

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

FORM 3

AMENDED REPORT
(highlight changes)

| | | | |
|--|---------------------------------------|---|---|
| APPLICATION FOR PERMIT TO DRILL | | 5. MINERAL LEASE NO: ML-23608 | 6. SURFACE: State |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> | | 8. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT | |
| 2. NAME OF OPERATOR: WESTPORT OIL & GAS COMPANY, L.P. | | 9. WELL NAME and NUMBER: NBU 1021-13I | |
| 3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078 | | PHONE NUMBER: (435) 781-7060 | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2353' FSL 668' FEL 628837X 39.947329 AT PROPOSED PRODUCINGZONE: 4422790Y -109.491882 | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 13 10S 21E | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 19.5 MILES SOUTHEAST OF OURAY, UTAH | | 12. COUNTY: UINTAH | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 668' | 16. NUMBER OF ACRES IN LEASE: 640 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C | 19. PROPOSED DEPTH: 9,300 | 20. BOND DESCRIPTION: RLB0005238 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5063.9' GL | 22. APPROXIMATE DATE WORK WILL START: | 23. ESTIMATED DURATION: TO BE DETERMINED | |

24. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | | |
|--------------|---|------|-------|---------------|---|---------|------|------|
| | 14" | | | | | | | |
| 12 1/4" | 9 5/8" | H-40 | 32.3# | 2,000 | PREM CMT | 265 SX | 1.18 | 15.6 |
| 7 7/8" | 4 1/2" | I-80 | 11.6# | 9,300 | PREM LITE II | 420 SX | 3.38 | 11 |
| | | | | | 50/50 POZ G | 1530 SX | 1.31 | 14.3 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) DEBRA DOMENICI TITLE ASSOC. ENVIRONMENTAL ANALYST

SIGNATURE *Debra Domenici* DATE 2/3/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37725

Approved by the Utah Division of Oil, Gas and Mining
APPROVAL: *[Signature]*
Date: 03-15-06

RECEIVED
FEB 08 2006
DIV. OF OIL, GAS & MINING

T10S, R21E, S.L.B.&M.

R
21
E

R
22
E

Kerr-McGee Oil & Gas Onshore LP

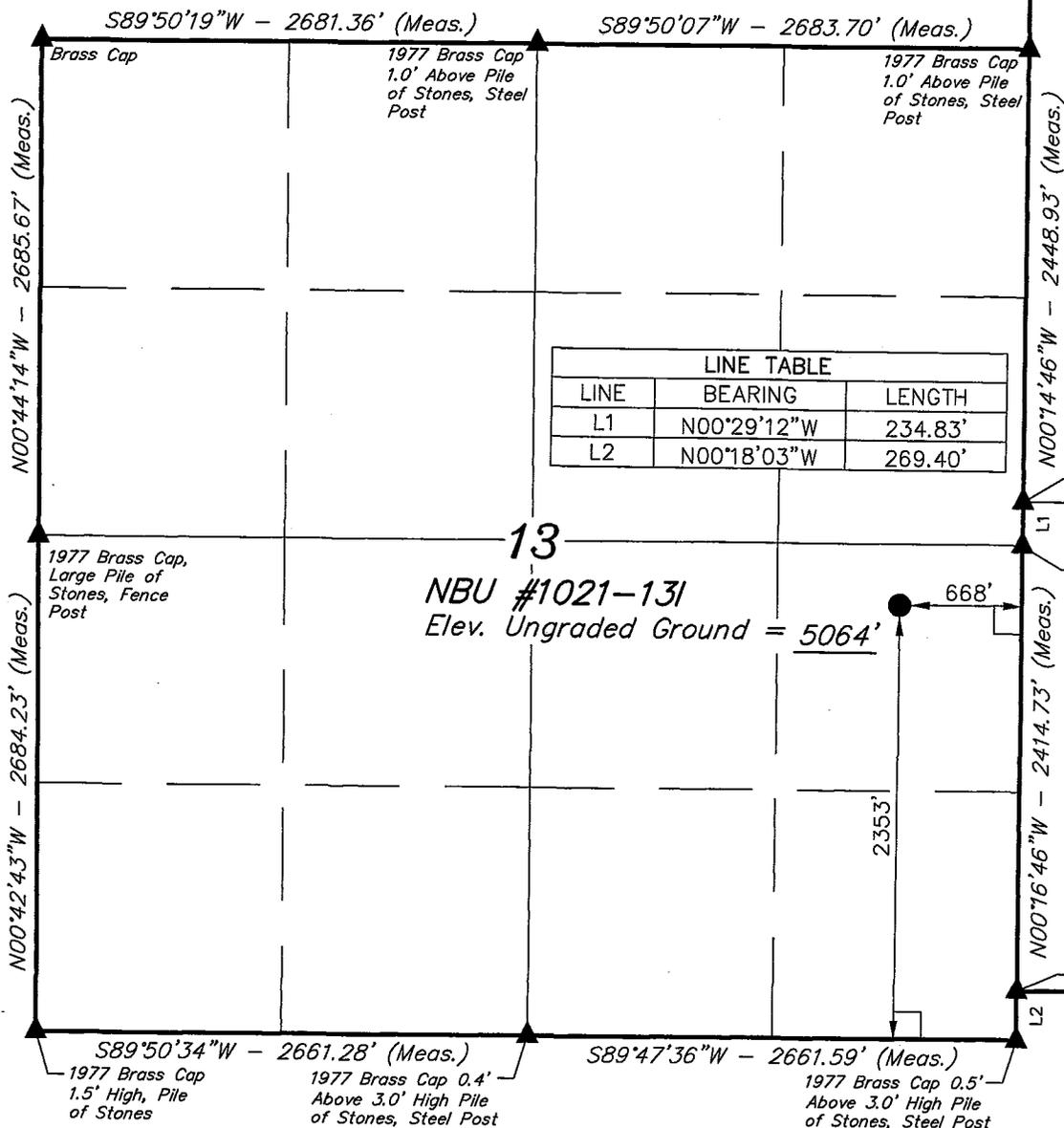
Well location, NBU #1021-13I, located as shown in the NE 1/4 SE 1/4 of Section 13, T10S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

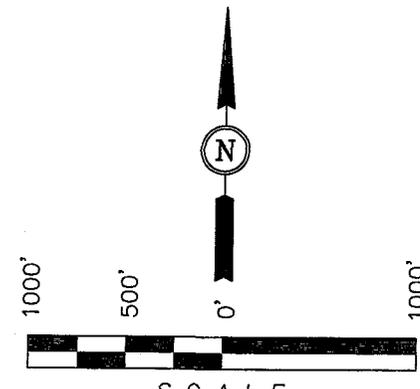
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING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

BASIS OF BEARINGS

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



| LINE TABLE | | |
|------------|--------------|---------|
| LINE | BEARING | LENGTH |
| L1 | N00°29'12\"W | 234.83' |
| L2 | N00°18'03\"W | 269.40' |



CERTIFICATE
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 No. 161319
 ROBERT L. KAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

REVISED: 01-14-06

| | | |
|---|----------------------------|---------------------------------|
| UTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017 | | |
| SCALE 1" = 1000' | DATE SURVEYED: 11-28-05 | DATE DRAWN: 12-12-05 |
| PARTY D.K. L.K. P.M. | REFERENCES G.L.O. PLAT | |
| WEATHER COLD | FILE | Kerr-McGee Oil & Gas Onshore LP |

LEGEND:
 L = 90° SYMBOL
 ● = PROPOSED WELL HEAD.
 ▲ = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 39°56'50.40" (39.947333)
 LONGITUDE = 109°29'33.71" (109.492697)
 (NAD 27)
 LATITUDE = 39°56'50.52" (39.947367)
 LONGITUDE = 109°29'31.24" (109.492011)

NBU 1021-13I
NESE SEC 13-T10S-R21E
UINTAH COUNTY, UTAH
ML-23608

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta | 0- Surface |
| Green River | 1200' |
| Wasatch | 4325' |
| Mesaverde | 7050' |
| TD | 9300' |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| | Green River | 1200' |
| Gas | Wasatch | 4325' |
| Gas | Mesaverde | 7050' |
| Water | N/A | |
| Other Minerals | N/A | |

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure calculated at 9300' TD, approximately equals 5766 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3720 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



Kerr-McGee Oil & Gas Onshore LP DRILLING PROGRAM

COMPANY NAME Westport Oil and Gas Co., L.P. DATE December 27, 2005
 WELL NAME NBU 1021-131 TD 9,300' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,064' GL KB 5,079'
 SURFACE LOCATION NESE SECTION 13-T10S-R21E 2353'FSL & 668'FEL BHL Straight Hole
 Latitude: 39.947333 Longitude: 109.492697
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.

| GEOLOGICAL FORMATION | | | MECHANICAL | | |
|---|--|-------------|------------|---|---|
| LOGS | TOPS | DEPTH | HOLE SIZE | CASING SIZE | MUD WEIGHT |
| | | 40' | | 14" | |
| | | | 12-1/4" | 9-5/8", 32.3#, H-40, STC | Air mist |
| Catch water sample, if possible, from 0 to 4,325' | | | | | |
| | Green River @ 1,200 Preset f/ GL @ 2000 MD | | | | |
| Mud logging program TBD Open hole logging program f/ TD - surf csg | | | 7-7/8" | 4-1/2", 11.6#, I-80 or equivalent LTC casing | Water/Fresh Water Mud 8.3-11.5 ppg |
| | Wasatch @ 4,325' | | | | |
| | Mverde @ 7,050' | | | | |
| | | TD @ 9,300' | | | Max anticipated Mud required 11.5 ppg |



**Kerr-McGee Oil & Gas Onshore LP
DRILLING PROGRAM**

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|------------|--------|-----------|-------|------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 2270 | 1370 | 254000 |
| SURFACE | 9-5/8" | 0 to 2000 | 32.30 | H-40 | STC | 0.65***** | 1.46 | 4.49 |
| PRODUCTION | 4-1/2" | 0 to 9300 | 11.60 | I-80 | LTC | 7780 | 6350 | 201000 |
| | | | | | | 2.21 | 1.14 | 2.13 |

1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 11.5 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 3515 psi

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

CEMENT PROGRAM

| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | YIELD |
|------------|-----------------|-------------|--|---------|--------|--------|-------|
| SURFACE | LEAD | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 215 | 60% | 15.60 | 1.18 |
| Option 1 | TOP OUT CMT (1) | 200 | 20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele | 50 | | 15.60 | 1.18 |
| | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| SURFACE | | | NOTE: If well will circulate water to surface, option 2 will be utilized | | | | |
| Option 2 | LEAD | 1500 | Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC | 170 | 35% | 11.00 | 3.82 |
| | TAIL | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 180 | 35% | 15.60 | 1.18 |
| | TOP OUT CMT | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| PRODUCTION | LEAD | 3,820' | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 420 | 60% | 11.00 | 3.38 |
| | TAIL | 5,480' | 50/50 Poz/G + 10% salt + 2% gel + .1% R-3 | 1530 | 60% | 14.30 | 1.31 |

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

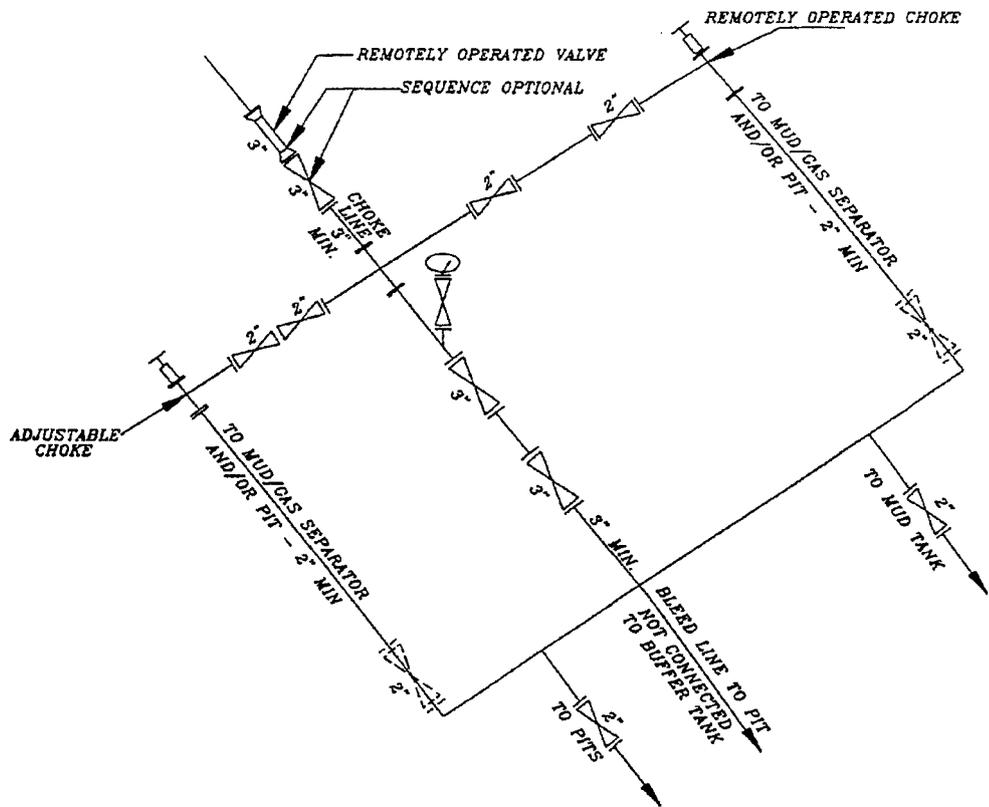
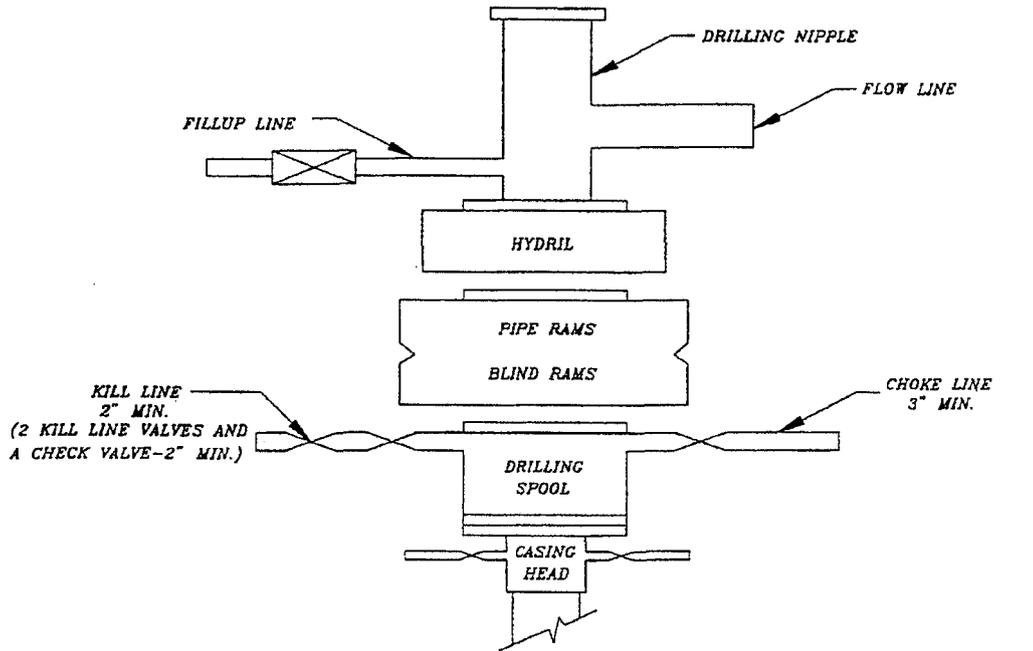
DRILLING ENGINEER: _____
Brad Laney

DATE: _____

DRILLING SUPERINTENDENT: _____
Randy Bayne

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 1021-13I
NESE SEC 13-T10S-R21E
Uintah County, UT
ML-23608

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

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

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

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

2. Planned Access Roads:

Approximately 410' of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities

The following guidelines will apply if the well is productive.

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

A dike will be constructed completely around those production facilities which contain

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

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

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

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

Approximately 391' of pipeline is proposed. Refer to Topo D for the proposed pipeline.

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials

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

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials

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

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

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

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

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

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

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

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

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

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

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

8. Ancillary Facilities

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

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

10. Plans for Reclamation of the Surface:

Producing Location:

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

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

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

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

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

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

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

Dry Hole/Abandoned Location:

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

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

11. Surface Ownership:

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

12. Other Information:

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

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

A Class III archaeological survey has been completed and is attached.

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

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

Debra Domenici
Associate Environmental Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7060

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
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.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP 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 State Surety Bond #RLB0005236.

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
Debra Domenici

2/3/2006
Date

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-13I

SECTION 13, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 7.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 410' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 50.5 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-13I

LOCATED IN UINTAH COUNTY, UTAH
SECTION 13, T10S, R21E, S.L.B.&M.

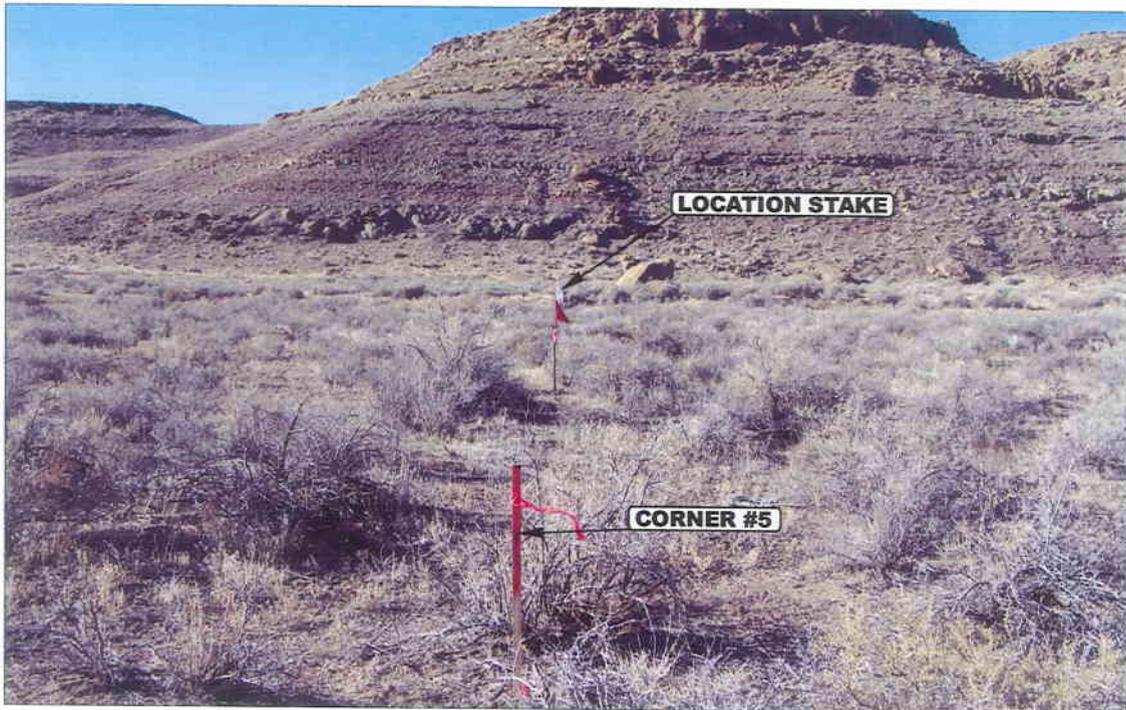


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

11 30 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: C.P.

REVISED: 01-14-06

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-13I

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 13, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: EASTERLY



- Since 1964 -

**U
E
L
S** Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

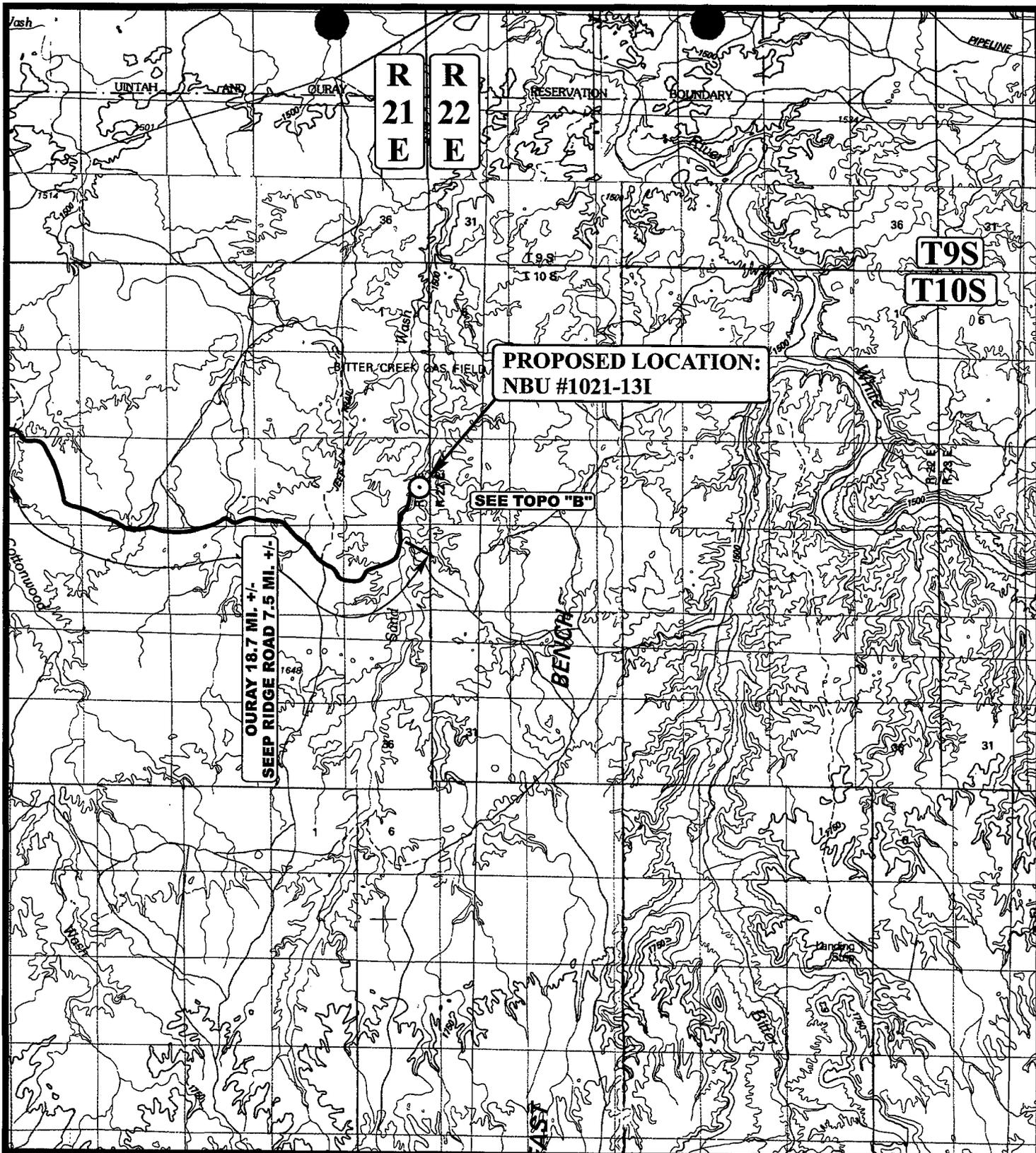
11 30 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: C.P.

REVISED: 01-14-06



**PROPOSED LOCATION:
NBU #1021-131**

SEE TOPO "B"

**OURAY 18.7 MI. +/-
SEEP RIDGE ROAD 7.5 MI. +/-**

LEGEND:

○ PROPOSED LOCATION

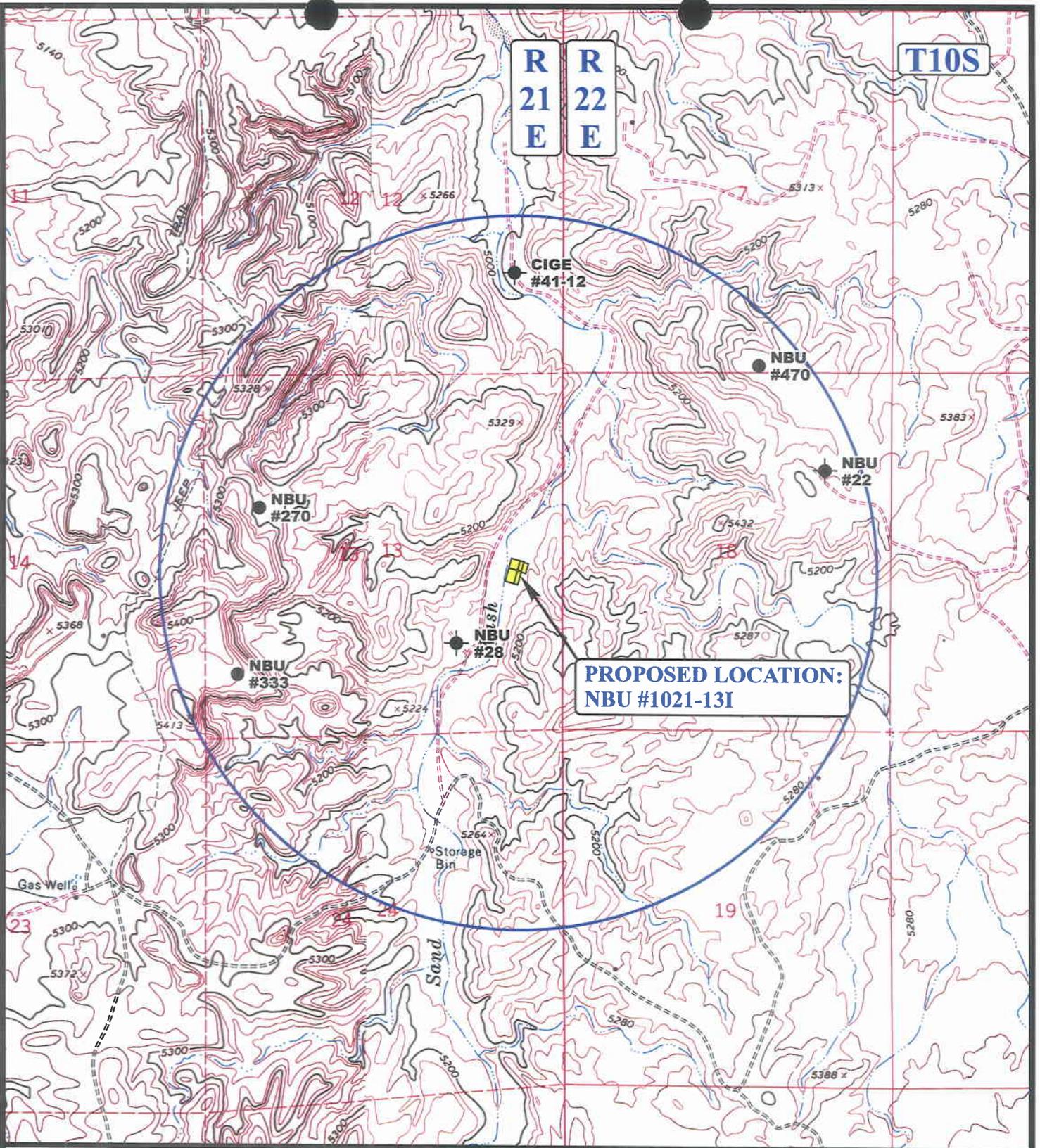
Kerr-McGee Oil & Gas Onshore LP
NBU #1021-131
SECTION 13, T10S, R21E, S.L.B.&M.
2353' FSL 668' FEL



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

TOPOGRAPHIC 11 30 05
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 01-14-06





**PROPOSED LOCATION:
NBU #1021-13I**

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

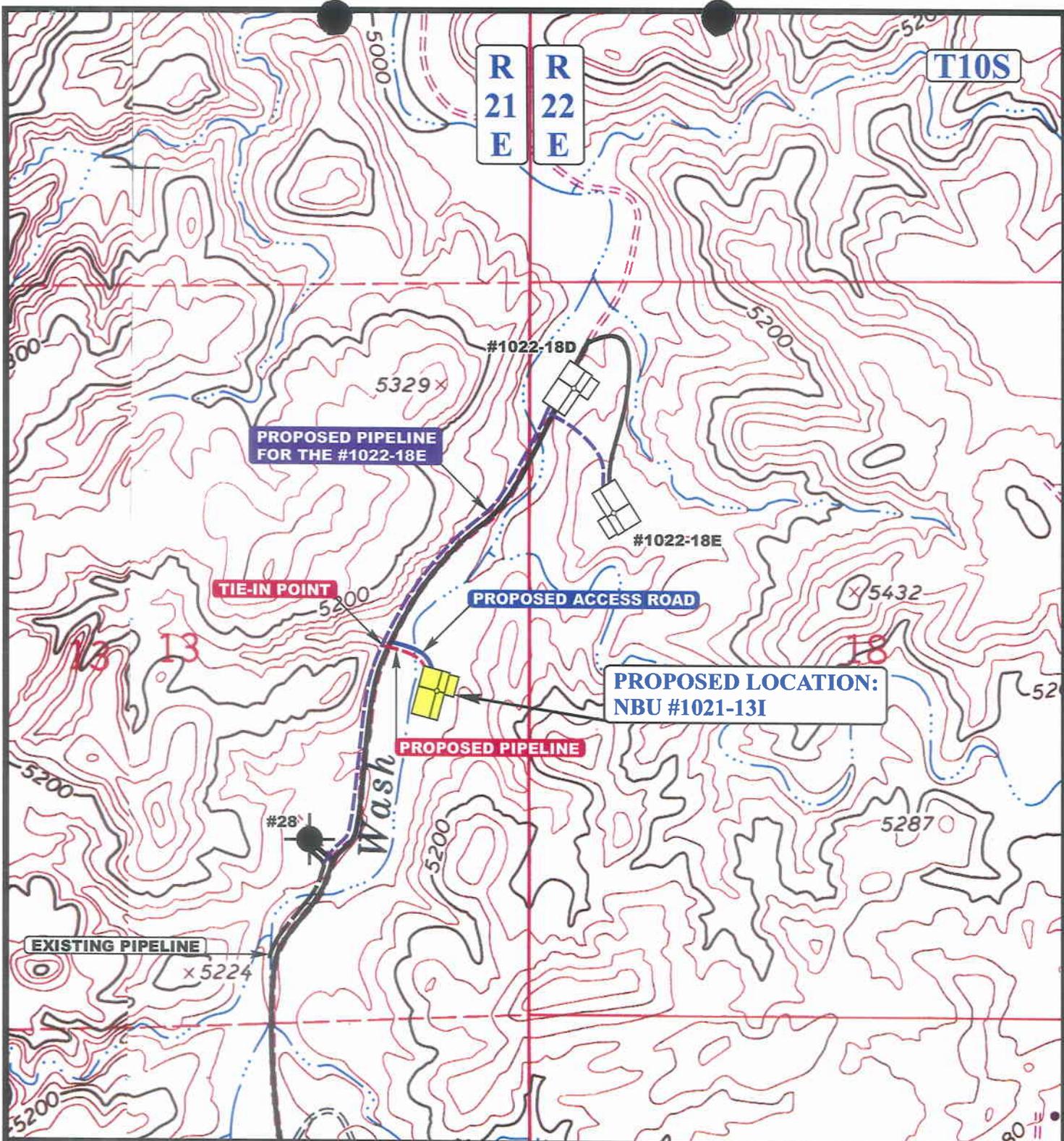
**NBU #1021-13I
SECTION 13, T10S, R21E, S.L.B.&M.
2353' FSL 668' FEL**



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

TOPOGRAPHIC MAP 11 30 05
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 01-14-06





APPROXIMATE TOTAL PIPELINE DISTANCE = 391' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #1021-13I
SECTION 13, T10S, R21E, S.L.B.&M.
2353' FSL 668' FEL



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

TOPOGRAPHIC **11 30 05**
MAP MONTH DAY YEAR

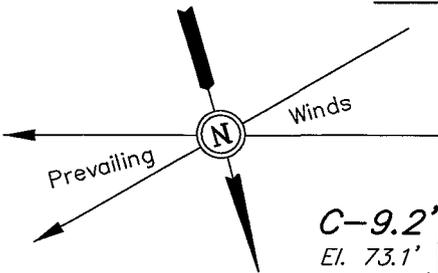
SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 01-14-06



Keen-McGee Oil & Gas Onshore LP

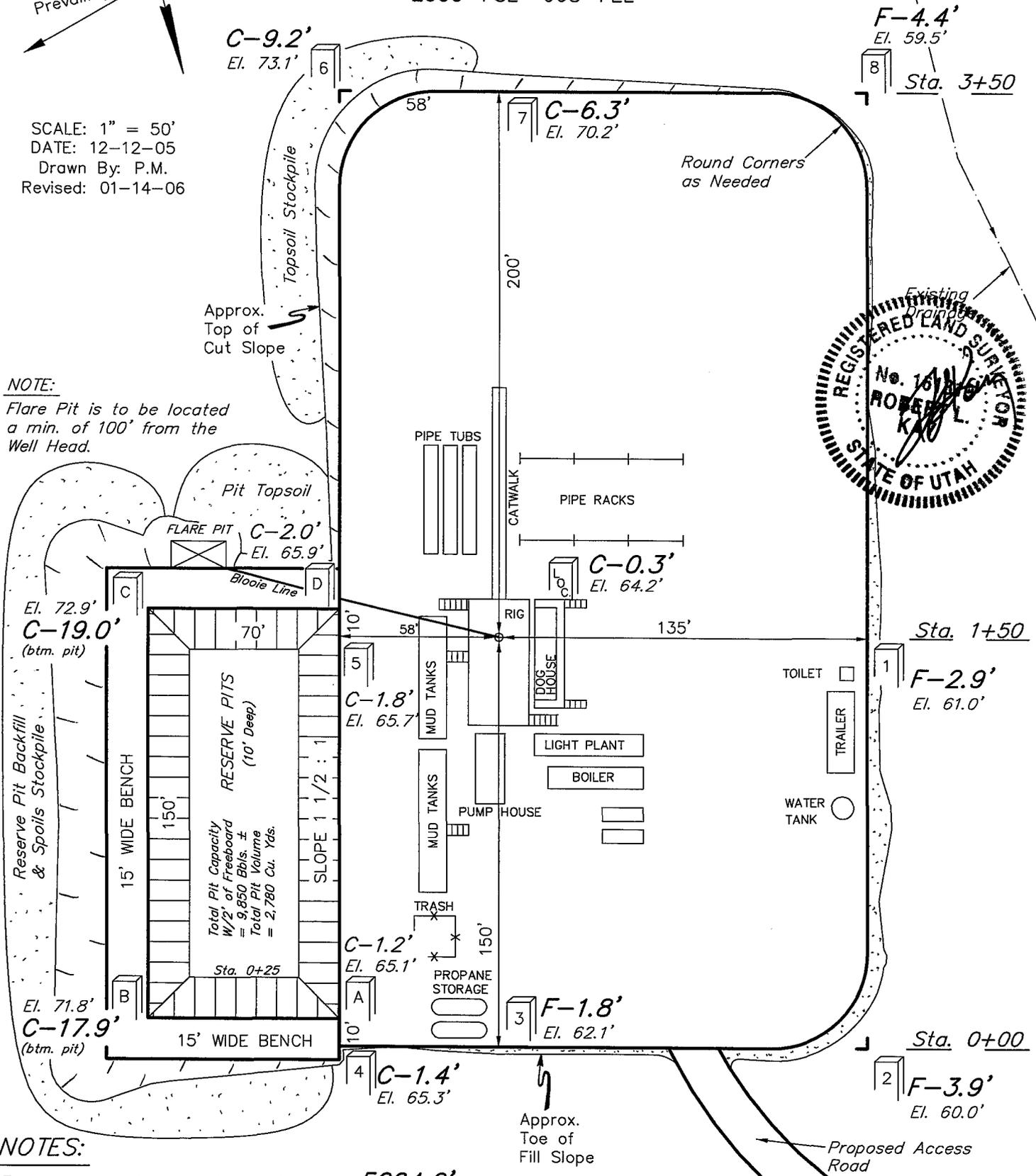
FIGURE #1

LOCATION LAYOUT FOR
 NBU #1021-131
 SECTION 13, T10S, R21E, S.L.B.&M.
 2353' FSL 668' FEL



SCALE: 1" = 50'
 DATE: 12-12-05
 Drawn By: P.M.
 Revised: 01-14-06

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5064.2'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5063.9'

Herr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

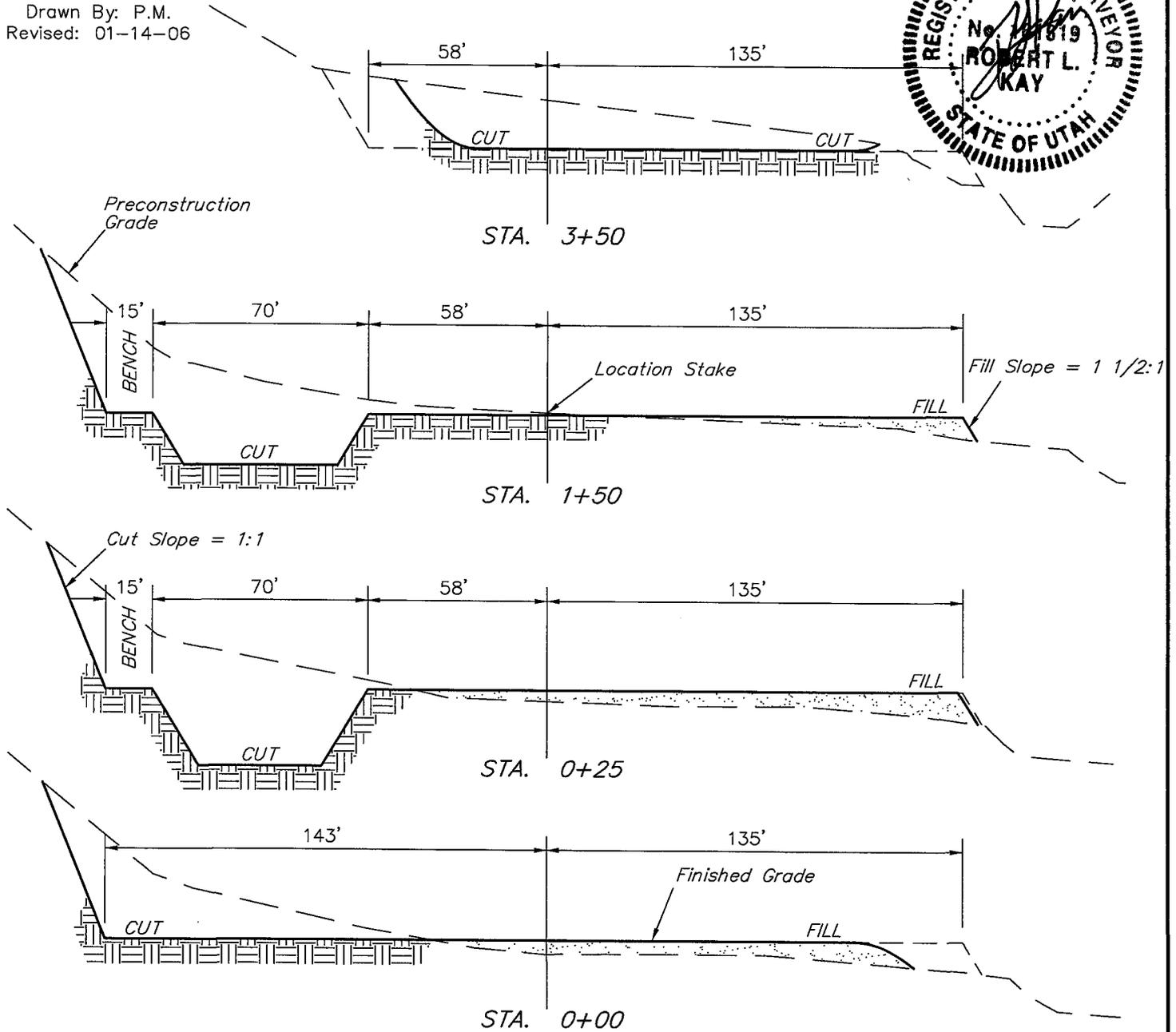
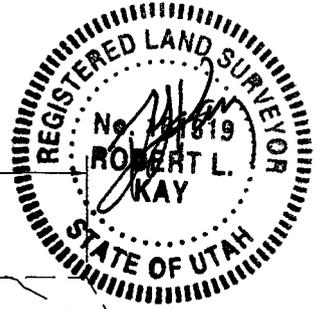
NBU #1021-131

SECTION 13, T10S, R21E, S.L.B.&M.

2353' FSL 668' FEL

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

DATE: 12-12-05
Drawn By: P.M.
Revised: 01-14-06



NOTE:

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

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

| | |
|------------------------|-------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,780 Cu. Yds. |
| Remaining Location | = 9,290 Cu. Yds. |
| TOTAL CUT | = 11,070 CU.YDS. |
| FILL | = 2,440 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 8,630 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,170 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 5,460 Cu. Yds. |

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/08/2006

API NO. ASSIGNED: 43-047-37725

WELL NAME: NBU 1021-13I
 OPERATOR: WESTPORT OIL & GAS CO (N2115)
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

NESE 13 100S 210E
 SURFACE: 2353 FSL 0668 FEL
 BOTTOM: 2353 FSL 0668 FEL
 COUNTY: UINTAH
 LATITUDE: 39.94733 LONGITUDE: -109.4919
 UTM SURF EASTINGS: 628837 NORTHINGS: 4422790
 FIELD NAME: NATURAL BUTTES (630)

| INSPECT LOCATN BY: / / | | |
|------------------------|----------|---------|
| Tech Review | Initials | Date |
| Engineering | DKD | 3/14/06 |
| Geology | | |
| Surface | | |

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-23608
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

- R649-2-3.
- Unit: NATURAL BUTTES
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 123-14
Eff Date: 12-2-1999
Siting: 400' fr u bdy & uncomm. tract
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (02-23-06)

STIPULATIONS:

- 1- OIL SHALE
- 2- STATEMENT OF BASIS
- 3- Surface Csg Cont Step



OPERATOR: WESTPORT O&G CO (N2115)

SEC: 13 T. 10S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

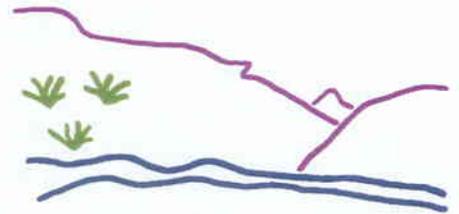
CAUSE: 173-14 / 12-2-1999

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

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

Wells Status

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 13-FEBRUARY-2006

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

OPERATOR: Westport Oil & Gas Company, L.P.
WELL NAME & NUMBER: NBU 1021-13I
API NUMBER: 43-047-37725
LOCATION: 1/4,1/4 NE/SE Sec: 13 TWP: 10S RNG: 21E; 2353' FSL 668' FEL

Geology/Ground Water:

Westport proposes to set 2,000' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,100'. A search of Division of Water Rights records shows one water well within a 10,000 foot radius of the center of Section 13. This well is over a mile from the proposed site. The well is owned by Target Trucking and is an oilfield water supply well. No depth for the well is listed. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The production casing cement should be brought above the base of the moderately saline groundwater to isolate it from fresher waters uphole.

Reviewer: Brad Hill **Date:** 03/02/06

Surface:

The pre-drill investigation of the surface was performed on February 23, 2006. Ed Bonner and Jim Davis of SITLA and Ben Williams of UDWR were invited to attend the presite on Feb.14, 2006. Mr. Davis and Mr. Williams attended.

The site is State Surface and State Mineral. The proposed location poses no obvious problems for drilling and appears to be the best location for drilling a well in the immediate area.

Mr. Williams of the UDWR stated that the area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. No other wildlife are expected to be affected. He gave Mr. Davis and Mr. Estes copies of his write-up and a DWR recommended seed mix to use on the reserve pit and when closing the location.

This predrill investigation was conducted on a cool sunny day.

Reviewer: Floyd Bartlett **Date:** 02/28/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 mils with a felt sub-liner shall be properly installed and maintained in the reserve pit.

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

OPERATOR: Westport Oil & Gas Company, L.P.
WELL NAME & NUMBER: NBU 1021-13I
API NUMBER: 43-047-37725
LEASE: ML-23608 **FIELD/UNIT:** Natural Buttes
LOCATION: 1/4, 1/4 NE/SE Sec: 13 TWP: 10S RNG: 21E ; 2353' FSL 668' FEL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): 4422790 Y 0628837 X **SURFACE OWNER:** State of Utah
(SITLA)

PARTICIPANTS

Floyd Bartlett and David Hackford (DOGM), Carol Estes, Debora Domenici, Clay Einerson (Westport), David Kay and Luke Kay (Utah Engineering & Land Survey), Jim Davis (SITLA), Ben Williams (Utah Division of Wildlife Resources).

REGIONAL/SETTING TOPOGRAPHY

General area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 19 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 4 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This site is in the bottom of Sand Wash on the east side of the drainage. It lies on relative flat terrain but butts up against the steep slope of the east side of the drainage. To the east and west of Sand Wash are sandstone cliffs or bedrock outcrops. It is above the flood plain of Sand Wash. Approximately 410 feet of new road will be constructed from the existing road in the bottom of Sand Wash to the location.

SURFACE USE PLAN

CURRENT SURFACE USE: Sheep grazing, limited hunting and recreation.

PROPOSED SURFACE DISTURBANCE: Location of 350' x 193' and a reserve pit of 100' x 150' x 10 feet deep and an additional 15' wide bench. Approximately 410 feet of new road will be required. All material for the location and road will be obtained onsite.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See attached map from GIS data base.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline 391 feet in length will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). Unlikely, as the general use in the area is oil-field related with numerous other wells in the surrounding area.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None; the location is above the floodplain.

FLORA/FAUNA: A poor cover of desert type vegetation consisting primarily of dead greasewood, cheat grass, and annual mustard weed occupies the site. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter.

SOIL TYPE AND CHARACTERISTICS: Sandy loam alluvial surface.

EROSION/SEDIMENTATION/STABILITY: Little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems. No drainages will be intercepted.

PALEONTOLOGICAL POTENTIAL: Survey completed by IPC on 9/27/05 and a report will be provided for the file.

RESERVE PIT

CHARACTERISTICS: 100' by 150' and 10' deep. The reserve pit is all within cut on the north east side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

LINER REQUIREMENTS (Site Ranking Form attached): Level 1 sensitivity. A 16 mil liner with a felt pad will be required for the reserve pit.

SURFACE RESTORATION/RECLAMATION PLAN

As per SITLA requirements.

SURFACE AGREEMENT:

As per SITLA requirements.

CULTURAL RESOURCES/ARCHAEOLOGY: Site was surveyed by MOAC on 09/26/05. A copy has been furnished to SITLA.

OTHER OBSERVATIONS/COMMENTS

Ben Williams of the UDWR stated that the area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. No other wildlife is expected to be affected.

This predrill investigation was conducted on a cool sunny day.

ATTACHMENTS

Photos of this site were taken and placed on file.

FLOYD BARTLETT
DOGM REPRESENTATIVE

02/23/06; 1:35 PM
DATE/TIME

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

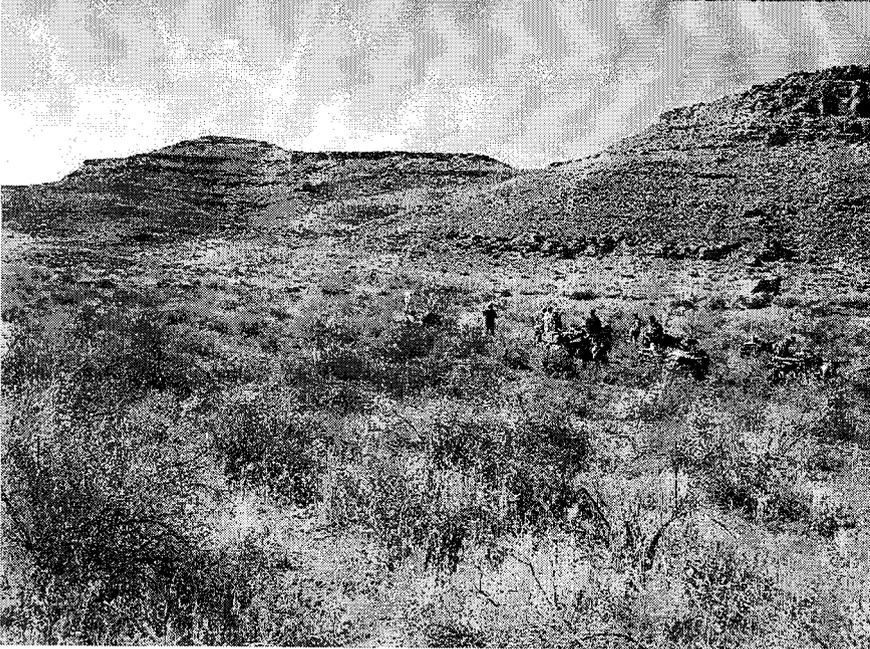
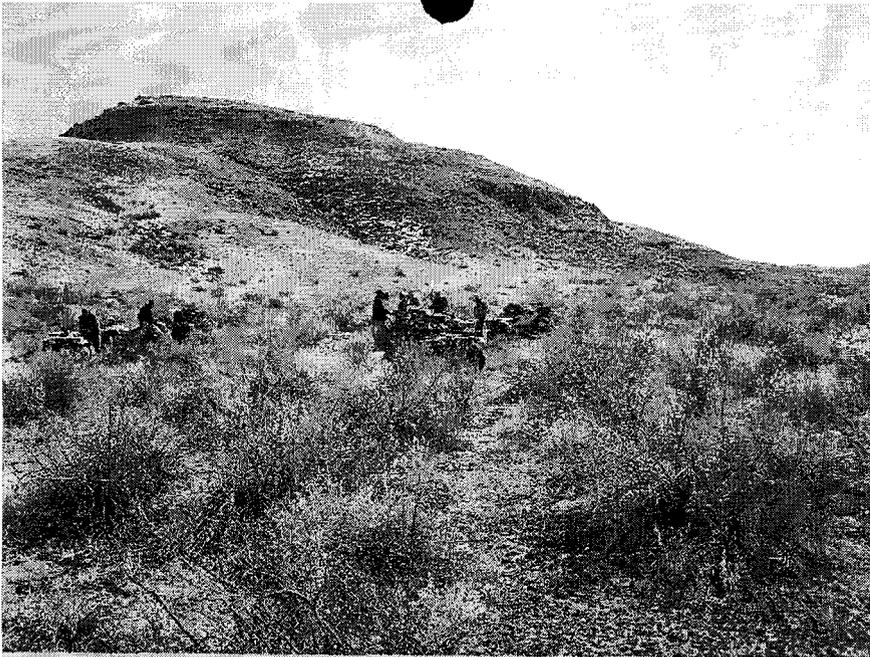
| <u>Site-Specific Factors</u> | <u>Ranking</u> | <u>Site Ranking</u> |
|---|----------------|------------------------------|
| Distance to Groundwater (feet) | | |
| >200 | 0 | |
| 100 to 200 | 5 | |
| 75 to 100 | 10 | |
| 25 to 75 | 15 | |
| <25 or recharge area | 20 | <u>0</u> |
| Distance to Surf.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

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level I = 15-19; lining is discretionary.

Sensitivity Level II = below 15; no specific lining is required.

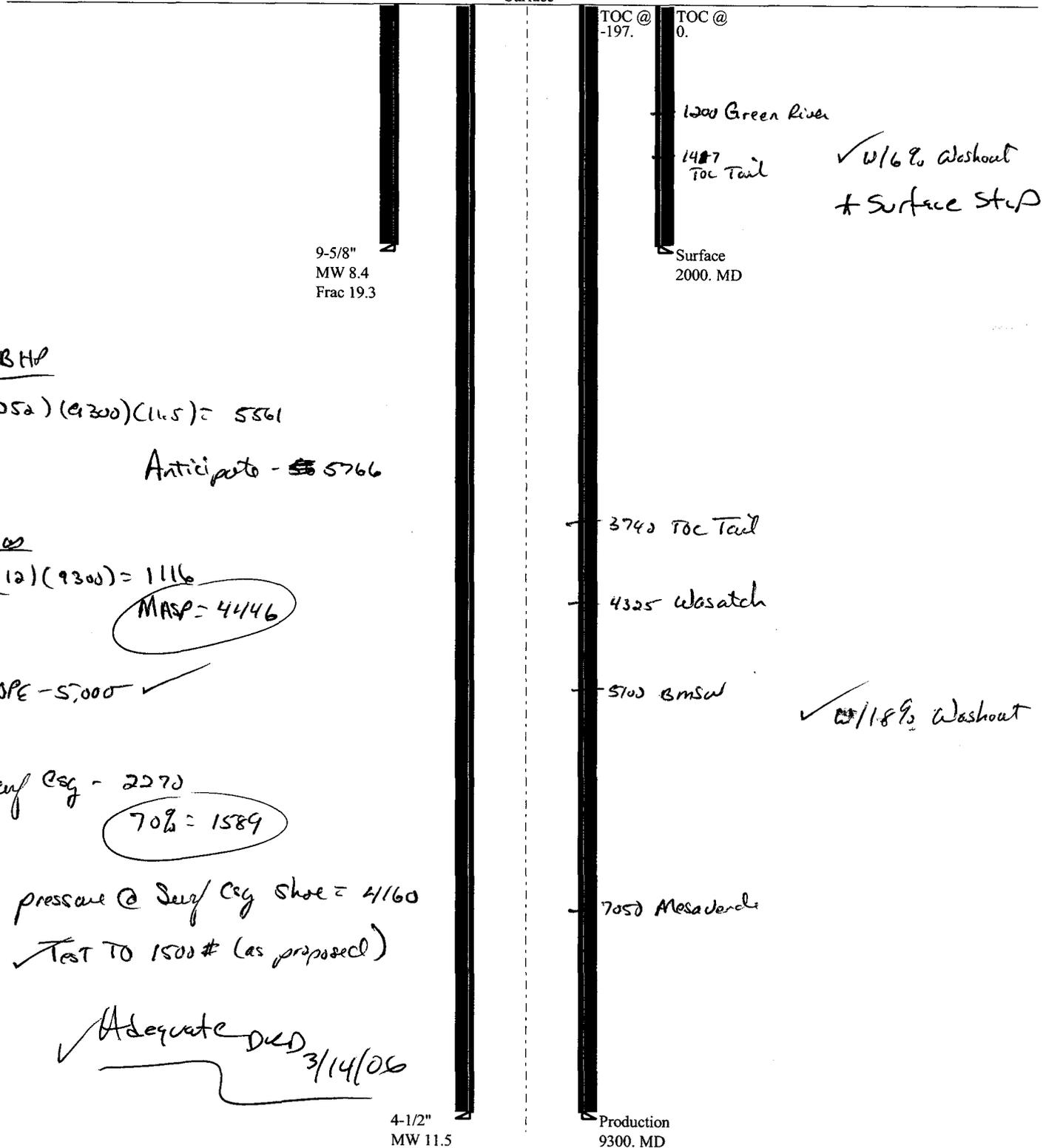




03-06 Westport NBU 1021131

Casing Schematic

Surface



9-5/8"
MW 8.4
Frac 19.3

TOC @
-197.

TOC @
0.

1200 Green River

1487
TOC Tail

Surface
2000. MD

✓ w/6% Washout
+ Surface Stop

3740 TOC Tail

4325 Wasatch

5700 Bmsw

✓ w/1.8% Washout

7050 Mesaverde

4-1/2"
MW 11.5

Production
9300. MD

BHP

$$(1052)(9300)(11.5) = 5561$$

Anticipate - ~~55~~ 5766

G₀₂

$$(212)(9300) = 1116$$

MASP = 4446

BOPE - 5,000 ✓

Surf Csg - 2270

70% = 1589

Max pressure @ Surf Csg shoe = 4160

✓ Test TO 1500# (as proposed)

✓ Adequate DUD 3/14/06

| | | |
|--------------|------------------------------------|--------------|
| Well name: | 03-06 Westport NBU 1021-131 | |
| Operator: | Westport Oil & Gas | Project ID: |
| String type: | Surface | 43-047-37725 |
| Location: | Uintah County | |

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst

Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Burst:

Design factor 1.00

Cement top: Surface

Tension:

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

Tension is based on buoyed weight.
Neutral point: 1,753 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 9,300 ft
Next mud weight: 11.500 ppg
Next setting BHP: 5,556 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2000 | 9.625 | 32.30 | H-40 | ST&C | 2000 | 2000 | 8.876 | 126.8 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 873 | 1370 | 1.570 | 2000 | 2270 | 1.14 | 57 | 254 | 4.49 J |

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

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

Date: March 3, 2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

| | | | |
|--------------|------------------------------------|-------------|--------------|
| Well name: | 03-06 Westport NBU 1021-131 | | |
| Operator: | Westport Oil & Gas | | |
| String type: | Production | Project ID: | 43-047-37725 |
| Location: | Uintah County | | |

Design parameters:

Collapse

Mud weight: 11.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 4,440 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 5,556 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 7,701 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 205 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 9300 | 4.5 | 11.60 | M-80 | LT&C | 9300 | 9300 | 3.875 | 215.6 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 5556 | 6350 | 1.143 | 5556 | 7780 | 1.40 | 89 | 267 | 2.99 B |

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

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

Date: March 3, 2006
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 9300 ft, a mud weight of 11.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

From: Ed Bonner
To: Whitney, Diana
Date: 2/15/2006 3:57:43 PM
Subject: Well Clearance

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

EOG Resources, Inc
NBU 556-18E
NBU 557-18E

Summit Operating, LLC
State 16-32-13-22
State 8-32-13-22
State 6-36-13-22
State 4-36-13-22

Westport Oil & Gas Company
NBU 1021-28G
NBU 1021-28O (APD has name as **State 1021-28O**) One significant site which must be avoided
NBU 1021-13A
NBU 1021-13C
NBU 1021-13G
NBU 1021-13I
NBU 1021-13K
NBU 1021-13O

Wind River II Corporation
Snowshoe 2-15-16-22

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

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

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

March 2, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Natural Buttes Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

| API # | WELL NAME | LOCATION |
|---------------------------------|--------------|------------------------------------|
| (Proposed PZ Wasatch-MesaVerde) | | |
| 43-047-37738 | NBU 1022-19F | Sec 19 T10S R22E 2239 FNL 1622 FWL |
| 43-047-37739 | NBU 1022-19D | Sec 19 T10S R22E 0732 FNL 0640 FWL |
| 43-047-37740 | NBU 1022-19C | Sec 19 T10S R22E 0896 FNL 1891 FWL |
| 43-047-37765 | NBU 1022-16J | Sec 16 T10S R22E 2302 FSL 1901 FEL |
| 43-047-37766 | NBU 1022-16P | Sec 16 T10S R22E 0724 FSL 0973 FEL |
| 43-047-37767 | NBU 1022-16L | Sec 16 T10S R22E 1904 FSL 0343 FWL |
| 43-047-37768 | NBU 1022-18H | Sec 18 T10S R22E 1947 FNL 0465 FEL |
| 43-047-37769 | NBU 1022-18G | Sec 18 T10S R22E 1870 FNL 1383 FEL |
| 43-047-37770 | NBU 1022-18I | Sec 18 T10S R22E 1592 FSL 0803 FEL |
| 43-047-37771 | NBU 1022-18E | Sec 18 T10S R22E 1656 FNL 0606 FWL |
| 43-047-37772 | NBU 1022-18J | Sec 18 T10S R22E 2158 FSL 2171 FEL |
| 43-047-37773 | NBU 1022-18N | Sec 18 T10S R22E 0125 FSL 1249 FWL |
| 43-047-37774 | NBU 1022-18B | Sec 18 T10S R22E 0818 FNL 2040 FEL |
| 43-047-37775 | NBU 1022-18P | Sec 18 T10S R22E 0169 FSL 0249 FEL |
| 43-047-37776 | NBU 1022-18D | Sec 18 T10S R22E 0765 FNL 0311 FWL |
| 43-047-37777 | NBU 1022-18O | Sec 18 T10S R22E 0134 FSL 2445 FEL |
| 43-047-37783 | NBU 1022-19K | Sec 19 T10S R22E 1509 FSL 1427 FWL |
| 43-047-37778 | NBU 1022-19H | Sec 19 T10S R22E 2298 FNL 1086 FEL |
| 43-047-37779 | NBU 1022-19B | Sec 19 T10S R22E 0696 FNL 2180 FEL |
| 43-047-37780 | NBU 1022-19G | Sec 19 T10S R22E 2069 FNL 2241 FEL |
| 43-047-37781 | NBU 1022-19I | Sec 19 T10S R22E 2135 FSL 0460 FEL |
| 43-047-37782 | NBU 1022-19O | Sec 19 T10S R22E 0740 FSL 2065 FEL |
| 43-047-37734 | NBU 1021-27E | Sec 27 T10S R21E 1862 FNL 0535 FWL |
| 43-047-37728 | NBU 1021-28G | Sec 28 T10S R21E 1952 FNL 1971 FEL |
| 43-047-37721 | NBU 1021-13C | Sec 13 T10S R21E 0576 FNL 1772 FWL |
| 43-047-37722 | NBU 1021-13A | Sec 13 T10S R21E 0651 FNL 1311 FEL |

Page 2

| | | | | | | | | |
|--------------|--------------|--------|------|------|------|-----|------|-----|
| 43-047-37723 | NBU 1021-13G | Sec 13 | T10S | R21E | 1444 | FNL | 2651 | FEL |
| 43-047-37724 | NBU 1021-13K | Sec 13 | T10S | R21E | 1935 | FSL | 1486 | FWL |
| 43-047-37725 | NBU 1021-13I | Sec 13 | T10S | R21E | 2353 | FSL | 0668 | FEL |
| 43-047-37727 | NBU 1021-13O | Sec 13 | T10S | R21E | 0777 | FSL | 1573 | FEL |
| 43-047-37761 | NBU 920-20P | Sec 20 | T09S | R20E | 0769 | FSL | 0978 | FEL |
| 43-047-37760 | NBU 920-20O | Sec 20 | T09S | R20E | 0842 | FSL | 1913 | FEL |
| 43-047-37759 | NBU 920-20N | Sec 20 | T09S | R20E | 0803 | FSL | 1885 | FWL |
| 43-047-37758 | NBU 920-20M | Sec 20 | T09S | R20E | 0630 | FSL | 0838 | FWL |
| 43-047-37757 | NBU 920-20L | Sec 20 | T09S | R20E | 2104 | FSL | 0827 | FWL |
| 43-047-37756 | NBU 920-20J | Sec 20 | T09S | R20E | 1466 | FSL | 1653 | FEL |
| 43-047-37755 | NBU 920-20I | Sec 20 | T09S | R20E | 1955 | FSL | 0717 | FEL |
| 43-047-37732 | NBU 920-22E | Sec 22 | T09S | R20E | 2009 | FNL | 0756 | FWL |
| 43-047-37764 | NBU 920-24M | Sec 24 | T09S | R20E | 0614 | FSL | 0851 | FWL |
| 43-047-37753 | NBU 920-14M | Sec 14 | T09S | R20E | 0536 | FSL | 0612 | FWL |
| 43-047-37754 | NBU 920-14N | Sec 14 | T09S | R20E | 0732 | FSL | 1805 | FWL |

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

/s/ Michael L. Coulthard

bcc: File – Natural Buttes Unit
Division of Oil Gas and Mining
Central Files



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

March 15, 2006

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

Re: Natural Buttes Unit 1021-13I Well, 2353' FSL, 668' FEL, NE SE, Sec. 13,
T. 10 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 43-047-37725.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Westport Oil & Gas Company, LP
Well Name & Number Natural Buttes Unit 1021-13I
API Number: 43-047-37725
Lease: ML-23608

Location: NE SE **Sec.** 13 **T.** 10 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**

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

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

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

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

3. **Reporting Requirements**

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

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

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

Page 2

43-047-37725

March 15, 2006

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

7. Surface casing shall be cemented to the surface.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-23608

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:
NATURAL BUTTES UNIT

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 1021-13I

2. NAME OF OPERATOR:
WESTPORT OIL & GAS COMPANY L.P.

9. API NUMBER:
43-047-37725

3. ADDRESS OF OPERATOR:
1368 S. 1200 E. CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-7024

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2353'FSL, 668'FEL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 13 10S 21E**

STATE: **UTAH**

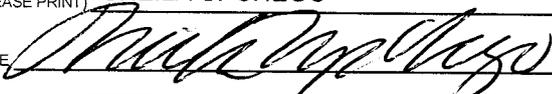
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

THE OPERATOR REQUESTS AUTHORIZATION TO CHANGE THE EXISTING PIPELINE PROPOSED IN THE ORIGINAL APD. AN ON-SITE WAS CONDUCTED ON 02/23/2006 WITH THE UTDGDM REPRESENTATIVE. WHILE CONDUCTING THE ON-SITE INSPECTION IT WAS DECIDED TO CHANGE THE PIPELINE TO A TOTAL OF APPROXIMATELY 1878' +/- OF 4" PIPELINE AND APPROXIMATELY 2150' +/- OF 4" PIPELINE IS PROPOSED.

PLEASE REFER TO THE ATTACHED TOPO MAP D.

NAME (PLEASE PRINT) **SHEILA UPCHEGO**
SIGNATURE 

TITLE **REGULATORY ANALYST**
DATE **3/13/2006**

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

RECEIVED
MAR 23 2006

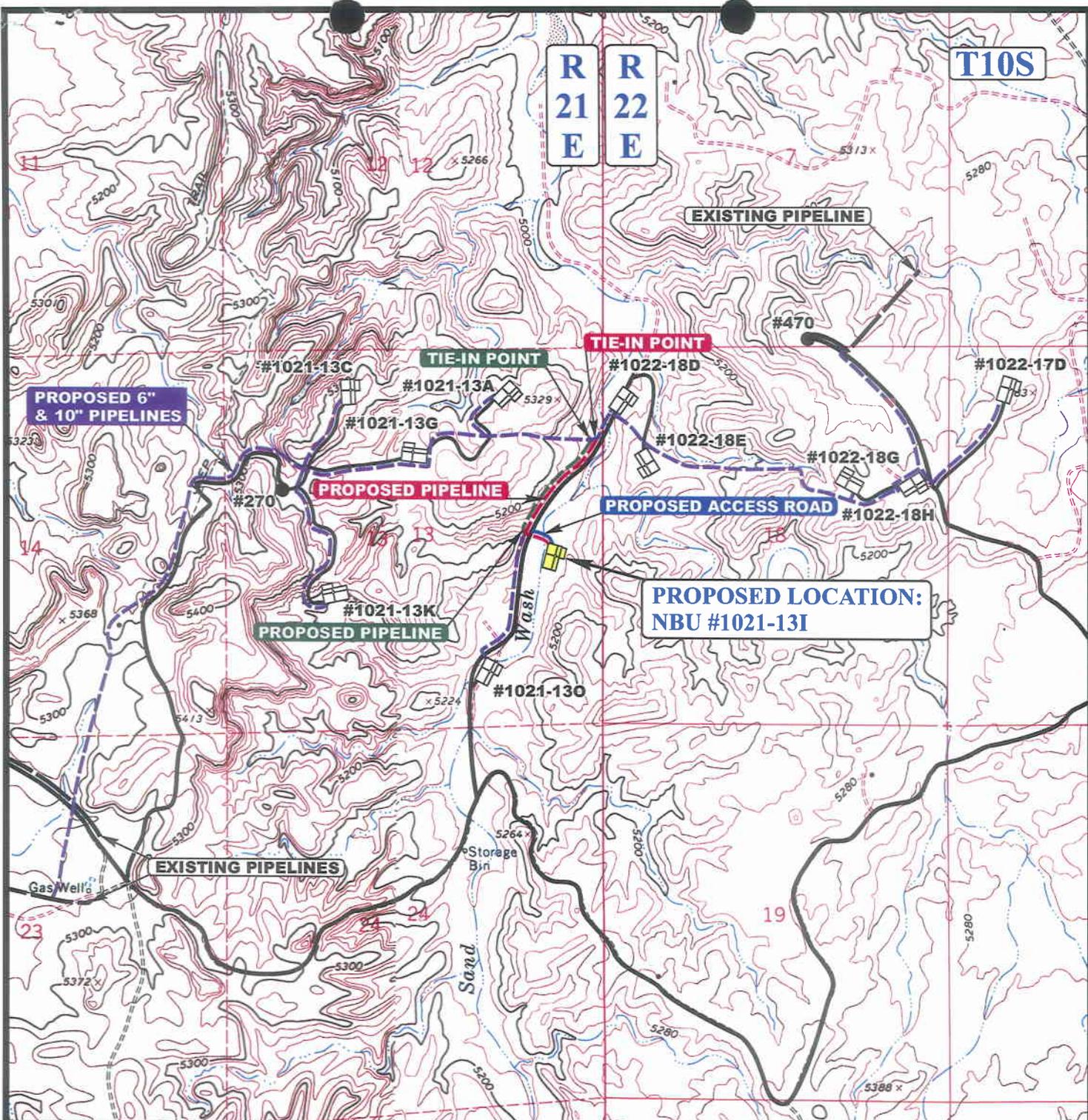
(5/2000)

FOR RECORD ONLY

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

** Approval should be obtained from appropriate land management agency for new*



**PROPOSED LOCATION:
NBU #1021-13I**

APPROXIMATE TOTAL 4" PIPELINE DISTANCE = 1,878' +/-

APPROXIMATE TOTAL 4" PIPELINE DISTANCE = 2,150' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED 4" PIPELINE
- PROPOSED 4" PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



Kerr-McGee Oil & Gas Onshore LP

**NBU #1021-13I
SECTION 13, T10S, R21E, S.L.B.&M.
2353' FSL 668' FEL**



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

TOPOGRAPHIC MAP
01 14 06
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 03-07-06



Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

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

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/6/2006

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal |
| | | | <input type="checkbox"/> Water Shut-Off |
| | | | <input type="checkbox"/> Well Integrity |
| | | | <input checked="" type="checkbox"/> Other CHANGE OF OPERATOR |

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

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

RECEIVED
MAY 10 2006

BLM BOND = C01203
BIA BOND = RLB0005239

APPROVED 5116106

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

DIV. OF OIL, GAS & MINING

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE LP

Well Name: NBU 1021-13I

Api No: 43-047-37725 Lease Type: STATE

Section 13 Township 10S Range 21E County UINTAH

Drilling Contractor PETE MARTIN RIG # BUCKET

SPUDDED:

Date 08/11/06

Time 12:30 PM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 08/14/06 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| 4304737725 | NBU 1021-13I | | NESE | 13 | 10S | 21E | UINTAH |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | | |
| <u>B</u> | 99999 | <u>2900</u> | 8/11/2006 | | 8/17/06 | | |
| Comments: <u>MIRU PETE MARTIN BUCKET RIG. WSTMVD</u> <u>SPUD WELL LOCATION ON 8/11/2006 AT 1230 HRS.</u> | | | | | | | |

Well 2

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

Well 3

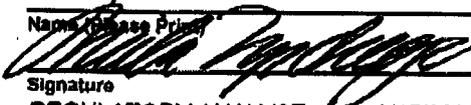
| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|----------------------------------|-----|--------|
| | | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective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

ACTION CODES:

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

To EARLENE RUSSELL From SHEILA UPCHEGO
 (s/r2000) Co./Dept. UTDOGIM Co. KMG
 Phone # (801) 538-5336 Phone # (435) 781-7024
 Fax # (801) 359-3940 Fax # (435) 781-7094

SHEILA UPCHEGO

Name (Please Print) _____
 Signature 
 REGULATORY ANALYST 8/15/2006
 Title Date

RECEIVED

AUG 15 2006

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-23608

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 1021-13I

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

9. API NUMBER:
4304737725

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST CITY **VERNAL** STATE **UT** ZIP **84078**

PHONE NUMBER:
(435) 781-7024

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2353'FSL, 668'FEL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 13 10S 21E**

COUNTY: **UINTAH**
STATE: **UTAH**

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX CMT.
SPUD WELL LOCATION ON 08/11/2006 AT 1230 HRS.

NAME (PLEASE PRINT) **SHEILA UPCHEGO** TITLE **REGULATORY ANALYST**
SIGNATURE  DATE **8/15/2006**

(This space for State use only)

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-23608 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: UNIT #891008900A |
| 2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP | | 8. WELL NAME and NUMBER: NBU 1021-13I |
| 3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078 | | 9. API NUMBER: 4304737725 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2353'FSL, 668'FEL | | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 13 10S 21E | | COUNTY: UINTAH |
| | | STATE: UTAH |

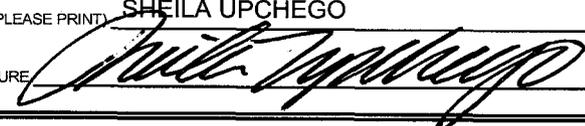
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|---|---|---|--|
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| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR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

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

MIRU BILL MARTIN AIR RIG ON 8/20/06. DRILLED 12 1/4" SURFACE HOLE TO 2040'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/180 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT. DID NOT LAND PLUG PUMPED 2 BBL OVER DISPLACEMENT. RAN 200' OF 1" PIPE. TOP OUT W/100 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" PIPE NO CMT TO SURFACE. 2ND TOP OUT W/150 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE CMT TO SURFACE AND HOLE STAYED FULL.

WORT

| | |
|---|---------------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO | TITLE REGULATORY ANALYST |
| SIGNATURE  | DATE 8/23/2006 |

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AUG 28 2006

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-23608

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 1021-13I

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

9. API NUMBER:
4304737725

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

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2353'FSL, 668'FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 13 10S 21E

STATE: UTAH

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

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

FINISHED DRILLING FROM 2040' TO 8890' ON 10/01/2006. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/375 SX PREM LITE II @11.4 PPG 2.91 YIELD TAILED CMT W/1235 SX 50/50 POZ @14.3 PPG 1.31 YIELD. ND BOP SET SLIPS W/90K CUT CSG CLEAN MUD TANKS.

RELEASE PIONEER RIG 38 ON 10/03/2006 AT 1700 HRS.

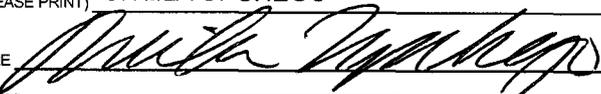
RECEIVED

OCT 11 2006

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE 

DATE 10/4/2006

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RECEIVED

OCT 11 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

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1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 1021-131

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

9. API NUMBER:
4304737725

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST CITY **VERNAL** STATE **UT** ZIP **84078**

PHONE NUMBER:
(435) 781-7024

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

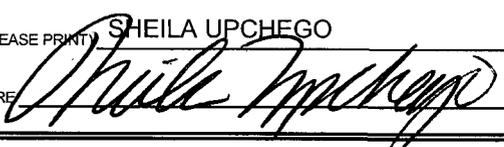
4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2353'FSL, 668'FEL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 13 10S 21E**

COUNTY: **UINTAH**
STATE: **UTAH**

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| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
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| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: PRODUCTION START-UP |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 11/05/2006 AT 10:10 AM.
PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

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

(This space for State use only)

RECEIVED
NOV 13 2006

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

CHRONOLOGICAL WELL HISTORY

NBU 1021-13I

NESE, SEC. 13, T10S, R21E
 UINTAH COUNTY, UT
 TD: 8890'
 PBSD: 8600'
 PERFS: 8496-8501'
 EOT: 7684'

| SPUD | Surface Casing | Activity | Status |
|----------|--------------------|---|------------|
| 08/07/06 | | Build Location, 25% complete | Pioneer 38 |
| 08/08/06 | | Build Location, 40% complete | Pioneer 38 |
| 08/09/06 | | Build Location, 60% complete | Pioneer 38 |
| 08/10/06 | | Build Location, 85% complete | Pioneer 38 |
| 08/11/06 | | Build Location, 90% complete | Pioneer 38 |
| 08/14/06 | | Location Complete | Pioneer 38 |
| 08/23/06 | 8/11/06 8/20/06 | Set Conductor Spud, WOAR Air Rig Spud, WORT | Pioneer 38 |
| 09/21/06 | | TD: 2040' Csg. 9 5/8"@ 2031' MW: 8.4 SD: 9/X/06 DSS: 0 Move rig f/ NBU 1022-18D. 100% moved and 75% rigged up @ report time. | |
| 09/22/06 | | TD: 2040' Csg. 9 5/8"@ 2031' MW: 8.4 SD: 9/X/06 DSS: 0 Finish RURT. NU and test BOPE. PU BHA and DP. Prep to drill cmt and FE @ report time. | |
| 09/25/06 | | TD: 5545' Csg. 9 5/8"@ 2031' MW: 9.5 SD: 9/22/06 DSS: 3 Drill cmt and FE. Drill f/ 2040'-2164'. Work on rotary controls (7hrs). Drill and survey to 5545'. Generator failed. Rig on repair @ report time. | |
| 09/26/06 | | TD: 6300' Csg. 9 5/8"@ 2031' MW: 9.5 SD: 9/22/06 DSS: 4 Repair generator. Drill from 5545'-6300'. DA @ report time. | |
| 09/27/06 | | TD: 7148' Csg. 9 5/8"@ 2031' MW: 10.1 SD: 9/22/06 DSS: 5 Drill from 6300'-7148'. DA @ report time. Top of MV @ 6896'. | |
| 09/28/06 | | TD: 7805' Csg. 9 5/8"@ 2031' MW: 10.5 SD: 9/22/06 DSS: 6 | |

Drill from 7148'-7805'. DA @ report time.

09/29/06

TD: 8256' Csg. 9 5/8"@ 2031' MW: 10.8 SD: 9/22/06 DSS: 7
Drill from 7805'-8256'. DA @ report time.

10/02/06

TD: 8890' Csg. 9 5/8"@ 2031' MW: 11.8 SD: 9/22/06 DSS: 10
Drill from 8256-8308'. TFNB and MM. Drill to 8890' TD. Short Trip to 6800'. CCH and lay down
drill string @ report time.

10/03/06

TD: 8890' Csg. 9 5/8"@ 2031' MW: 11.8 SD: 9/22/06 DSS: 11
Lay down drill string. Run Triple Combo. Run and cement 4 1/2" Production Casing @ report time.

10/04/06

TD: 8890' Csg. 9 5/8"@ 2031' MW: 11.8 SD: 9/22/06 DSS: 11
Cement 4 1/2" Production Casing. ND stack, set slips and release rig @ 1700 hrs 10/3/06. RDRT @
report time.

10/05/06

TD: 8890' Csg. 9 5/8"@ 2031' MW: 11.8 SD: 9/22/06 DSS: 11
RDRT. W/O trucks.

10/06/06

TD: 8890' Csg. 9 5/8"@ 2031' MW: 11.8 SD: 9/22/06 DSS: 11
W/O trucks, rig maintenance. Will move to NBU 1021-18E this am.

10/30/06

LOG

Days On Completion: 1
7:AM HSM. ROAD TO LOC. RU RIG, SPOT EQUIP. ND WELLHEAD, NU BOP. PU 37/8" MILL,
POBS. RIH PU 23/8" TBG. GOT 200 JTS IN WELL. EOT 6200'. POOH TBG W/ TBG & MILL .
SWI, SDFN.

10/31/06

LOG AND PERF

Days On Completion: 2
ND BOP, NU FRAC VLVS. MIRU CUTTERS WIRELINE SERV. PU WIRELINE TOOLS. RIH,
RUN CBL/CCL/GAMMA/BHT SURVEY. TAG PBTB @ 8772'. LOG WELL, FOUND CMNT TO
SURFACE, BHT: 202 DEG. F. MIRU B&C QUICK TEST, TEST CSG & FRAC VLVS. RDMO
B&C. RU CWLS.PU 3-3/8" PERF GUN (23 GM CHG, 40" PENE, 0.36" HOLE, 90 DEG
PHASING) RIH, PERF:8496-8501', 8283-88', 8189-92'. 4 SPF EA, TOT OF: 52 HOLES. POOH,
RDMO CWLS. SWI, PREP TO FRAC IN MORNING. SDFN.

11/01/06

FRAC

Days On Completion: 3
MIRU BJ SERVICES & CUTTERS WIRELINE SERVICES. HSM. PRES TEST SURF LINES.

ALL STAGES WILL BE FRAC'D WTHE FOLLOWING: 20/40 MESH SND; DVE-OO5 SCALE
INHIBITOR (3 GPT IN PAD THRU' MID RAMP & 10 GPT IN FLUSH); 3-3/8" EXP PERF GUNS
(23 GM CHG, 40" PENE, 0.36" HOLE DIA, HMX PWDR, 4 SPF, 90 DEG PHASING); GELLED
FLUID; CBPs ARE BAKER 8K 4.5".

STG 1: OW: 250 PSI, BRK: 4108 PSI, ISIP: 3150 PSI, FG: 0.81. ER: 50.4 BPM @ 5200 PSI.
POC: 100%. FRAC STG W/LIT 20# GEL. TOT SND: 273,443 LBS, TOT FL: 2226 BBL. ISIP:
3600 PSI, FG: 0.86. MP: 5640 PSI, MR: 49.4 BPM, AP: 5375 PSI, AR: 49.0 BPM.

STG 2: PU CBP & GUN. RIH, SET CBP @ 7949'. PU, PERF: 7916-19 & 7806-11'. TOT OF 32 HOLES. POOH, LD WL TLS. MU BJ. OW: 25 PSI, BRK: 3450 PSI, ISIP: 2900 PSI, FG: 0.80. ER: 44 BPM @ 5730 PSI, POC: 63%. FRAC STG W/LIT 20# GEL. TOT SND: 86,515 LBS, TOT FL: 741 BBL, ISIP: 2900 PSI, FG: 0.80. MP: 6480 PSI, MR: 44.9 BPM, AP: 5720 PSI, AR: 43.5 BPM.

STG 3: PU CBP & GUN. RIH, SET CBP @ 7516'. PU, PERF: 7481-86', 7368-72' & 7302-05'. TOT OF 48 HOLES. POOH, LD WL TLS. MU BJ. OW: 280 PSI, BRK: 3770 PSI, ISIP: 2400 PSI, FG: 0.76. ER: 54 BPM @ 5750 PSI, POC: 60%. FRAC STG W/LIT 20# GEL. TOTSND: 307,360 LBS, TOT FL: 2674 BBL. ISIP: 2975 PSI, FG: 0.84. MP: 5753 PSI, MR: 54.4 BPM, AP: 5422 PSI, AR: 54.3 BPM.

STG 4: PU CBP & GUN. RIH, SET CBP @ 7050'. PU, PERF: 7011-16, 6940-44' & 6832-35'. TOT OF 48 HOLES. TWO PMPS BROKE DN, RAN OUT OF SND. SWI, SDFN.

11/02/06

FRAC

Days On Completion: 4

Remarks :HSM. MAKE REPAIRS TO PMPS.

ALL STAGES WILL BE FRAC'D WTHE FOLLOWING: 20/40 MESH SND; DVE-OO5 SCALE INHIBITOR (3 GPT IN PAD THRU' MID RAMP & 10 GPT IN FLUSH); 3-3/8" EXP PERF GUNS (23 GM CHG, 40" PENE, 0.36" HOLE DIA, HMX PWDR, 4 SPF, 90 DEG PHASING); GELLED FLUID. CBPs ARE BAKER 8K 4.5".

STG 4: OW: 630 PSI, BRK: 2710 PSI, ISIP: 1450 PSI, FG: 0.64. ER: 50.9 BPM @ 4840 PSI. FRAC STG W/LIT 18# GEL. TOT SND: 272,900 LBS, TOT FL: 2052 BBL. ISIP: 2900 PSI, FG: 0.85. MP: 5130 PSI, MR: 51.4 BPM, AP: 4600 PSI, AR: 50.7 BPM. MU CWLS.

STG 5: PU CBP & GUN. RIH, SET CBP @ 6682', PU, PERF: 6647-52', TOT OF 20 HOLES. POOH, LD WL TLS. MU BJ.OW: 150 PSI, BRK: 2497 PSI, ISIP: 1800 PSI, FG: 0.70. ER: 26.1 BPM @ 3430 PSI. POC: 65%. FRAC STG W/LIT 18# GEL. TOT SND: 34,331 L BS, TOT FL: 368 BBL, ISIP: 2800 PSI, FG: 0.85. MP: 3410 PSI, MR: 26.1 BPM, AP: 3179 PSI, AR: 26.0 BPM. MU CWLS.

STG 6: PU CBP & GUN. RIH, SET CBP @ 6345', PU, PERF: 6310-15', TOT OF 20 HOLES. POOH, LD WL TLS. MU BJ.OW: 170 PSI, BRK: 2870 PSI, ISIP: 2200 PSI, FG: 0.78. ER: 22.0 BPM @ 3250 PSI. POC: 70%. FRAC STG W/LIT 18# GEL. TOT SND: 34,254 LBS, TOT FL: 363 BBL. ISIP: 2440 PSI, FG: 0.82. MP: 3120 PSI, MR: 19.9 BPM, AP: 2745 PSI, AR: 19.8 BPM. MU CWLS.

STG 7: PU CBP & GUN. RIH, SET CBP @ 5949', PU, PERF: 5914-19', TOT OF 20 HOLES. POOH, LD WL TLS. MU BJ SERVICES. OW: 230 PSI, BRK: 1982 PSI, ISIP: 1790 PSI, FG: 0.74. ER: 19.8 BPM @ 2970 PSI. POC: 55%. FRAC STG W/LIT 18# GEL. TOT SND: 34,995 LBS, TOT FL: 358 BBL. ISIP: 2475 PSI, FG: 0.85. MP: 2890 PSI, MR: 19.9 BPM, AP: 2690 PSI, AR: 19.7 BPM. MU CWLS, PU KILL PLUG. RIH, SET PLUG @ 5865'. POOH, LD WL TLS. RDMO CWLS & BJ SERV. ND FRAC VLVS, NU BOP. PU BIT & POBS, RIH W/BIT, SUB & TBG TO KILL PLUG @ 5685'. X-OVER EQUIP TO PWR SWVL. EST CIRC, DRILL OUT PLUGS AS FOLLOWS:

| PLUG # | FILL DPTH | CBP DPTH | TIME | PRES INCR |
|--------|-----------|----------|-------|-----------|
| 1 | 5865' | 5865' | 9 MIN | 50 PSI |
| 2 | 5914' | 5949' | 7 | 100 |

CIRC HOLE CLN. POOH, STND BACK 5 SNDS, EOT @ 5653'. DRAIN DN LINES & EQUIP. SWI,

11/03/06

DO PLUGS

Days On Completion: 5

Remarks :HSM. CONT TO RIH W/BIT, SUB & TBG. D/O CBPs AS FOLLOWS:

| CBP# | FILL DPTH | CBP DBTH | D/O TIME | PRES INCR |
|------|-----------|----------|----------|-----------|
| 3 | 6315' | 6345' | 6 MIN | 200 PSI |
| 4 | 6656' | 6682' | 6 | 0 |
| 5 | 6995' | 7050' | 8 | 400 |
| 6 | 7471' | 7516' | 6 | 400 |
| 7 | 7919' | 7949' | 9 | 0 |

CONT TO RIH, TAG SND @ 8130'. C/O TO PBTD @ 8600'. PU, CIRC HOLE CLN. X-OVER EQUIP TO TBG. POOH, LD 25 JTS TBG ON FLOAT. PU HNGR, LND TBG W/EOT @ 7684.21'. RD FLR, ND BOP, NU WH. DROP BALL, MU FL TO PIT. PMP OFF BIT & SUB W/2200 PSI. RD RIG & RACK OUT EQUIP. RR TO NEXT NBU 1022 18 E. TURN WELL OVER TO FBC (BRUCE DELSCO). NOTIFY PRODUCTION (CHUCH & BJ). TOT OF 297 JTS TBG ON LOC. 50 ON FLOAT, 247 IN HOLE, 3 JTS WOULD NOT DRIFT.

ON FLOWBACK 11/03/06: 925# CP, 225# TP, OPEN CK, 55 BWPH, LOAD REC'D 1925 BBLs, LLTR 1925 BBLs

ON FLOWBACK 11/04/06: 2175# CP, 850# TP, 20/64 CK, 50 BWPH, LOAD REC'D 1349 BBLs, LLTR 3274 BBLs

ON FLOWBACK 11/06/06: 1925# CP, 950# TP, 20/64 CK, 40 BWPH, LOAD REC'D 980 BBLs, LLTR 4245 BBLs

11/06/06

ON FLOWBACK 11/06/06: 1759# CP, 950# TP, 20/64 CK, 20 BWPH, LOAD REC'D 640 BBLs, LLTR 4894 BBLs

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-23608

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
UNIT #891008900A

8. WELL NAME and NUMBER:
NBU 1021-131

9. API NUMBER:
4304737725

10. FIELD AND POOL, OR WILDCAT
NATURAL BUTTES

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NESE 13 10S 21E

12. COUNTY
UINTAH

13. STATE
UTAH

14. DATE SPUDDED: **8/11/2006** 15. DATE T.D. REACHED: **10/1/2006** 16. DATE COMPLETED: **11/5/2006**

ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5064'GL

18. TOTAL DEPTH: MD **8,890** 19. PLUG BACK T.D.: MD **8,722** 20. IF MULTIPLE COMPLETIONS, HOW MANY? *

TVD TVD

21. DEPTH BRIDGE MD
PLUG SET: TVD

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

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

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

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 20" | 14" STL | 36.7# | | 40 | | 28 | | | |
| 12 1/4" | 9 5/8 H-40 | 32.3# | | 2,040 | | 630 | | | |
| 7 7/8" | 4 1/2 I-80 | 11.6# | | 8,890 | | 1610 | | | |
| | | | | | | | | | |
| | | | | | | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2 3/8" | 7,684 | | | | | | | |

| 26. PRODUCING INTERVALS | | | | | 27. PERFORATION RECORD | | | | |
|-------------------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|--|-----------------------------------|
| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS | |
| (A) WASATCH | 5,914 | 6,652 | | | 5,914 6,652 | 0.36 | 60 | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (B) WSTCH/MESA | 6,832 | 7,016 | | | 6,832 7,016 | 0.36 | 48 | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (C) MESAVERDE | 7,302 | 8,501 | | | 7,302 8,501 | 0.36 | 132 | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (D) | | | | | | | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |

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

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|----------------|---|
| 5914'-6652' | PMP 1089 BBLS LIGHTNING 18 & 103,580# 20/40 MESH SD |
| 6832'-7016' | PMP 2052 BBLS LIGHTNING 18 & 272,900# 20/40 MESH SD |
| 7302'-8501' | PMP 5641 BBLS LIGHTNING 20 & 667,318# 20/40 MESH SD |

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
PROD

RECEIVED
DEC 06 2006
DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

| | | | | | | | | | | | |
|-----------------------------------|--------------------|-------------------------|-------------|---------------------|---------------|---------------------------|-----------------|-------------------|---------------------|--------------------------|--------------------------|
| DATE FIRST PRODUCED: 11/5/2006 | | TEST DATE: 11/9/2006 | | HOURS TESTED: 24 | | TEST PRODUCTION RATES: → | | OIL - BBL: 0 | GAS - MCF: 973 | WATER - BBL: 480 | PROD. METHOD: FLOWING |
| CHOKE SIZE: 20/64 | TBG. PRESS. 559 | CSG. PRESS. 1,222 | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: 0 | GAS - MCF: 973 | WATER - BBL: 480 | INTERVAL STATUS: PROD | |

INTERVAL B (As shown in item #26)

| | | | | | | | | | | | |
|-----------------------------------|--------------------|-------------------------|-------------|---------------------|---------------|---------------------------|-----------------|-------------------|---------------------|--------------------------|--------------------------|
| DATE FIRST PRODUCED: 11/5/2006 | | TEST DATE: 11/9/2006 | | HOURS TESTED: 24 | | TEST PRODUCTION RATES: → | | OIL - BBL: 0 | GAS - MCF: 973 | WATER - BBL: 480 | PROD. METHOD: FLOWING |
| CHOKE SIZE: 20/64 | TBG. PRESS. 559 | CSG. PRESS. 1,222 | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: 0 | GAS - MCF: 973 | WATER - BBL: 480 | INTERVAL STATUS: PROD | |

INTERVAL C (As shown in item #26)

| | | | | | | | | | | | |
|-----------------------------------|--------------------|-------------------------|-------------|---------------------|---------------|---------------------------|-----------------|-------------------|---------------------|--------------------------|--------------------------|
| DATE FIRST PRODUCED: 11/5/2006 | | TEST DATE: 11/9/2006 | | HOURS TESTED: 24 | | TEST PRODUCTION RATES: → | | OIL - BBL: 0 | GAS - MCF: 973 | WATER - BBL: 480 | PROD. METHOD: FLOWING |
| CHOKE SIZE: 20/64 | TBG. PRESS. 559 | CSG. PRESS. 1,222 | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: 0 | GAS - MCF: 973 | WATER - BBL: 480 | INTERVAL STATUS: PROD | |

INTERVAL D (As shown in item #26)

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

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

SOLD

33. SUMMARY OF POROUS ZONES (include Aquifers):

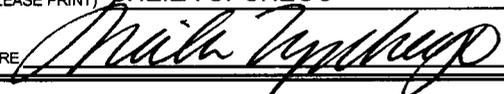
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|----------------------|----------------|-------------|------------------------------|------|----------------------|
| WASATCH MESAVERDE | 4,182 6,852 | 6,852 | | | |

34. FORMATION (Log) MARKERS:

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
 SIGNATURE  DATE 11/28/2006

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

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

FORM 9

| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-23608 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES |
| 2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP | | 8. WELL NAME and NUMBER: NBU 1021-13I |
| 3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078 | PHONE NUMBER: (435) 781-7024 | 9. API NUMBER: 4304737725 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2353' FSL 668' FEL | | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 13 10S 21E | | COUNTY: UINTAH |
| | | STATE: UTAH |

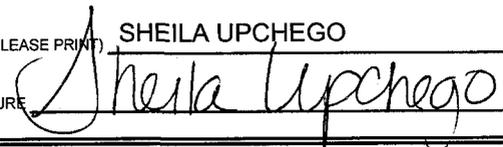
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/02/2008 AT 10:30 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

| | |
|---|---------------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO | TITLE REGULATORY ANALYST |
| SIGNATURE  | DATE 10/6/2008 |

(This space for State use only)

RECEIVED
OCT 08 2008

EVENT INFORMATION: EVENT ACTIVITY: RECOMPLETION START DATE: 9/24/2008 AFE NO.: 2024206
 OBJECTIVE: DEVELOPMENT END DATE: 9/30/2008
 OBJECTIVE 2: RECOMPLETE DATE WELL STARTED PROD.: 9/22/2006
 REASON: WAS SW Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location

MILES-GRAY 1 / 1 09/24/2008 09/30/2008

| Date | Time Start-End | Duration (hr) | Phase | Code | Subcode | P/U | Operation |
|-----------|-------------------------------|---------------|-------|------|---------|-----|---|
| 9/25/2008 | <u>SUPERVISOR:</u> JD FOREMAN | | | | | | |
| | 7:00 - 7:30 | 0.50 | COMP | 48 | | P | SAFETY MEETING |
| | 7:30 - 17:00 | 9.50 | COMP | 31 | | P | MIRU KILL WELL W/ 50 BBL 2% NIPPLE DOWN TREE NIPPLE UP BOP UNLAND TBG POOH TBG PITTED BAD LAY DOWN 31JTS SCALE ON BTM 5 JTS NIPPLE DOWN BOP NIPPLE UP FRAC VALVES SDFN |
| 9/26/2008 | <u>SUPERVISOR:</u> JD FOREMAN | | | | | | |
| | 7:00 - 7:30 | 0.50 | COMP | 48 | | P | SAFETY MEETING |
| | 7:30 - 15:00 | 7.50 | COMP | 37 | | P | MIRU CUTTERS RIH W/ GAUGE RING TO 5594' POOH MAKE UP CBP RIH SET @ 5544' POOH FILL HOLE W/ 2% TEST CSG & FRAC VALVES TP 6200# GOOD TEST RIH W/ 3,3/8 GUNS 23 GM .36 HOLES PERF @ 5500'-14' 3 SPF NO BLOW SWMSDFWE |
| 9/27/2008 | <u>SUPERVISOR:</u> JD FOREMAN | | | | | | |
| | 7:00 - 7:30 | 0.50 | COMP | 48 | | P | SAFETY MEETING |
| | 7:30 - 7:30 | 0.00 | COMP | 31 | | P | ROLL FRAC TK CHECK F/ H2S NO HES FOUND SDFN |
| 9/29/2008 | <u>SUPERVISOR:</u> JD FOREMAN | | | | | | |
| | 7:00 - 7:30 | 0.50 | COMP | 48 | | P | SAFETY MEETING |
| | 7:30 - 18:00 | 10.50 | COMP | 36 | | P | FRAC W/ WEATHER STAGE #1 BRK PERF @2606# INJ RT 50.9 BPM INJ PSI 2813# ISIP 1220# FG .66 FRAC W/ 18715# 30/50 SAND + 5000# 20/40 SAND + 876 BBL SLICKWATER COMPUTER WENT DOWN AT START OF FLUSH SHUT DOWN RESTART COMPUTER ALL INFORMATION LOST FLUSH W/ 84 BBL ISIP 1720# FG .75 NPI 500# STAGE # 2 START IN HOLE W/ 8K CBP STOP @ 35' CAN NOT GO DOWN PULL OUT OF HOLE BTM 1/2 OF CBP BROKE OFF IN HOLE LAY DOWN SETTING TOOL & TOP 1/2 OF CBP RIH W/ GUN TO PUSH PLUG DOWN TO 5170' POOH PICK UP SETTING TOOL & NEW CBP RIH SET @ 5160' PERF @ 5116'-30' 3 SPF BRK PERF @ 2461# INJ RT 51.9 BPM INJ PSI 3480# ISIP 984# FG .63 FRAC W/ 12025# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 525 BBL SLICKWATER MP 3523# MR 52.3 BPM AP 3131# AR 52.2 BPM ISIP 2154# FG .86 NPI 1170# STAGE #3 RIH SET 8K CBP @ 5021' PERF @ 4965'-72' 4 SPF 4983'-91' 2 SPF BRK PERF @ 1497# INJ RT 52 BPM IJN PSI 2573# ISIP 1047# FG .65 FRAC W/ 30279# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 990 BBL SLICKWATER MP 2824# MR 52.3 BPM AP 2694# AR 52.1 BPM ISIP 1948# FG .83 NPI 901# STAGE #4 RIH SET 8K CBP @ 4832' PERF @ 4724'-35' 3N SPF 4797'-02' 4 SPF BRK PERF @2548# INJ RT 50.5 BPM INJ PSI 2100# ISIP 989# FG .65 FRAC W/ 23379# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 893 BBP SLICK WATER MP 2392# MR 50.7 BPM AP 2101# AR 50.6 BPM ISIP 1457# FG .75 NPI 468# STAGE #5 RIH SET 8K CBP @ 4487' PERF @ 4447'-57' 4 SPF BRK PERF @ 2280# INJ RT 50.5 BPM INJ PSI 3000# ISIP 959# FG .66 FRAC W/ 14660# 30/50 SAND + 5000# RESIN COATED SAND + 592 BBL SLICKWATER MP 3169# MR 51.7 BPM AP 3080# AR 51.5 BPM ISIP 2259# FG .95 NPI 1300# RIH SET 8K CBP @ 4397' RIG DOWN WEATHERFORD & CUTTERS SDFN |
| 9/30/2008 | <u>SUPERVISOR:</u> JD FOREMAN | | | | | | |
| | 7:00 - 7:30 | 0.50 | COMP | 48 | | P | SAFETY MEETING |

| | | | | | | |
|-----------|-------------------------------------|-------|------|----|---|---|
| | 7:30 - 18:00 | 10.50 | COMP | 31 | P | <p>NIPPLE DOWN FRAC VALVES NIPPLE UP BOP TEST BOP TO 2500# GOOD TEST RIH W/ SLIDING SLEEVE POBS TAG @ 4397' RIG UP DRILLING EQUIP DRILL OUT CBP @ 4397' 300# KICK RIH TAG @ 4457' 30' SAND ON CBP DRILL OUT SAND & CBP @ 4487' 200# KICK RIH TAG @ 4800' 30' SAND ON CBP DRILL OUT SAND & CBP 4832' 50# KICK RIH TAG @ 5000' 20' SAND ON CBP DRILL OUT SAND & CBP @ 5021' 100# KICK RIH TAG @ 5130' 30' SAND ON CBP DRILL OUT SAND & CBP 5160' 100# KICK RIH TO 5526' CICR CLEAN PULL & LAY DOWN 12 JTS 2,3/8 LAND ON WELL HEAD W/ 164 JTS 2,3/8 J-55 TBGEOT 5106.96' NIPPLE DOWN BOP NIPPLE UP TREE MIRU DELSCO SLICK LINE RIH PULL SLEEVE OUT RUN SET SAVER BACK IN POBS TRUN WELL TO FLOWBACK CREW SDFN</p> <p>TBG DETAIL KB 16.00 HANGER .83 164 JTS 2,3/8 J-55 TBG 5085.52 POBS-MILL 3.61 EOT 5105.96</p> |
| 10/1/2008 | <u>SUPERVISOR:</u> DEVEN OAKS | | | | | |
| | 7:00 - | | | 33 | A | <p>7 AM FLBK REPORT: CP 1700#, TP 950#, 28/64" CK, 50 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 1760 BBLs LEFT TO RECOVER: 2116</p> |
| 10/1/2008 | <u>SUPERVISOR:</u> JD FOREMAN | | | | | |
| | 7:00 - 7:30 | 0.50 | COMP | 48 | P | SAFETY MEETING |
| | 7:30 - 15:00 | 7.50 | COMP | 31 | P | RDMO |
| 10/2/2008 | <u>SUPERVISOR:</u> RANDY BROTHERSON | | | | | |
| | 7:00 - | | | 33 | A | <p>7 AM FLBK REPORT: CP 1800#, TP 1350#, 20/64" CK, 20 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 2515 BBLs LEFT TO RECOVER: 1361</p> |
| | 10:30 - | | PROD | | | <p>WELL TURNED TO SALES @ 1030 HR ON 10/2/2008 - FTP 1350#, CP 1800#, CK 20/64", 1009 MCFD, 360 BWPD</p> |
| 10/3/2008 | <u>SUPERVISOR:</u> RANDY BROTHERSON | | | | | |
| | 7:00 - | | | 33 | A | <p>7 AM FLBK REPORT: CP 1800#, TP 1350#, 20/64" CK, 15 BWPH, TRACE SAND, - GAS TTL BBLs RECOVERED: 2890 BBLs LEFT TO RECOVER: 986</p> |

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-23608

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
UNIT #891008900A

8. WELL NAME and NUMBER:
NBU 1021-13I

9. API NUMBER:
4304737725

10. FIELD AND POOL, OR WILDCAT
NATURAL BUTTES

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NESE 13 10S 21E

12. COUNTY
UINTAH

13. STATE
UTAH

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

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

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

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

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **2353'FSL, 668'FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

14. DATE SPURRED: **8/11/2006** 15. DATE T.D. REACHED: **10/1/2006** 16. DATE COMPLETED: **10/2/2008** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5064'GL

18. TOTAL DEPTH: MD **8,890** TVD _____ 19. PLUG BACK T.D.: MD **8,823** TVD _____ 20. IF MULTIPLE COMPLETIONS, HOW MANY? * _____ 21. DEPTH BRIDGE MD PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
N/A

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

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

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|---------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 20" | 14" STL | 36.7# | | 40 | | 28 | | | |
| 12 1/4" | 9 5/8 H-40 | 32.3# | | 2,040 | | 630 | | | |
| 7 7/8" | 4 1/2 I-80 | 11.6# | | 8,890 | | 1610 | | | |
| | | | | | | | | | |
| | | | | | | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2 3/8" | 7,684 | | | | | | | |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS | |
|----------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|--|-----------------------------------|
| (A) WASATCH | 4,447 | 5,514 | | | 4,447 5,514 | 0.36 | 192 | Open <input checked="" type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (B) | | | | | | | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (C) | | | | | | | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (D) | | | | | | | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |

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

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|----------------|---|
| 4447'-5514' | PMP 3876 BBLs SLICK H2O & 124,058# 30/50 SD |

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:

PROD

RECEIVED

OCT 27 2008

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

| | | | | | | | |
|-----------------------------------|-------------------------|----------------------|--------------------------|-----------------|---------------------|---------------------------|--------------------------|
| DATE FIRST PRODUCED: 10/2/2008 | TEST DATE: 10/8/2008 | HOURS TESTED: 24 | TEST PRODUCTION RATES: → | OIL - BBL: 0 | GAS - MCF: 2,500 | WATER - BBL: 340 | PROD. METHOD: FLOWING |
| CHOKE SIZE: 20/64 | TBG. PRESS. 1,140 | CSG. PRESS. 1,485 | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: PROD |

INTERVAL B (As shown in Item #26)

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

INTERVAL C (As shown in Item #26)

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

INTERVAL D (As shown in Item #26)

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

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

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|----------------------|----------------|-------------|------------------------------|------|----------------------|
| WASATCH MESAVERDE | 4,182 6,852 | | | | |

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

Sheila Upchego

DATE 10/20/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

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

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

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

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