDONED

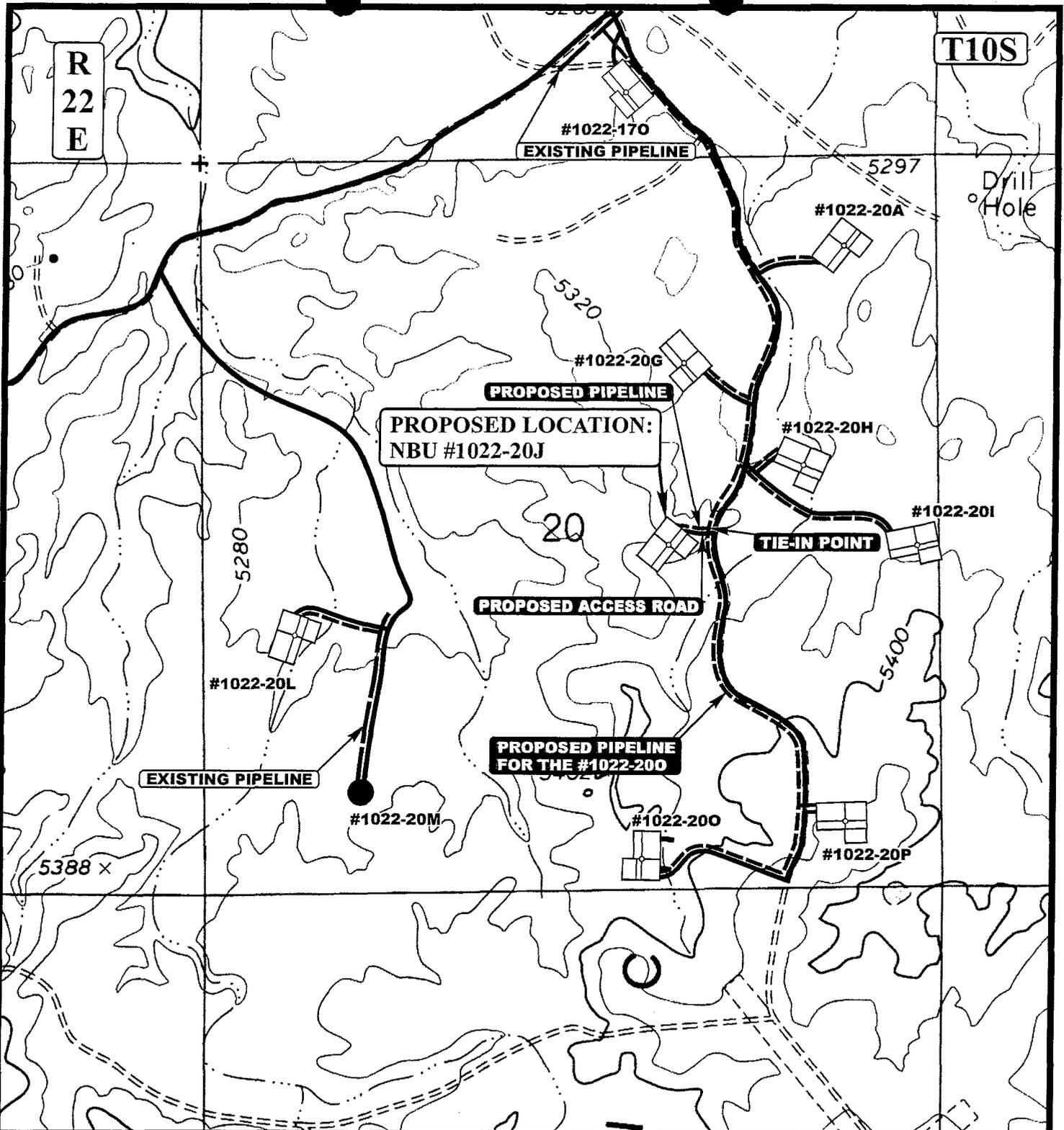
WESTPORT OIL AND GAS COMPANY, L.P.
NBU #1022-20J
SECTION 20, T10S, R22E, S.L.B.&M.
2484' FSL 1930' FEL

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



TOPOGRAPHIC MAP 08 23 05
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00

C
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 300' +/-

LEGEND:

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

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-20J
 SECTION 20, T10S, R22E, S.L.B.&M.
 2484' FSL 1930' FEL



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

TOPOGRAPHIC 08 23 05
 M A P MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00



WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

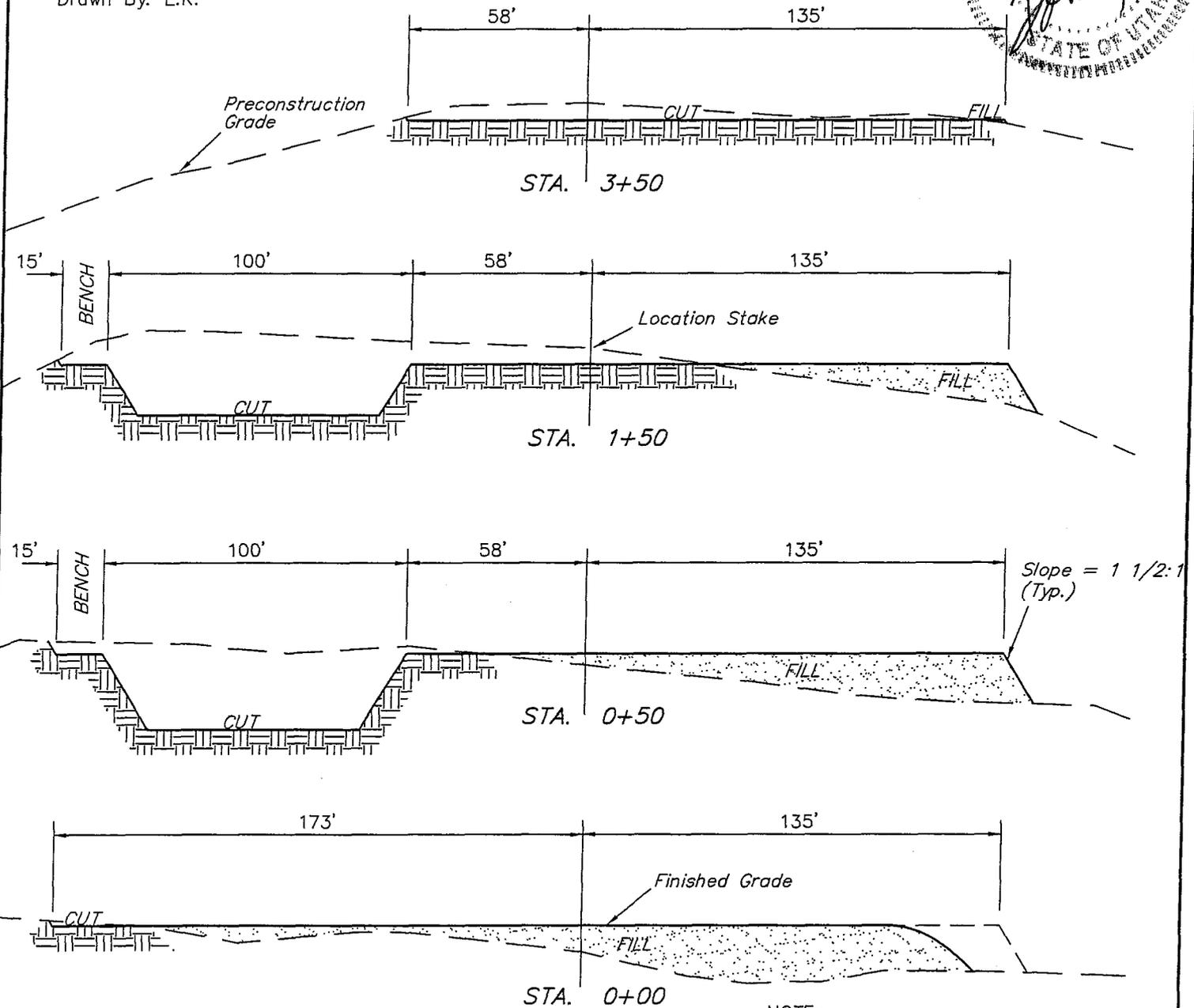
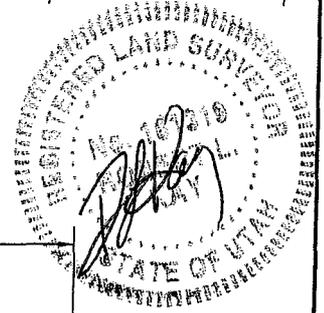
NBU #1022-20J

SECTION 20, T10S, R22E, S.L.B.&M.

2484' FSL 1930' FEL

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

DATE: 09-01-05
Drawn By: L.K.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

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

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,800 Cu. Yds. |
| Remaining Location | = 7,430 Cu. Yds. |
| TOTAL CUT | = 9,230 CU.YDS. |
| FILL | = 5,290 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,940 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,940 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/02/2005

API NO. ASSIGNED: 43-047-37355

WELL NAME: NBU 1022-20J
 OPERATOR: WESTPORT OIL & GAS CO (N2115)
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

NWSE 20 100S 220E
 SURFACE: 2484 FSL 1930 FEL
 BOTTOM: 2484 FSL 1930 FEL
 UINTAH
 NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-0469
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

LATITUDE: 39.93389
 LONGITUDE: -109.4603

RECEIVED AND/OR REVIEWED:

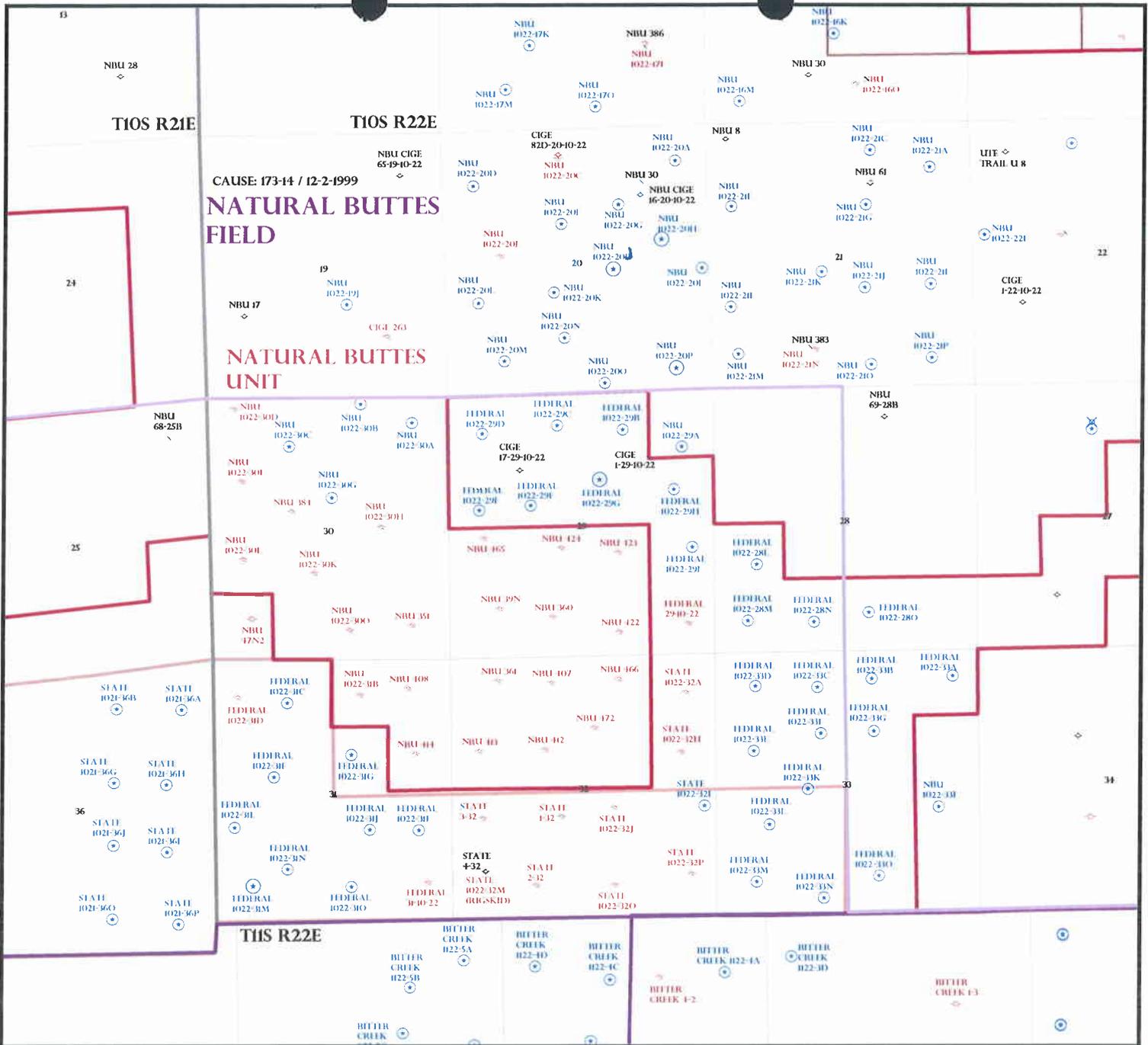
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. CO-1203)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: 12-2-1999
Siting: 460' fr u bary? line on map. True to S
- R649-3-11. Directional Drill

COMMENTS: See Separate file

STIPULATIONS: 1- Federal Approval
2- OIL SHALE



OPERATOR: WESTPORT O&G CO (N2115)

SEC: 20 T. 10S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UNITAH

CAUSE: 173-14 / 12-2-1999

- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED

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

- Wells Status**
- ✳ GAS INJECTION
 - ✳ GAS STORAGE
 - ✳ LOCATION ABANDONED
 - ✳ NEW LOCATION
 - ✳ PLUGGED & ABANDONED
 - ✳ PRODUCING GAS
 - ✳ PRODUCING OIL
 - ✳ SHUT-IN GAS
 - ✳ SHUT-IN OIL
 - ✳ TEMP. ABANDONED
 - TEST WELL
 - △ WATER INJECTION
 - △ WATER SUPPLY
 - △ WATER DISPOSAL
 - △ DRILLING



PREPARED BY: DIANA WHITNEY
DATE: 3-NOVEMBER-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)

November 3, 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 Wasatch-MesaVerde)

43-047-37354 NBU 1022-20P Sec 20 T10S R22E 0472 FSL 0690 FEL
43-047-37355 NBU 1022-20J Sec 20 T10S R22E 2484 FSL 1930 FEL
43-047-37356 NBU 1022-20H Sec 20 T10S R22E 2232 FNL 0965 FEL
43-047-37353 NBU 1022-5A Sec 5 T10S R22E 0817 FNL 0005 FEL

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

/s/ Michael L. Coulthard

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



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

November 3, 2005

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

Re: NBU 1022-20J Well, 2484' FSL, 1930' FEL, NW SE, Sec. 20, 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 43-047-37355.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

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

Operator: Westport Oil & Gas Company, LP

Well Name & Number NBU 1022-20J

API Number: 43-047-37355

Lease: UTU-0469

Location: NW SE Sec. 20 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.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

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

X Change of Operator (Well Sold)

Operator Name Change/Merger

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

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

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203
BIA BOND = RLB0005239*

APPROVED 5/16/06

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

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

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

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 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.

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

Brad Laney

Title

Date

5-9-06

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

Office

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



United States Department of the Interior

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

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

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

Merger/Name Change - Recognized

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

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

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

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

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

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

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

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

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

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

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

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

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior



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

IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

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

Chief, Branch of
Fluid Minerals

Enclosure

Approval letter from BLM COSO (2 pp)

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

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERAL

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-0469

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 1022-20J

9. API Well No.

4304737355

10. Field and Pool, or Exploratory Area

NATURAL BUTTES UNIT

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)

NWSE SEC 20-T10S-R22E

2484' FSL 1930' FEL

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other APD EXTENSION |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | DOG M |
| | <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 ON NOVEMBER 3, 2005.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 11-07-06
By: *[Signature]*

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

Name (Printed/Typed)

RAMEY HOOPES

Title

REGULATORY CLERK

Signature

[Signature: Ramey Hoopes]

Date

October 30, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

RECEIVED

NOV 07 2006

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: 4304737355
Well Name: NBU 1022-20J
Location: NWSE SEC 20-T10S-R22E
Company Permit Issued to: KERR MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 11/3/2005

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

10/30/2006
Date

Title: REGULATORY CLERK

Representing: Kerr McGee Oil and Gas Onshore LP

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NOV 07 2006

DIV. OF OIL, GAS & MINING

OCT 28 2005

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-0469

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
NBU 1022-20J

9. API Well No.
43-047-37355

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Blk. and Survey or Area
SEC 20-T10S-R22E

1a. Type of Work: DRILL REENTER

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

2. Name of Operator
KERR MCGEE OIL AND 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 (Report location clearly and in accordance with any State requirements. *)
At surface NWSE 2484' FSL 1930' FEL
At proposed prod. Zone

12. County or Parish
UINTAH

13. State
UT

14. Distance in miles and direction from nearest town or post office*
22.8 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)
1930'

16. No. of Acres in lease
640

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
8625'

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5366.1' 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: *Ramey Hoopes*
Name (Printed/Typed): RAMEY HOOPES
Date: 4/27/2006
Title: REGULATORY CLERK

Approved by (Signature): *Jerry Kenner*
Name (Printed/Typed): JERRY KENNER
Date: 6-19-2007
Title: Assistant Field Manager
Office: VERNAL FIELD OFFICE
Lands & 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.

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)

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JUL 02 2007

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

NBS 9-08-05

4006M
NOTICE OF APPROVAL

06GX10275A

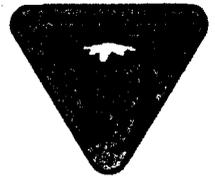


**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

| | | | |
|-----------------|---|-------------------|----------------------------------|
| Company: | Kerr-McGee Oil & Gas Onshore, LP | Location: | NWSE, Sec. 20, T10S, R22E |
| Well No: | NBU 1022-20J | Lease No: | UTU- 0469 |
| API No: | 43-047- 37355 | Agreement: | N/A |

| Title | Name | Office Phone Number | Cell Phone Number |
|-----------------------------------|-----------------|----------------------------|--------------------------|
| Petroleum Engineer: | Matt Baker | (435) 781-4490 | (435) 828-4470 |
| Petroleum Engineer: | Michael Lee | (435) 781-4432 | (435) 828-7875 |
| Petroleum Engineer: | James Ashley | (435) 781-4470 | (435) 828-7874 |
| Petroleum Engineer: | Ryan Angus | (435) 781-4430 | (435) 828-7368 |
| Supervisory Petroleum Technician: | Jamie Sparger | (435) 781-4502 | (435) 828-3913 |
| NRS/Enviro Scientist: | Paul Buhler | (435) 781-4475 | (435) 828-4029 |
| NRS/Enviro Scientist: | Karl Wright | (435) 781-4484 | |
| NRS/Enviro Scientist: | Holly Villa | (435) 781-4404 | |
| NRS/Enviro Scientist: | Melissa Hawk | (435) 781-4476 | (435) 828-7381 |
| NRS/Enviro Scientist: | Chuck MacDonald | (435) 781-4441 | (435) 828-7481 |
| NRS/Enviro Scientist: | Jannice Cutler | (435) 781-3400 | |
| NRS/Enviro Scientist: | Michael Cutler | (435) 781-3401 | |
| NRS/Enviro Scientist: | Anna Figueroa | (435) 781-3407 | |
| NRS/Enviro Scientist: | Verlyn Pindell | (435) 781-3402 | |
| NRS/Enviro Scientist: | Darren Williams | (435) 781-4447 | |
| NRS/Enviro Scientist: | Nathan Packer | (435) 781-3405 | |

Fax: (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 two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

| | |
|---|--|
| Location Construction (Notify Environmental Scientist) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion (Notify Environmental Scientist) | - 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 Supv. Petroleum Tech.) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.) | - 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)**

Site Specific Conditions of Approval:

- During operations, if any vertebrate paleontological resources are discovered, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred alternative/course of action will be rendered.
- 4 to 6 inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding should take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- The lessee/operator is given notice that lands in the lease have been identified as containing crucial pronghorn (antelope) habitat. It is requested that the lessee/operator not initiate surface disturbing activities or drilling from May 15 through June 20. A survey may be conducted by a qualified biologist or a BLM representative during this timing period to determine if pronghorn are in the area.
- As discussed on the onsite conducted on October 25, 2005, the large rocks on the location will be avoided.

Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

DOWNHOLE COAs:

SITE SPECIFIC DOWNHOLE COAs:

- Recommended COA for Westports NBU 1022-20J: The operator must report encounters of gilsonite to the Vernal Field Office in writing within 5 working days of each encounter; each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, the vertical footage of the encounter and, the name of the person making the report (along with a telephone number should the BLM need to obtain additional information).

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- 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.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- 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.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement 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. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- 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.
- 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.
- 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:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - 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).
 - 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.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- 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.
- 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.

- 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.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal 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. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- 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.
- 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 and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- 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.
- 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.
- 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

SPUDDING INFORMATION

Name of Company: Kerr McGee Oil & Gas Onshore, LP

Well Name: NBU 1022-20J

API No: 43-047-37355 Lease Type: Federal

Section 20 Township 10S Range 22E County Uintah

Drilling Contractor Rocky Mountain Drilling Rig # Rathole

SPUDDED:

Date 10-7-07

Time 9:00 AM

How Dry

Drilling will Commence: _____

Reported by Lou Weldon

Telephone # 435-828-7035

Date 10-7-07 Signed RM

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

FORM 6

ENTITY ACTION FORM

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

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 4304738303 | BONANZA 1023-4N | | SESW | 4 | 10S | 23E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <i>A</i> | 99999 | <i>16395</i> | 10/6/2007 | | <i>10/17/07</i> | | |
| Comments: <i>WSTMVD</i> MIRU PETE MARTIN DRILLING. SPUD WELL LOCATION ON 10/06/2007 @ 1600 HRS. | | | | | | | |

Well 2

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|--|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 4304737355 | NBU 1022-20J | | NWSE | 20 | 10S | 22E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <i>B</i> | 99999 | <i>2900</i> | 10/7/2007 | | <i>10/17/07</i> | | |
| Comments: <i>WSTMVD</i> MIRE PET MARTIN DRILLING. SPUD WELL LOCATION ON 10/06/2007 @ 0900 HRS. | | | | | | | |

Well 3

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

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

10/7/2007

Title

Date

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OCT 09 2007

DIV. OF OIL, GAS & MINING

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-0469

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 1022-20J

9. API Well No.
4304737355

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UT

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)
2484'FSL-1930'FEL
NWSE SEC 20-T10S-R22E

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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | SURFACE 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU BILL MARTIN AIR RIG ON 10/15/2007. DRILLED 12 1/4" SURFACE TO 2070. RAN 9 5/8 OF 48 JTS OF 36# J-55 SURFACE CSG. LEAD CMT W/180 SX HIFILL CLASS G @ 11.0 PPG 3.82 YLD. TAILED W/200 SX PREM CLASS G @ 15.8 PPG 1.15 YLD. TOP OUT W/100 SX PREM CLASS G @ 15.8 PPG 1.15 YLD. DOWN BACKSIDE. 2ND TOP OUT W/150 SX PREM CLASS G @ 15.8 PPG 1.15 YLD. DOWN BACKSIDE GOOD CMT TO SURFACE AND STAYED AT SURFACE. WORT.

RECEIVED
OCT 24 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 <i>Sheila Upchego</i> | Date October 19, 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.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

| | | |
|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU 0469 |
| 2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078 | 3b. Phone No. (include area code) 435-781-7003 | 7. If Unit or CA/Agreement, Name and/or No. UNIT #891008900A NATURAL BUTTES UNIT |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2484'FSL-1930'FEL NWSE SEC 20-T10S-R22E | | 8. Well Name and No. NBU 1022-20J |
| | | 9. API Well No. 4304737355 |
| | | 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

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

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate 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 recompleation 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# H-40 CONDUCTOR PIPE. CMT W/28 SX READY MIX. SPUD WELL @ 0900 HRS ON 10/07/2007.

RECEIVED
OCT 24 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 October 7, 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

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU-0469 |
| 2. Name of Operator KERR-McGEE OIL & GAS ONSHORE LP | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078 | 3b. Phone No. (include area code) (435) 781-7024 | 7. If Unit or CA/Agreement, Name and/or No. UNIT #891008900A NATURAL BUTTES UNIT |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NW/SE SEC. 20, T10S, R22E 2484'FSL, 1930'FEL | | 8. Well Name and No. NBU 1022-20J |
| | | 9. API Well No. 4304737355 |
| | | 10. Field and Pool, or Exploratory Area NATURAL BUTTES |
| | | 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 checked="" 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 DOGM APD EXTENSION |

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

FINISHED DRILLING FROM 2070' TO 8570' ON 11/25/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/388 SX PREM LITE II @11.5 PPG 2.82 YIELD. TAILED CMT W/1203 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACE W/132 BBLS CLAY FIX FINC CIRC PSI 2300 BUMP PLUG FLOATS HELD SET SLIPS W/90K NDBOP CUT OFF CSG. CLEAN PITS.

RELEASED PIONEER RIG 38 ON 12/05/2007 AT 0600 HRS.

RECEIVED
DEC 14 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 December 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 | |

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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.

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)

NW/SE SEC. 20, T10S, R22E 2484'FSL, 1930'FEL

5. Lease Serial No.

UTU-0469

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 1022-20J

9. API Well No.

4304737355

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

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 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 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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 01/24/2008 AT 12:30 PM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

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

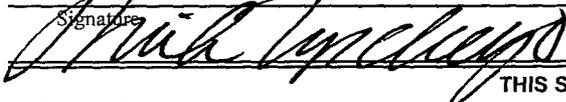
Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature



Date

January 28, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

(Instructions on reverse)

RECEIVED

FEB 05 2008

DIV. OF OIL, GAS & MINING



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

CHRONOLOGICAL WELL HISTORY

NBU 1022-20J

LOCATION NWSE SEC.20, T10S, R22E
 UINTAH COUNTY, UT

| DATE | ACTIVITY | PIONEER 38 | STATUS |
|----------|---|------------|---------------------|
| 09/19/07 | LOCATION STARTED | PIONEER 38 | |
| 10/05/07 | LOCATION COMPLETED | PIONEER 38 | P/L IN, WOBR |
| 10/07/07 | SET CONDUCTOR | PIONEER 38 | WOAR |
| 10/15/07 | SET AIR RIG | PIONEER 38 | DRILLING |
| 10/18/07 | 9-5/8" @ 2046' | PIONEER 38 | WORT |
| 11/06/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 RDRT and move to NBU 1022-20J. RURT. | | SD: 11/xx/07 DSS: 0 |
| 11/07/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 RURT. Repairing brakes. Rig on repair @ report time. | | SD: 11/xx/07 DSS: 0 |
| 11/08/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 Repairing brake rims, change rotary chain, hook up boiler lines. Rig on repair @ report time. | | SD: 11/xx/07 DSS: 0 |
| 11/09/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 Waiting on new brake rims. Rig on repair @ report time. | | SD: 11/xx/07 DSS: 0 |
| 11/12/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 Waiting on new brake rims. Rig on repair @ report time. | | SD: 11/xx/07 DSS: 0 |
| 11/13/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 Waiting on new brake rims. Rig on repair @ report time. | | SD: 11/xx/07 DSS: 0 |
| 11/14/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 Waiting on new brake rims. Rig on repair @ report time. | | SD: 11/xx/07 DSS: 0 |
| 11/15/07 | TD: 2070' Csg. 9 5/8"@ 2049' MW: 8.4 Install new brake rims and clutches. Rig on repair @ report time. | | SD: 11/xx/07 DSS: 0 |

11/16/07 TD: 2070' Csg. 9 5/8" @ 2049' MW: 8.4 SD: 11/xx/07 DSS: 0
 Test BOP, annular would not test. Chang out bag in annular. Test BOP. RIH with BHA @ report time.

11/19/07 TD: 5225' Csg. 9 5/8" @ 2049' MW: 9.6 SD: 11/16/07 DSS: 3
 PUDS and drill FE. Rotary spud @ 1530 hrs 11/16/07. Drill from 2070'-5225'. DA @ report time.

11/20/07 TD: 6082' Csg. 9 5/8" @ 2049' MW: 10.5 SD: 11/16/07 DSS: 4
 Drill from 5225'-6082'. DA.

11/21/07 TD: 6699' Csg. 9 5/8" @ 2049' MW: 10.8 SD: 11/16/07 DSS: 5
 Drill from 6082'-6699'. DA.

11/22/07 TD: 7401' Csg. 9 5/8" @ 2049' MW: 11.2 SD: 11/16/07 DSS: 6
 Drill from 6699'-7401'. DA.

11/23/07 TD: 7701' Csg. 9 5/8" @ 2049' MW: 11.2 SD: 11/16/07 DSS: 7
 Drill from 7401'-7701'. TFNB and MM. TIH and W&R to bottom @ report time.

11/26/07 TD: 8750' Csg. 9 5/8" @ 2049' MW: 11.9 SD: 11/16/07 DSS: 10
 Drill from 7701'-8269'. TFNB. Drill to 8570' TD. Short trip and POOH for logs. Run Quad Combo. TIH with rotary core tools, bridge out @ 8130'. Core @ 8094'. Attempt to move tool up hole. Tool stuck. W/O fishing tools @ report time.

11/27/07 TD: 8750' Csg. 9 5/8" @ 2049' MW: 11.9 SD: 11/16/07 DSS: 11
 PU fishing tools and strip over wireline to 6764'. Fish came free. Pull fish into overshot and POOH @ report time.

11/28/07 TD: 8750' Csg. 9 5/8" @ 2049' MW: 11.9 SD: 11/16/07 DSS: 11
 POOH. Did not recover fish. Redress fishing tools and TIH to 8542'. Engage fish and POOH @ report time.

11/29/07 TD: 8750' Csg. 9 5/8" @ 2049' MW: 12.0 SD: 11/16/07 DSS: 12
 POOH and lay down fish and fishing tools. TIH with bit and tag bridge @ 4001', W&R through bridge. CIH to 4557'. Bit plugged. POOH and clean out 3 drill collars and bit with cuttings. TIH with BHA and clean out mud pits @ report time.

11/30/07 TD: 8750' Csg. 9 5/8" @ 2049' MW: 12.0 SD: 11/16/07 DSS: 14
 Clean out mud pits and build volume. TIH and tag and ream through bridge @ 2940'. CIH to 4578'. W&R to 5520' @ report time.

12/03/07 TD: 8750' Csg. 9 5/8" @ 2049' MW: 12.2 SD: 11/16/07 DSS: 17
 W&R from 5520'-7695'. Hole sloughing trying to pack off. Pump out 6 jts and POOH. Work through tight hole from 2980'-2570'. FOOH. Change bits and TIH to 3100' @ report time.

12/04/07

TD: 8750' Csg. 9 5/8" @ 2049' MW: 12.2 SD: 11/16/07 DSS: 18
TIH to 7388'. W&R to 8570' TD. CCH and short trip to 7000'. CCH and LDDS @ report time.

12/05/07

TD: 8750' Csg. 9 5/8" @ 2049' MW: 12.2 SD: 11/16/07 DSS: 19
LDDS. Run and cement 4 1/2" Production Casing. Land casing and release rig @ 0600 hrs
12/5/07.

12/06/07

TD: 8750' Csg. 9 5/8" @ 2049' MW: 12.2 SD: 11/16/07 DSS: 20
RDRT. Prepare to move to NBU 1022-17J this am.

01/13/08

PT CSG & FRAC VALVES

Days On Completion: 1

Remarks: DAY 1 - JSA #1 MIRU B&C QUICK TEST. PT CSG. & FRAC VALVES TO 7500 PSI.
(GOOD TEST) RDMO B&C QUICK TEST. SWI SDFN FREEZE PROTECT WELL HEAD FOR
FRAC W/WEATHERFORD ON 01/14/08.

01/14/08

FRAC & PERFORATE

Days On Completion: 2

Remarks: DAY 2 - JSA #2 MIRU CUTTERS & WEATHERFORD.

STG 1) RIH W/PERF GUN & PERF THE M.V. @ 8211'-14', 3 SPF, 8223'-32', 4 SPF, 8294'-
96', 4 SPF, 8382'-84', 3 SPF, USING 3 1/8" EXP. GUN, 23 gm, 0.36 HOLE, 90 & 120 DEG.
PHASING, 39 HOLES. RU WEATHERFORD & PT SURFACE EQUIP. TO 8500 PSI. WHP =
395 PSI, BRK DN PERFS 3 BPM @ 3391 PSI, ISIP 2617 PSI, F.G. 0.76. PMPD 6 BBLs HCL,
PMPD 125 BBLs AT 50 BPM @ 5000 PSI. 28/39 PERFS OPEN. MP 6975 PSI, MR 50.6 BPM,
AP 4492 PSI, AR 50.2 BPM, ISIP 2866 PSI, F.G. 0.79, NPI 249 PSI, PMPD 1151 BBLs SLK
WTR., 29,439 LBS OWATTA, 5077 LBS TLC SAND.

STG 2) RIH W/ 3 1/8" EXP. GUN, 23 gm, 0.36 HOLE, 90 DEG. PHASING. SET 8K CBP @
8132'. PERF M.V. @ 7978' - 80', 4 SPF, 8987' - 95', 4 SPF, 40 HOLES. WHP = 0 PSI, BRK
DN PERFS 3 BPM @ 4020 PSI. ISIP 2617 PSI, F.G. 0.77, PMPD 125 BBLs @ 50 BPM @
4548 PSI. 30/40 PERFS OPEN. MP 5533 PSI, MR 50.6 BPM, AP 4492 PSI, AR 50.2 BPM,
ISIP 2501 PSI, F.G. 0.75 NPI (-120 PSI), PMPD 1000 BBLs SLK WTR, 28,463 LBS OWATTA,
5077 LBS TLC SAND

STG 3) RIH W/3 1/8" EXP GUN, 23 gm, 0.36 HOLE, 90 DEG PHASING. SET 8K CBP @
7548'. PERF THE M.V. @ 7310' - 12', 4 SPF, 7449' - 51', 4 SPF, 7513' - 18', 4 SPF, 36
HOLES. WHP = 18 PSI. PMPD 148 BBLs @ 50 BPM @ 4300 PSI. 28/36 PERFS OPEN. MP
4933 PSI, MR 51.6 BPM, AP 4098 PSI, AR 50.1 BPM. ISIP 2514 PSI, F.G. 0.78. NPI 456 PSI,
PMPD 1175 BBLs SLK WTR, 28463 LBS OWATTA, 5077 LBS TLC SAND.

STG 4) RIH W/3 1/8" EXP. GUN, 23 gm, 0.36 HOLE, 120 & 180 DEG PHASING. SET 8K CBP
@ 7193', PERF THE M.V. @ 7007' - 12', 2 SPF, 7152' - 62', 3 SPF, 40 HOLES. WHP = 238
PSI. PMPD 145 BBLs @ 50 BPM @ 4000 PSI, 28/40 PERFS OPEN. MP 4165 PSI, MR 51
BPM, AP 3762 PSI, AR 50.1 BPM, ISIP 2392 PSI, F.G. 0.78, NPI 334 PSI, PMPD 1119 BBLs
SLK WTR, 33,381 LBS OWATTA, 5077 LBS TLC SAND.

STG 5) RIH W/3 1/8" EXP. GUN, 23 gm, 0.36 HOLE, 120 DEG PHASING. SET 8 K CBP @
6732', PERF THE M.V. @ 6693' - 6702', 4 SPF, 40 HOLES. WHP = 0000 PSI.

01/15/08

FRAC & PERFORATE

Days On Completion: 3
Remarks: DAY 3 - J.S.A. #3

STG 5 FRAC) OVERNIGHT SICP = 602 PSI. BRK DN @ 3 BPM @ 3256 PSI, ISIP 1789 PSI, F.G. 0.69. PMPD 134 BBLs @ 50 BPM @ 3848 PSI, 28/36 PERFS OPEN. MP 4321 PSI, MR 50.5 BPM, AP 3476 PSI, AR 50 BPM, ISIP 2281 PSI, F.G. 0.78. NPI 492 PSI, PMPD 1029 BBLs SLK WTR, 30,536 LBS OWATTA, 5,077 LBS TLC SAND.

STG 6) RIH W 3 1/8" EXP GUN, 23 gm, 0.36 HOLE, 90 & 120 DEG PHASING. SET 8K CBP @ 6732'. PERF THE WASATCH @ 6014' - 17', 4 SPF, 6089' - 90', 4 SPF, 6170' - 73', 3 SPF, 6176' - 81', 3 SPF 40 HOLES. WHP = 78 PSI, BRK DN PERFS @ 3 BPM @ 1858 PSI, ISIP 1314 PSI, F.G. 0.66. PMPD 107 BBLs @ 50 BPM @ 3553 PSI, 29/40 PERFS OPEN. MP 3957 PSI, MR 51.1 BPM, AP 3079 PSI, AR 50.6 BPM, ISIP 1959 PSI, F.G. 0.76. NPI 645 PSI, PMPD 847 BBLs SLK WTR, 23,332 LBS OWATTA, 5,077 LBS TLC SAND.

STG 7) RIH W 3 1/8" EXP GUN, 23 gm, 0.36 HOLE, 90 DEG PHASING. SET 8 K CBP @ 5827'. PERF THE WASATCH @ 5629' - 36', 4 SPF, 5795' - 97', 4 SPF, 5795' - 97', 4 SPF, (DOUBLE SHOT), 44 HOLES. WHP = 49 PSI, BRK DN PERFS @ 3 BPM @ 1857 PSI, ISIP 1330 PSI, F.G. 0.67. PMPD 80 BBLs @ 51 BPM @ 4094 PSI, 27/44 PERFS OPEN. MP 5168 PSI, MR 51.4 BPM, AP 3487 PSI, AR 51 BPM, ISIP 1729 PSI, F.G. 0.74. NPI 399 PSI, PMPD 635 BBLs SLK WTR, 17,995 LBS OWATTA, 5077 LBS TLC SAND.

KILL PLUG) RIH WITH 8K BAKER CBP & SET @ 5579'. RDMO CUTTERS & WEATHERFORD. SWI - SDFN FREEZE PROTECT WELL HEAD, PREP TO DRILL OUT PLUGS IN AM 1/16/08.

01/16/08

P/U tbg

Days On Completion: 4
Remarks: DAY 4 - JSA #4 MIRU KEY 59 RIG, SPOT EQUIP. NDFV & NUBOP, RU FLOOR & TBG EQUIP. PU 3 7/8" BIT & POBS, 1.875 ID SN, & RIH ON 178 JTS NEW 2 3/8" J55 TBG. TAG KILL PLUG @ 5579'. LD 1 JT TUBING. RU POWER SWIVEL. 5:30 PM SWI - SDFN. FREEZE PROTECT WELL HEAD & PREP WELL TO DRILL CBP'S IN MORNING. 01/17/08

01/17/08

Drill CBP

Days On Completion: 5
Remarks: DAY 5 - JSA #5. PU 1 JT TBG & TAG CBP @ 5579'. EST CIRC. W/2% KCL WTR. PT BOPS TO 3000 PSI. PLUG #1 @ 5580') DRILL OUT BAKER 8K CBP IN 10 MIN. 0 PSI INCREASE. (WASATCH) RIH TAG CBP @ 5827', NO FILL. PLUG #2 @ 5827') DRILL OUT BAKER 8K CBP IN 10 MIN. 0 PSI INCREASE. (WASATCH) RIH TAG SAND @ 6191', CIRC OUT 20' SAND. PLUG #3 @ 6211') DRILL OUT BAKER 8K CBP IN 12 MIN. 400 PSI INCREASE. (MV) RIH TAG SAND @ 6720', CIRC OUT 12' SAND. PLUG #4 @ 6732') DRILL OUT BAKER 8K CBP IN 10 MIN. 200 PSI INCREASE. (MV) RIH TAG SAND @ 7156', CIRC OUT 37' SAND. PLUG #5 7193') DRILL OUT BAKER 8K CBP IN 10 MIN. 0 PSI INCREASE. (MV) RIH TAG SAND @ 7516', CIRC OUT 32' SAND. RD POWER SWIVEL & POOH 4 STAND & STAND BACK IN DERRICK. 6:30 PM SWI - SDFN FREEZE PROTECT WELL HEAD. PREP TO DRILL OUT REMAINING 2 PLUGS IN AM 01/18/08.

01/18/08

Drill CBP & Land

Days On Completion: 6
Remarks: DAY 6 - JSA #6 OPEN CSG VALVE & BLEED OFF ANNULUS. RIH W/4 STANDS & TAG CBP. PU SWIVEL PLUG #6 @ 7548') DRILL OUT BAKER 8K CBP IN 12 MIN. 0 PSI INCREASE. (MV) RIH TAG SAND @ 8100'. CIRC OUT 32' SAND. PLUG #7 @ 8132') DRILL OUT BAKER 8K CBP IN 10 MIN. 0 PSI INCREASE. (MV) RIH & CLEAN OUT TO 8491'. RD SWIVEL. POOH & LD 17 JTS. (TOTAL JTS ON TRL 25) LAND TBG ON HANGER W/253 JTS. EOT @ 7963.32". POBS & SN @ 7966.35'. RD FLOOR & TBG EQUIP. FCP = 1225 PSI.

NDBOP. NUWH, DROP BALL DN TBG. & PMP OFF THE BIT @ 1100 PSI. OPEN TBG TO PIT AND CHECK FLOW. TURN OVER TO FLOW BACK CREW. RDMO KEY RIG.

- 01/19/08 **FLOWBACK REPORT:** CP 1650#, TP 900#, CK 20/64", 50 BWPH, LOAD REC'D 2070 BBLs, REMAINING LTR 4357 BBLs
- 01/20/08 **FLOWBACK REPORT:** CP 2100#, TP 1000#, CK 20/64", 35 BWPH, LOAD REC'D 905 BBLs, REMAINING LTR 3452 BBLs
- 01/21/08 **FLOWBACK REPORT:** CP 2100#, TP 1000#, CK 20/64", 20 BWPH, LOAD REC'D 550 BBLs, REMAINING LTR 2902 BBLs
- 01/22/08 **FLOWBACK REPORT:** CP 1950#, TP 1025#, CK 20/64", 20 BWPH, LOAD REC'D 480 BBLs, REMAINING LTR 2422 BBLs
- 01/23/08 **FLOWBACK REPORT:** CP 1850#, TP 1050#, CK 20/64", 16 BWPH, LOAD REC'D 422 BBLs, REMAINING LTR 2000 BBLs
- 01/24/08 **WENT ON SALES:** @ 10:00 AM, 1600 MCF, 1549 TBG, 2339 CSG, 16/64 CK, 35 BBWH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-0469

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

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

8. Lease Name and Well No.
NBU 1022-20J

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

9. API Well No.
4304737355

4. Location of Well (Report locations clearly and in accordance with Federal requirements)*
At surface **NW/SE 2484'FSL, 1930'FEL**
At top prod. interval reported below

10. Field and Pool, or Exploratory
NATURAL BUTTES

At total depth

11. Sec., T., R., M., or Block and Survey or Area **SEC. 20, T10S, R22E**

14. Date Spudded **10/07/07**
15. Date T.D. Reached **11/25/07**
16. Date Completed D & A Ready to Prod. **01/24/08**

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

17. Elevations (DF, RKB, RT, GL)*
5366'GL

18. Total Depth: MD **8570'** TVD
19. Plug Back T.D.: MD **8491'** TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR, COMP2, CD, CN, CAL, HDL, DA

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

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

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 20" | 14" | 36.7# | | 40' | | 28 SX | | | |
| 12 1/4" | 9 5/8" | 36# | | 2070' | | 630 SX | | | |
| 7 7/8" | 4 1/2" | 11.6# | | 8570' | | 1591 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" | 7963' | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|--------------|-------|--------|---------------------|------|-----------|--------------|
| A) WASATCH | 5629' | 6181' | 5629'-6181' | 0.36 | 84 | OPEN |
| B) MESAVERDE | 6693' | 8384' | 6693'-8384' | 0.36 | 195 | OPEN |
| C) | | | | | | |
| D) | | | | | | |

26. Perforation Record

| Depth Interval | Amount and type of Material |
|----------------|--|
| 5629'-6181' | PMP 1482 BBLs SLICK H2O & 46,404# 30/50 OTTOWA SD |
| 6693'-8384' | PMP 5474 BBLs SLICK H2O & 185,023# 30/50 OTTOWA SD |

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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 |
|---------------------|------------------------|-------------------|-----------------|---------|---------|-----------|-----------------------|-------------|--------------------|
| 01/24/08 | 01/28/08 | 24 | → | 3 | 1,138 | 400 | | | FLOWS FROM WELL |
| Choke Size | Tbg. Press. Flwg. 785# | Csg. Press. 1467# | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Well Status | |
| 20/64 | SI | 1467# | → | 3 | 1138 | 400 | | | PRODUCING GAS WELL |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|------------------------|-------------------|-----------------|---------|---------|-----------|-----------------------|-------------|--------------------|
| 01/24/08 | 01/28/08 | 24 | → | 3 | 1138 | 400 | | | FLOWS FROM WELL |
| Choke Size | Tbg. Press. Flwg. 785# | Csg. Press. 1467# | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Well Status | |
| 20/64 | SI | 1467# | → | 3 | 1138 | 400 | | | 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 | 4214' 6686' | 6686' | | | |

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 02/06/08

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.