

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-01198-B
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator WESTPORT OIL & GAS COMPANY L.P.		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078		8. Lease Name and Well No. NBU 1022-23D3-S
3b. Phone No. (include area code) (435) 781-7060		9. API Well No. 43-047-37741
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW 720' FNL 1128' FWL 635645 X 4422059Y 39.939668 At proposed prod. Zone 950' FNL 305' FWL -109.411784		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* 25.2 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area SEC 23-T10S-R22E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 720'	16. No. of Acres in lease 2040	12. County or Parish UINTAH
17. Spacing Unit dedicated to this well 40	13. State UT	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8600'	20. BLM/BIA Bond No. on file CO-1203
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5284.4' GL	22. Approximate date work will start* UPON APPROVAL	23. Estimated duration TO BE DETERMINED

24. Attachments

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

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

25. Signature <i>Debra Domenici</i>	Name (Printed/Typed) DEBRA DOMENICI	Date 2/3/2006
Title ASSOCIATE ENVIRONMENTAL ANALYST		
Approved by (Signature) <i>Bradley Hill</i>	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL MANAGER	Date 02-28-06
Title ENVIRONMENTAL MANAGER		

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

Conditions of approval, if any, are attached.

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

\*(Instructions on reverse)

BHL 635446 X  
4421984 Y

39.939035  
-109.414718

RECEIVED  
FEB 08 2006

Federal Approval of this  
Action is Necessary

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

## Kerr-McGee Oil & Gas Onshore LP

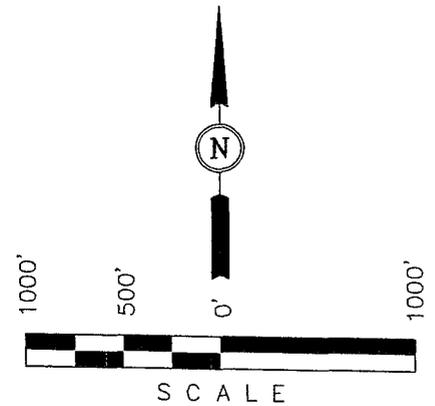
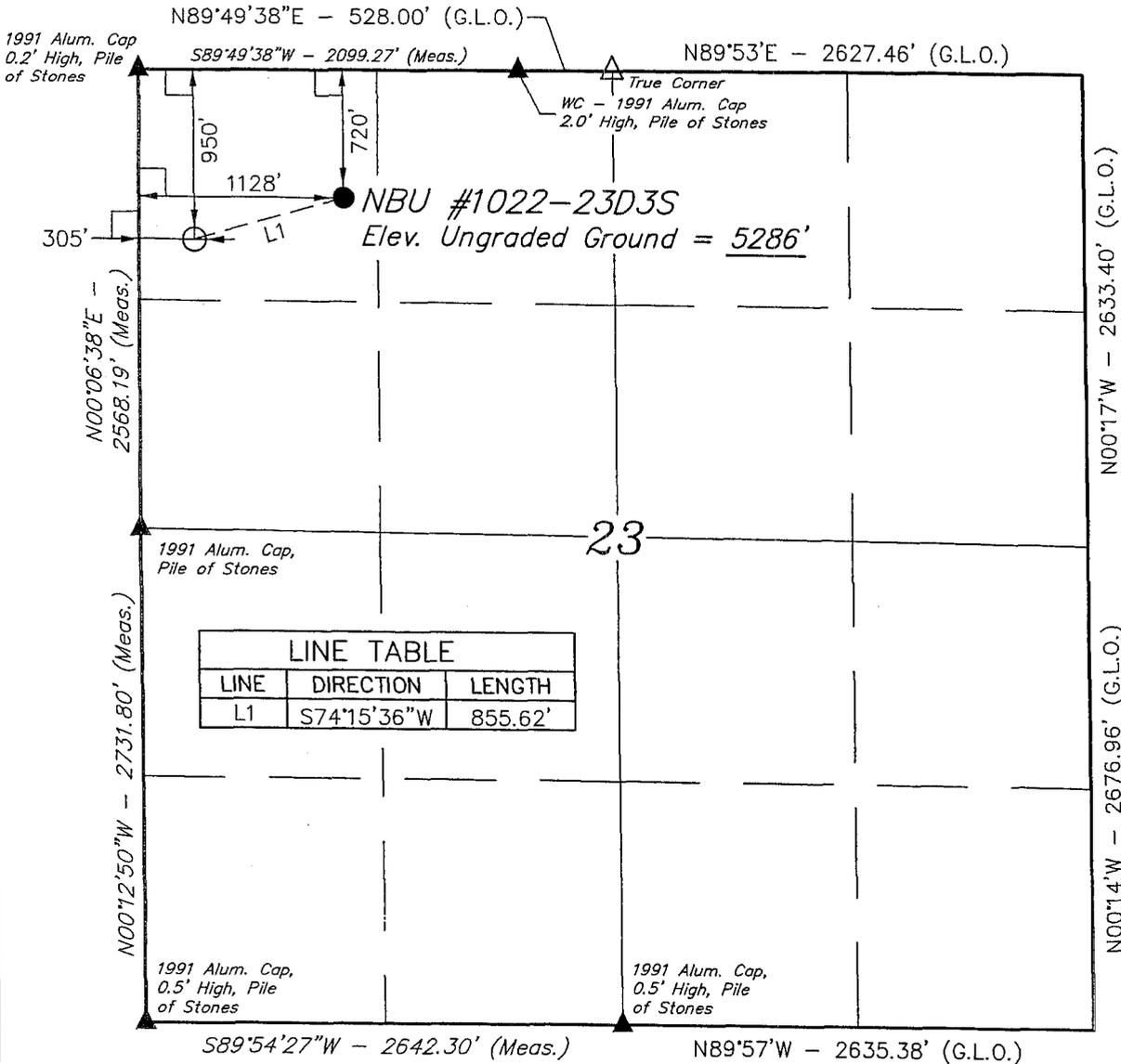
Well location, NBU #1022-23D3S, located as shown in the NW 1/4 NW 1/4 of Section 23, T10S, R22E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

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

### BASIS OF BEARINGS

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



### CERTIFICATE

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

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

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD
- ▲ = SECTION CORNERS LOCATED
- △ = SECTION CORNERS RE-ESTABLISHED (Not Set On Ground)

(NAD 83)  
 LATITUDE = 39°56'22.76" (39.939656)  
 LONGITUDE = 109°24'45.06" (109.412517)  
 (NAD 27)  
 LATITUDE = 39°56'22.88" (39.939689)  
 LONGITUDE = 109°24'42.61" (109.411836)

### UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 1-17-06	DATE DRAWN: 1-27-06
PARTY D.K. L.K. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr-McGee Oil & Gas Onshore LP	

NBU #1022-23D3-S  
NWNW SEC 23-T10S-R22E  
UINTAH COUNTY, UTAH  
UTU-01198-B

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1065'
Wasatch	4025'
Mesaverde	6325'
TD	8600'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1065'
Gas	Wasatch	4025'
Gas	Mesaverde	6325'
Water	N/A	
Other Minerals	N/A	

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

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

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

*Please see the Natural Buttes Unit SOP.*

5. **Drilling Fluids Program:**

*Please see the Natural Buttes Unit SOP.*

6. **Evaluation Program:**

*Please see the Natural Buttes Unit SOP.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8600' TD, approximately equals 5332 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3440 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

*Please see Natural Buttes Unit SOP.*

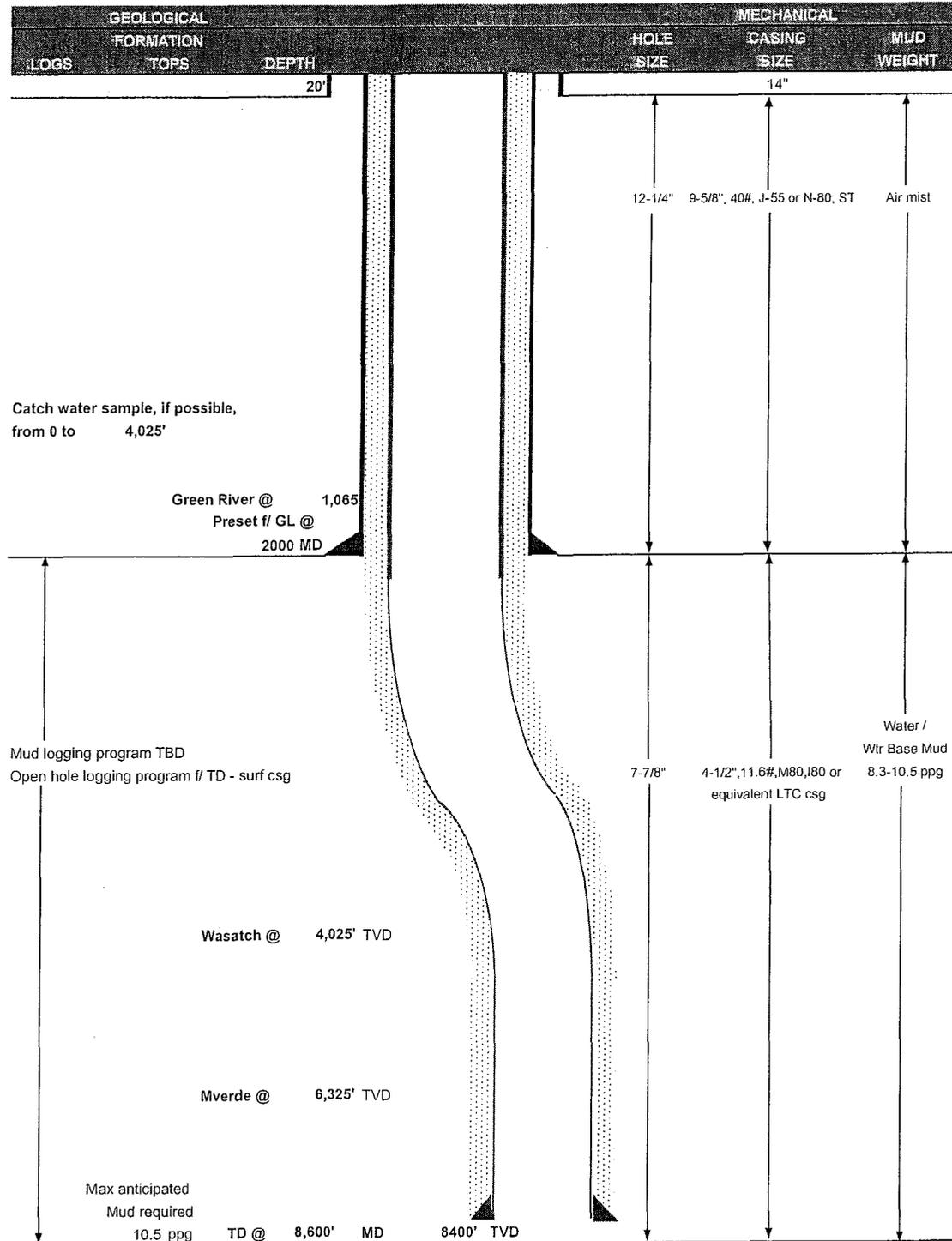
10. **Other Information:**

*Please see Natural Buttes Unit SOP.*



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

COMPANY NAME Westport Oil and Gas Co., L.P. DATE January 5, 2006  
 WELL NAME NBU 1022-23D3-S TD 8,600' MD 8400' TVD \_\_\_\_\_  
 FIELD Bonanza COUNTY Uintah STATE Utah ELEVATION 5,285' GL KB 5,300'  
 SURFACE LOCATION NWNW SECTION 23-T10S-R22E 720'FNL & 100'FWL  
 Latitude: 39.939656 Longitude: 109.412658  
 BOTTOM HOLE LOC NWNW SECTION 23 T10S-R22E 950'FNL & 305' FWL  
 Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_  
 OBJECTIVE ZONE(S) Wasatch/Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.





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

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3950	2570	452000
SURFACE	9-5/8"	0 to 2000	40.00	J-55	STC	1.41*****	2.75	7.99
PRODUCTION	4-1/2"	0 to 8600	11.60	M-80	LTC	2.78	1.35	201000

- 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 = 0.0 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
 MASP 2804 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
<b>Option 1</b>	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			<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>				
<b>Option 2</b>	LEAD	1500	65/35 Poz + 6% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOW	360	35%	12.60	1.81
	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	3,520'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	5,080'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1420	60%	14.30	1.31

\*Substitute caliper hole volume plus 15% excess 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 System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

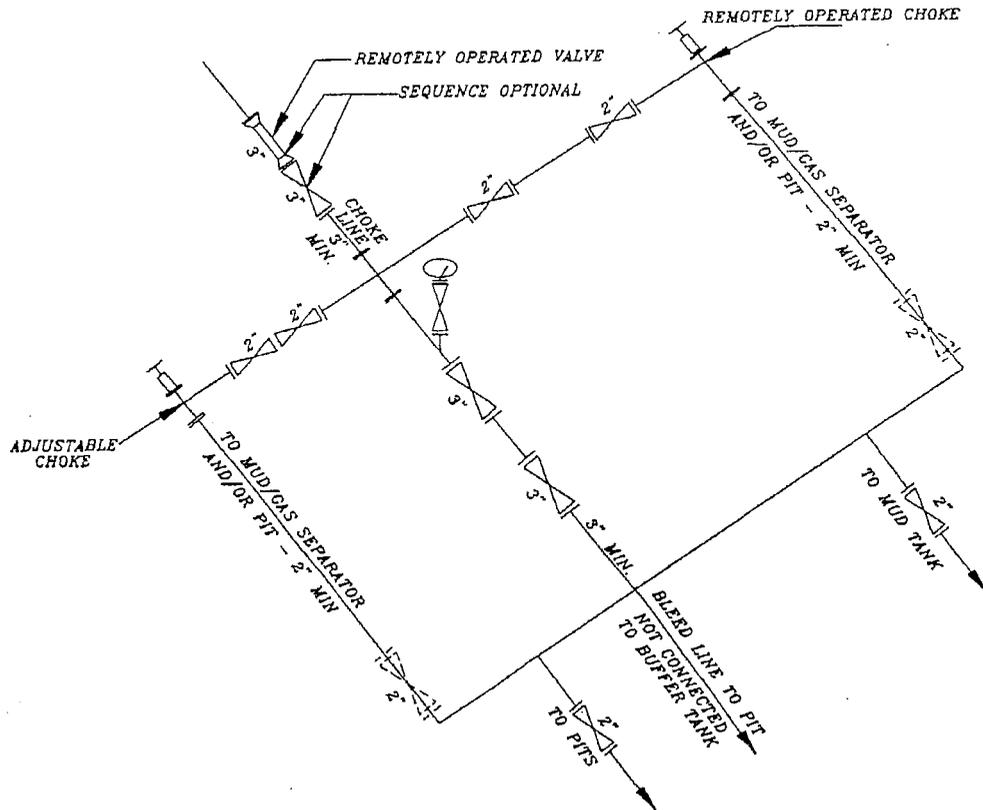
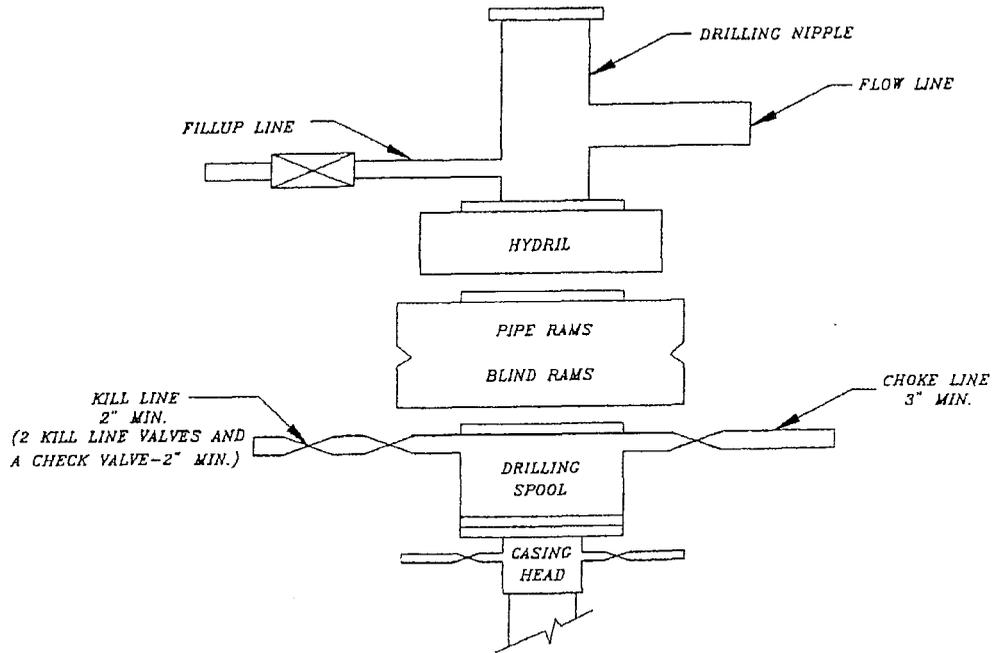
DRILLING ENGINEER: \_\_\_\_\_  
Brad Laney / Rusty Desormeaux

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

DRILLING SUPERINTENDENT: \_\_\_\_\_  
Randy Bayne  
NBU 1022-23D3-S schematic1.xls

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

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU #1022-23D3-S  
NWNW SEC 23-T10S-R22E  
UINTAH COUNTY, UTAH  
UTU-01198-B

ONSHORE ORDER NO. 1

*MULTI-POINT SURFACE USE & OPERATIONS PLAN*

1. **Existing Roads:**

Refer to the attached location directions.

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

2. **Planned Access Roads:**

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

Approximately 250' of new access road is proposed. Refer to Topo Map B.

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

Please refer to Topo Map C.

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

*Please see the Natural Buttes Unit SOP.*

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

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

Approximately 230' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

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

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

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

*Please see the Natural Buttes SOP.*

6. **Source of Construction Materials**

*Please see the Natural Buttes SOP.*

7. **Methods of Handling Waste Materials**

*Please see the Natural Buttes SOP.*

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

8. **Ancillary Facilities**

*Please see the Natural Buttes SOP.*

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

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

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

A 20 mil reserve pit liner with felt will be used.

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

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

*Please see the Natural Buttes SOP.*

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

Crested Wheat Grass	12 lbs.
---------------------	---------

Operator shall call the BLM for the seed mixture when final reclamation occurs.

**11. Surface Ownership:**

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

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

**12. Other Information:**

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

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

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

Debra Domenici  
Associate Environmental Analyst  
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.

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 the terms and conditions of the lease for the operations conducted upon leased lands.

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

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

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

  
Debra Domenici

2/3/2006

Date

# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-23D, #1022-23D2S & #1022-23D3S  
SECTION 23, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 250' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 57.6 MILES.

**Kerr-McGee Oil & Gas Onshore LP**  
**NBU #1022-23D, #1022-23D2S & #1022-23D3S**  
 LOCATED IN UTAH COUNTY, UTAH  
 SECTION 23, T10S, R22E, S.L.B.&M.

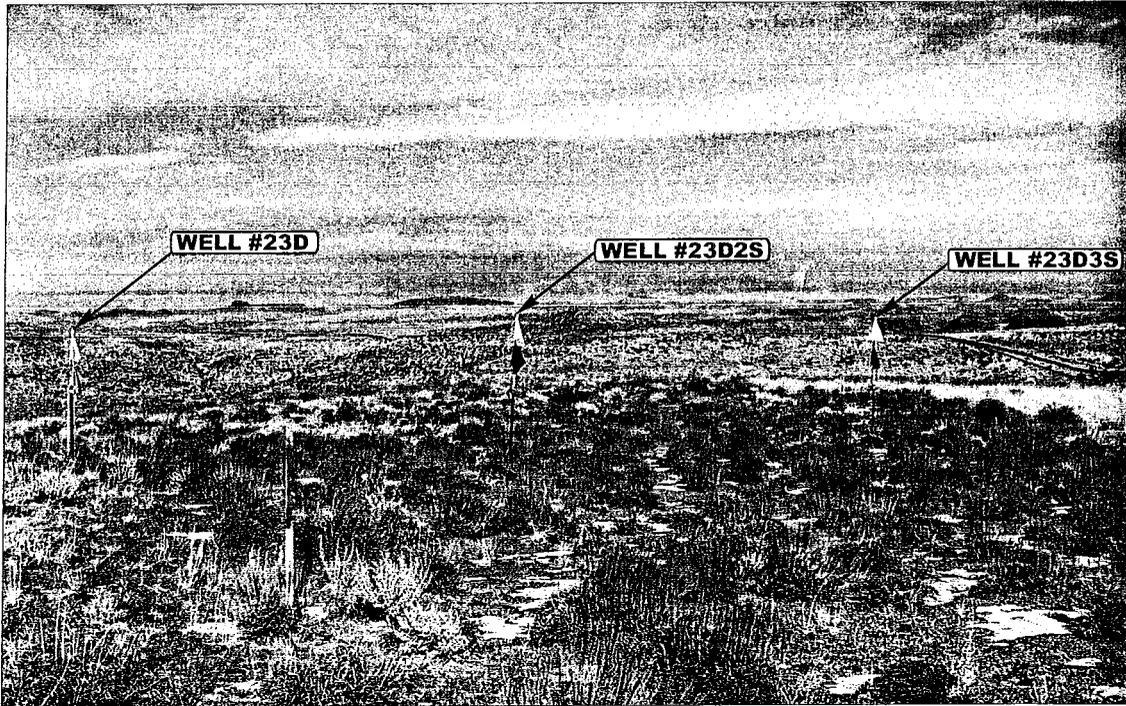


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: NORTHERLY

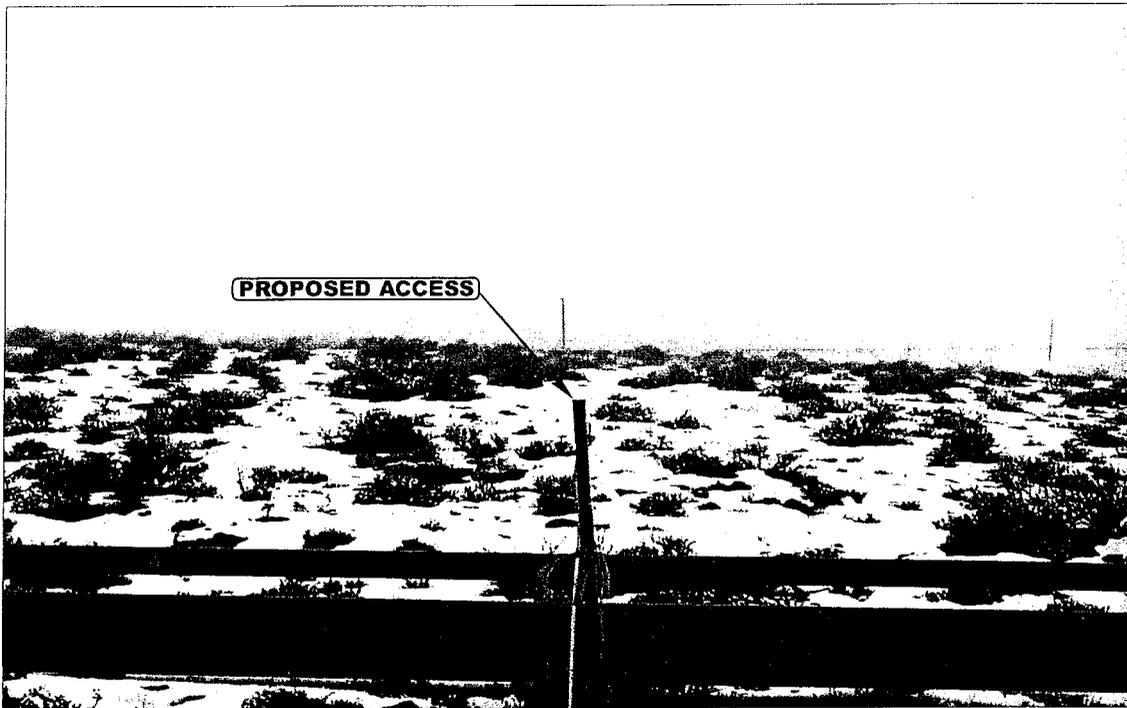


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

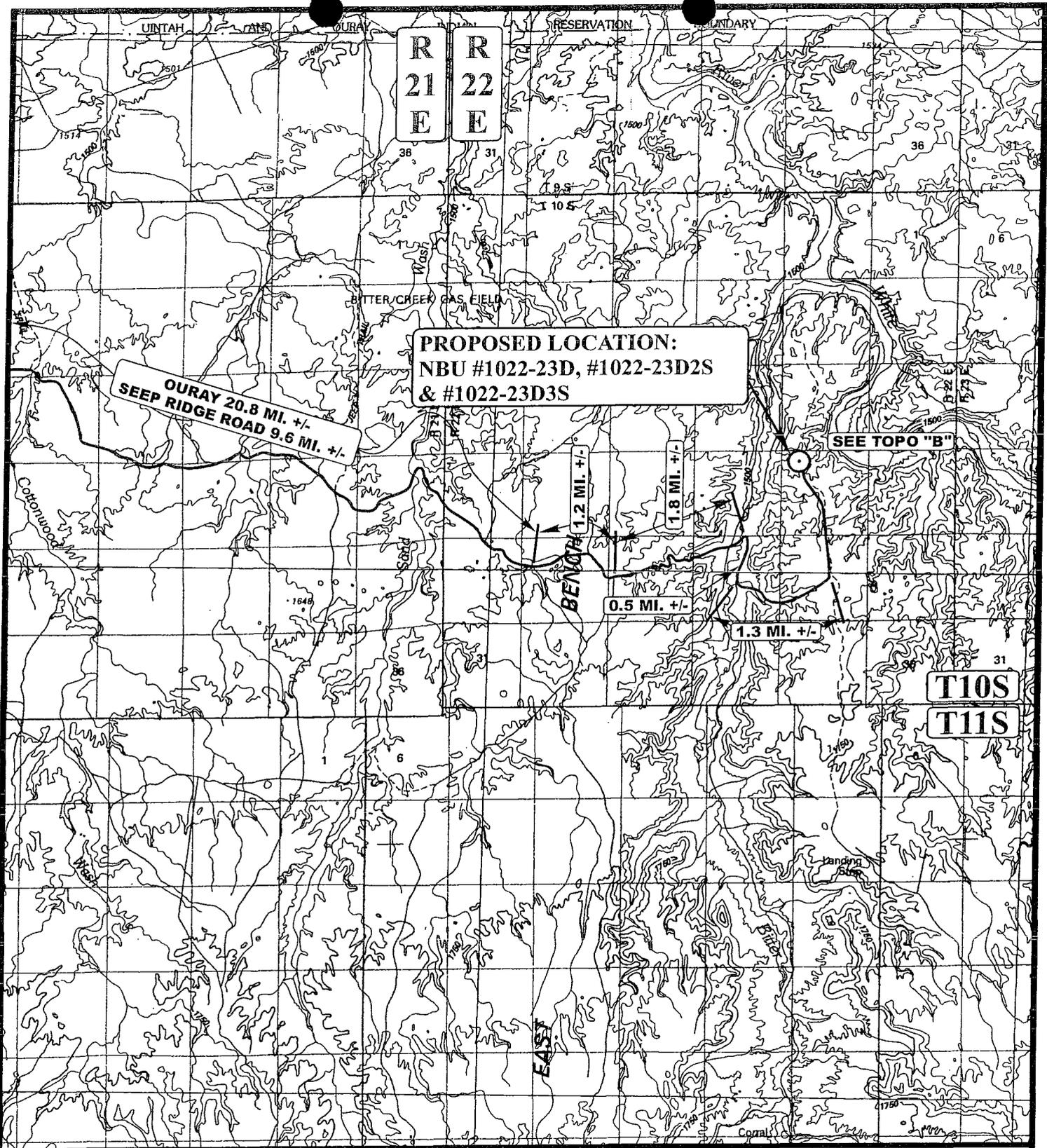
CAMERA ANGLE: WESTERLY



- Since 1964 -

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

LOCATION PHOTOS			<b>01</b>	<b>17</b>	<b>05</b>	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: J.F.	DRAWN BY: L.K.	REVISED: 01-27-06				



**PROPOSED LOCATION:**  
**NBU #1022-23D, #1022-23D2S**  
**& #1022-23D3S**

**OURAY 20.8 MI. +/-**  
**SEEP RIDGE ROAD 9.6 MI. +/-**

**BENCH 1.2 MI. +/-**

**1.8 MI. +/-**

**0.5 MI. +/-**

**1.3 MI. +/-**

**SEE TOPO "B"**

**T10S**

**T11S**

**LEGEND:**

⊙ PROPOSED LOCATION



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

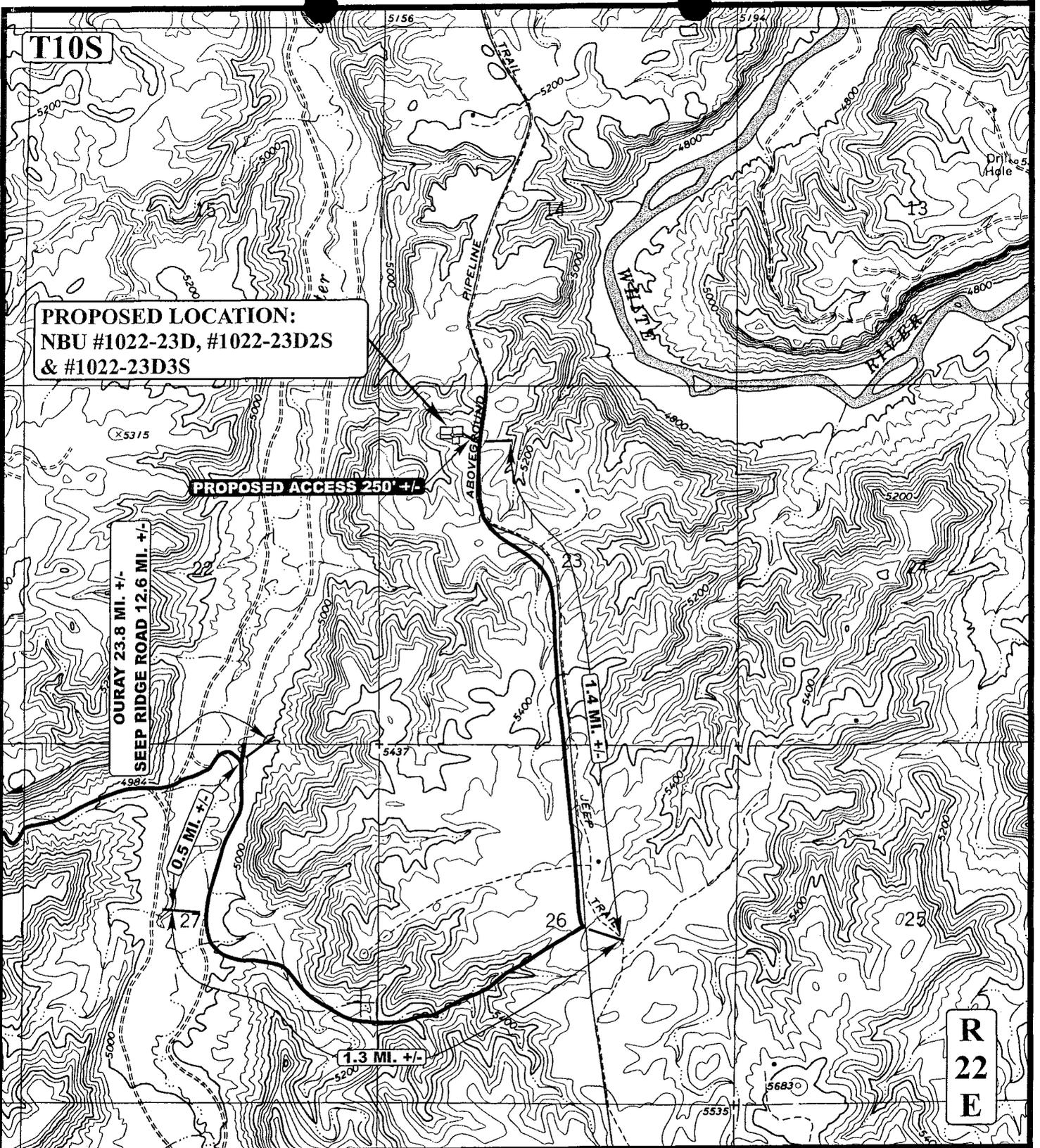


**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-23D, #1022-23D2S & #1022-23D3S**  
**SECTION 23, T10S, R22E, S.L.B.&M.**  
**NW 1/4 NW 1/4**

**TOPOGRAPHIC** 01 17 05  
 MAP MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 01-27-06





R  
22  
E

**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



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

**NBU #1022-23D, #1022-23D2S & #1022-23D3S**  
**SECTION 23, T10S, R22E, S.L.B.&M.**  
 NW 1/4 NW 1/4



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

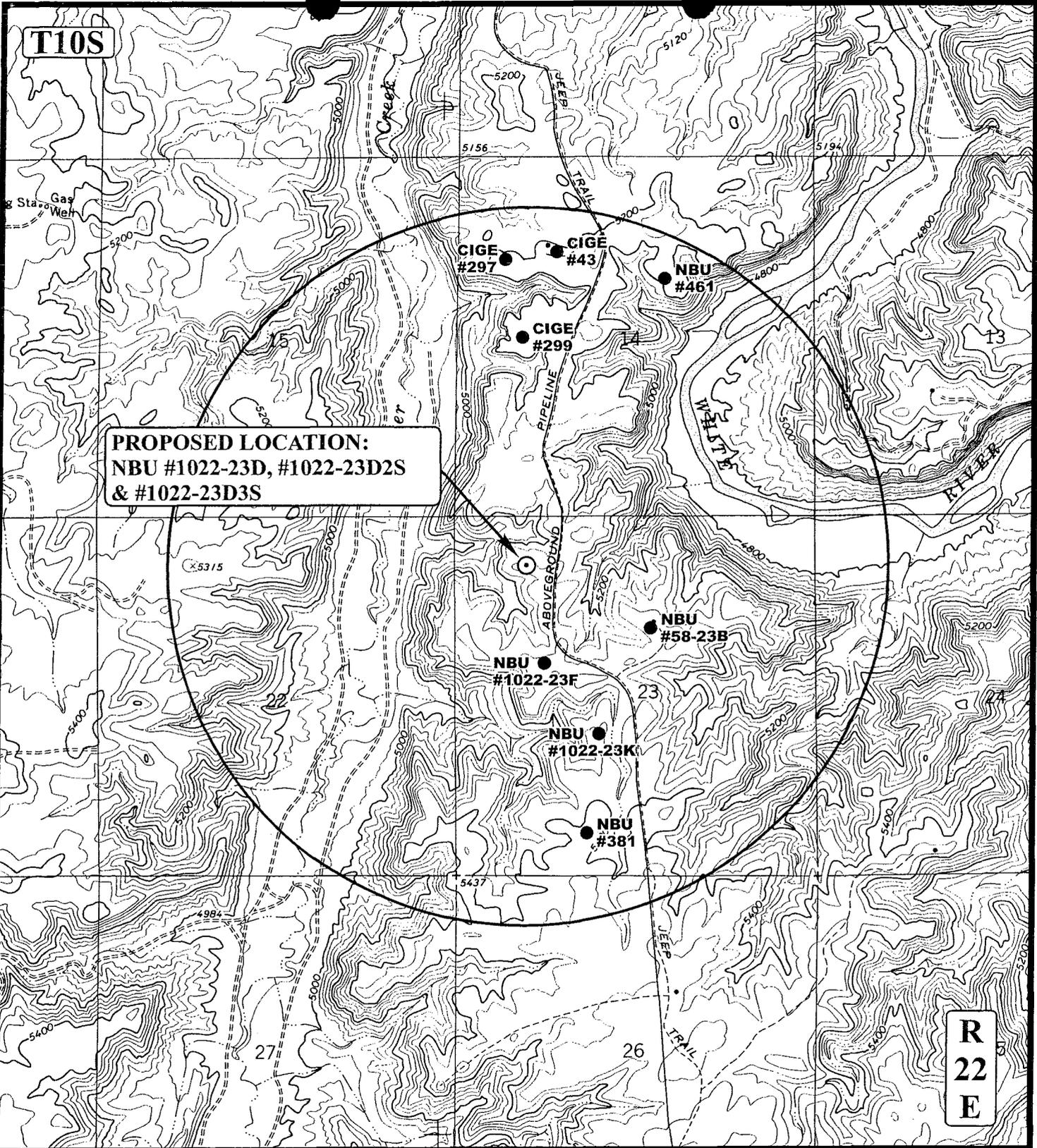
**TOPOGRAPHIC**  
**MAP**

**01 17 05**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 01-27-06



T10S



**PROPOSED LOCATION:**  
 NBU #1022-23D, #1022-23D2S  
 & #1022-23D3S

R  
22  
E

**LEGEND:**

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



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

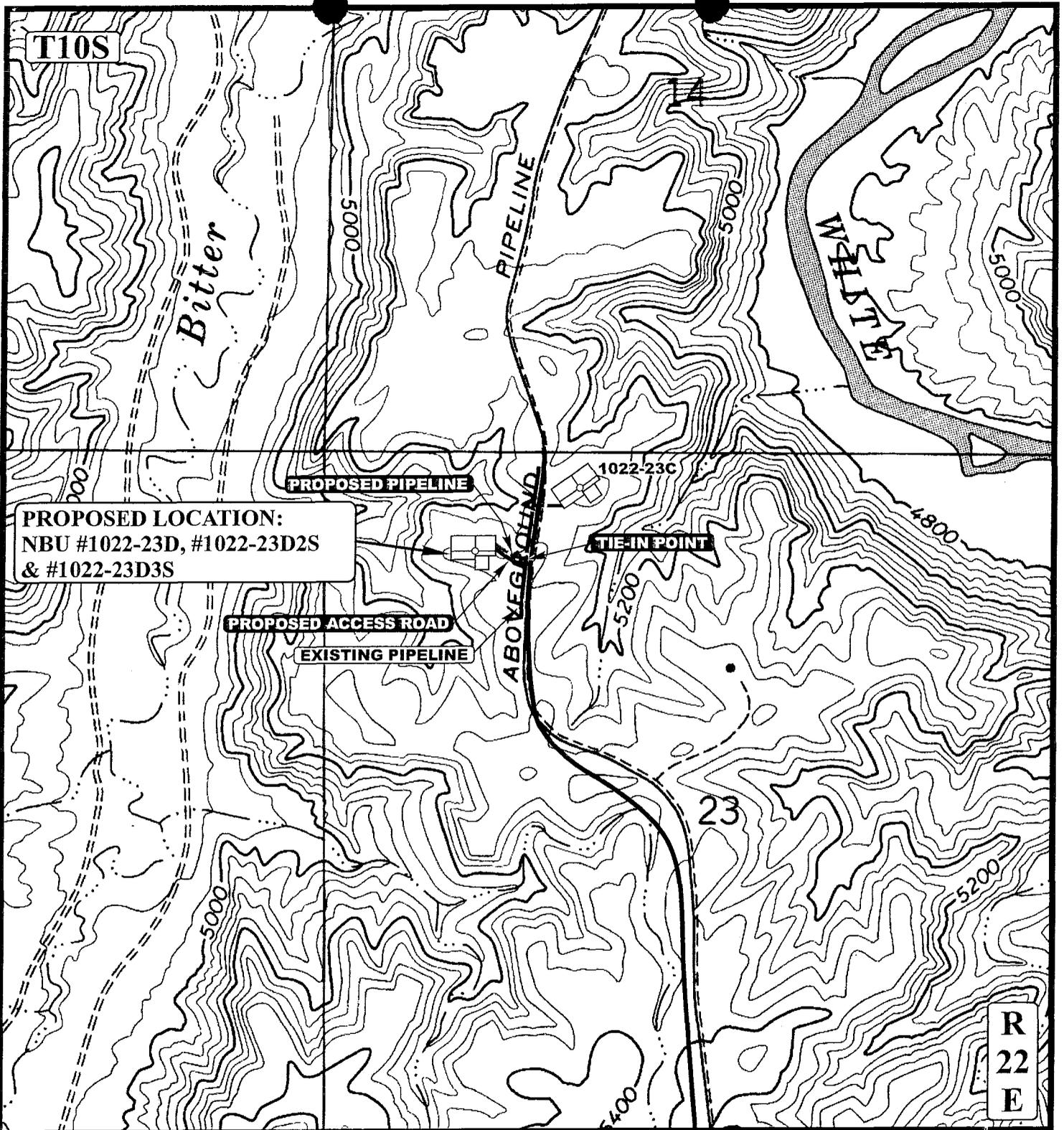
NBU #1022-23D, #1022-23D2S & #1022-23D3S  
 SECTION 23, T10S, R22E, S.L.B.&M.  
 NW 1/4 NW 1/4



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

**TOPOGRAPHIC** 01 17 05  
 MAP MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 01-27-06





APPROXIMATE TOTAL PIPELINE DISTANCE = 230' +/-

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



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

NBU #1022-23D, #1022-23D2S & #1022-23D3S

SECTION 23, T10S, R22E, S.L.B.&M.

NW 1/4 NW 1/4



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

TOPOGRAPHIC  
 MAP

**01 17 05**  
 MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: L.K.

REVISED: 00-00-00

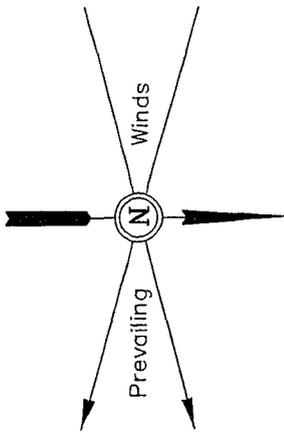
**D**  
 TOPO

# Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

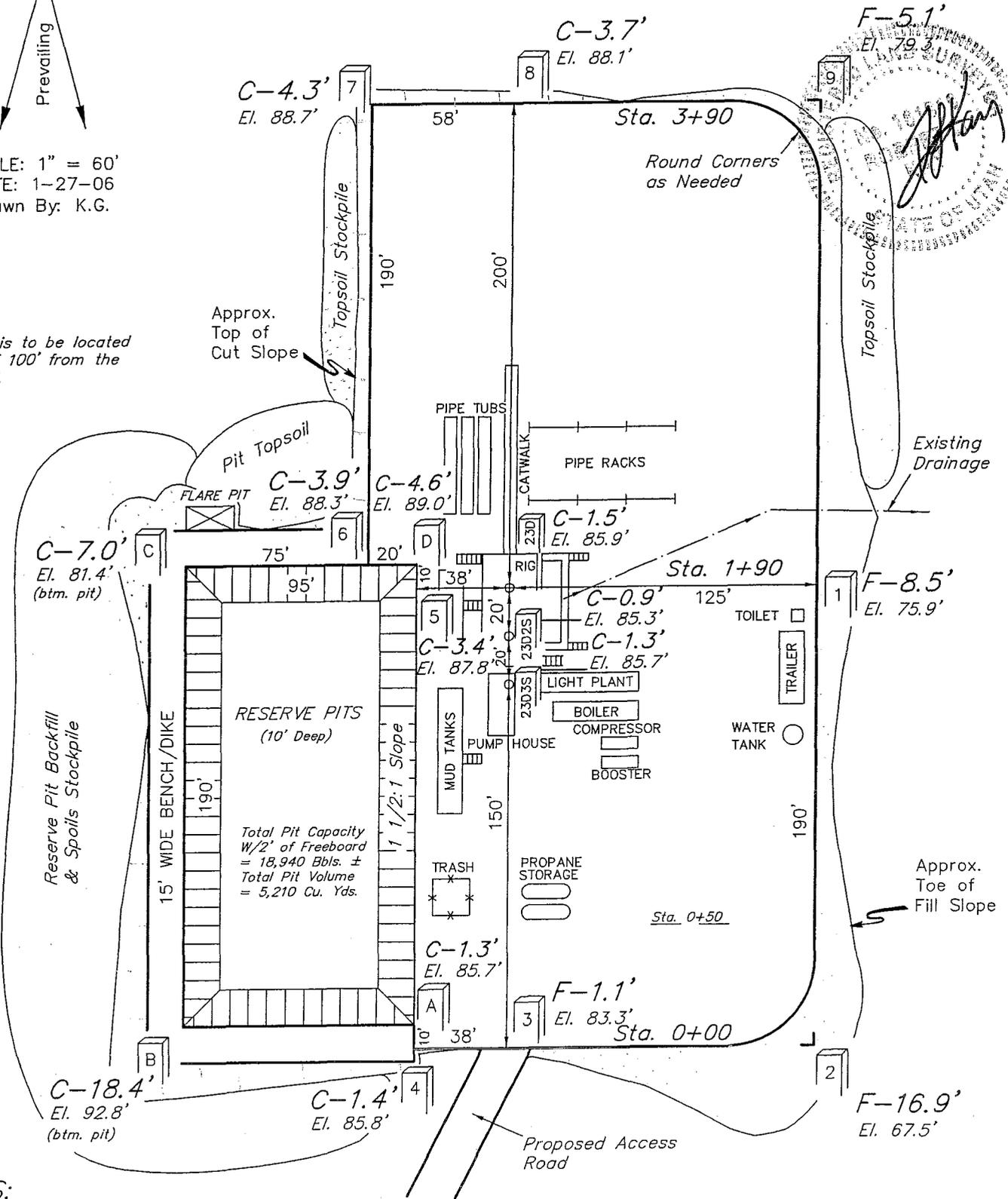
## LOCATION LAYOUT FOR

NBU #1022-23D, #1022-23D2S & #1022-23D3S  
SECTION 23, T10S, R22E, S.L.B.&M.  
NW 1/4 NW 1/4



SCALE: 1" = 60'  
DATE: 1-27-06  
Drawn By: K.G.

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



**NOTES:**

Elev. Ungraded Ground At #1022-23D Loc. Stake = 5285.9'  
FINISHED GRADE ELEV. AT #1022-23D LOC. STAKE = 5284.4'

# Kerr-McGee Oil & Gas Onshore LP

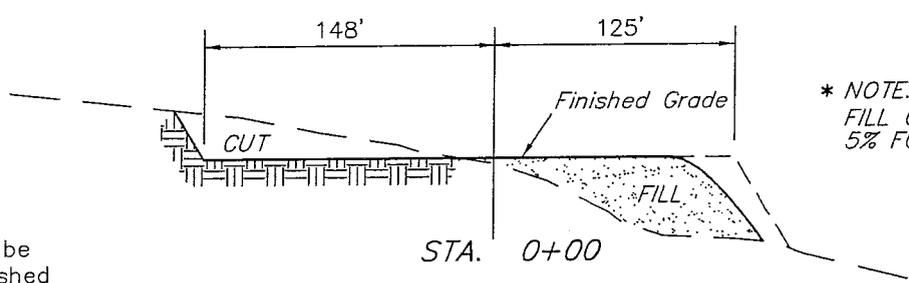
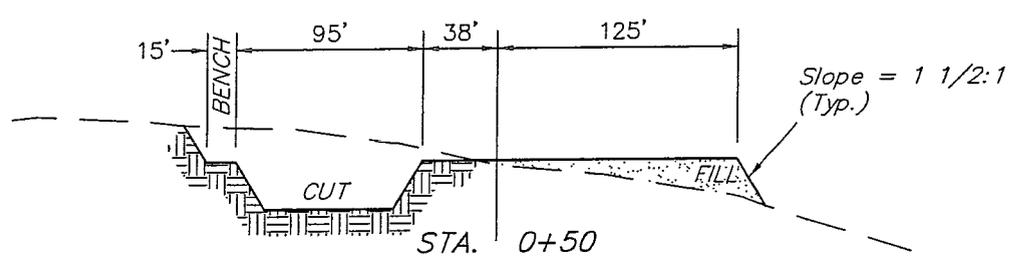
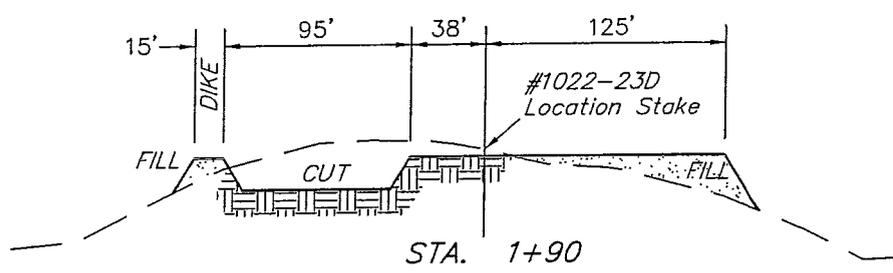
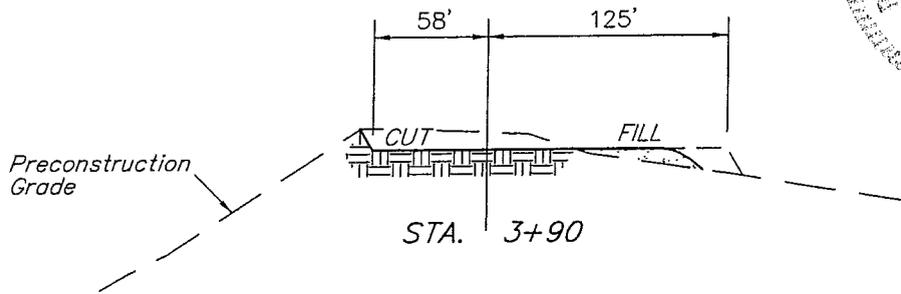
FIGURE #2

## TYPICAL CROSS SECTIONS FOR

NBU #1022-23D, #1022-23D2S & #1022-23D3S  
SECTION 23, T10S, R22E, S.L.B.&M.  
NW 1/4 NW 1/4

1" = 40'  
X-Section Scale  
1" = 100'

DATE: 1-27-06  
Drawn By: K.G.



\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

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

### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 2,020 Cu. Yds.
Remaining Location	= 11,490 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 13,510 CU.YDS.</b>
<b>FILL</b>	<b>= 7,800 CU.YDS.</b>

EXCESS MATERIAL	= 5,710 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,630 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 1,080 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: 43-047-37741

WELL NAME: NBU 1022-23D3-S  
 OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

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

NWNW 23 100S 220E  
 SURFACE: 0720 FNL 1128 FWL  
 BOTTOM: 0950 FNL 0305 FWL  
 COUNTY: UINTAH  
 LATITUDE: 39.93967 LONGITUDE: -109.4118  
 UTM SURF EASTINGS: 635695 NORTHINGS: 4422059  
 FIELD NAME: NATURAL BUTTES ( 630 )

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-01198-B  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

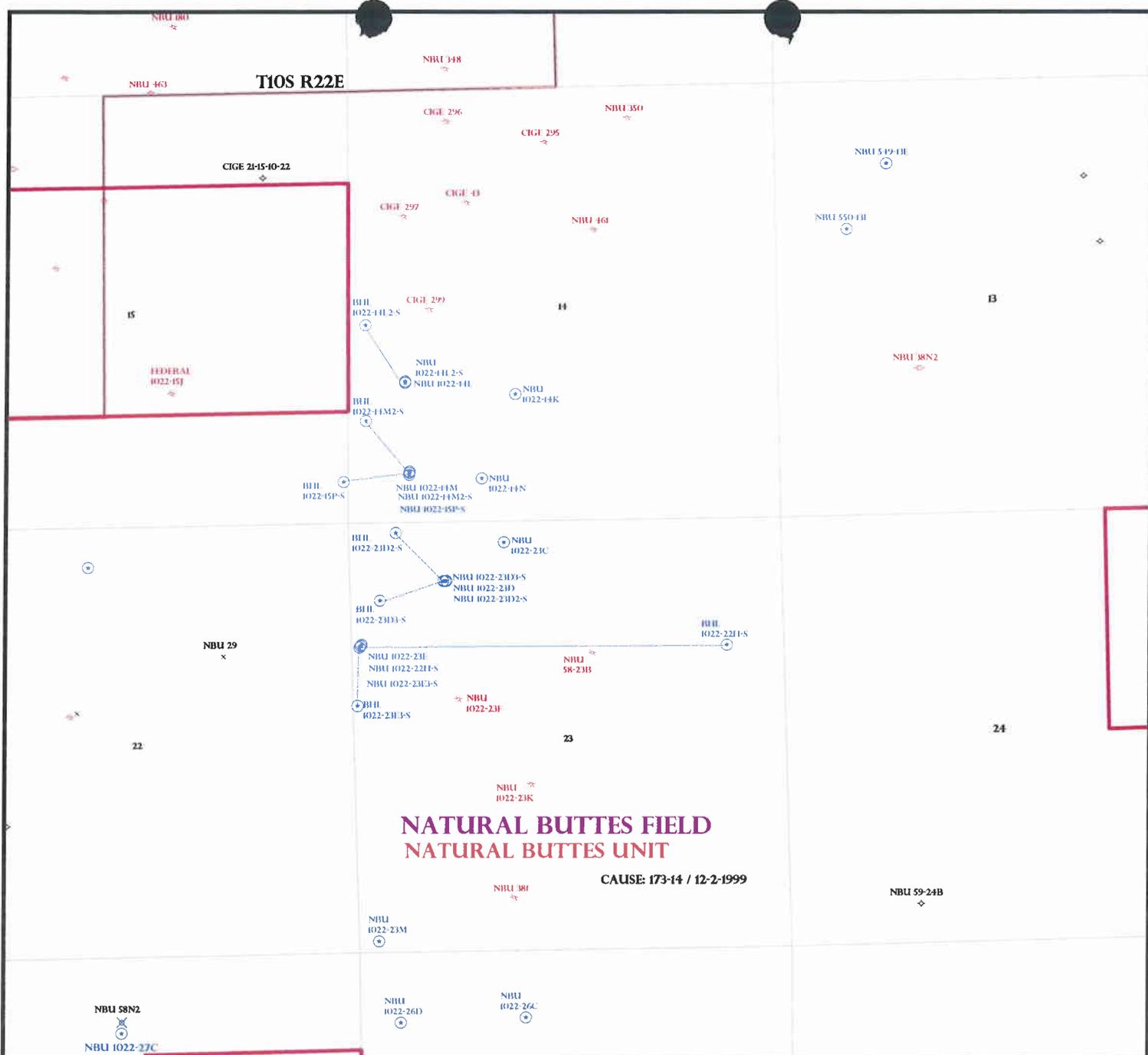
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. CO-1203 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: Sep. Separate file

STIPULATIONS: 1- Federal Approval  
2- OIL SHALE



OPERATOR: WESTPORT O&G CO (N2115)

SEC: 14,23 T. 10S R. 22E

FIELD: NATURAL BUTTES (630)

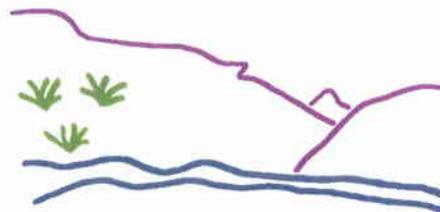
COUNTY: UINTAH

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

# 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)

February 21, 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)		
43-047-37737	NBU 1022-14L2-S	Sec 14 T10S R22E 1733 FSL 0645 FWL
	BHL	Sec 14 T10S R22E 2450 FSL 0170 FWL
43-047-37736	NBU 1022-14M2-S	Sec 14 T10S R22E 0644 FSL 0692 FWL
	BHL	Sec 14 T10S R22E 1275 FSL 0160 FWL
43-047-37735	NBU 1022-15P-S	Sec 14 T10S R22E 0604 FSL 0686 FWL
	BHL	Sec 15 T10S R22E 0530 FSL 0120 FEL
43-047-37741	NBU 1022-23D3-S	Sec 23 T10S R22E 0720 FNL 1128 FWL
	BHL	Sec 23 T10S R22E 0950 FNL 0305 FWL
43-047-37742	NBU 1022-23D2-S	Sec 23 T10S R22E 0720 FNL 1108 FWL
	BHL	Sec 23 T10S R22E 0115 FNL 0510 FWL
43-047-37743	NBU 1022-23E3-S	Sec 23 T10S R22E 1511 FNL 0044 FWL
	BHL	Sec 23 T10S R22E 2235 FNL 0010 FWL
43-047-37744	NBU 1022-22H-S	Sec 23 T10S R22E 1495 FNL 0056 FWL
	BHL	Sec 22 T10S R22E 1570 FNL 0740 FEL

Our records indicate the NBU 1022-14L2-S and the NBU 1022-14M2-S are closer than 460 feet from the Natural Buttes Unit boundary.

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard

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

MCoulthard:mc:2-21-06



WESTPORT OIL AND GAS COMPANY, L.P.

1368 South 1200 East Vernal Utah 84078  
Telephone: 435-781-0166 Fax: 435-781-7095

February 22, 2006

Diana Whitney  
State of Utah  
Department of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Directional Drilling R649-3-11  
NBU 1022-23D3-S  
Surface: NWNW Sec 23-T10S-R22E 720' FNL 1128' FWL  
Bottomhole: NWNW Sec 23-T10S-R22E 950' FNL 305' FWL

Dear Diana:

Pursuant to the filing of Westport Oil & Gas Company L.P.'s Application for Permit to Drill regarding the above referenced well on February 3, 2006, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling of Wells.

- Westport's NBU 1022-23D3-S is located within the Natural Buttes Unit area.
- Westport is permitting this well as a directional well in order to access portions of our lease which are otherwise inaccessible due to topography.
- Furthermore, Westport hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information Westport requests the permit be granted pursuant to R649-3-11.

If you have any questions, please feel free to contact me at 435-781-7060.

Sincerely,

Debra Domenici  
Associate Environmental Analyst



**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*

February 28, 2006

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

Re: Natural Buttes Unit 1022-23D3-S Well, Surface Location 720' FNL,  
1128' FWL, NW NW, Sec. 23, T. 10 South, R. 22 East, Bottom Location  
950' FNL, 305' FWL, NW NW, Sec. 23, T. 10 South, R. 22 East,  
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37741.

Sincerely,

Gil Hunt  
Associate Director

pab

Enclosures

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

**Operator:** Westport Oil & Gas Company LP  
**Well Name & Number** Natural Buttes Unit 1022-23D3-S  
**API Number:** 43-047-37741  
**Lease:** UTU-01198-B

**Surface Location:** NW NW      **Sec.** 23      **T.** 10 South      **R.** 22 East  
**Bottom Location:** NW NW      **Sec.** 23      **T.** 10 South      **R.** 22 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

#### 3. Reporting Requirements

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

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

#### 5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

#### 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.

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

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

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

Operator Name Change/Merger

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

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.

**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

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

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

**KERR-McGEE OIL & GAS ONSHORE LP**

3a. Address

**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)

**(435) 781-7024**

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

**SEE ATTACHED**

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

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

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

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

**RECEIVED**

**MAY 10 2006**

DIV. OF OIL, GAS & MINING

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

**APPROVED 5/16/06**

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

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

Name (Printed/Typed)

**RANDY BAYNE**

Title

**DRILLING MANAGER**

Signature

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.*

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

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

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area

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

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

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

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

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

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

RECEIVED  
 MAY 10 2006

DIV OF OIL, GAS & MINING

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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



## United States Department of the Interior

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

IN REPLY REFER TO:

CO922 (MM)  
3106  
COC017387 et. al.

March 23, 2006

### NOTICE

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

#### Merger/Name Change - Recognized

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

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

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

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

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

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

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

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

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

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

**Attachment:**

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

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

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



# United States Department of the Interior



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

IN REPLY REFER TO:  
3106  
(UT-922)

March 27, 2006

## Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

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

Chief, Branch of  
Fluid Minerals

## Enclosure

Approval letter from BLM COSO (2 pp)

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

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERAL

**RECEIVED**  
 FEB 3 2006  
 By \_\_\_\_\_

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

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-01198-B	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES	
3a. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078		8. Lease Name and Well No. NBU 1022-23D3-S	
3b. Phone No. (include area code) (435) 781-7003		9. API Well No. <b>43-047-37741</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW 720' FNL 1128' FWL At proposed prod. Zone 950' FNL 305' FWL		10. Field and Pool, or Exploratory NATURAL BUTTES	
14. Distance in miles and direction from nearest town or post office* 25.2 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk, and Survey or Area SEC 23-T10S-R22E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 720'	16. No. of Acres in lease 2040	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8600'	20. BLM/BIA Bond No. on file CO-1203	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5284.4' GL	22. Approximate date work will start* UPON APPROVAL	23. Estimated duration TO BE DETERMINED	
24. Attachments			

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

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).</li> </ol> | <ol style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/or plans as may be required by the authorized office.</li> </ol> |
|--|--|

Signature 	Name (Printed/Typed) <b>RAMEY HOOPES</b>	Date <b>4/17/2006</b>
<b>REGULATORY CLERK</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>JERRY KENCOLA</b>	Date <b>10-6-2006</b>
Title <b>Assistant Field Manager Lands &amp; Mineral Resources</b>	Office	

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

Conditions of approval, if any, are attached.

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

\*(Instructions on reverse)

NOTICE OF APPROVAL    **CONDITIONS OF APPROVAL ATTACHED**

RECEIVED

OCT 23 2006

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE  
170 South 500 East VERNAL, UT 84078 (435) 781-4400



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

Company: Kerr-McGee Oil & Gas Onshore, LP      Location:      NWNW, Sec. 23, T10S, R22E  
Well No:      NBU 1022-23D3-S      Lease No:      UTU-01198-B  
API No:      43-047-37741      Agreement:      Natural Buttes Unit

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

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

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

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

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

- The lessee/operator is given notice that the project area is within 0.5 miles of Mexican Spotted Owl habitat. With this occurrence, no surface occupancy will be allowed until after the first season of surveys is completed. If no owls are detected after the first season of surveys, then construction and drilling may begin outside of the timing restriction March 15-June 15. The second season of surveys will still be required for these buffer areas.
- The project area is within 0.5 miles of an unknown nest but is not in line-of site. With this occurrence there will be a time restriction to protect the raptor species nesting season from February 1-July 15. This notice may be waived, accepted, or modified by a qualified wildlife biologist if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated. The operator shall submit in such a request to the AO in writing. The exception request will be reviewed by the AO and a determination made.
- The operator has agreed to have a double layer of liner and felt for the pit to avoid excessive contamination.
- The following interim seed mixture shall be used:

Type		lbs./acre
Needle and Thread grass	<i>Stipa comata</i>	4
Crested Wheat grass	<i>Agropyron cristatum</i>	4
Indian Rice grass	<i>Stipa hymenoides</i>	4
** Seed shall be drilled; but if broadcast, double the pounds per acre used and work the solids mechanically to cover the seed.		

- If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.
- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil respread over the surface; and, the surface revegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding. The seed mixture for final reclamation will be determined at that time.
- Other reclamation methods including but not limited to mulching or soil treatments may be required on a site-specific basis.
- All well facilities will be painted Carlsbad Canyon.

## **DOWNHOLE CONDITIONS OF APPROVAL**

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

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

- None

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

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.
- All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.
- BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).

- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
- No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a

summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

- **Please submit an electronic copy of all logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).**
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and / or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.  
UTU-01198-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
NBU 1022-23D3-S

9. API Well No.  
4304737741

10. Field and Pool, or Exploratory Area  
NATURAL BUTTES

11. County or Parish, State  
UINTAH, UTAH

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

1. Type of Well  
 Oil Well     Gas Well     Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
720' FNL 1128' FWL  
NWNW, SEC 23-T10S-R22E

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<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 APD EXTENSION
	DOGM _____

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON FEBRUARY 28, 2006.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 01-30-07  
By: [Signature]

RECEIVED  
JAN 29 2007

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

Name (Printed/Typed) RAMEY HOOPES      Title REGULATORY CLERK

Signature [Signature]      Date January 23, 2007

DIV. OF OIL, GAS & MINING

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 \_\_\_\_\_

1-31-07  
Rm

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

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

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

**API:** 4304737741  
**Well Name:** NBU 1022-23D3-S  
**Location:** NWNW, SEC 23-T10S-R22E  
**Company Permit Issued to:** KERR MCGEE OIL AND GAS ONSHORE LP  
**Date Original Permit Issued:** 2/28/2006

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

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

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

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

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

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

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

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

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

  
Signature

1/23/2007

Date

Title: REGULATORY CLERK

Representing: Kerr McGee Oil and Gas Onshore LP

RECEIVED  
JAN 29 2007  
DIV. OF OIL, GAS & MINING

**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
4304736572	NBU 1022-23D		NWNW	23	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>B</i>	99999	<i>2900</i>	7/4/2007		7/23/07		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 07/04/2007 AT 0800 HRS							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737742	NBU 1022-23D2-S		NWNW	23	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>B</i>	99999	<i>2900</i>	7/5/2007		7/23/07		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 07/05/2007 AT 0800 HRS.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737741	NBU 1022-23D3-S		NWNW	23	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>B</i>	99999	<i>2900</i>	7/5/2007		7/23/07		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 07/05/2007 AT 1430 HRS							

**ACTION CODES:**

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

To: EARLENE RUSSELL From: Sheila Upchego  
 Co./Dept: UTDGM Co.: KM-6  
 Phone #: (801) 538-5330 Phone #: (435) 781-7024  
 Fax #: (801) 354-8940 Fax #: (435) 781-7094

SHEILA UPCHEGO

Name (Please Print) \_\_\_\_\_  
 Signature \_\_\_\_\_  
 SENIOR LAND SPECIALIST 7/9/2007  
 Title Date

RECEIVED  
JUL 09 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
**UTU-01198-B**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**NBU 1022-23D2-S**

9. API Well No.  
**4304737741**

10. Field and Pool, or Exploratory Area  
**NATURAL BUTTES**

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SURFACE: NW/NW SEC. 23, T10S, R22E 720'FNL, 1128'FWL  
BOTTOM: NW/NW SEC. 23, T10S, R22E 950'FNL, 305'FWL**

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

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

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

MIRU BILL MARTIN AIR RIG ON 07/12/2007. DRILLED 12 1/4" SURFACE HOLE TO 2060'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/170 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD GOOD RETURNS THROUGHOUT JOB NO CMT TO PIT 420 PSI LIFT. RAN 200' OF 1" PIPE. CMT W/140 SX PREM CLASS G @15.8 PPG 1.15 YIELD DOWN 1" PIPE GOOD CMT TO SURFACE AND FELL BACK. TOP OUT W/90 SX PREM CLASS G @15.8 PPG 1.15 YIELD DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT.

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

Name (Printed/Typed) <b>SHELLA UPCHEGO</b>	Title <b>SENIOR LAND ADMIN SPECIALIST</b>
Signature 	Date <b>July 17, 2007</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

RECEIVED  
**JUL 20 2007**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
**UTU-01198-B**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**NBU 1022-23D2-S**

9. API Well No.  
**4304737741**

10. Field and Pool, or Exploratory Area  
**NATURAL BUTTES**

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SURFACE: NW/NW SEC. 23, T10S, R22E 720'FNL, 1128'FWL  
BOTTOM: NW/NW SEC. 23, T10S, R22E 950'FNL, 305'FWL**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input 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 REQUESTS TO CHANGE MUD WT

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

THE OPERATOR REQUESTS AUTHORIZATION TO CHANGE THE MUD WEIGHT TO FRESH WATER MUD WITH 0-8% BIO DIESEL.

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

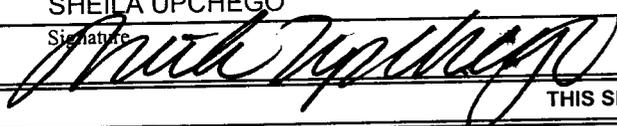
**RECEIVED  
JUL 31 2007**

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

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

Name (Printed/Typed)  
**SHEILA UPCHEGO**

Title  
**SENIOR LAND ADMIN SPECIALIST**

Signature  


Date  
**July 24, 2007**

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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**UNIT #891008900A  
NATURAL BUTTES UNIT**

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11. County or Parish, State  
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1. Type of Well  
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2. Name of Operator  
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**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SURFACE: NW/NW SEC. 23, T10S, R22E 720'FNL, 1108'FWL  
BOTTOM: NW/NW SEC. 23, T10S, R22E 115'FNL, 510'FWL**

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

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/28/2007 AT 10:30 AM.

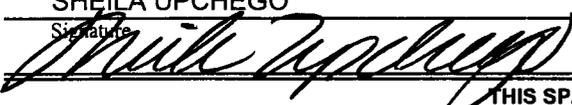
PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

**RECEIVED**

**NOV 02 2007**

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) <b>SHEILA UPCHEGO</b>	Title <b>SENIOR LAND ADMIN SPECIALIST</b>
Signature 	Date <b>October 31, 2007</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

### CHRONOLOGICAL WELL HISTORY

**NBU 1022-23D-3S**

NWNW, SEC. 23, T10S, R22E  
 UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
	LOCATION STARTED	ENSIGN 83
07/03/07	LOCATION COMPLETED	ENSIGN 83 P/L IN, WOBR
07/05/07	SET CONDUCTOR	ENSIGN 83 WOAR
07/11/07	SET AIR RIG 9 5/8" @2046'	ENSIGN 83 WORT
08/07/07	TD: 2080' Csg. 9 5/8" @ 2046' MW: 8.4 SD: 8/7/07 DSS: 0 RURT. NU and test BOPE. PU directional tools and drill FE. Rotary spud @ 0530 hrs 8/7/07. Drill from 2060'-2080'. DA.	
08/08/07	TD: 2881' Csg. 9 5/8" @ 2046' MW: 9.0 SD: 8/7/07 DSS: 1 Directional drill from 2080'-2881'. DA.	
08/09/07	TD: 3282' Csg. 9 5/8" @ 2046' MW: 9.0 SD: 8/7/07 DSS: 2 Directional drill from 2881'-3282'. TFNB. TIH @ report time.	
08/10/07	TD: 3282' Csg. 9 5/8" @ 2046' MW: 9.0 SD: 8/7/07 DSS: 2 Directional drill from 2881'-3282'. TFNB. TIH @ report time.	
08/13/07	TD: 7224' Csg. 9 5/8" @ 2046' MW: 10.0 SD: 8/7/07 DSS: 6 Directional drill from 4285'-6637'. TOO H and lay down Directional tools. PU PDC bit and MM and TIH. Drill to 7224'. DA.	
08/14/07	TD: 8027' Csg. 9 5/8" @ 2046' MW: 11.3 SD: 8/7/07 DSS: 7 Drill from 7224'-8027'. DA.	
08/15/07	TD: 8380' Csg. 9 5/8" @ 2046' MW: 11.4 SD: 8/7/07 DSS: 8 Drill from 8027'-8070'. TFNB. Drill to 8380'. DA.	
08/16/07	TD: 8475' Csg. 9 5/8" @ 2046' MW: 12.0 SD: 8/7/07 DSS: 9 Drill from 8380'-8475' TD. Short trip and LDDS. Run Triple Combo @ report time.	
08/17/07	TD: 8475' Csg. 9 5/8" @ 2046' MW: 12.0 SD: 8/7/07 DSS: 9 Run and cement 4 1/2" Production Casing. Set slips and Release rig @ 2200 hrs 8/16/07. RDRT.	
08/20/07	TD: 3875' Csg. 9 5/8" @ 2024' MW: 9.5 SD: 8/18/07 DSS: 2 RDRT and slide rig. RURT. NU and test BOPE. PUDS and drill FE. Rotary spud @ 1400 hrs 8/18/07. Directional drill from 2040'-3875'. DA.	
08/21/07	TD: 4897' Csg. 9 5/8" @ 2024' MW: 10.4 SD: 8/18/07 DSS: 3	

Directional drill from 3875'-4897'. DA.

10/12/07

**P.T. & PERF**

Days On Completion: 1

Remarks: 7AM [DAY 1] HLD JSA. [ORANGE WELL] MIRU B&C TESTERS. NDWH, NU FRAC VALVES. P.T. SURFACE CSG & FRAC VALVES TO 7500#. [HELD GOOD] RDMO B&C.

[STG#1] MIRU CUTTERS W.L. & CRANE TRUCK. R/U W.H. FLOOR. RIH W/ PERF GUN & PERF THE M.V. @ 7897'-7900, 7971'-7973', 8018'-8020', 8085'-8089' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90\* PHASINTG, 4 SPF, [44 HLS] WHP=0#. LEAVE WIRELINE & CRANE TRUCKS ON LOCATION. PREP TO FRAC W/ WTRFRD ON MON

10/15/07

**FRAC**

Days On Completion: 4

Remarks: 7AM [DAY 2] MIRU WTRFRD. HLD WTRFRD JSA. [ORANGE WELL] P.T. SURFACE LINES TO 8450#.

[STG#1] WE-SICP=1300#. BRK DN PERFS @ 3833# @ 5 BPM. ISIP=2567, F.G.=.77. PMP'D 3 BBLS 15% HCL AHEAD OF INJ. CALC ALL PERFS OPEN. PMP'D 1901 BBLS SLK WTR, 61,718# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2396, F.G.=.74, NPI=-171, MP=6683, MR=52, AP=4130, AR=52 BPM.

[STG#2] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 7694'. PERF THE M.V. @ 7655'-7664' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90\* PHASING, 4 SPF, [36 HLS] WHP=1780#. BRK DN PERFS @ 6347# @ 3 BPM. ISIP=2360, F.G.=.75. CALC 27/36 PERFS OPEN. PMP'D 822 BBLS SLK WTR, 28,317# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2472, F.G.=.76, NPI=112, MP=6397, MR=35, AP=3354, AR=35

10/16/07

**FRAC**

Days On Completion: 5

Remarks: 7AM [DAY 3] HLD WTRFRD J.S.A. [ORANGE WELL]

[STG#3] CONTINUE ON. RIH W/ BAKER 8K CBP & PERF GUN SET CBP @ 7167'. PERF THE M.V. @ 6980'-6984', 3 SPF, 120\* PHS, 7042'-7045' & 7132'-7137' 4 SPF, 90\* PHS USING 3-3/8" EXP GUN, 23 GM, 0.36, [44 HLS] P.T. SURFACE LINES TO 8230#. WHP=645. BRK DN PERFS @ 3107# @ 3 BPM. ISIP=1976, F.G.=.76. CALC ALL PERFS OPEN. PMP'D 1470 BBLS SLK WTR, 55,157# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2610, F.G.=.81, NPI=634, MP=5398, MR=51, AP=3550, AR=50 BPM.

[STG#4] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 6898'. PERF THE M.V. @ 6813'-6816' & 6861'-6868' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90\* PHS, 4 SPF, [40 HLS] P.T. SURFACE LINES TO 8300#. WHP=1972#. BRK DN PERFS @ 2912# @ 3 BPM. ISIP=2174, F.G.=.76. CALC ALL PERFS OPEN. PMP'D 662 BBLS SLK WTR, 22,359# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2359, F.G.=.79, NPI=185, MP=4327, MR=51, AP=3724, AR=52

[STG#5] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 5534'. PERF THE WASACH @ 5495'-5504' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90\* PHS, 4 SPF, [36 HLS] P.T. SURFACE LINES TO 8300#. WHP=925#. BRK DN PERFS @ 2265# @ 3 BPM. ISIP=1000, F.G.=.62. CALC 25/36 PERFS OPEN. PMP'D 617 BBLS SLK WTR, 21,374# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=1568, F.G.=.73, NPI=568, MP=2711, MR=40, AP=2396, AR=40 BPM.

10/17/07

**FRAC**

Days On Completion: 6

Remarks: 7AM [DAY 4] HELD WTRFRD J.S.A. [ORANGE WELL]

[STG#6] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 4886'. PERF THE WASATCH @ 4724'-4729' & 4851'-4856' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90° PHS, 4 SPF, [40 HLS] P.T. SURFACE LINES TO 8200#. OVERNIGHT SICP=180# BRK DN PERFS @ 3184# @ 3 BPM. ISIP=1154, F.G.=.68, CALC 28/40 PERFS OPEN. PMP'D 1046 BBLs SLK WTR, 39441# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=1806, F.G.82, NPI=652, MP=3338, MR=41, AP=2418, AR=40 BPM.

[KILL PLUG] RIH W/ BAKER 8K CBP & SET @ 4624'. POOH & L/DWIRELINE TOOLS. RDMO CUTTERS & WTRFD. GRAND TOTAL 30/50 & RESIN COAT SD=228366#, TOTAL RESIN COAT ONLY=30,000#, & TOTAL FLUID=6518 BBLs. NALCO BIOCIDES WAS ADDED ON THE FLY IN ALL STAGES @ .50 GPT. ALSO 100% RECYCLED WTR WAS USED. SDFN

10/18/07

**ON STANDBY**

Days On Completion: 7

Remarks: WAITING ON RIG TO DRILL CBP'S

10/26/2007

**DRILL CBP & LAND**

Days On Completion: 1

Remarks: 8:00AM: HSM, PREP TBG. MAKE UP 3 7/8" BIT ON POBS, TALLY PU & RUN 2 3/8" J-55 TBG. TO KILL PLUG @ 4624, RU PS & PUMP LINES, DRILL OUT KILL PLUG IN 10 MIN., NO CHANGE IN PRESSURE. RIH TO 4836, TAG SAND. CO SAND TO 2nd CBP @ 4886' .

DRILL OUT CBP #2 @ 4886' IN 10 MIN., NO PRESSURE CHANGE. WELL JUST TRICKLING BACK WTR., NO GAS. RUN BIT TO 5500', TAG SAND. CO 34' SAND TO CBP @ 5534'.

DRILL OUT CBP # 3 @ 5534' IN 10 MIN. NO PRESSURE CHANGE. RUN BIT TO 6868' , TAG SAND. CO 30' SAND TO CBP @ 6898'

DRILL OUT CBP # 4 @ 6898' IN 10 MIN., TOOK 100# KICK IN PRESSURE, GETTING GAS IN RETURNS. RUN BIT TO 7127', TAG SAND. CO 40' SAND TO CBP @ 7167'

DRILL OUT CBP # 5 @ 7167' IN 10 MIN.. TOOK 100# KICK, RUN BIT TO 7664' , TAG SAND, CO 30' SAND TO CBP @ 7694' .

DRILL OUT CBP # 6 @ 7694' IN 10 MIN. TOOK 100# KICK, RUN BIT TO 8104', TAG SAND, CO SAND TO 8262' , 173" RATHOLE. RACK OUT PS, PULL & LAY DOWN 44 JTS. ON FLOAT, LAND TBG. ON HANGER W/230 JTS. IN HOLE, EOT @ 7248' . TBG. DRAGGING 15,000#.

ND BOP'S, NU WELL HEAD. DROP BALL & PUMP OFF BIT @ 1500 PSI, RACK OUT EQUIP. & RD, TURN OVER TO FLOWBACK CREW, TBG.-500 PSI, CSG.-900 PSI

TBG. ON LOC. 274 JTS.

TBG. IN WELL 230 JTS.

TBG. LEFT ON FLOAT 44 JTS

10/27/07

**FLOWBACK REPORT:** CP 1050#, TP 850#, CK 20/64", 26 BWPH, LOAD REC'D 399 BBLs, LLTR 4523 BBLs

10/28/07

**WELL WENT ON SALES:** @ 12:00 PM, 450 MCF, 800 TBG, 1600 CSG, 20/64 CK, 18 BBWH  
**FLOWBACK REPORT:** CP 1500#, TP 800#, CK 20/64", 18 BWPH, LOAD REC'D 805 BBLs, LLTR 4117 BBLs

10/29/07

**FLOWBACK REPORT:** CP 1550#, TP 800#, CK 20/64", 25 BWPH, LOAD REC'D 1337 BBLs, LLTR 3585 BBLs

**ON SALES:** 301 MCF, 0 BC, 600 BW, TP: 950#, CP: 1700#, 20/64 CHK, 19 HRS, LP: 0#.

10/30/07

**FLOWBACK REPORT:** CP 1600#, TP 900#, CK 20/64", 28 BWPH, LOAD REC'D 2029 BBLs, LLTR 2893 BBLs

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. Lease Serial No.  
UTU-01198B

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

6. If Indian, Allottee or Tribe Name

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

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

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

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

8. Lease Name and Well No.  
NBU 1022-23D3-S

4. Location of Well (Report locations clearly and in accordance with Federal requirements)\*  
At surface NW/NW 720'FNL, 1128'FWL

At top prod. interval reported below NW/NW 905'FNL, 305'FWL

At total depth NW/NW 905'FNL, 305'FWL 917' fml 300' fwl

9. API Well No.  
4304737741

10. Field and Pool, or Exploratory  
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area SEC. 23, T10S, R23E

12. County or Parish UINTAH 13. State UTAH

14. Date Spudded  
07/05/07

15. Date T.D. Reached  
08/16/07

16. Date Completed  
 D & A  Ready to Prod.  
10/28/07

17. Elevations (DF, RKB, RT, GL)\*  
5284'GL

18. Total Depth: MD 8475'  
TVD 8235'

19. Plug Back T.D.: MD 8262'  
TVD 8122'

20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
CBL-CCL-GR SD, DSN, ACTR

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Skcs. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14"	36.7#		40'		28 SX			
12 1/4"	9 5/8"	32.3#		2060'		600 SX			
7 7/8"	4 1/2"	11.6#		8475'		1625 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2 3/8"	7248'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	4724'	5504'	4724'-5504'	0.36	76	OPEN
B) MESAVERDE	6813'	8089'	6813'-8089'	0.36	164	OPEN
C)						
D)						

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

Depth Interval	Amount and type of Material
4724'-5504'	PMP 1663 BBLs SLICK H2O & 60,815# 30/50 SD
6813'-8089'	PMP 4855 BBLs SLICK H2O & 167,551# 30/50 SD

RECORDED  
DEC 03 2007

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/28/07	11/05/07	24	→	0	1,263	441			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 711#	Csg. Press. 1232#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
20/64	SI	1232#	→	0	1263	441			PRODUCING GAS WELL

DIV. OF OIL, GAS & MINING

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/28/07	11/05/07	1232#	→	0	1263	441			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 711#	Csg. Press. 1232#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
20/64	SI	1232#	→	0	1263	441			PRODUCING GAS WELL

28b. Production - Interval C

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

28c. Production - Interval D

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

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

**SOLD**

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH MESAVERDE	4164' 6440'	6440'			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

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

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

Name (please print) SHEILA UPCHEGO Title SENIOR LAND ADMIN SPECIALIST  
 Signature  Date 11/27/07

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1242, 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.



Directional Services

Job Number: 073217505499  
 Company: Kerr McGee Oil & Gas (Anadarko)  
 Lease/Well: NBU 1022-23D-3S  
 Location: Uintah County, Utah  
 Rig Name: Delsco Northwest  
 RKB:  
 G.L. or M.S.L.:

State/Country: Utah/USA  
 Declination: 11.50°  
 Grid: East To Grid  
 File name: F:\SURVEY\2007SU~1\KERRMC~1\102223D3.SVY  
 Date/Time: 10-Oct-07 / 15:27  
 Curve Name: 1900' - 8342' M.D.

WINSERVE SURVEY CALCULATIONS  
 Minimum Curvature Method  
 Vertical Section Plane 260.00  
 Vertical Section Referenced to Wellhead  
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
1800.00	.50	231.82	1799.67	17.13	-21.80	18.49	27.73	308.16	.00
<b>Tied Multi-Shot Gyroscopic Surveys Into Previous Multi-Shot Gyroscopic Surveys</b>									
1900.00	1.00	136.41	1899.66	16.23	-21.54	18.40	26.97	306.99	1.16
2000.00	1.00	154.93	1999.65	14.81	-20.57	17.69	25.34	305.75	.32
2100.00	1.00	199.45	2099.64	13.19	-20.49	17.89	24.37	302.77	.76
2200.00	3.75	267.96	2199.55	12.25	-24.05	21.56	26.99	297.00	3.51
2300.00	8.00	270.46	2299.00	12.19	-34.28	31.64	36.39	289.58	4.26
2400.00	11.00	265.85	2397.62	11.56	-50.76	47.98	52.06	282.83	3.09
2500.00	14.00	264.21	2495.24	9.65	-72.31	69.54	72.95	277.60	3.02

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
2600.00	17.00	259.37	2591.60	5.73	-98.72	96.23	98.89	273.32	3.26
2700.00	19.00	259.71	2686.70	.12	-129.11	127.13	129.11	270.05	2.00
2800.00	20.25	259.06	2780.89	-6.07	-162.12	160.71	162.23	267.86	1.27
2900.00	22.00	255.64	2874.17	-14.00	-197.26	196.69	197.76	265.94	2.14
3000.00	24.25	257.93	2966.13	-22.94	-235.49	235.90	236.61	264.44	2.42
3100.00	25.00	257.26	3057.03	-31.89	-276.19	277.53	278.02	263.41	.80
3200.00	25.50	257.69	3147.48	-41.14	-317.83	320.14	320.48	262.62	.53
3300.00	24.00	256.35	3238.29	-50.53	-358.62	361.95	362.17	261.98	1.60
3400.00	23.00	257.04	3330.00	-59.71	-397.43	401.76	401.89	261.46	1.04
3500.00	24.50	259.43	3421.53	-67.90	-436.85	442.01	442.10	261.17	1.78
3600.00	26.25	261.81	3511.88	-74.85	-479.13	484.85	484.94	261.12	2.03
3700.00	22.50	266.11	3602.96	-79.30	-520.12	525.99	526.14	261.33	4.15
3800.00	23.75	268.63	3694.92	-81.08	-559.35	564.93	565.20	261.75	1.59
3900.00	22.25	267.83	3786.97	-82.28	-598.40	603.60	604.03	262.17	1.53
4000.00	19.50	266.12	3880.40	-84.13	-633.98	638.96	639.54	262.44	2.82
4100.00	17.00	264.40	3975.36	-86.69	-665.19	670.13	670.81	262.58	2.56
4200.00	15.75	263.58	4071.30	-89.63	-693.22	698.26	698.99	262.63	1.27
4300.00	14.00	266.91	4167.95	-91.80	-718.79	723.81	724.63	262.72	1.95
4400.00	11.00	265.18	4265.57	-93.25	-740.38	745.33	746.23	262.82	3.02
4500.00	8.50	266.42	4364.12	-94.52	-757.27	762.17	763.14	262.89	2.51
4600.00	6.50	276.66	4463.26	-94.32	-770.27	774.94	776.02	263.02	2.40
4700.00	4.00	281.80	4562.83	-92.95	-779.30	783.61	784.83	263.20	2.54
4800.00	2.50	280.90	4662.67	-91.83	-784.86	788.88	790.21	263.33	1.50
4900.00	2.00	269.48	4762.59	-91.43	-788.75	792.64	794.03	263.39	.67
5000.00	2.25	262.57	4862.52	-91.70	-792.44	796.32	797.73	263.40	.36
5100.00	1.75	259.67	4962.46	-92.23	-795.89	799.81	801.21	263.39	.51
5200.00	1.75	246.76	5062.42	-93.10	-798.79	802.82	804.20	263.35	.39
5300.00	2.00	227.86	5162.36	-94.88	-801.49	805.79	807.08	263.25	.66
5400.00	2.25	222.95	5262.29	-97.48	-804.12	808.83	810.01	263.09	.31

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth			Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
				N-S FT	E-W FT		Distance FT	Direction Deg	
5500.00	2.25	211.06	5362.22	-100.60	-806.47	811.69	812.72	262.89	.47
5600.00	2.25	206.16	5462.14	-104.05	-808.35	814.14	815.02	262.67	.19
5700.00	2.25	200.26	5562.06	-107.65	-809.89	816.28	817.02	262.43	.23
5800.00	2.25	195.36	5661.99	-111.38	-811.09	818.11	818.71	262.18	.19
5900.00	2.25	189.11	5761.91	-115.22	-811.92	819.60	820.06	261.92	.25
6000.00	2.50	186.86	5861.82	-119.32	-812.50	820.87	821.21	261.65	.27
6100.00	2.00	160.61	5961.75	-123.13	-812.18	821.22	821.46	261.38	1.13
6200.00	2.25	157.36	6061.68	-126.59	-810.84	820.50	820.66	261.13	.28
6300.00	2.25	157.11	6161.60	-130.21	-809.32	819.64	819.73	260.86	.01
6400.00	2.75	151.87	6261.51	-134.13	-807.43	818.45	818.49	260.57	.55
6500.00	2.25	166.60	6361.41	-138.16	-805.84	817.59	817.60	260.27	.81
6600.00	1.50	173.33	6461.36	-141.37	-805.24	817.55	817.55	260.04	.78
6700.00	1.75	167.09	6561.32	-144.16	-804.74	817.55	817.55	259.84	.31
6800.00	2.00	159.84	6661.27	-147.28	-803.80	817.16	817.18	259.62	.34
6900.00	2.00	156.32	6761.20	-150.52	-802.50	816.44	816.49	259.38	.12
7000.00	2.25	151.07	6861.14	-153.83	-800.85	815.39	815.49	259.13	.32
7100.00	2.25	149.81	6961.06	-157.25	-798.91	814.08	814.24	258.86	.05
7200.00	2.50	146.57	7060.97	-160.77	-796.72	812.53	812.78	258.59	.28
7300.00	2.50	144.31	7160.88	-164.36	-794.25	810.72	811.07	258.31	.10
7400.00	2.25	138.05	7260.79	-167.59	-791.66	808.74	809.21	258.05	.36
7500.00	2.00	134.79	7360.72	-170.28	-789.11	806.69	807.27	257.82	.28
7600.00	2.00	140.54	7460.66	-172.85	-786.76	804.83	805.53	257.61	.20
7700.00	1.75	139.28	7560.61	-175.36	-784.66	803.19	804.02	257.40	.25
7800.00	2.00	144.04	7660.55	-177.93	-782.64	801.65	802.61	257.19	.29
7900.00	2.00	154.23	7760.49	-180.91	-780.86	800.41	801.54	256.96	.36
8000.00	2.25	151.43	7860.43	-184.21	-779.16	799.31	800.64	256.70	.27
8100.00	2.25	147.63	7960.35	-187.59	-777.17	797.94	799.49	256.43	.15
8200.00	2.00	140.82	8060.28	-190.60	-775.02	796.34	798.11	256.18	.35
8300.00	2.00	131.01	8160.22	-193.10	-772.60	794.39	796.36	255.97	.34

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
<b>Last Survey Depth Recorded</b>									
8342.00	2.00	133.21	8202.19	-194.08	-771.51	793.49	795.55	255.88	.18

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-01198-B
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> NBU 1022-23D3-S
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047377410000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0720 FNL 1128 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 23 Township: 10.0S Range: 22.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> 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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/25/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

THIS WELL RETURNED TO PRODUCTION ON 4/25/2010.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 May 17, 2010

<b>NAME (PLEASE PRINT)</b> Andy Lytle	<b>PHONE NUMBER</b> 720 929-6100	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/10/2010

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-01198-B
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> NBU 1022-23D3-S
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047377410000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0720 FNL 1128 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 23 Township: 10.0S Range: 22.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> 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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/21/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

THE OPERATOR HAS RECENTLY CONCLUDED WORKOVER OPERATIONS ON THE SUBJECT WELL LOCATION. WORKOVER OPERATIONS CONSISTED OF WATER SHUTOFF BY INSTALLATION OF A PACKER. THE PACKER IS SET AT 4,915'. END OF TUBING IS AT 6,714'. PLEASE SEE ATTACHED CHRONOLOGICAL WELL HISTORY FOR DETAILS OF THE OPERATION.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 October 26, 2010

<b>NAME (PLEASE PRINT)</b> Andy Lytle	<b>PHONE NUMBER</b> 720 929-6100	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A		<b>DATE</b> 10/25/2010

**US ROCKIES REGION**  
**Operation Summary Report**

Well: NBU 1022-23D-3S

Spud Date: 8/7/2007

Project: UTAH-UINTAH

Site: NBU 1022-23D-3S

Rig Name No: GWS 1/1

Event: WELL WORK EXPENSE

Start Date: 10/12/2010

End Date: 10/21/2010

Active Datum: RKB @5,301.99ft (above Mean Sea Level)

UWI: NBU 1022-23D-3S

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
10/20/2010	7:00 - 7:15	0.25	MAINT	48		P		HSM, KEEP AWAY FROM TOP OF TBG PLUNGER STILL IN TBG.
	7:15 - 16:00	8.75	MAINT	31	I	P		TBG & CSG PRESS 1,130 PSI, WELL NOT SELLING SEPERATOR SHUT IN, CALLED CDC TO GET OPERATOR OVER HERE TO SELL WELL DOWN, MIRU, SPOT EQUIP, KILL WELL W/ 30 BBLS DOWN TBG & CSG, ND WH, NU BOPS & TEST TO 3,000 PSI, RU FLOOR & TBG EQUIP, UNLAND TBG & POOH VISUALLY INSPECTING TBG @ 5,200' STARTED SEEING PITTING ON OUTSIDE OF COLLAR'S L/D 39JTS TUBES & INSIDE OF TBG LOOK GOOD, NO PLUNGER IN WELL, RIH 29 STDS TO 1825.21', WILL PU PACKER IN AM, SWI SDFN.
10/21/2010	7:00 - 7:15	0.25	MAINT	48		P		HSM,
	7:15 - 12:00	4.75	MAINT	31	I	P		TBG & CSG PRESS 250 PSI, BLEED WELL DOWN & KILL W/ 20 BBLS DOWN TBG, PU WEATHERFORD R3 SINGLE GRIP COMPRESSION PACKER RIH W/ TBG & SET PACKER @ 4,915.00' W/ 6K DOWN ON PKR, W/ TBG LANDED EOT @ 6,714.07', RD FLOOR & TBG EQUIP, ND BOPS, NU WH, RDMO TO NBU 1022-5M-4T.  KB= 17' 4 1/16" HANGER= .83" 156 JTS 2 3/8" J-55 TBG= 4,897.17' R3 PKR= 4.45' 57 JTS 2 3/8" J-55 TBG= 1,793.57' 1.875" XN NOTCHED COLLAR= 1.05' EOT @ 6,714.07'  WATER TO RECOVER 180 BBLS, CALLED CDC TALKED TO MIKE

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
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<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		<b>8. WELL NAME and NUMBER:</b> NBU 1022-23D3-S
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0720 FNL 1128 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 23 Township: 10.0S Range: 22.0E Meridian: S		<b>9. API NUMBER:</b> 43047377410000
<b>PHONE NUMBER:</b> 720 929-6507		<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/10/2016	<input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text" value="PACKER INSTALL"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:		
<input type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. A WORKOVER FOR A PACKER INSTALLATION HAS BEEN COMPLETED ON THE NBU 1022-23D3-S WELL. PLEASE SEE THE ATTACHED OPERATIONS SUMMARY REPORT FOR DETAILS.		
<b>Accepted by the          Utah Division of          Oil, Gas and Mining          FOR RECORD ONLY          March 15, 2016</b>		
<b>NAME (PLEASE PRINT)</b> Kristina Geno	<b>PHONE NUMBER</b> 720 929-6824	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/14/2016	

**US ROCKIES REGION**  
**Operation Summary Report**

Well: NBU 1022-23D-3S		Spud date: 8/7/2007	
Project: UTAH-UINTAH		Site: NBU 1022-23D-3S	Rig name no.: MILES 2/2
Event: WELL WORK EXPENSE		Start date: 2/29/2016	End date: 3/7/2016
Active datum: RKB @5,301.99usft (above Mean Sea Level)		UWI: NBU 1022-23D-3S	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
1/4/2016	7:00 - 12:00	5.00	MAINT	35		P		Traveled to loc. Rigged up. RIH w/1.906 broach to 6602', POOH. RIH w/JDC to 6602' did not latch anything, POOH. RIH w/G-1 tool to 6602', did not latch anything, POOH. RIH w/Impression block to 6602', POOH. No Impression, Could not pull PLE. Shut in well, rigged down. traveled to yard  FLUID LEVEL 875 SEAT NIPPLE DEPTH 6714  SN TYPE Drop Down Menu TD (Max Depth) HSM,JSA RODE RIG FROM NBU 921-16D MIRU
3/1/2016	7:00 - 11:00	4.00	MIRU	30	A	P		O PSI ON WELL. NDWH NUBOPE. RELEASE PACKER. RU DELSCO. SCAN TBG OOH
	11:00 - 18:30	7.50	MAINT	31				RED BAND= 44 JTS DBL BLUE BAND= 10 JTS BLUE BAND= 4 JTS YELLOW BAND= 155 JTS TOTAL= 213 JTS SWIFN DRAIN EQUIP.
3/2/2016	7:00 - 7:15	0.25	MAINT	48	B	P		HSM,JSA
	7:15 - 15:00	7.75	MAINT	31	I	P		CSIP @ 150# BLED OFF. MU 3-7/8" MILL, XO TIH W/ 157 JTS 2-3/8" J-55 TBG (4930.14') & 202 JTS 2-3/8" P-110. TAGGED FILL @ 6815' W 217 JTS TOTAL. LD 1 JT. EOT @ 6781' RU PWR SWVL SWIFN DRAIN EQUIP.
3/3/2016	7:00 - 7:15	0.25	MAINT	48	B	P		HSM,JSA
	7:15 - 14:30	7.25	MAINT	44	D	P		RU FOAM/N2 UNIT BREAK CIRC. C/O FROM 6781' TO 8176.40' WITH 259 JTS 2-3/8" TBG. CIRC. WELLBORE CLEAN.
	14:30 - 17:30	3.00	MAINT	31	I	P		RD/PWR SWVL, FOAM/N2 UNIT. LD 46 JTS OF 2-3/8" P-110 TBG STD BACK 40 STDS ( 80 JTS) IN DERRICK.SWIFWE. DRAIN EQUIP EOT 4179'
3/7/2016	7:00 - 7:15	0.25	MAINT	48	B	P		HSM,JSA

US ROCKIES REGION  
Operation Summary Report

Well: NBU 1022-23D-3S

Spud date: 8/7/2007

Project: UTAH-UINTAH

Site: NBU 1022-23D-3S

Rig name no.: MILES 2/2

Event: WELL WORK EXPENSE

Start date: 2/29/2016

End date: 3/7/2016

Active datum: RKB @5,301.99usft (above Mean Sea Level)

UWI: NBU 1022-23D-3S

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
	7:15 - 12:00	4.75	MAINT	31	I	P		FINISH POOH W/ TBG AND MILL. BREAK OFF MILL. MU NC/SN ONTO TBG. RIH W 57 JTS 2-3/8" J-55 TBG, 4.5 R3 SINGLE GRIP MANUAL J RH SET , LH RELEASE 3.75" OD PACKER, 100 JT 2-3/8" J-55 TBG, P-110 2-3/8" PUP JT AND 56 JTS P-110 TBG. BROACH TBG W/ 1.190 BROACH. INSTALL TBG HNGR SET PACKER W/ 10K COMPRESSION LAND TBG . RD TBG EQUIP.NDBOPE NUWH. SWI.  KB = 16.00 HNGR = .83 56 JTS 2-3/8" P-110 = 1776.25 1 2-3/8" P-110 PUP JOINT = 1.05 100 JTS 2-3/8" J-55= 3135.15 R3 PACKER = 4.45 57 JTS 2-3/8" J-55 = 1794.99 NC/XN NIPPLE 1.05 EOT = 6729.77'
	12:00 - 17:00	5.00	MAINT	30	H	P		RIG DOWN RIG AND EQUIP.
3/10/2016	7:00 - 11:00	4.00	PROD	42	B	P		Arrived to location, blew well down. Rigged up. Starting pressure CSG 4 PSI TBG 220 Made 4 runs Fluid level was at 1800ft  Recovered 14bbbls Well was on a suck after each run. Rig off wellhead, travel back to shop. Ending pressure TBG 0 PSI CA 4 PSI Ending tank level 1'

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047377410000	
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6507	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0720 FNL 1128 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 23 Township: 10.0S Range: 22.0E Meridian: S	<b>COUNTY:</b> UINTAH	
	<b>STATE:</b> UTAH	
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<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The NBU 1022-23D3-S well was returned to production on 3/3/2016. Thank you.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 16, 2016</b>		
<b>NAME (PLEASE PRINT)</b> Jennifer Thomas	<b>PHONE NUMBER</b> 720 929-6808	<b>TITLE</b> Regulatory Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/16/2016	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5.LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-01198-B
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <b>3/14/2016</b>			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

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

The NBU 1022-23D3-S well was returned to production on 3/14/2016.  
 Thank you.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 March 22, 2016

<b>NAME (PLEASE PRINT)</b> Jennifer Thomas	<b>PHONE NUMBER</b> 720 929-6808	<b>TITLE</b> Regulatory Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/21/2016	