

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of Work:  DRILL  REENTER

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

5. Lease Serial No.  
U-9613

6. If Indian, Allottee or Tribe Name  
**UTE TRIBE**

7. If Unit or CA Agreement, Name and No.  
**NRM-1705**

8. Lease Name and Well No.  
**FEDERAL 33-176**

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

9. API Well No.  
**43-047-37620**

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

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

10. Field and Pool, or Exploratory  
**OURAY**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **NESE 1918' FSL 777' FEL 623503X 40.077507**  
At proposed prod. Zone **4437155Y -109.551574**

11. Sec., T., R., M., or Blk, and Survey or Area  
**SEC 33-T8S-R21E**

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

12. County or Parish  
**Uintah**

13. State  
**Utah**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
**777'**

16. No. of Acres in lease  
**160**

17. Spacing Unit dedicated to this well  
**320**

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

19. Proposed Depth  
**10600'**

20. BLM/BIA Bond No. on file  
**BIA #RLB0005239**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**4680.9' GL**

22. Approximate date work will start\*  
**UPON APPROVAL**

23. Estimated duration  
**TO BE DETERMINED**

24. Attachments

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

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

25. Signature *Debra Domenici* Name (Printed/Typed) **DEBRA DOMENICI** Date **12/21/2005**

Title **ASSOCIATE ENVIRONMENTAL ANALYST**

Approved by (Signature) *Bradley G. Hill* Name (Printed/Typed) **BRADLEY G. HILL** Date **01-17-06**

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)

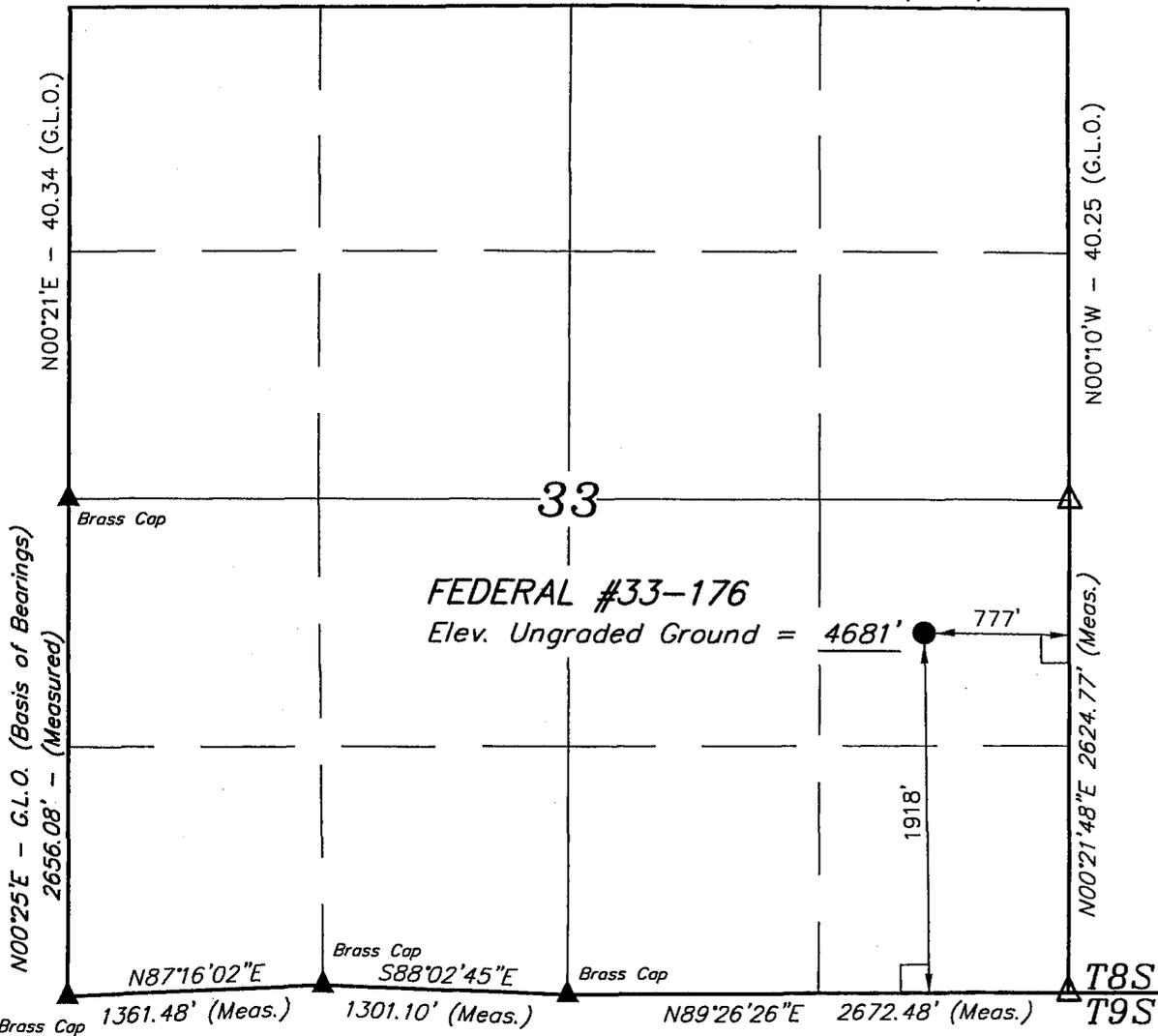
Federal Approval of this  
Action is Necessary

RECEIVED  
JAN 03 2006  
DIV. OF OIL, GAS & MINING

# T8S, R21E, S.L.B.&M.

S89°31'W - 40.31 (G.L.O.)

N89°52'W - 40.07 (G.L.O.)

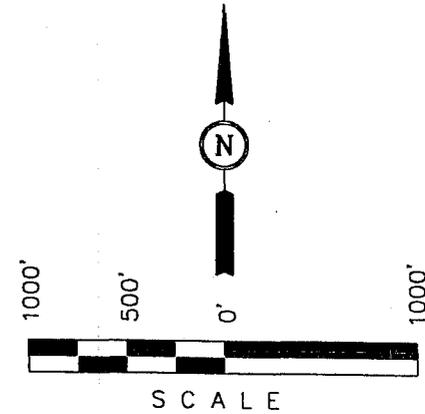


## WESTPORT OIL AND GAS COMPANY, L.P.

Well location, FEDERAL #33-176, located as shown in the NE 1/4 SE 1/4 of Section 33, T8S, R21E, S.L.B.&M., Uintah County, Utah.

### BASIS OF ELEVATION

BENCH MARK (20 EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4666 FEET.



### CERTIFICATE

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

*Robert H. Cox*

REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

REVISED: 04-08-03 D.COX

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

|                               |  |                        |
|-------------------------------|--|------------------------|
| SCALE<br>1" = 1000'           | DATE SURVEYED:<br>10-3-00                  | DATE DRAWN:<br>10-5-00 |
| PARTY<br>B.B. J.T. A.H. D.COX | REFERENCES<br>G.L.O. PLAT                  |                        |
| WEATHER<br>WARM               | FILE<br>WESTPORT OIL AND GAS COMPANY, L.P. |                        |

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED (NOT SET ON GROUND)

LATITUDE = 40°04'39"  
 LONGITUDE = 109°33'05"

FEDERAL 33-176  
 NESE SEC 33-T8S-R21E  
 UTAH COUNTY, UTAH  
 LEASE NUMBER: U-9613

ONSHORE ORDER NO. 1  
 WESTPORT OIL & GAS COMPANY

*DRILLING PROGRAM*

1. Estimated Tops of Important Geologic Markers:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Green River      | 2225'        |
| Wasatch          | 5565'        |
| Mesaverde        | 8575'        |
| Total Depth      | 10600'       |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
|                  | Green River      | 2225'        |
| Gas              | Wasatch          | 5565'        |
| Gas              | Mesaverde        | 8575'        |
| Water            | N/A              |              |
| Other Minerals   | N/A              |              |

3. Pressure Control Equipment:

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

4. Proposed Casing & Cementing Program:

*Please see the Natural Buttes Unit SOP.*

Please refer to the attached Drilling Program.

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 at 10600' TD approximately equals 6572 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4240 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**8. Anticipated Starting Dates & Notification of Operations:**

*Please see the Natural Buttes Unit SOP.*

**9. Variances:**

*Please see the Natural Buttes Unit SOP.*

**10. Other Information:**

*Please see the 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 2800  | 32.30 | H-40 | STC   | 2270<br>0.53***** | 1370<br>1.05 | 254000<br>3.21 |
| PRODUCTION | 4-1/2" | 0 to 10600 | 11.60 | P110 | LTC   | 10690<br>2.50     | 7560<br>1.14 | 279000<br>2.60 |

- 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 = 12.0 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing \* Buoy. Fact. of water)  
 MASP 4282 psi

\*\*\*\*\* Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

**CEMENT PROGRAM**

|                     |   | FT. OF FILL | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |  |
|---------------------|---|-------------|--|---------|--------|--------|-------|--|
| SURFACE<br>Option 1 | LEAD  | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 215     | 60%    | 15.60  | 1.18  |  |
|                     | TOP OUT CMT (1)   | 200         | 20 gals sodium silicate + Premium cmt<br>+ 2% CaCl + .25 pps flocele                             | 50      |        | 15.60  | 1.18  |  |
|                     | TOP OUT CMT (2)   | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |  |
| SURFACE<br>Option 2 | <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b> |             |  |         |        |        |       |  |
|                     | LEAD  | 1500        | Prem cmt + 16% Gel + 10 pps gilsonite<br>+ .25 pps Flocele + 3% salt BWOC                        | 170     | 35%    | 11.00  | 3.82  |  |
|                     | TAIL  | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 180     | 35%    | 15.60  | 1.18  |  |
|                     | TOP OUT CMT   | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |  |
| PRODUCTION          | LEAD  | 5,060'      | Premium Lite II + 3% KCl + 0.25 pps<br>celloflake + 5 pps gilsonite + 10% gel<br>+ 0.5% extender | 550     | 60%    | 11.00  | 3.38  |  |
|                     | TAIL  | 5,540'      | 50/50 Poz/G + 10% salt + 2% gel<br>+ 1% R-3  | 1550    | 60%    | 14.30  | 1.31  |  |

- \*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained  
 \*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

**FLOAT EQUIPMENT & CENTRALIZERS**

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

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.  
 Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

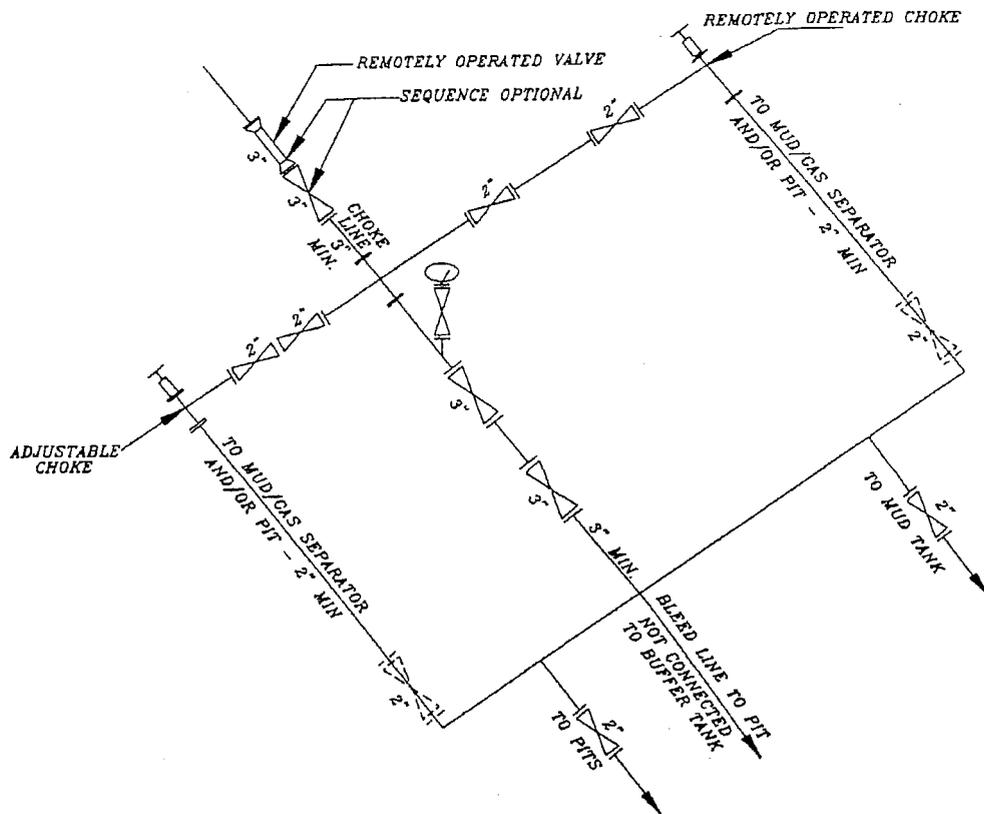
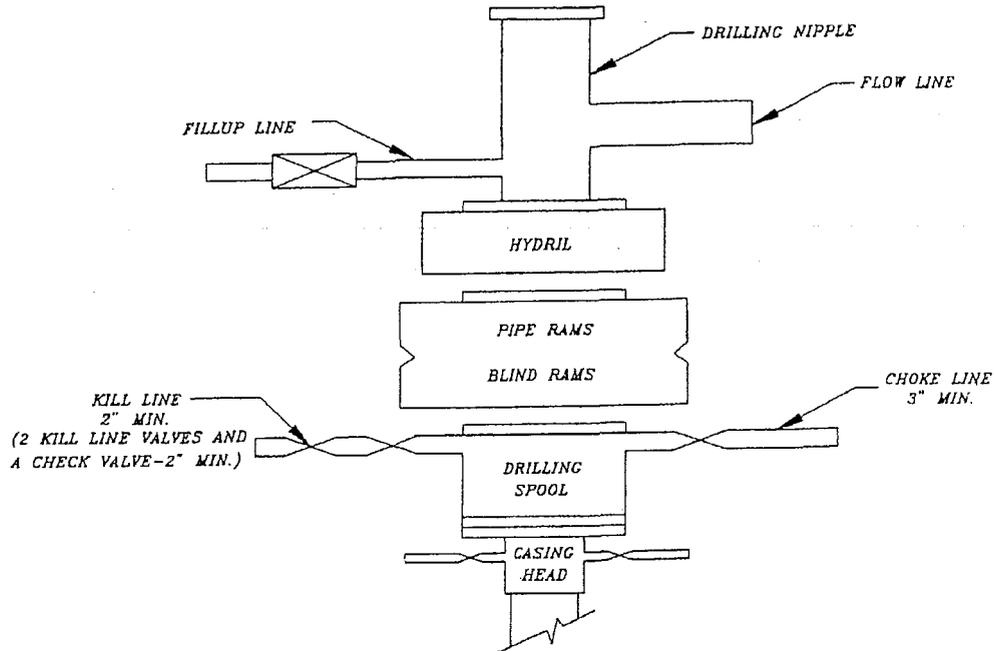
DRILLING ENGINEER: \_\_\_\_\_  
 Brad Laney

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

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

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

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



FEDERAL 33-176  
NESE SEC 33-T8S-R21E  
UINTAH COUNTY, UTAH  
LEASE NUMBER: U-9613

ONSHORE ORDER NO. 1

*MULTI-POINT SURFACE USE & OPERATIONS PLAN*

An onsite inspection was conducted for the Federal 33-176 on 1/3/01. In attendance at the inspection were the following individuals:

|                 |                                     |
|-----------------|-------------------------------------|
| Carroll Estes   | Westport Oil & Gas Company          |
| Debbie Harris   | Westport Oil & Gas Company          |
| Don DeHerrera   | Westport Oil & Gas Company          |
| Robert Martin   | Westport Oil & Gas Company          |
| Carroll Wilson  | Westport Oil & Gas Company          |
| Clay Emerson    | Westport Oil & Gas Company          |
| Greg Darlington | Bureau of Land Management           |
| Manuel Myore    | Bureau of Indian Affairs            |
| Alvin Ignacio   | Ute Tribe                           |
| Robert Kay      | Uintah Engineering & Land Surveying |
| Jim Justice     | J&L Construction                    |
| John Fausett    | John E. Fausett Construction        |
| Gary Scott      | Jackson Construction                |

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

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

2. **Planned Access Roads:**

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

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

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 pipeline. The existing pipeline will be snaked to the new right-of-way and a short new section shall be added.

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

*Please see the Natural Buttes Unit SOP.*

6. **Source of Construction Materials**

*Please see the Natural Buttes Unit SOP.*

7. **Methods of Handling Waste Materials**

*Please see the Natural Buttes Unit 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,. (Requests in lieu of filing Form 3160-5 after initial production).*

8. **Ancillary Facilities**

*Please see the Natural Buttes Unit 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).

Culvert(s) are to be installed as needed.

A run off diversion for drainage will be constructed as needed.

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

The reserve pit will be lined. When the reserve pit is closed, the pit liner will be buried below plow depth.

Questar will be contact prior to construction.

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

*Please see the Natural Buttes Unit SOP.*

11. **Surface Ownership:**

Ute Indian Tribe  
P.O. Box 70  
Fort Duchesne, Utah 84026  
(435)-722-5141

**12. Other Information:**

A Class III archaeological survey has been conducted for this location and submitted to the Ute Indian Tribe prior to the on-site. An archaeologist shall monitor construction of the location.

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

Debra Domenici  
Associate Environmental Analyst  
Westport Oil & Gas Company  
1368 South 1200 East  
Vernal, UT 84078  
(435) 781-7060

Randy Bayne  
Drilling Manager  
Westport Oil & Gas Company  
1368 South 1200 East  
Vernal, UT 84078  
(435)781-7018

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

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

Westport Oil & Gas Company is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under terms and conditions of the lease for the operations conducted Upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Westport Oil & Gas Company Bond #N-2115, BLM Nationwide Bond # CO-1203, and BIA Nationwide Bond # RLB0005239.

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

12/21/05  
Date

# WESTPORT OIL AND GAS COMPANY, L.P.

FEDERAL #33-176  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 33, T8S, R21E, S.L.B.&M.

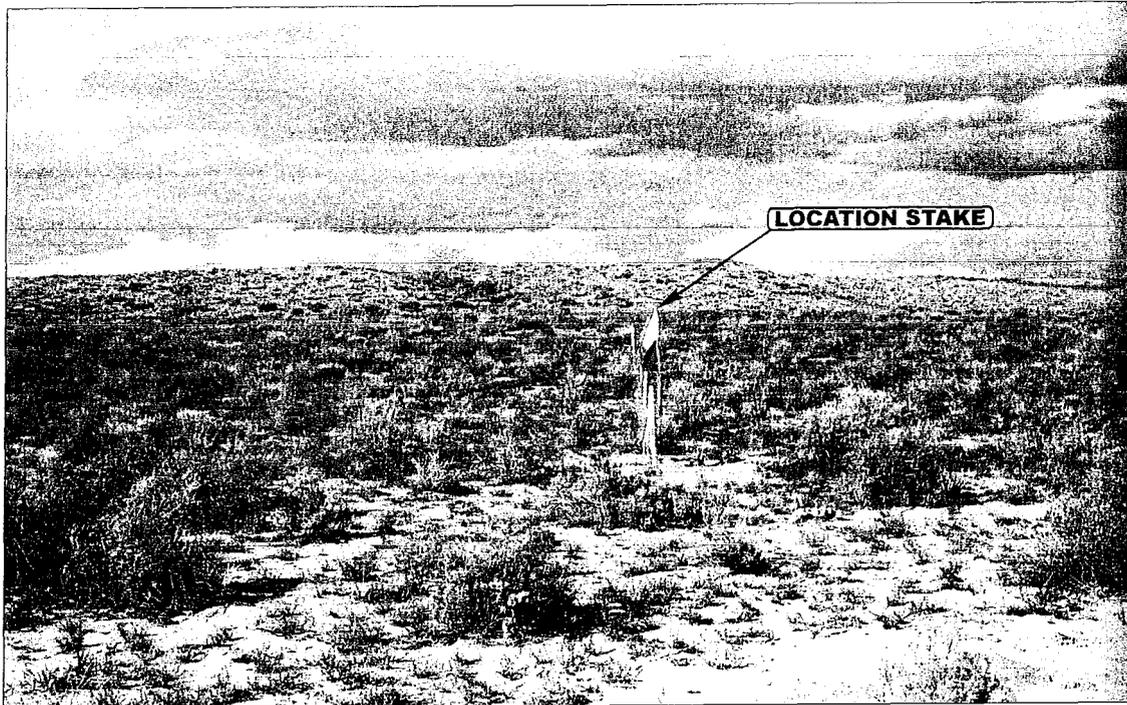


PHOTO: VIEW OF WELL LOCATION

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

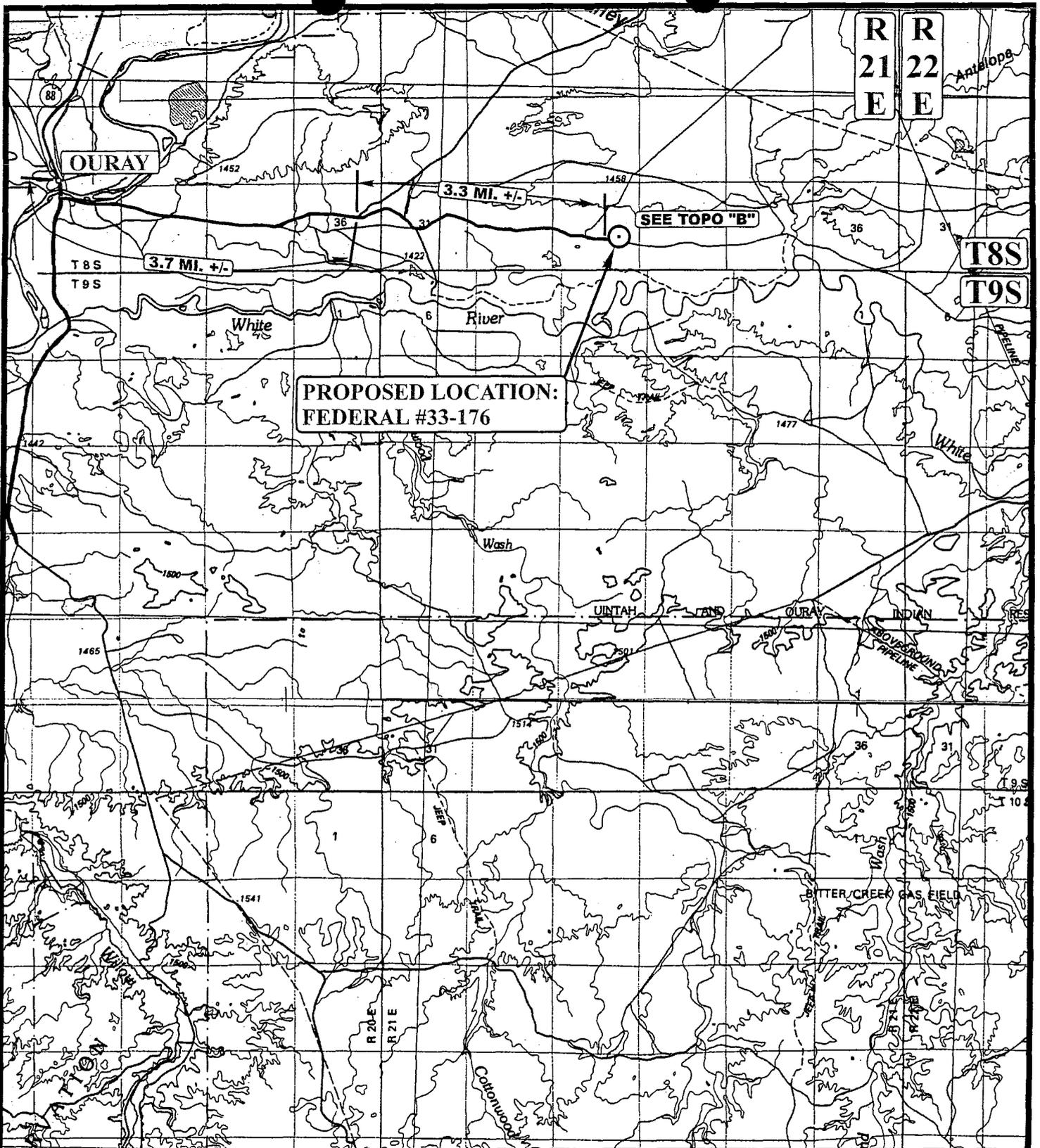
CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

|                 |                |     |                    |       |
|-----------------|----------------|-----|--------------------|-------|
| LOCATION PHOTOS | 10             | 10  | 00                 | PHOTO |
|                 | MONTH          | DAY | YEAR               |       |
| TAKEN BY: B.B.  | DRAWN BY: K.G. |     | REV: 04-08-03 P.M. |       |



**PROPOSED LOCATION:  
FEDERAL #33-176**

**SEE TOPO "B"**

**3.7 MI. +/-**

**3.3 MI. +/-**

**LEGEND:**

○ PROPOSED LOCATION



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

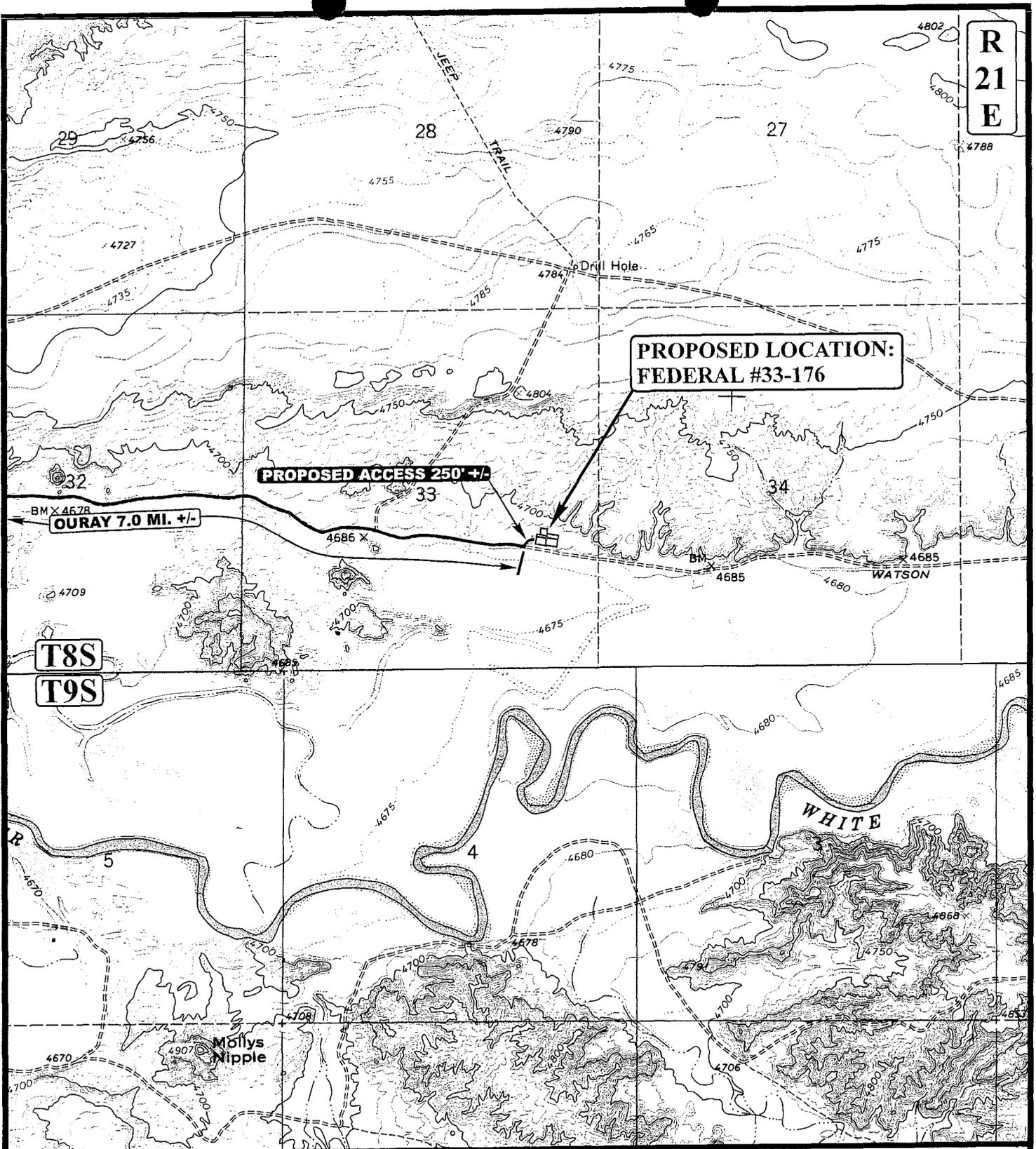
**FEDERAL #33-176  
SECTION 33, T8S, R21E, S.L.B.&M.  
1918' FSL 777' FEL**



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

**TOPOGRAPHIC 10 10 00  
MAP MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: K.G. REV: 04-08-03 P.M.**





**R  
21  
E**

**PROPOSED LOCATION:  
FEDERAL #33-176**

**PROPOSED ACCESS 250' +/-**

**OURAY 7.0 MI. +/-**

**T8S  
T9S**

**LEGEND:**  
 ————— EXISTING ROAD  
 - - - - - PROPOSED ACCESS ROAD

**WESTPORT OIL AND GAS COMPANY, L.P.**  
**FEDERAL #33-176**  
**SECTION 33, T8S, R21E, S.L.B.&M.**  
**1918' FSL 777' FEL**

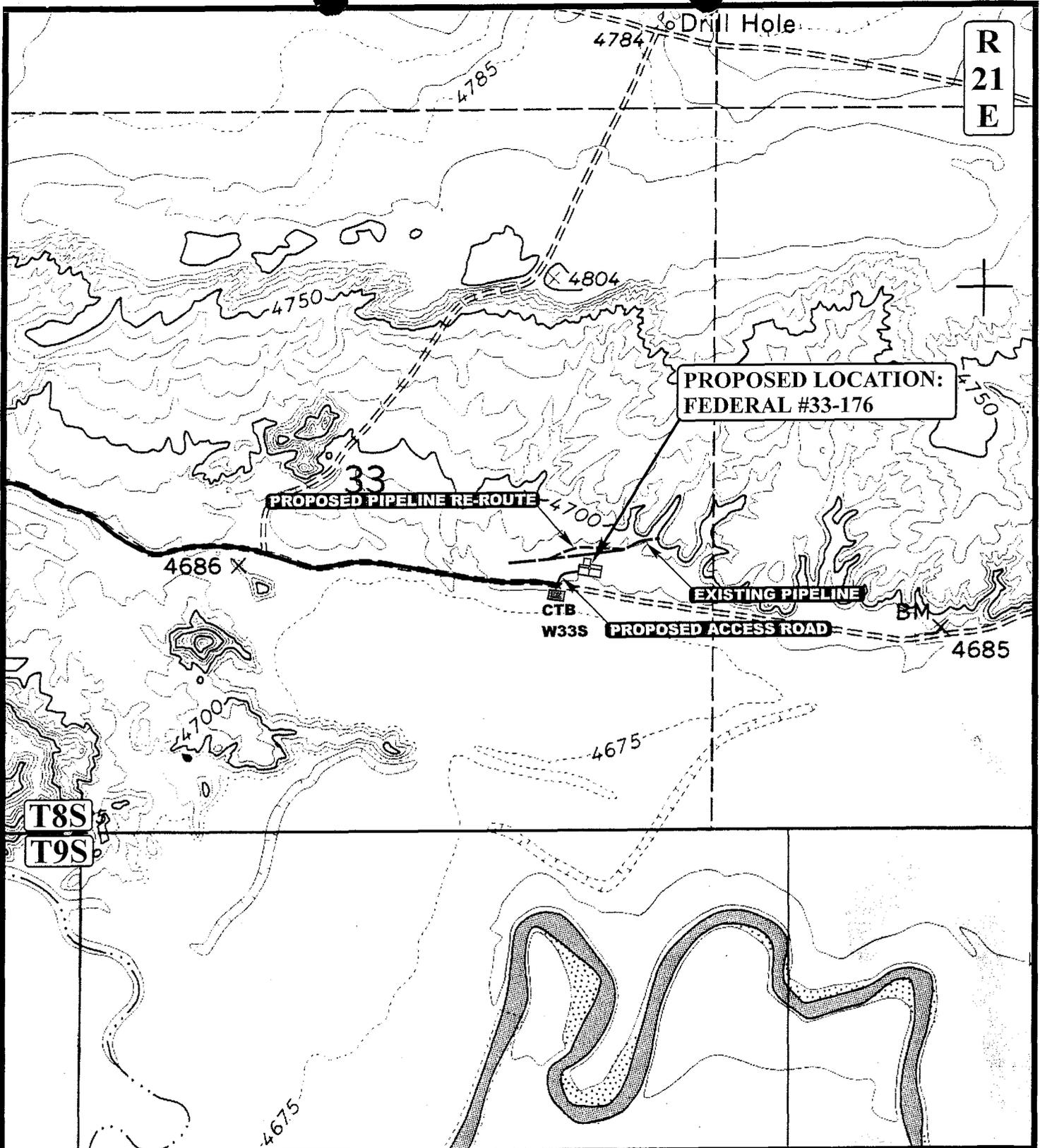


**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

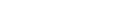
**TOPOGRAPHIC** 10 10 00  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: K.G. REV: 04-08-03 P.M.

**B  
TOPO**





**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

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

**FEDERAL #33-176**  
**SECTION 33, T8S, R21E, S.L.B.&M.**  
**1918' FSL 777' FEL**



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



**TOPOGRAPHIC** 10 10 00  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: K.G. REV: 04-08-03 P.M.



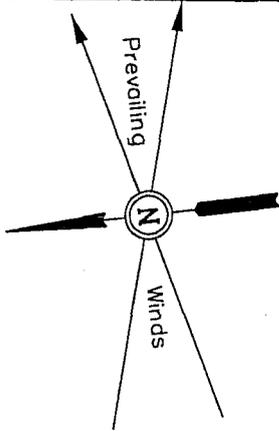
# WESTPORT OIL AND GAS COMPANY, L.P.

LOCATION LAYOUT FOR

FEDERAL #33-176

SECTION 33, T8S, R21E, S.L.B.&M.

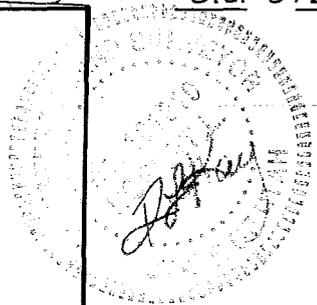
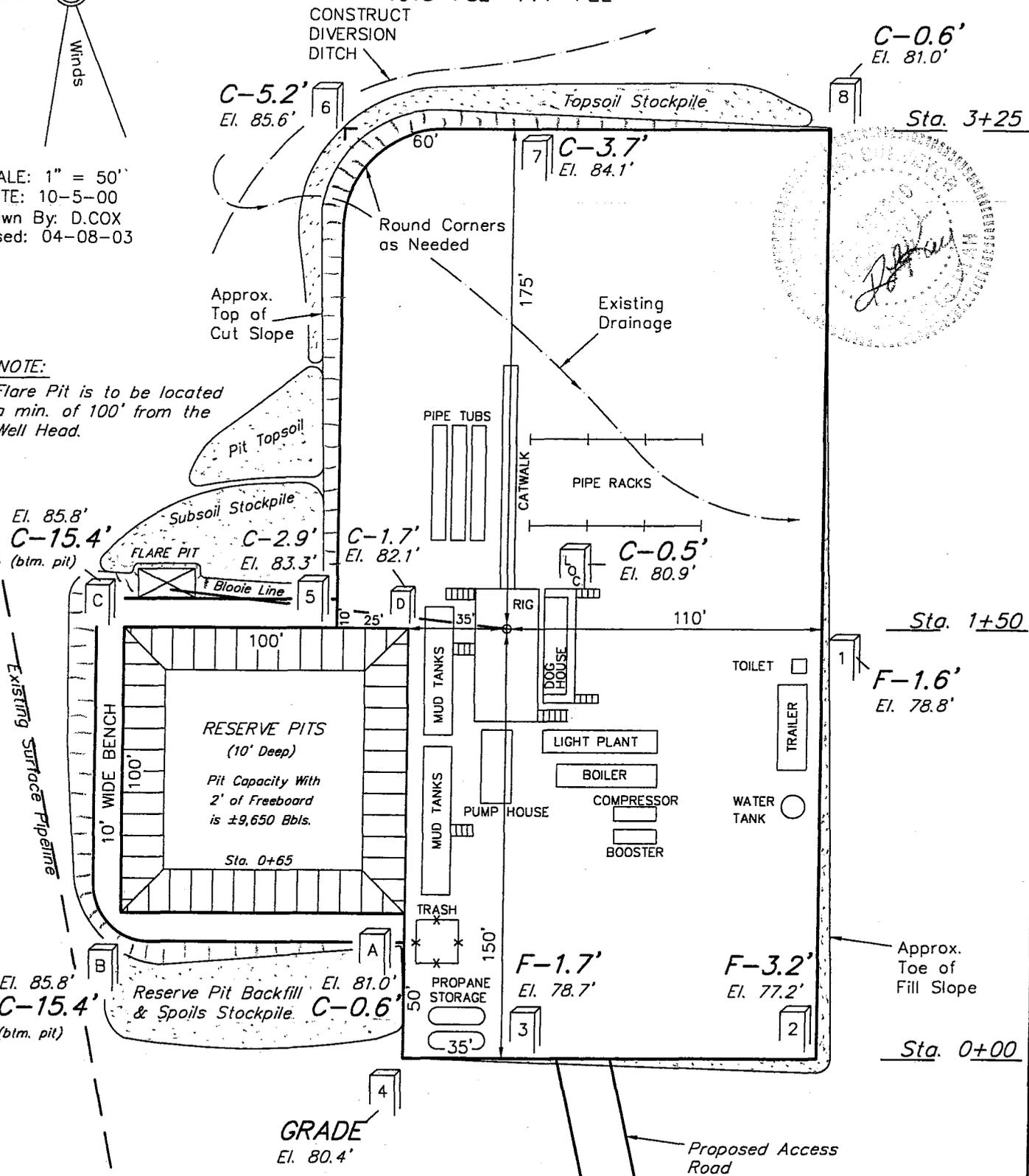
1918' FSL 777' FEL



SCALE: 1" = 50'  
 DATE: 10-5-00  
 Drawn By: D.COX  
 Revised: 04-08-03

**NOTE:**

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



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 4680.9'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 4680.4'

**FIGURE #1**

WESTPORT OIL AND GAS COMPANY, L.P.

TYPICAL CROSS SECTIONS FOR

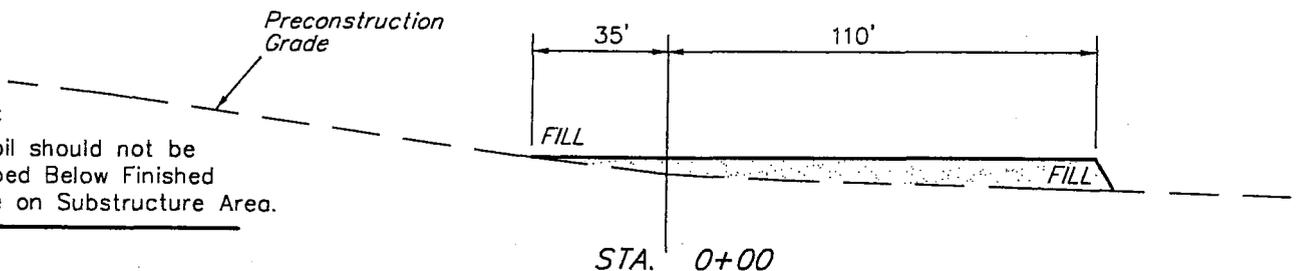
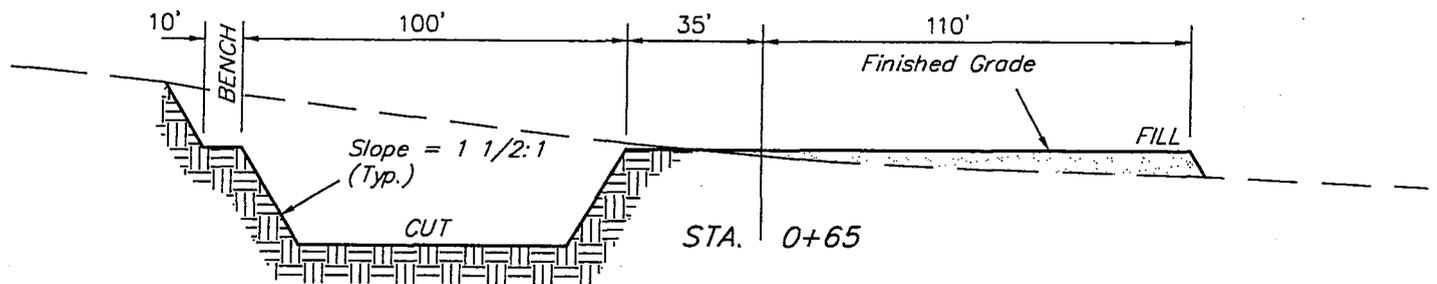
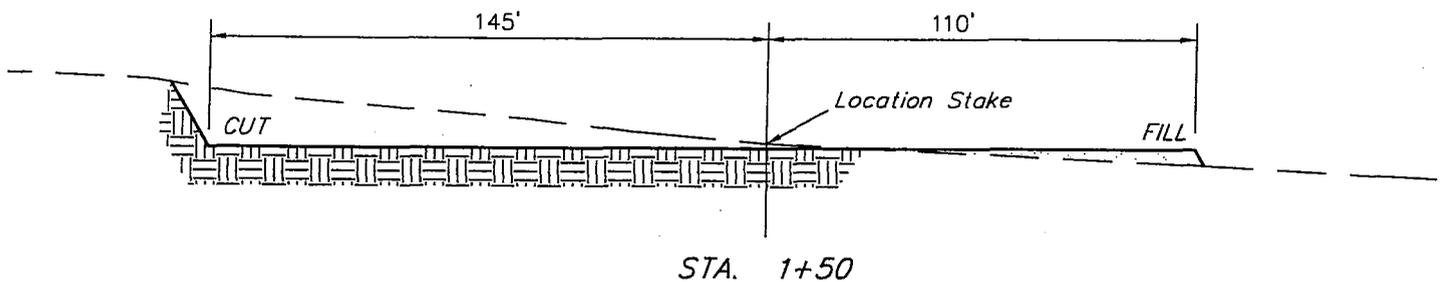
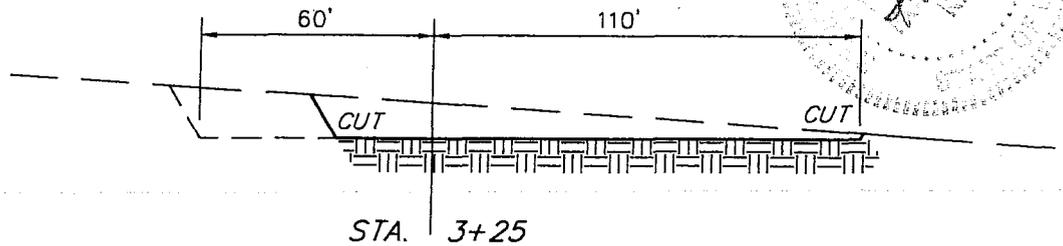
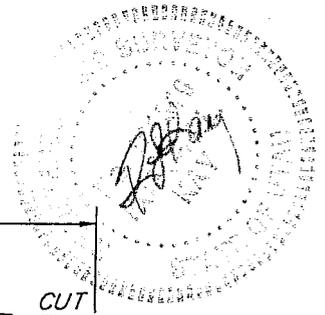
FEDERAL #33-176

SECTION 33, T8S, R21E, S.L.B.&M.

1918' FSL 777' FEL

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

DATE: 10-5-00  
Drawn By: D.COX  
Revised: 04-08-03



NOTE:

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

**FIGURE #2**

APPROXIMATE YARDAGES

|                         |                        |
|-------------------------|------------------------|
| CUT                     |                        |
| (12") Topsoil Stripping | = 2,400 Cu. Yds.       |
| Remaining Location      | = 5,310 Cu. Yds.       |
| <b>TOTAL CUT</b>        | <b>= 7,710 CU.YDS.</b> |
| <b>FILL</b>             | <b>= 2,260 CU.YDS.</b> |

|   |                  |
|---|------------------|
| EXCESS MATERIAL AFTER 5% COMPACTION     | = 5,330 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.)   | = 3,740 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 1,590 Cu. Yds. |

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/03/2006

API NO. ASSIGNED: 43-047-37620

WELL NAME: FEDERAL 33-176  
 OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

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

NESE 33 080S 210E  
 SURFACE: 1918 FSL 0777 FEL  
 BOTTOM: 1918 FSL 0777 FEL  
 COUNTY: UINTAH  
 LATITUDE: 40.07751 LONGITUDE: -109.5516  
 UTM SURF EASTINGS: 623503 NORTHINGS: 4437155  
 FIELD NAME: NATURAL BUTTES ( 630 )

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-9613  
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

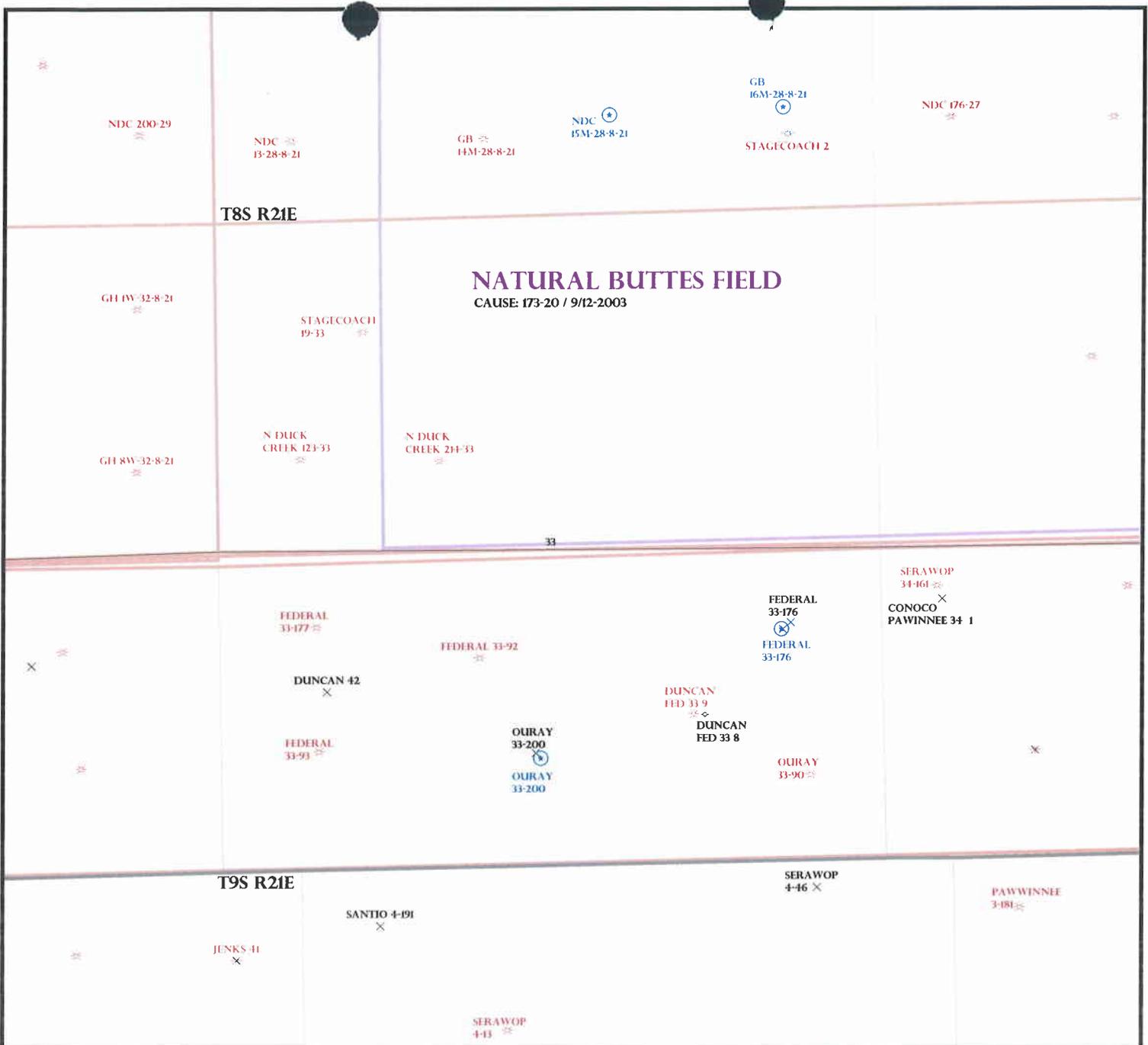
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. RLB0005239 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 173-20  
Eff Date: 9-12-2003  
Siting: 460' from devl well, 920' from other wells
- R649-3-11. Directional Drill

COMMENTS: Sop, Separate file

STIPULATIONS: 1 - Federal Approval



**NATURAL BUTTES FIELD**  
 CAUSE: 173-20 / 9/12-2003

OPERATOR: WESTPORT O&G CO (N2115)

SEC: 33 T. 8S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-20 / 9/12-2003

- 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
  - X 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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
 DATE: 17-JANUARY-2006



**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*

January 17, 2006

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

Re: Federal 33-176 Well, 1918' FSL, 777' FEL, NE SE, Sec. 33, T. 8 South,  
R. 21 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 43-047-37620.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

**Operator:** Westport Oil & Gas Company, LP  
**Well Name & Number** Federal 33-176  
**API Number:** 43-047-37620  
**Lease:** U-9613

**Location:** NE SE                      **Sec.** 33                      **T.** 8 South                      **R.** 21 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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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:  |  | <b>1/6/2006</b> |
| <b>FROM:</b> (Old Operator):<br>N2115-Westport Oil & Gas Co., LP<br>1368 South 1200 East<br>Vernal, UT 84078<br>Phone: 1-(435) 781-7024 | <b>TO:</b> ( New Operator):<br>N2995-Kerr-McGee Oil & Gas Onshore, LP<br>1368 South 1200 East<br>Vernal, UT 84078<br>Phone: 1-(435) 781-7024 |                 |

| WELL NAME | CA No. | Unit: | 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
- 4a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- 4b. 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
- 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.*

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**

**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**

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

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

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

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

**RECEIVED**  
**MAY 10 2006**

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

**APPROVED 5116106**  
*Earlene Russell*

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) **RANDY BAYNE**  
Signature *Randy Bayne*  
Title **DRILLING MANAGER**  
Date **May 9, 2006**

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

**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.

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**

**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**

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)<br><b>BRAD LANEY</b> | Title<br><b>ENGINEERING SPECIALIST</b> |
| Signature<br><i>Brad Laney</i>            | Date<br><b>May 9, 2006</b>             |

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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



## 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

U.S. DEPT. OF THE INTERIOR

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<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>U-9613                             |
| 2. Name of Operator<br>KERR-McGEE OIL & GAS ONSHORE LP   |   | 6. If Indian, Allottee or Tribe Name<br>UTE TRIBE         |
| 3a. Address<br>1368 SOUTH 1200 EAST VERNAL, UT 84078   | 3b. Phone No. (include area code)<br>(435) 781-7024 | 7. If Unit or CA/Agreement, Name and/or No.<br>NRM-1705   |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>NESE SECTION 33, T8S,R 21E 1918'FSL, 777'FEL           |   | 8. Well Name and No.<br>FEDERAL 33-176                    |
|  |   | 9. API Well No.<br>4304737620                             |
|  |   | 10. Field and Pool, or Exploratory Area<br>NATURAL BUTTES |
|  |   | 11. County or Parish, State<br>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 type="checkbox"/> Other _____    |
|  | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |   |
|  | <input type="checkbox"/> Convert to Injection    | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

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

THE OPERATOR REQUESTS AUTHORIZATION TO CHANGE THE DRILLING PROGRAM.  
THE OPERATOR PROPOSES TO CHANGE THE ORIGINAL DRILLING PROGRAM TO REFLECT THE TOTAL DEPTH CHANGE FROM 10,600' TO 12,600' AND SET INTERMEDIATE CASING.

PLEASE REFER TO THE REVISED DRILLING PROGRAM

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 06-05-06  
By: *[Signature]*

**Federal Approval of this  
Action is Necessary**

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

|  |                             |
|--|-----------------------------|
| Name (Printed/Typed)<br>Sheila Upchego | Title<br>Regulatory Analyst |
| Signature<br><i>[Signature]</i>        | Date<br>May 25, 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 | <b>COPY SENT TO OPERATOR</b><br>Date: 6-15-06<br>Initial: <i>[Initials]</i> |

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**  
MAY 30 2006

DIV. OF OIL, GAS & MINING



# Kerr McGee Oil and Gas Onshore LP DRILLING PROGRAM

COMPANY NAME Kerr McGee Oil and Gas Onshore LP DATE May 10, 2006  
 WELL NAME FEDERAL 33-176 TD 12,600' MD/TVD \_\_\_\_\_  
 FIELD Ouray COUNTY Uintah STATE Utah ELEVATION 4,680' GL KB 4,699'  
 SURFACE LOCATION NESE SECTION 33-T8S-R21E 1918'FSL & 777'FEL BHL Straight Hole  
 Latitude: 40.077500 Longitude: 109.551389  
 OBJECTIVE ZONE(S) Wasatch, Mesa Verde, Mancos  
 ADDITIONAL INFO Regulatory Agencies: TRIBAL SURFACE/MINERALS, BLM, UTOGDM, Tri-County Health Dept.

| GEOLOGICAL  |   |                 | MECHANICAL   |                          |   |
|---|---|-----------------|--------------|--------------------------|---|
| LOGS  | FORMATION<br>TOPS   | DEPTH<br>+- 40' | HOLE<br>SIZE | CASING<br>SIZE           | MUD<br>WEIGHT   |
| Catch water sample, if possible,<br>from 0 to 5,550'  |   |                 | 12-1/4"      | 20"                      | Air   |
| Preset S.Csg<br>@ 1000<br>Grn River @ 1,750'<br>PEX f/ app. 8729' to surf csg<br>Mud Log f/ 4000' to TD | 4 1/2" TOC @ 4,550'<br>Wasatch @ 5,550'<br>Mverde @ 8,575'<br>Int csg @ 8,775'  |                 | 8 3/4"       | 9-5/8", 32.3#, H-40, STC | Water/Fresh<br>Water Mud<br>8.3-9.5 ppg                   |
| PEX f/ TD to int. csg.<br>Mud Log to TD   | Castlegate @ 10,900'<br>Blackhawk @ 11,325'<br>Mancos @ 11,718'<br>TD @ 12,600' |                 | 6 1/4"       | 7", 23#, HCP-110, LTC    | Max anticipated Mud<br>Wt for Intermediate Csg<br>9.5 ppg |
|   |   |                 | 4-1/2"       | 11.6#, HCP-110, LTC      | 9.5-11.8 ppg<br>WBM                                       |
|   |   |                 |              |                          | Max anticipated Mud<br>Wt for Production Csg<br>11.8 ppg  |



## Kerr McGee Oil and Gas Onshore LP

### CASING PROGRAM

|              | SIZE   | INTERVAL     | WT.   | GR.     | CPLG | DESIGN FACTORS |          |         |
|--------------|--------|--------------|-------|---------|------|----------------|----------|---------|
|              |        |              |       |         |      | BURST          | COLLAPSE | TENSION |
| CONDUCTOR    | 14"    | 0-40'        |       |         |      | 2,270          | 1,370    | 254,000 |
| SURFACE      | 9-5/8" | 0 to 1000'   | 32.30 | H-40    | STC  | 0.94           | 2.93     | 9.01    |
| INTERMEDIATE | 7"     | 0 to 8,775'  | 23.00 | HCP-110 | LTC  | 1.76           | 1.30     | 3.35    |
| PRODUCTION   | 4-1/2" | 0 to 12,600' | 11.60 | HCP-110 | LTC  | 2.16           | 1.12     | 2.19    |

- 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 (Int Casing) = Pore Pressure at Next Casing Point - (.22 psi/ft-partial evac gradient x TVD of next csg point)
  - 3) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- (Burst Assumptions: Max Pore Press @ Int shoe 9.5 ppg | MW @ TD 11.8 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 = 4959.36

### CEMENT PROGRAM

|              |                 | FT. OF FILL | DESCRIPTION  | SACKS   | EXCESS* | WEIGHT | YIELD |
|--------------|-----------------|-------------|--|---------|---------|--------|-------|
| SURFACE      | LEAD            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 215     | 60%     | 15.60  | 1.18  |
| Option 1     | TOP OUT CMT (1) | 200         | 20 gals sodium silicate + Premium cmt<br>+ 2% CaCl + .25 pps flocele   | 50      |         | 15.60  | 1.18  |
|              | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl  | as req. |         | 15.60  | 1.18  |
| SURFACE      | Option 2        |             | NOTE: If well will circulate water to surface, option 2 will be utilized.  |         |         |        |       |
|              | LEAD            | 1500        | Prem cmt + 16% Gel + 10 pps gilsonite<br>+ .25 pps Flocele + 3% salt BWOC  | 170     | 35%     | 11.00  | 3.82  |
|              | TAIL            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 180     | 35%     | 15.60  | 1.18  |
|              | TOP OUT CMT     | as required | Premium cmt + 2% CaCl  | as req. |         | 15.60  | 1.18  |
| INTERMEDIATE | LEAD            | 4,550'      | Premium Lite II + 3% KCl + 0.25 pps<br>celloflake + 5 pps gilsonite + 10% gel<br>+ 0.5% extender                                     | 330     | 70%     | 11.00  | 3.38  |
|              | TAIL            | 4,225'      | 50/50 Poz/G + 10% salt + 2% gel  | 840     | 70%     | 14.30  | 1.31  |
| PRODUCTION   | Lead            | 6,575'      | Premium Lite II High Strength + 5 pps<br>Koiseal + 3% KCl + 0.05 pps Static-free<br>+ 0.7% R-3 + 0.25 pps celloflake<br>+ 0.7% FL-52 | 410     | 40%     | 13.00  | 1.97  |
|              | Tail            | 1,475'      | 50/50 Poz/G + 3% gel + 0.6% FL-52<br>+ 0.3% R-3 + 0.25 pps celloflake<br>+ 20% silica + 0.05 pps Static-free                         | 150     | 40%     | 14.10  | 1.54  |

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

\*Substitute caliper hole volume plus 10% 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.                   |
| INTERMEDIATE | Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers. |
| PRODUCTION   | Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of cement with bow spring centralizers.      |

### ADDITIONAL INFORMATION

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

BOPE: 11" 5M with one annular and 3 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves. Run 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.

NOTE: The MASP approaches 5000 psi so a third ram will be installed in the BOP stack.

DRILLING ENGINEER:

Brad Laney

DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

RECEIVED

DEC 30 2005

Form 3160-3  
(August 1999)

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

|   |  |   |
|---|--|---|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER  |  | 5. Lease Serial No.<br>U-9613                                       |
| 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<br>UTE TRIBE                   |
| 2. Name of Operator<br>KERR MCGEE OIL AND GAS ONSHORE LP  |  | 7. If Unit or CA Agreement, Name and No.<br>NRM-1705                |
| 3A. Address<br>1368 SOUTH 1200 EAST, VERNAL, UT 84078   | 3b. Phone No. (include area code)<br>435-781-7003      | 8. Lease Name and Well No.<br>FEDERAL 33-176                        |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface NESE 1918' FSL 777' FEL<br>At proposed prod. Zone  |  | 9. API Well No.<br>43-047-37620                                     |
| 14. Distance in miles and direction from nearest town or post office*<br>7 MILES SOUTHEAST OF OURAY, UTAH   |  | 10. Field and Pool, or Exploratory<br>OURAY                         |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)<br>777'   | 16. No. of Acres in lease<br>1920.00                   | 11. Sec., T., R., M., or Blk, and Survey or Area<br>SEC 33-T8S-R21E |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.<br>REFER TO TOPO "C"   | 19. Proposed Depth<br>10600'                           | 12. County or Parish<br>Uintah                                      |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br>4680.9' GL   | 22. Approximate date work will start*<br>UPON APPROVAL | 13. State<br>Utah   |
| 20. BLM/BIA Bond No. on file<br>BIA #RLB0005239   |  |   |
| 23. Estimated duration<br>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<br><i>Ramey Hoopes</i>                          | Name (Printed/Typed)<br>RAMEY HOOPES  | Date<br>4/13/2006 |
| Title<br>REGULATORY CLERK                                     |                                       |                   |
| Approved by (Signature)<br><i>Jerry Kencera</i>               | Name (Printed/Typed)<br>JERRY KENCERA | Date<br>9-26-2006 |
| Title<br>Assistant Field Manager<br>Lands & Mineral Resources | Office                                |                   |

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

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it unlawful 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, or to furnish any information with intent to defraud.

\*(Instructions on reverse)

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

RECEIVED  
OCT 06 2006

DIV. OF OIL, GAS & MINING

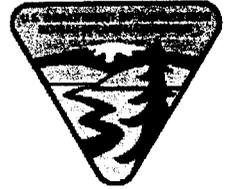
DOBEM  
NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



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**  
Well No: **Federal 33-176**  
API No: **43-047-37620**

Location: **NESE, Sec 33, T8S, R21E**  
Lease No: **UTU-9613**  
Agreement: **CA NRM-1705**

|                                    |                     |                      |                    |
|------------------------------------|---------------------|----------------------|--------------------|
| Petroleum Engineer:                | Matt Baker          | Office: 435-781-4490 | Cell: 435-828-4470 |
| Petroleum Engineer:                | Michael Lee         | Office: 435-781-4432 | Cell: 435-828-7875 |
| Supervisory Petroleum Technician:  | Jamie Sparger       | Office: 435-781-4502 | Cell: 435-828-3913 |
| Environmental Scientist:           | Paul Buhler         | Office: 435-781-4475 | Cell: 435-828-4029 |
| Environmental Scientist:           | Karl Wright         | Office: 435-781-4484 |                    |
| Natural Resource Specialist:       | Holly Villa         | Office: 435-781-4404 |                    |
| Natural Resource Specialist:       | Melissa Hawk        | Office: 435-781-4476 |                    |
| <b>After Hours Contact Number:</b> | <b>435-781-4513</b> | 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 one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

- Construction Activity - The Ute Tribe Energy & Minerals Dept. shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
- Construction Completion - Upon completion of the pertinent APD and ROWs construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion.
- Spud Notice  
(Notify Petroleum Engineer) - Twenty-Four (24) hours prior to spudding the well.
- Casing String & Cementing  
(Notify Jamie Sparger) - Twenty-Four (24) hours prior to running casing and cementing all casing strings.
- BOP & Related Equipment Tests  
(Notify Jamie Sparger) - Twenty-Four (24) hours prior to initiating pressure tests.
- First Production Notice  
(Notify Petroleum Engineer) - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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

Site Specific Stipulations:

1. Road ROW is only 30 feet per engineer's affidavit.

General Conditions of Approval

1. A 30 foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
2. A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
3. The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
4. Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
5. The Company shall inform contractors to maintain construction of pipelines within the approved ROW's.
6. The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
7. You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
8. Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
9. The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
10. All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
11. All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.

12. All personnel shall refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
13. The personnel from the Ute Tribe Energy & Minerals Department shall be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
14. All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
15. Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

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

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

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

1. A variance is granted for O.O. #2 III. E. 1.
  - a. The blooie line shall be straight or have targeted tees for bends in the line.
  - b. Not requiring an automatic igniter or continuous pilot on the blooie line
  - c. If a mist system is used, the requirement for a deduster shall be waived.

#### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

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

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

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

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

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

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.

6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

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

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

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

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

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

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

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

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address, and telephone number.
  - b. Well name and number.
  - c. Well location ( $\frac{1}{4}$  $\frac{1}{4}$ , Sec., Twn, Rng, and P.M.).
  - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
  - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - g. Unit agreement and / or participating area name and number, if applicable.
  - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production

15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
  
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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.  
**U-9613**

6. If Indian, Allottee or Tribe Name  
**UTE TRIBE**

7. If Unit or CA/Agreement, Name and/or No.  
**NRM-1705**

8. Well Name and No.  
**FEDERAL 33-176**

9. API Well No.  
**4304737620**

10. Field and Pool, or Exploratory Area  
**OURAY**

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

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

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
**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)  
**1918' FSL 777' FEL  
NESE, SEC 33-T8S-R21E**

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

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

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON JANURAY 17, 2006.

Approved by the  
Utah Division of  
Oil, Gas and Mining

RECEIVED  
DEC 26 2006

Date: 12-27-06  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 12-28-06  
Initials: RM

DIV. OF OIL, GAS & MINING

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

|   |                                  |
|---|----------------------------------|
| Name (Printed/Typed)<br><b>RAMEY HOOPES</b> | Title<br><b>REGULATORY CLERK</b> |
| Signature<br><u>[Signature]</u>             | Date<br><b>December 6, 2006</b>  |

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

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

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

**API:** 4304737620  
**Well Name:** FEDERAL 33-176  
**Location:** NESE, SEC 33-T8S-R21E  
**Company Permit Issued to:** KERR MCGEE OIL AND GAS ONSHORE LP  
**Date Original Permit Issued:** 1/17/2006

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

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

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

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

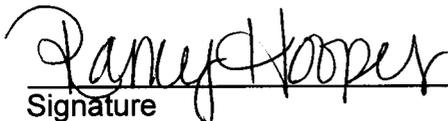
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

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

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

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

  
Signature

12/6/2006  
Date

Title: REGULATORY CLERK

Representing: Kerr McGee Oil and Gas Onshore LP

RECEIVED  
DEC 26 2006

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
VERNAL FIELD OFFICE  
2007 AUG 16 PM 3:27

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.

U-9613  
Indian, Allottee or Tribe Name  
UTE TRIBE  
7. If Unit or CA/Agreement, Name and/or No.  
NRM- 1705  
8. Well Name and No.  
FEDERAL 33-176  
9. API Well No.  
4304737620  
10. Field and Pool, or Exploratory Area  
OURAY  
11. County or Parish, State  
UINTAH, UTAH

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
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 (Footage, Sec., T., R., M., or Survey Description)  
1918' FSL, 777' FEL  
NESE, SEC 33-T8S-R21E

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

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE BUREAU OF LAND MANAGEMENT ON SEPTEMBER 26, 2006.

CONDITIONS OF APPROVAL ATTACHED  
RECEIVED  
AUG 31 2007  
DIV. OF OIL, GAS & MINING

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

|   |                          |
|---|--------------------------|
| Name (Printed/Typed)<br>REBECCA WORTHEN | Title<br>LAND SPECIALIST |
| Signature<br><i>Rebecca Worthen</i>     | Date<br>August 9, 2007   |

THIS SPACE FOR FEDERAL OR STATE USE

|                                  |                             |                     |
|----------------------------------|-----------------------------|---------------------|
| Approved by<br><i>Matt Baker</i> | Title<br>Petroleum Engineer | Date<br>AUG 20 2007 |
|----------------------------------|-----------------------------|---------------------|

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

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

(Instructions on reverse)



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

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

**API:** 4304737620  
**Well Name:** FEDERAL 33-176  
**Location:** NESE, SEC 33-T8S-R21E  
**Company Permit Issued to:** KERR-MCGEE OIL AND GAS ONSHORE LP  
**Date Original Permit Issued:** 9/26/2006

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

Rebecca Nothman  
Signature

8/9/2007

Date

Title: LAND SPECIALIST

Representing: Kerr McGee Oil and Gas Onshore LP

# **CONDITIONS OF APPROVAL**

## **Kerr McGee Oil & Gas Onshore.**

### **Notice of Intent APD Extension**

**Lease:** UTU-9613  
**Well:** Federal 33-176  
**Location:** NESE Sec 33-T8S-R21E

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

---

1. The extension and APD shall expire on 9/26/08
2. No other extension shall be granted.

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

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<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>U-9613                           |
| 2. Name of Operator<br>KERR MCGEE OIL AND GAS ONSHORE LP   |   | 6. If Indian, Allottee or Tribe Name<br>UTE TRIBE       |
| 3a. Address<br>1368 SOUTH 1200 EAST VERNAL, UT 84078   | 3b. Phone No. (include area code)<br>435.781.7024 | 7. If Unit or CA/Agreement, Name and/or No.<br>NRM-1705 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>NE/SE SEC 33, T8S, R21E 1918'FSL, 777'FEL              |   | 8. Well Name and No.<br>FEDERAL 33-176                  |
|  |   | 9. API Well No.<br>4304737620                           |
|  |   | 10. Field and Pool, or Exploratory Area<br>OURAY        |
|  |   | 11. County or Parish, State<br>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 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       | DOGM  |
|   | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON JANURARY 17, 2006.

Approved by the  
Utah Division of  
Oil, Gas and Mining

RECEIVED

JAN 08 2008

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR  
Date: 1-9-2008  
Initials: KS

Date: 01-08-08  
By: [Signature]

|   |                                       |
|---|---------------------------------------|
| 14. I hereby certify that the foregoing is true and correct |                                       |
| Name (Printed/Typed)<br>SHEILA UPCHEGO                      | Title<br>SENIOR LAND ADMIN SPECIALIST |
| Signature<br>[Signature]                                    | Date<br>December 6, 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.



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

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

**API:** 4304737620  
**Well Name:** FEDERAL 33-176  
**Location:** NE/SE SEC. 33, T8S, R21E  
**Company Permit Issued to:** KERR-MCGEE OIL AND GAS ONSHORE LP  
**Date Original Permit Issued:** 1/17/2006

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

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

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

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

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

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

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

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

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

  
Signature

1/3/2008  
Date

Title: SENIOR LAND ADMIN SPECIALIST

Representing: KERR-MCGEE OIL & GAS ONSHORE LP

**RECEIVED**  
**JAN 08 2008**  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

|  |   |   |
|--|---|---|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other   |   | 5. Lease Serial No.<br>U-9613                           |
| 2. Name of Operator<br>KERR MCGEE OIL AND GAS ONSHORE LP   |   | 6. If Indian, Allottee or Tribe Name<br>UTE TRIBE       |
| 3a. Address<br>1099 18th. St. Denver, CO 80202   | 3b. Phone No. (include area code)<br>720-929-6038 | 7. If Unit or CA/Agreement, Name and/or No.<br>NRM-1705 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>1918' FSL 777' FEL<br>NESE, SECTION 33, T8S, R21E, SLB&M |   | 8. Well Name and No.<br>FEDERAL 33-176                  |
|  |   | 9. API Well No.<br>4304737620                           |
|  |   | 10. Field and Pool, or Exploratory Area<br>OURAY        |
|  |   | 11. County or Parish, State<br>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 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 <u>APD EXTENSION</u> |
|   | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |  |
|   | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |  |

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

THE 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 AND GAS ON ~~DECEMBER~~ ON JANUARY 17, 2006.

Approved by the  
Utah Division of  
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 2-5-2009 Date: 02-02-09  
Initials: KS By: [Signature]

RECEIVED  
RECEIVED JAN 08 2009  
JAN 29 2009 DIV. OF OIL, GAS & MINING

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

|   |                             |
|---|-----------------------------|
| Name (Printed/Typed)<br>ELIZABETH SMITH | Title<br>REGULATORY ANALYST |
| Signature<br><u>[Signature]</u>         | Date<br>January 6, 2009     |

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.



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

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

**API:** 4304737620  
**Well Name:** Federal 33-176  
**Location:** 1918' FSL 777' FEL NESE Sec 33 T8S, R21E  
**Company Permit Issued to:** Kerr McGee Oil and Gas Onshore, LP  
**Date Original Permit Issued:** 1/17/2006

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

*Elizabeth Smith*  
Signature

1/28/2009  
Date

Title: Regulatory Analyst

Representing: Kerr McGee Oil and Gas Onshore, LP

**RECEIVED**  
**JAN 29 2009**  
DIV. OF OIL, GAS & MINING

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>U-9613                                       |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>UTE<br><br><b>7. UNIT or CA AGREEMENT NAME:</b>                     |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>FEDERAL 33-176   |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047376200000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1918 FSL 0777 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 33 Township: 08.0S Range: 21.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
|--|--|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>2/2/2010 | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:                                | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:   | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:  | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|  | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|  | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input checked="" type="checkbox"/> APD EXTENSION       |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER: _____  |

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

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

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

**Date:** February 01, 2010

**By:**

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        | <b>DATE</b><br>2/1/2010             |                                    |



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047376200000**

**API:** 43047376200000

**Well Name:** FEDERAL 33-176

**Location:** 1918 FSL 0777 FEL QTR NESE SEC 33 TWNP 080S RNG 210E MER S

**Company Permit Issued to:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date Original Permit Issued:** 1/17/2006

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 rightof- 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

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

**Signature:** Danielle Piernot

**Date:** 2/1/2010

**Title:** Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date:** February 01, 2010

**By:** 

**RECEIVED** February 01, 2010

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>U-9613                                       |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>UTE<br><br><b>7. UNIT or CA AGREEMENT NAME:</b>                     |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>FEDERAL 33-176   |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>4304737620000  |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1918 FSL 0777 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 33 Township: 08.0S Range: 21.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>1/17/2011<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input checked="" type="checkbox"/> APD EXTENSION<br>OTHER: <input style="width: 100px;" type="text"/> |

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

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

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

Date: 01/13/2011  
 By: 

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        |                                     | <b>DATE</b><br>1/11/2011           |



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

- State of Utah  
- Department of Natural Resources

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

**Signature:** Danielle Piernot

**Date:** 1/11/2011

**Title:** Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

**Date:** 01/13/2011

**By:** 



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 25, 2012

Kerr McGee Oil & Gas Onshore, L.P.  
P.O. Box 173779  
Denver, CO 80217

Re: APD Rescinded – Federal 33-176, Sec. 33, T. 8S, R. 21E  
Uintah County, Utah API No. 43-047-37620

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 17, 2006. On January 8, 2008, February 2, 2009, February 1, 2010 and January 13, 2011, the Division granted a one-year APD extension. On January 25, 2012, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 25, 2012.

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

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

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal

