

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: ML-22973	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT	
2. NAME OF OPERATOR: WESTPORT OIL & GAS COMPANY, L.P.		9. WELL NAME and NUMBER: NBU 1022-18I	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7060	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1592' FSL 803' FEL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 18 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 22 MILES SOUTHEAST OF OURAY, UTAH		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 803"	16. NUMBER OF ACRES IN LEASE: 585.76	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 8,900	20. BOND DESCRIPTION: RLB0005238	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5187.3' GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION: TO BE DETERMINED	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
	14"			40				
12 1/4"	9 5/8"	H-40	32.3#	1,900	PREM CMT	265 SX	1.18	15.6
7 7/8"	4 1/2"	I-80	11.6#	8,900	PREM LITE II	410 SX	3.38	11
					50/50 POZ G	1390 SX	1.31	14.3

**ATTACHMENTS**

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

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

NAME (PLEASE PRINT) DEBRA DOMENICI TITLE ASSOC. ENVIRONMENTAL ANALYST  
SIGNATURE *Debra Domenici* DATE 2/8/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37770

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
APPROVAL:  
Date: 02-15-06  
*[Signature]*

**RECEIVED**  
**FEB 14 2006**

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

## Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1022-18I, located as shown in the NE 1/4 SE 1/4 of Section 18, T10S, R22E, S.L.B.&M. Uintah County, Utah.

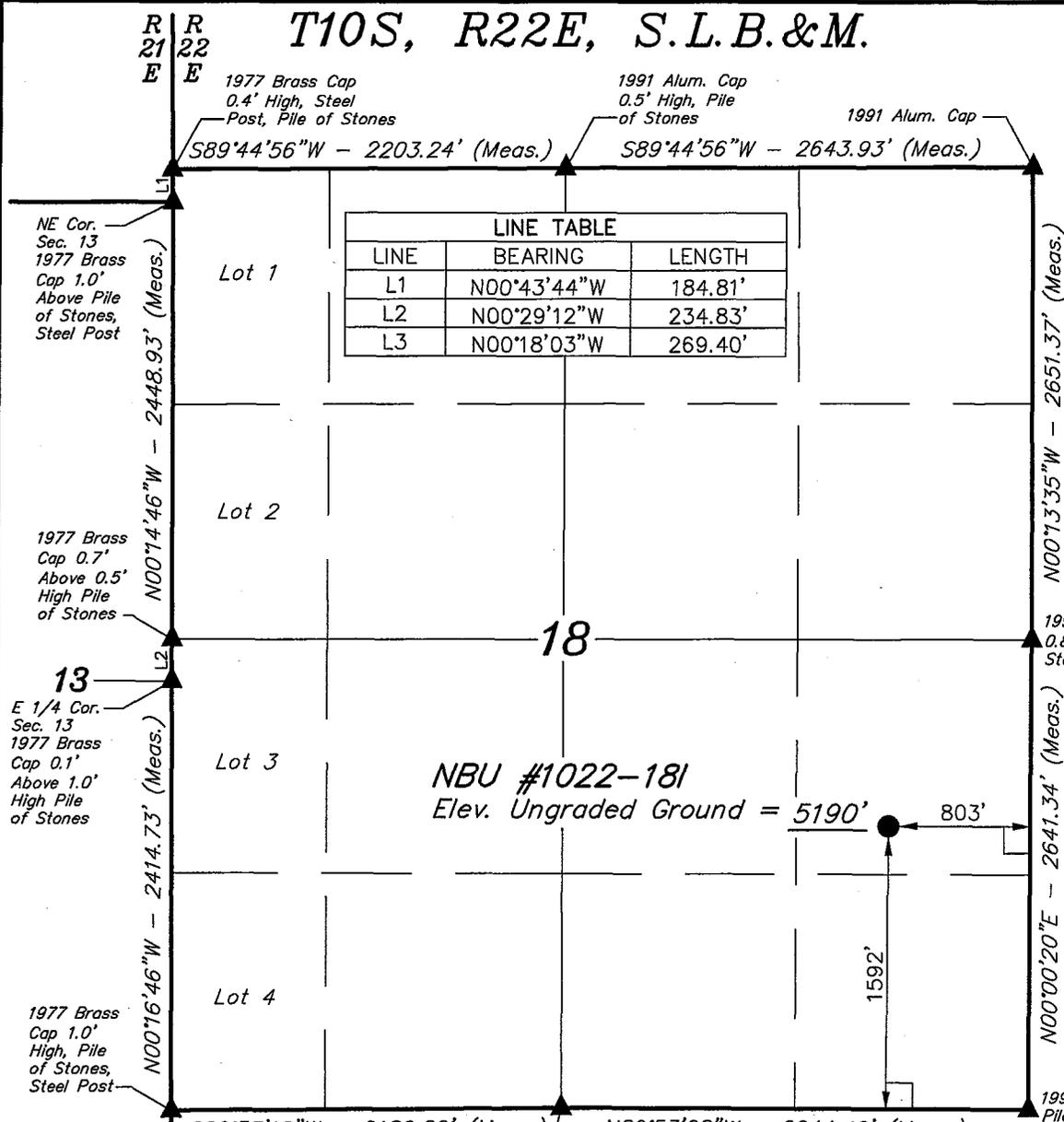
### BASIS OF ELEVATION

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

### BASIS OF BEARINGS

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

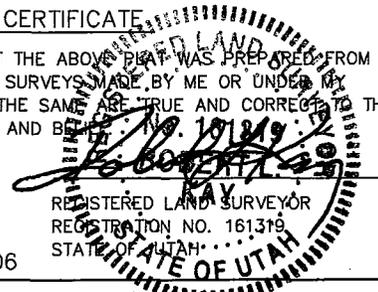
LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°43'44"W	184.81'
L2	N00°29'12"W	234.83'
L3	N00°18'03"W	269.40'



SCALE

### 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.



REVISED: 01-15-06

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

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

(NAD 83)  
 LATITUDE = 39°56'45.70" (39.946028)  
 LONGITUDE = 109°28'33.31" (109.475919)  
 (NAD 27)  
 LATITUDE = 39°56'45.82" (39.946061)  
 LONGITUDE = 109°28'30.85" (109.475236)

SCALE 1" = 1000'	DATE SURVEYED: 11-28-05	DATE DRAWN: 11-29-05
PARTY T.A. J.H. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE	Kerr-McGee Oil & Gas Onshore LP

NBU 1022-18I  
NESE SEC 18-T10S-R22E  
UINTAH COUNTY, UTAH  
ML-22973

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1250'
Wasatch	4425'
Mesaverde	6850'
TD	8900'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1250'
Gas	Wasatch	4425'
Gas	Mesaverde	6850'
Water	N/A	
Other Minerals	N/A	

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

*Please refer to the attached Drilling Program.*

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

*Please refer to the attached Drilling Program.*

5. **Drilling Fluids Program:**

*Please refer to the attached Drilling Program.*

6. **Evaluation Program:**

*Please refer to the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8900' TD, approximately equals 5518 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3560 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

*Please refer to the attached Drilling Program.*

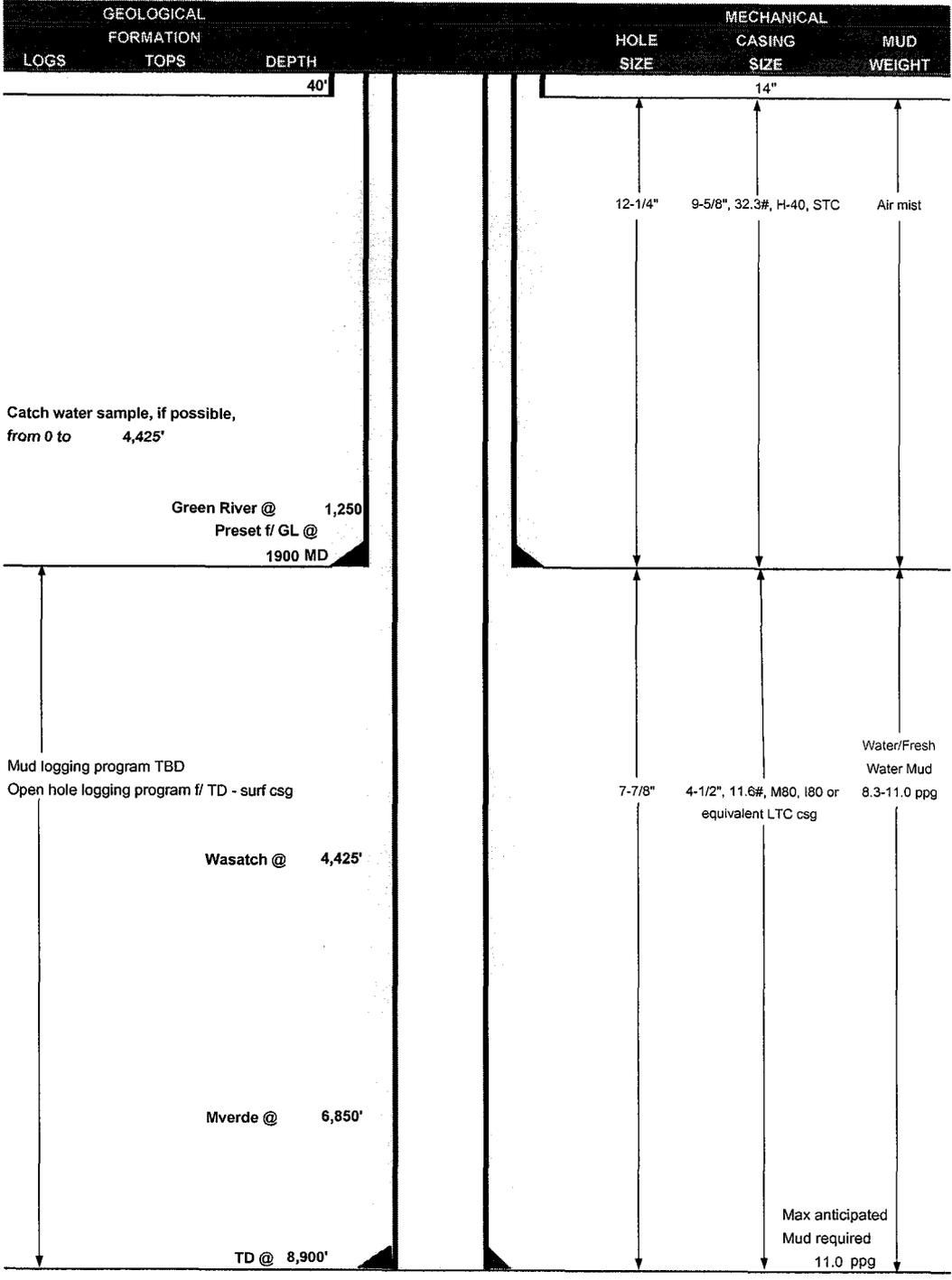
10. **Other Information:**

*Please refer to the attached Drilling Program.*



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

COMPANY NAME Westport Oil and Gas Co., L.P. DATE December 27, 2005  
 WELL NAME NBU 1022-18I TD 8,900' MD/TVD \_\_\_\_\_  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,190' GL KB 5,205'  
 SURFACE LOCATION NESE SECTION 18-T10S-R22E 1592'FSL & 803'FEL BHL Straight Hole  
 Latitude: 39.946028 Longitude: 109.475919  
 OBJECTIVE ZONE(S) Wasatch/Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: UTDOGM (surface/minerals), BLM, 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'				2270	1370	254000
SURFACE	9-5/8"	0 to 1900	32.30	H-40	STC	0.72*****	1.66	4.73
PRODUCTION	4-1/2"	0 to 8900	11.60	M-80 or I-80	LTC	7780	6350	201000
						2.48	1.25	2.23

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)  
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 11.0 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 3133 psi

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

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD	
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18	
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18	
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
SURFACE	Option 2	LEAD	<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>					
		1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82	
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18	
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18	
PRODUCTION	LEAD	3,920'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	410	60%	11.00	3.38	
	TAIL	4,980'	50/50 Poz/G + 10% salt + 2% gel	1390	60%	14.30	1.31	

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

**FLOAT EQUIPMENT & CENTRALIZERS**

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

**ADDITIONAL INFORMATION**

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

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

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

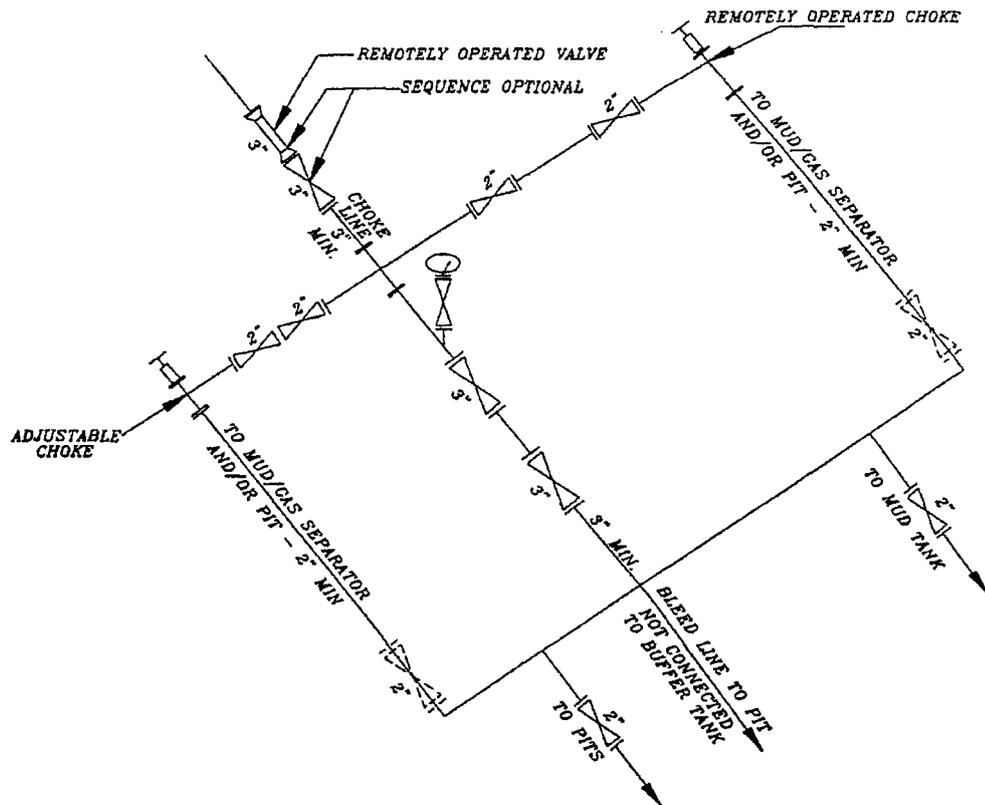
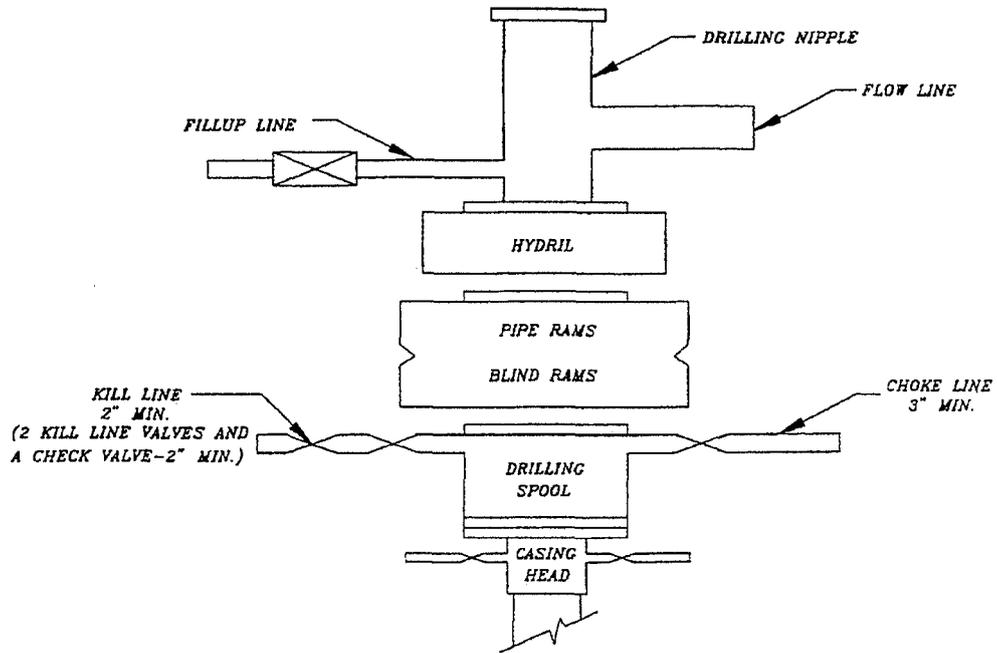
Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

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

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

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

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 1022-18I  
NESE SEC 18-T10S-R22E  
Uintah County, UT  
ML-22973

ONSHORE ORDER NO. 1

*MULTI-POINT SURFACE USE & OPERATIONS PLAN*

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

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

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

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

2. **Planned Access Roads:**

Approximately 90' of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

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

*The following guidelines will apply if the well is productive.*

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

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

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

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

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

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

Approximately 79' of pipeline is proposed. Refer to Topo D for the proposed pipeline.

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

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

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

No water well is to be drilled on this lease.

**6. Source of Construction Materials**

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

Any gravel will be obtained from a commercial source.

**7. Methods of Handling Waste Materials**

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

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

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

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

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

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

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

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

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

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

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

**8. Ancillary Facilities**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

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

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

*Producing Location:*

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

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

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

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

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

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

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

*Dry Hole/Abandoned Location:*

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

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

11. **Surface Ownership:**

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

12. **Other Information:**

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

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

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

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

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

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

Randy Bayne  
Drilling Manager  
Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East  
Vernal, UT 84078  
(435)781-7018

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

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

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005236.

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



Debra Domenici

2/8/2006

Date

**Kerr-McGee Oil & Gas Onshore LP**  
**NBU #1022-18I**  
**SECTION 18, T10S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1022-18P TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1022-18O TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1022-18J TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 90' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 53.0 MILES.

# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18I

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 18, T10S, R22E, S.L.B.&M.

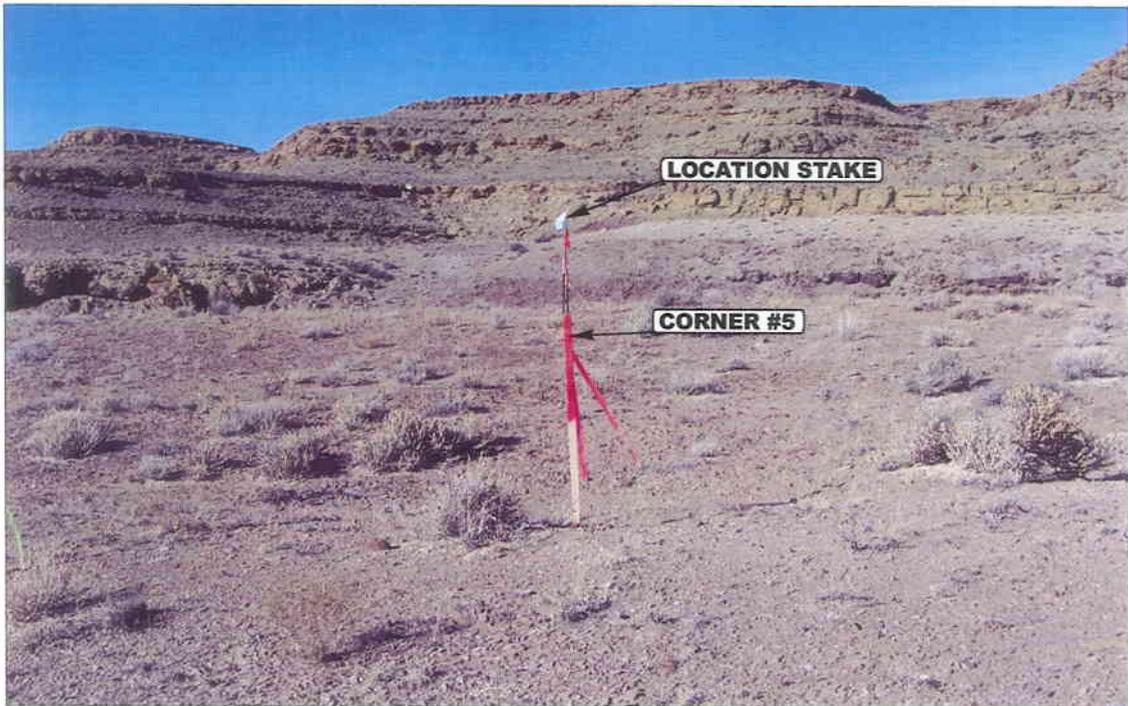


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

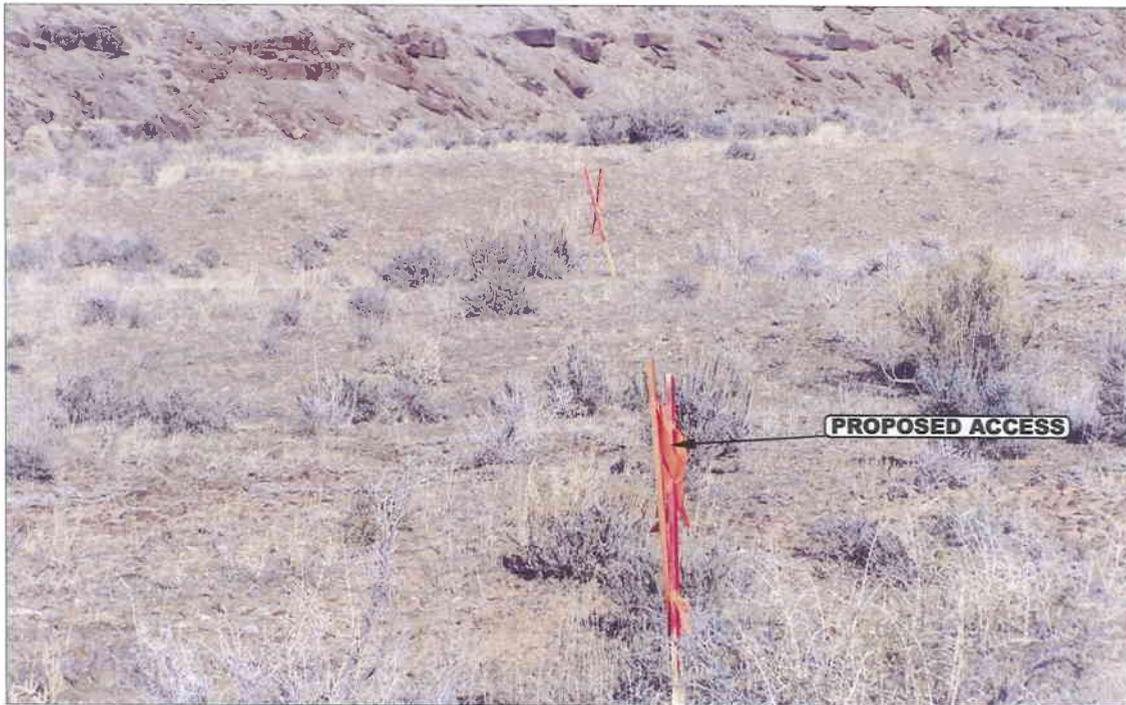


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

11 30 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: T.A.

DRAWN BY: C.P.

REVISED: 01-15-06

# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18I

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 18, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

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

PIPELINE PHOTOS

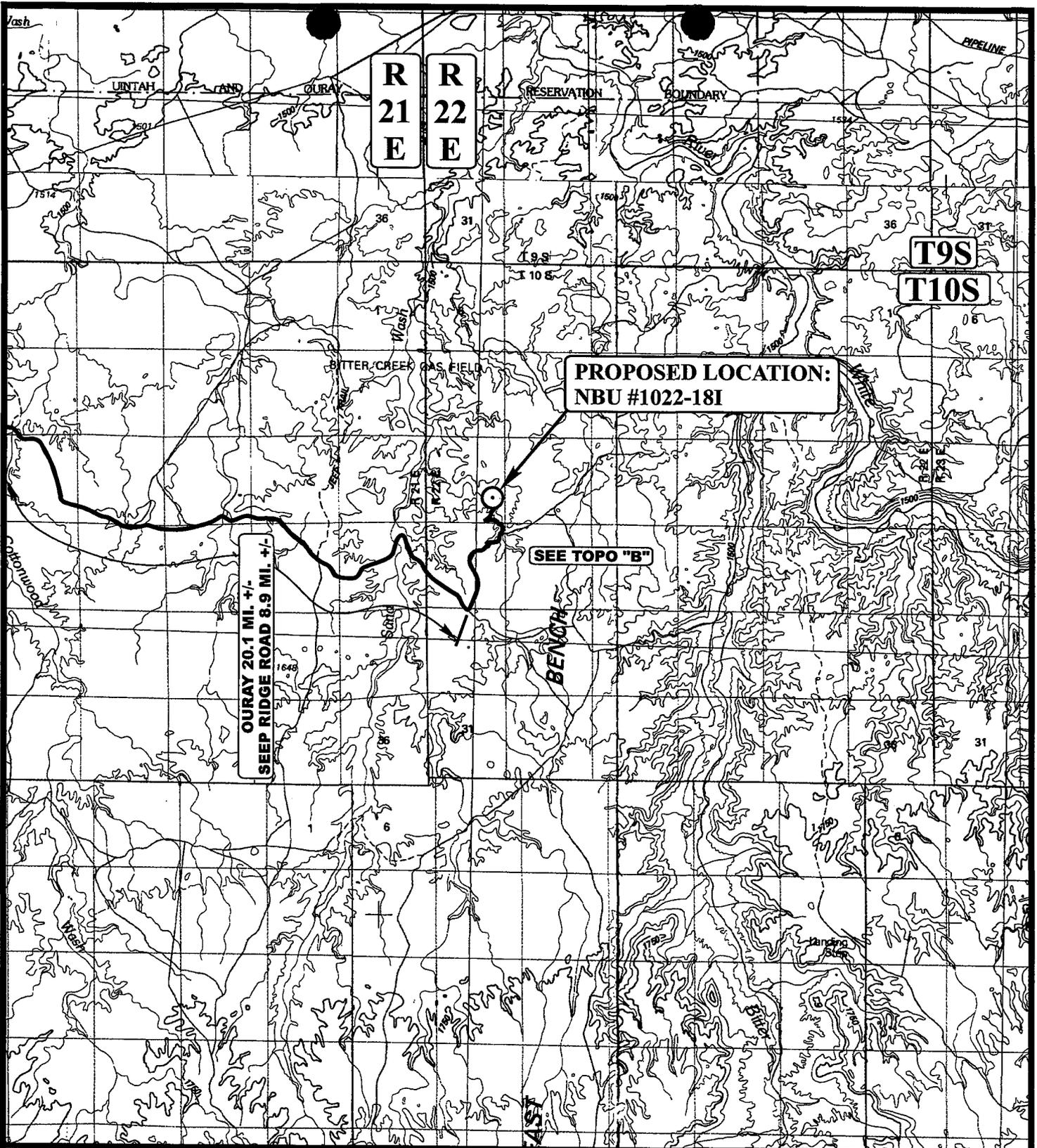
11 30 05  
MONTH DAY YEAR

PHOTO

TAKEN BY: T.A.

DRAWN BY: C.P.

REVISED: 01-15-06



**PROPOSED LOCATION:  
NBU #1022-181**

**OURAY 20.1 MI. +/-  
SEEP RIDGE ROAD 8.9 MI. +/-**

**SEE TOPO "B"**

**LEGEND:**

○ PROPOSED LOCATION

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

NBU #1022-181

SECTION 18, T10S, R22E, S.L.B.&M.

1592' FSL 803' FEL



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

**TOPOGRAPHIC  
MAP**

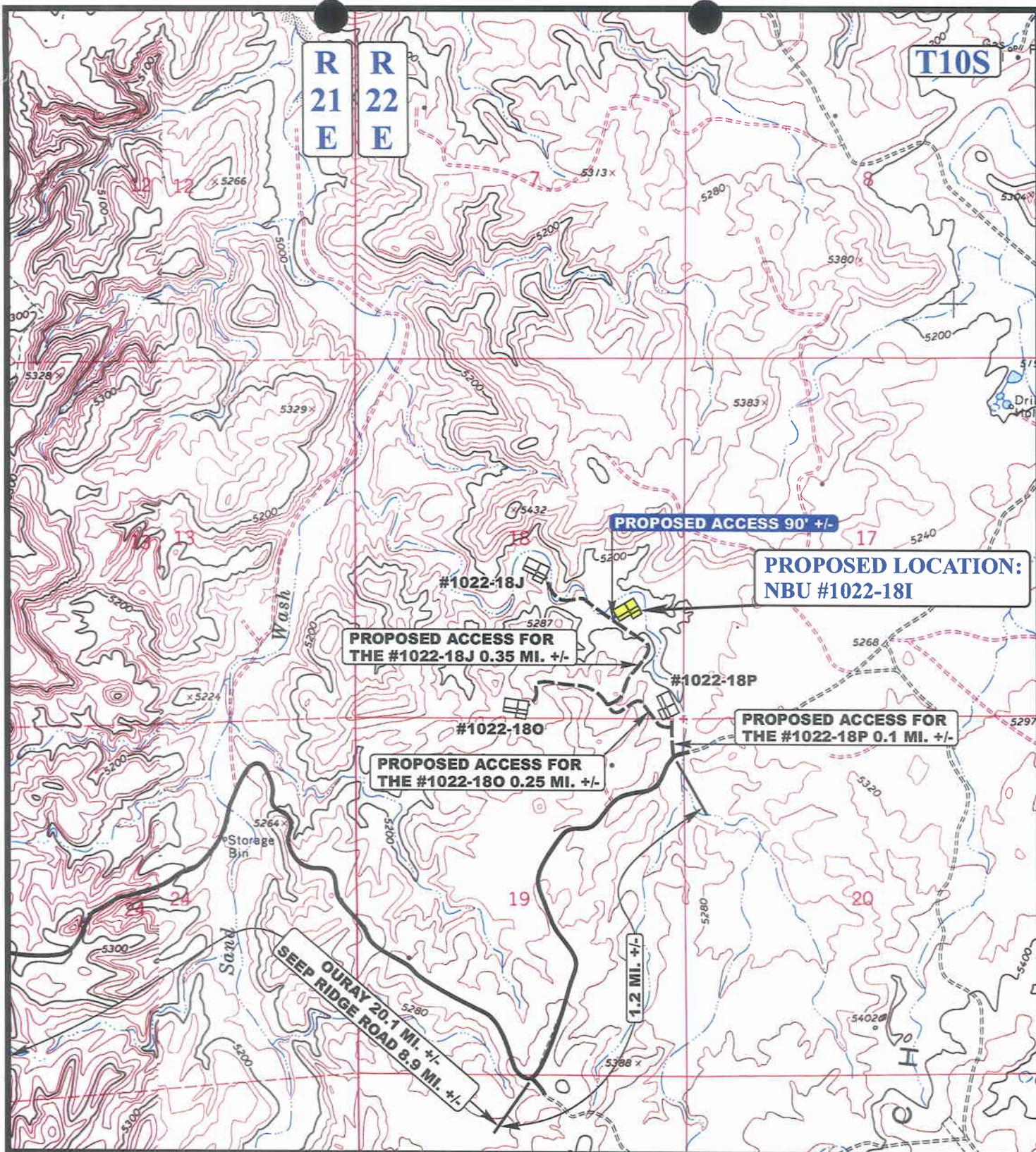
**11 30 05**  
MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 01-15-06





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



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

**NBU #1022-18I**  
**SECTION 18, T10S, R22E, S.L.B.&M.**  
**1592' FSL 803' FEL**

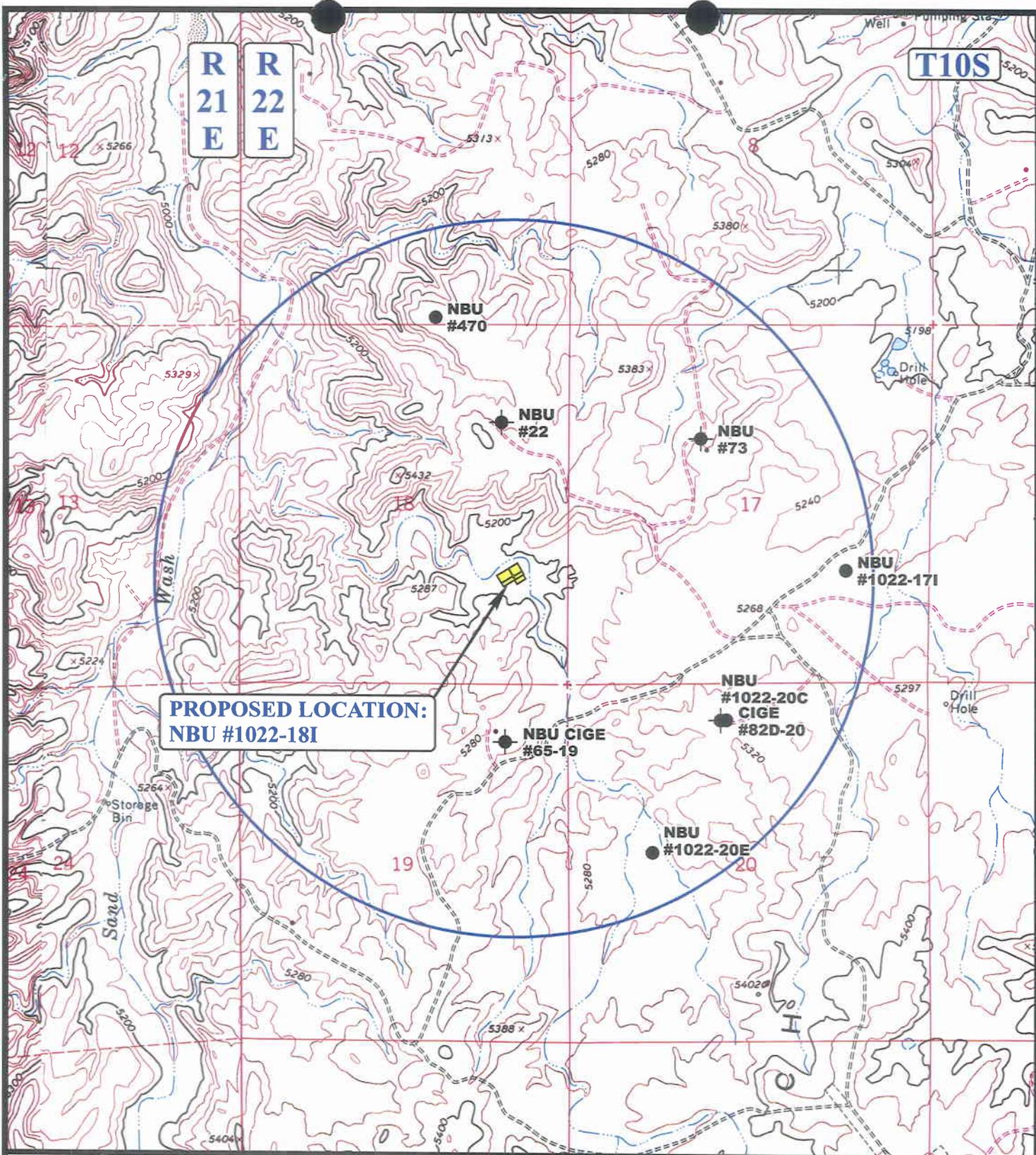


**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

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

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 01-15-06





**PROPOSED LOCATION:  
NBU #1022-18I**

**LEGEND:**

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



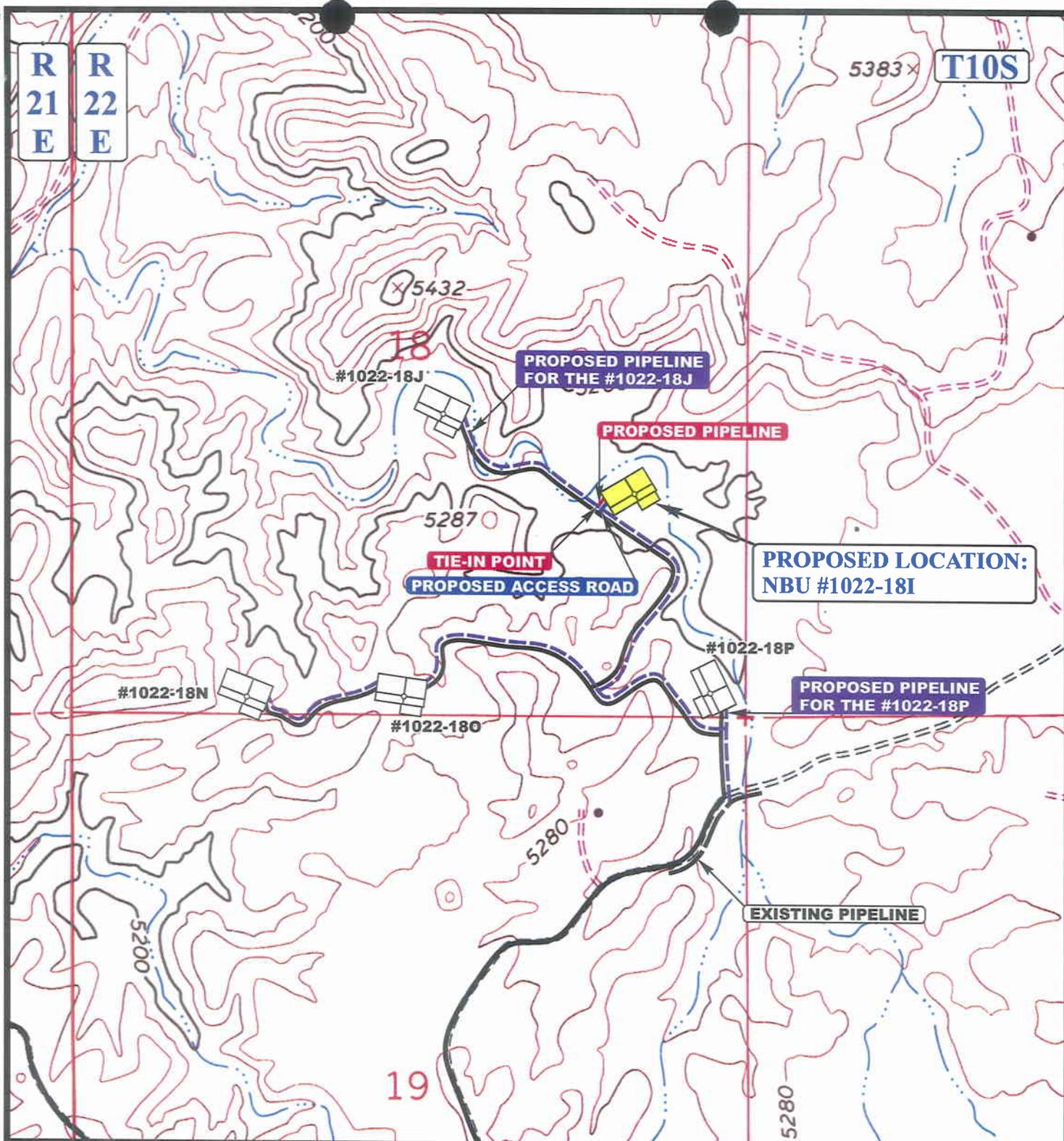
**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-18I  
SECTION 18, T10S, R22E, S.L.B.&M.  
1592' FSL 803' FEL**

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

**TOPOGRAPHIC** **11 30 05**  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 01-15-06





**APPROXIMATE TOTAL PIPELINE DISTANCE = 79' +/-**

**LEGEND:**

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



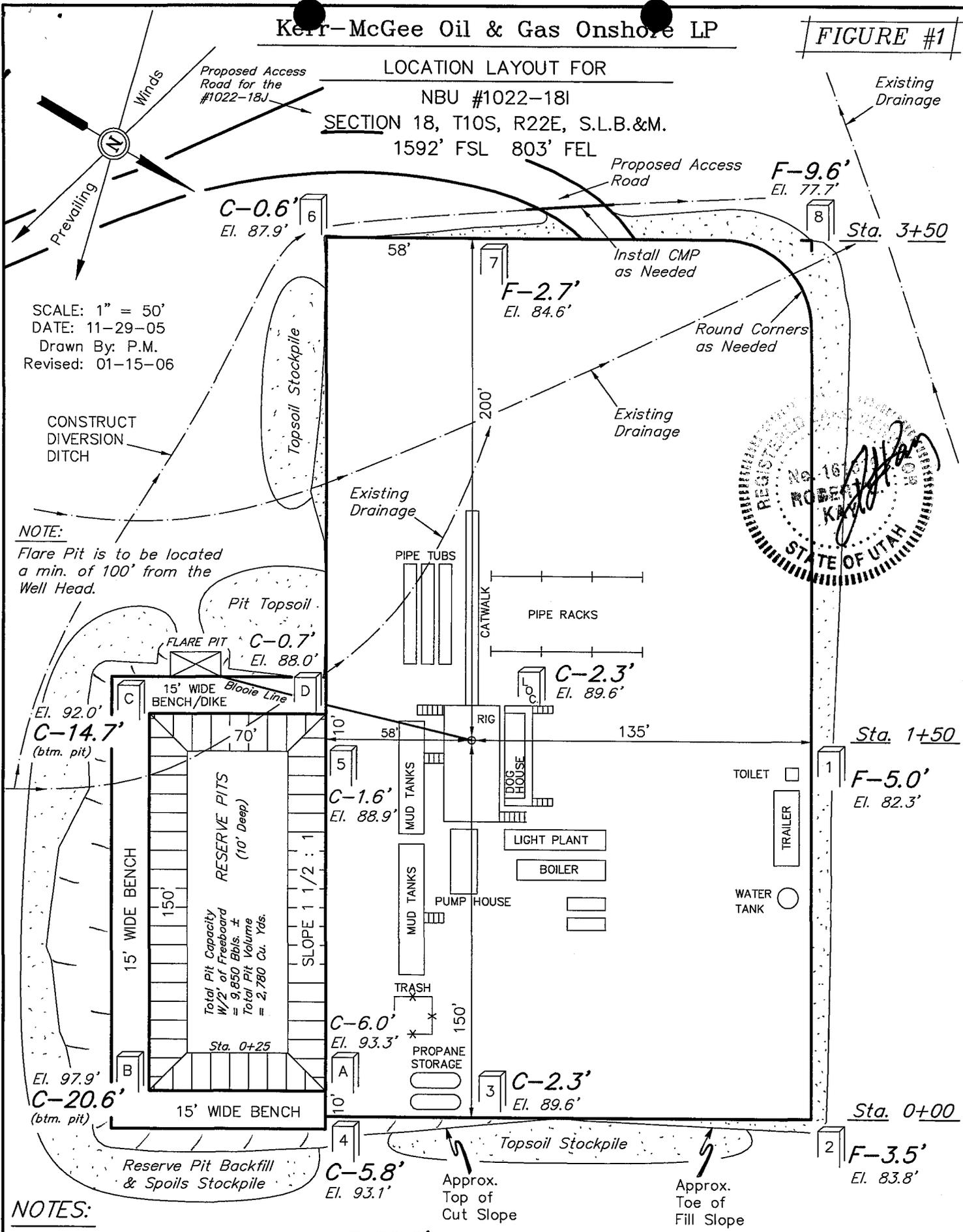
**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-18I**  
**SECTION 18, T10S, R22E, S.L.B.&M.**  
**1592' FSL 803' FEL**

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

**TOPOGRAPHIC MAP** **11 30 05**  
 MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 01-15-06 **D TOPO**

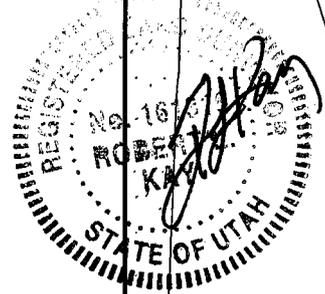
LOCATION LAYOUT FOR  
 NBU #1022-18I  
 SECTION 18, T10S, R22E, S.L.B.&M.  
 1592' FSL 803' FEL



SCALE: 1" = 50'  
 DATE: 11-29-05  
 Drawn By: P.M.  
 Revised: 01-15-06

CONSTRUCT DIVERSION DITCH

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5189.6'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5187.3'

TYPICAL CROSS SECTIONS FOR

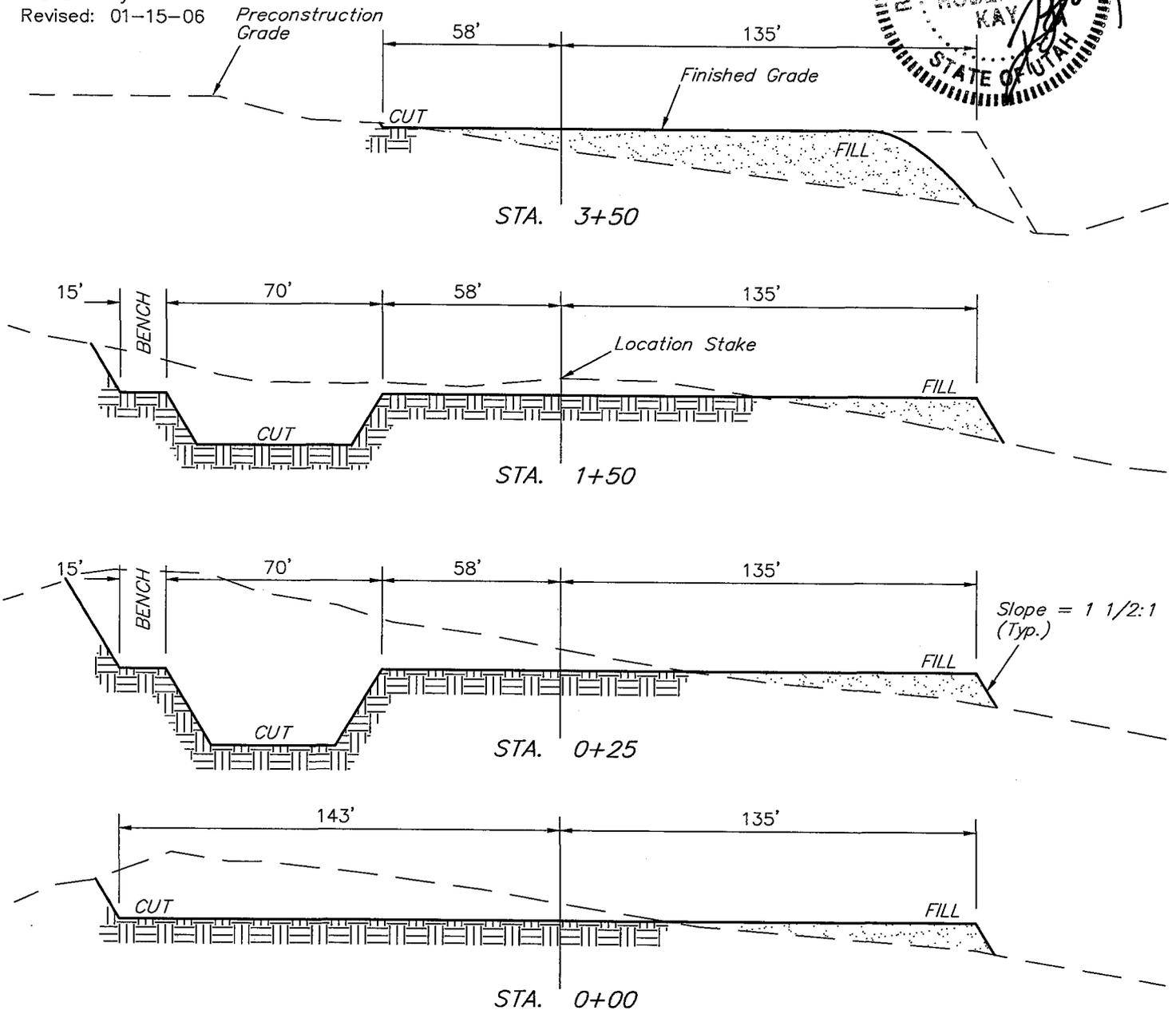
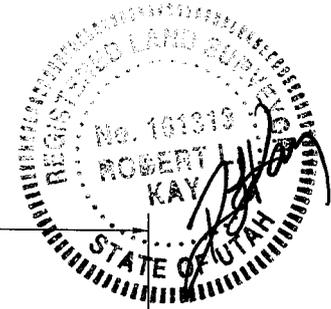
NBU #1022-18I

SECTION 18, T10S, R22E, S.L.B.&M.

1592' FSL 803' FEL

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

DATE: 11-29-05  
Drawn By: P.M.  
Revised: 01-15-06



NOTE:

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

\* NOTE:  
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,790 Cu. Yds.
Remaining Location	= 9,810 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 11,600 CU.YDS.</b>
<b>FILL</b>	<b>= 8,420 CU.YDS.</b>

EXCESS MATERIAL	= 3,180 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,180 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/14/2006

API NO. ASSIGNED: 43-047-37770

WELL NAME: NBU 1022-18I  
 OPERATOR: WESTPORT OIL & GAS CO ( N2115 )  
 CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

NESE 18 100S 220E  
 SURFACE: 1592 FSL 0803 FEL  
 BOTTOM: 1592 FSL 0803 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.94590 LONGITUDE: -109.4752  
 UTM SURF EASTINGS: 630263 NORTHINGS: 4422656  
 FIELD NAME: NATURAL BUTTES ( 630 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DuoD	3/14/06
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-22973  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

- R649-2-3.
- Unit: NATURAL BUTTES
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' for unit of 8 uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS: Needs (D) sub (02-24-06)

STIPULATIONS: 1- OIL SHALE  
2- STATEMENT OF BASIS  
3- Surface Csg Cont stip



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

**OPERATOR:** Westport Oil & Gas Company, L.P.  
**WELL NAME & NUMBER:** NBU 1022-18I  
**API NUMBER:** 43-047-37770  
**LOCATION:** 1/4,1/4 NE/SE Sec: 18TWP: 10S RNG: 22E; 1592' FSL 803'FEL

**Geology/Ground Water:**

Westport proposes to set 1,900' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,200'. A search of Division of Water Rights records shows one water well within a 10,000 foot radius of the center of Section 18. This well is over a mile from the proposed site. The well is owned by the BLM and is used for stock watering. Depth for the well is listed as 1,850 feet.. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The production casing cement should be brought above the base of the moderately saline groundwater to isolate it from fresher waters uphole.

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

**Surface:**

The pre-drill investigation of the surface was performed on February 24, 2006. The site is State surface and State Mineral. The proposed location poses no obvious problems for drilling and appears to be the best location for drilling a well in the immediate area. Two small drainages which intersect the location are planned for diversion around the pad.

Ed Bonner and Jim Davis of SITLA and Ben Williams of UDWR were invited to attend the presite on Feb.14, 2006. Mr. Davis and Mr. Williams attended.

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

This predrill investigation was conducted on a cool sunny day.

**Reviewer:** Floyd Bartlett **Date:** 02/27/2006

**Conditions of Approval/Application for Permit to Drill:**

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

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

**OPERATOR:** Westport Oil & Gas Company, L.P.  
**WELL NAME & NUMBER:** NBU 1022-18I  
**API NUMBER:** 43-047-37770  
**LEASE:** ML-22973 **FIELD/UNIT:** Natural Buttes  
**LOCATION:** 1/4, 1/4 NE/SE Sec: 18 TWP: 10S RNG: 22E ; 1592' FSL 803' FEL  
**LEGAL WELL SITING:** 460' from unit boundary and uncommitted tracts.  
**GPS COORD (UTM):** 4422656 Y 0630263 X **SURFACE OWNER:** State of Utah (SITLA)

**PARTICIPANTS**

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

**REGIONAL/SETTING TOPOGRAPHY**

General area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 22 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads.

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

This site is on the end of a small lateral ridge, which runs gently to the west. A draw exists to the north. Ridges to the north have layered sandstone outcrops and ledges. Two small drainages intersect the location and are planned to be diverted around the pad. No drainage problems are expected to occur. Approximately 90 feet of new road will be constructed from the road planned for NBU 1022-18J to the location.

**SURFACE USE PLAN**

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

**PROPOSED SURFACE DISTURBANCE:** Location of 350' x 193' and a reserve pit of 100' x 150' x 10 feet deep and an additional 15' wide bench. Approximately 90 feet of new road will be required. All material for the location and road will be obtained onsite.

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

**LOCATION OF PRODUCTION FACILITIES AND PIPELINES:** All production

facilities will be on location and added after drilling well. Pipeline will follow access road.

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

ANCILLARY FACILITIES: None will be required.

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

#### **WASTE MANAGEMENT PLAN:**

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

#### **ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: A poor desert type vegetation consisting of greasewood, shadscale, horsebrush and curly mesquite. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter.

SOIL TYPE AND CHARACTERISTICS: Gravely sandy loam.

EROSION/SEDIMENTATION/STABILITY: Little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems. Two small drainages intersect the location and will be diverted around the pad.

PALEONTOLOGICAL POTENTIAL: Survey completed by IPC on 9/27/05 and furnished for the file.

#### **RESERVE PIT**

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

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

#### **SURFACE RESTORATION/RECLAMATION PLAN**

As per SITLA requirements.

#### **SURFACE AGREEMENT:**

As per SITLA requirements.

**CULTURAL RESOURCES/ARCHAEOLOGY:** Site was surveyed by MOAC on 9/21/05. A copy has been furnished to SITLA.

**OTHER OBSERVATIONS/COMMENTS**

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

This predrill investigation was conducted on a cool sunny day.

**ATTACHMENTS**

Photos of this site were taken and placed on file.

FLOYD BARTLETT  
DOGM REPRESENTATIVE

02/24/06; 11:15 AM

DATE/TIME

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

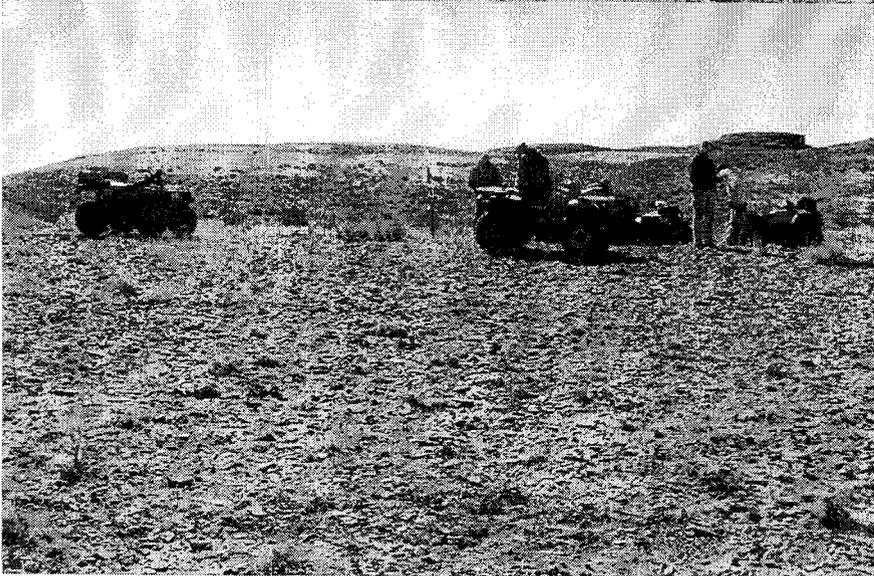
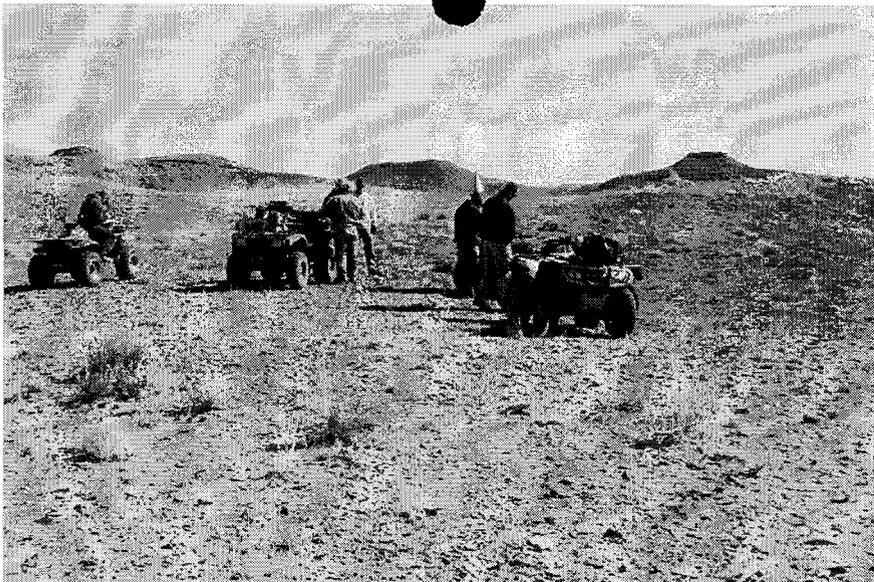
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	
Distance to Nearest Municipal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

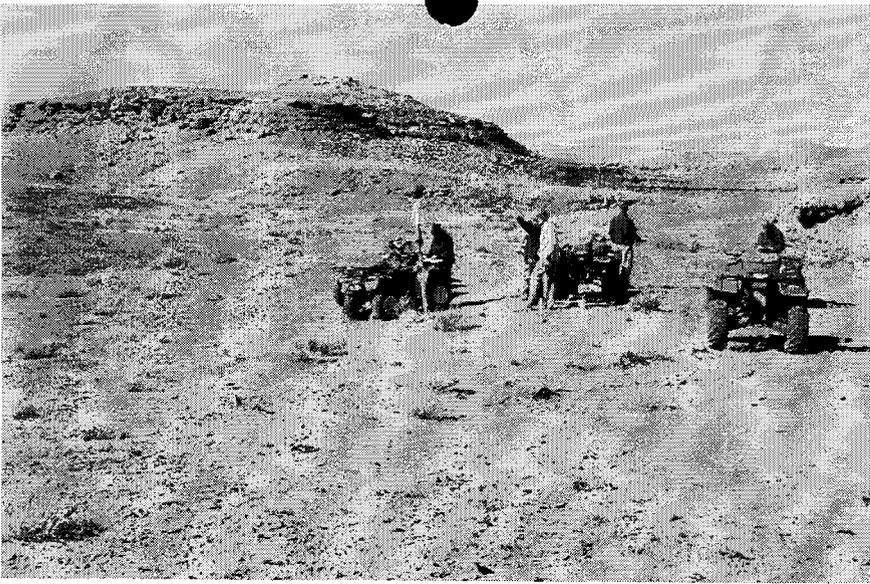
**Final Score**      25      (Level I Sensitivity)

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

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

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





03-06 Westport NBU 1022-181  
Casing Schematic

Clinta

Surface

9-5/8"  
MW 8.4  
Frac 19.3

TOC @ 0.  
TOC @ 0.  
1250 Green River  
1427 TOC Tail ✓ w/ 8% washout  
\* surface stop  
Surface  
1900. MD

BHP  
 $(1052)(11.5)(8900) = 5322$   
Anticipate 5518

G<sub>60</sub>  
 $(.12)(8900) = 1068$   
MASP = 4450

BOPE - 5,000 ✓

Seuf Csg - 2270  
70% = 1589

Max pressure @ Seuf Csg shoe = 3978  
✓ Test to 1500# (as proposed)

✓ Adequate Dred 3/14/06

4-1/2"  
MW 11.5

3735 TOC Tail  
4425 washout  
5200 Bmsw  
6850 Mesaverde

✓ w/ 17% washout

Production  
8900. MD

Well name:	<b>03-06 Westport NBU 1022-181</b>		
Operator:	<b>Westport Oil &amp; Gas</b>		
String type:	Surface	Project ID:	43-047-37770
Location:	Uintah County		

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 1,672 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 1,900 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 1,666 ft

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 102 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: 0 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 8,900 ft  
 Next mud weight: 11.500 ppg  
 Next setting BHP: 5,317 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 1,900 ft  
 Injection pressure: 1,900 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1900	9.625	32.30	H-40	ST&C	1900	1900	8.876	120.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	829	1370	1.652	1900	2270	1.19	54	254	4.72 J

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

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

Date: March 3, 2006  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1900 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>03-06 Westport NBU 1022-18I</b>		
Operator:	<b>Westport Oil &amp; Gas</b>		
String type:	Production	Project ID:	43-047-37770
Location:	Uintah County		

**Design parameters:**

**Collapse**

Mud weight: 11,500 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 4,249 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 5,317 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 7,370 ft

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 200 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8900	4.5	11.60	M-80	LT&C	8900	8900	3.875	206.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5317	6350	1.194	5317	7780	1.46	85	267	3.12 B

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

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

Date: March 3, 2006  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8900 ft, a mud weight of 11.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 2/22/2006 4:16:52 PM  
**Subject:** Well Clearance

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

Newfield Production Company

Gilsonite State G-32-8-17  
Gilsonite State H-32-8-17  
Gilsonite State M-32-8-17  
Gilsonite State N-32-8-17  
Gilsonite State Q-32-8-17  
Castle Draw State G-2-9-17  
Monument Butte State I-36-8-16  
Monument Butte State L-36-8-16  
Monument Butte State S-36-8-16

Westport Oil & Gas Company

NBU 1022-16J  
NBU 1022-16L  
NBU 1022-16P  
NBU 1022-18B  
NBU 1022-18D  
NBU 1022-18E  
NBU 1022-18G  
NBU 1022-18H  
NBU 1022-18I  
NBU 1022-18J  
NBU 1022-18N  
NBU 1022-18O  
NBU 1022-18P

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

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-922)

March 2, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

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

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

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

Page 2

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

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

/s/ Michael L. Coulthard

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



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

March 15, 2006

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

Re: Natural Buttes Unit 1022-18I Well, 1592' FSL, 803' FEL, NE SE, Sec. 18,  
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 43-047-37770.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Westport Oil & Gas Company, LP  
Well Name & Number Natural Buttes Unit 1022-18I  
API Number: 43-047-37770  
Lease: ML-22973

Location: NE SE                      Sec. 18                      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**

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

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

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

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

3. **Reporting Requirements**

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

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

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

Page 2

43-047-37770

March 15, 2006

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

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-22973

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

NATURAL BUTTES UNIT

8. WELL NAME and NUMBER:

NBU 1022-18I

9. API NUMBER:

4304737770

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:

1368 S. 1200 E.

CITY

VERNAL

STATE

UT

ZIP 84078

PHONE NUMBER:

(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1592'FSL, 803'FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 18 10S 22E

STATE:

UTAH

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

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

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

THE OPERATOR REQUESTS AUTHORIZATION TO CHANGE THE APPROVED PIPELINE ROUTE.  
THE OPERATOR PROPOSES TO INSTALL APPROXIMATELY 1900' +/- OF 4" STEEL PIPELINE AND APPROXIMATELY 79' +/- OF 4" STEEL PIPELINE TO BE BUTT WELDED.

PLEASE REFER TO THE ATTACHED TOPO MAP D FOR PIPELINE PLACEMENT.

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only

CC: SIFLA

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

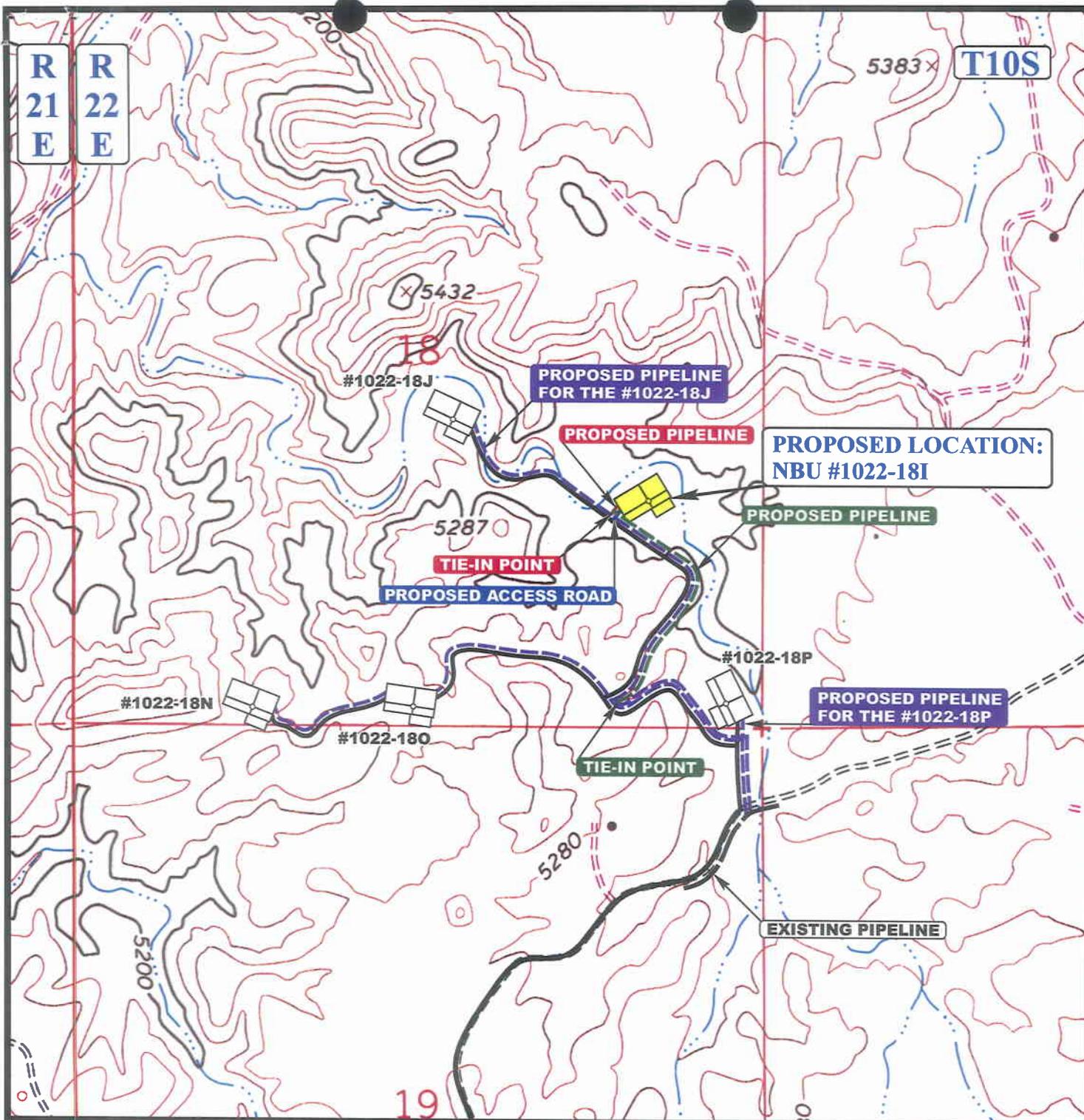
DATE 4/10/2006

(This space for State use only)

RECEIVED

APR 14 2006

DIV. OF OIL, GAS & MINING



APPROXIMATE TOTAL 4" PIPELINE DISTANCE = 1,900' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE = 79' +/-

**LEGEND:**

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



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

**NBU #1022-18I**

**SECTION 18, T10S, R22E, S.L.B.&M.**

**1592' FSL 803' FEL**



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

**TOPOGRAPHIC MAP**

**01 15 06**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 03-17-06



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: **1/6/2006**

<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
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: \_\_\_\_\_
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 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
- The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

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

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area

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

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

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

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

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

**RECEIVED**

**MAY 10 2006**

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203  
BIA BOND = RLB0005239*

**APPROVED 5116106**

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

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

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

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.

**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

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

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

**WESTPORT OIL & GAS COMPANY L.P.**

3a. Address

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

3b. Phone No. (include area code)

**(435) 781-7024**

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

**SEE ATTACHED**

8. Well Name and No.

**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

**UINTAH COUNTY, UTAH**

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

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

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

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

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

RECEIVED  
MAY 10 2006

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)

**BRAD LANEY**

Signature

Title

**ENGINEERING SPECIALIST**

Date

**May 9, 2006**

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by

*Brad Laney*

Title

Office

Date

**5-9-06**

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

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

# DIVISION OF OIL, GAS AND MINING

## SPUDDING INFORMATION

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

Well Name: NBU 1022-18I

Api No: 43-047-37770 Lease Type: STATE

Section 18 Township 10S Range 22E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # 1

### SPUDDED:

Date 11/27/06

Time 3:30 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 11/28/2006 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

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

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738100	NBU 921-25A		NENE	25	9S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>B</u>	99999	<u>2900</u>	11/28/2006			<u>11/30/06</u>	
Comments: <u>MIRU PETE MARTIN BUCKET RIG. WSMVD</u> <u>SPUD WELL LOCATION ON 11/28/2006 AT 1000 HRS.</u>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737013	NBU 920-26D		NWNW	26	9S,	20E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>B</u>	99999	<u>2900</u>	11/28/2006			<u>11/30/06</u>	
Comments: <u>MIRU PETE MARTIN BUCKET RIG. WSMVD</u> <u>SPUD WELL LOCATION ON 11/28/2006 AT 1600 HRS.</u>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737770	NBU 1022-18I		NESE	18	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>B</u>	99999	<u>2900</u>	11/27/2006			<u>11/30/06</u>	
Comments: <u>MIRU ROCKY MTN BUCKET RIG. WSMVD</u> <u>SPUD WELL LOCATION ON 11/27/2006 AT 1330 HRS.</u>							

**ACTION CODES:**

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

SHEILA UPCHEGO

Name (Please Print)

*[Signature]*

Signature

SENIOR LAND SPECIALIST 11/30/2006

Title

Date

**RECEIVED**

NOV 30 2006

DIV. OF OIL, GAS & MINING

(9/2000) To: PARIGNE RUSSELL From: SHEILA UPCHEGO  
Co./Dept: UTDOGIM Co: KME  
Phone #: (801) 538-5330 Phone #: (435) 781-7024  
Fax #: (801) 359-3940 Fax: (435) 781-7094

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-22973**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**NBU 1022-18I**

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

9. API NUMBER:  
**4304737770**

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

PHONE NUMBER:  
**(435) 781-7024**

10. FIELD AND POOL, OR WILDCAT:  
**NATURAL BUTTES**

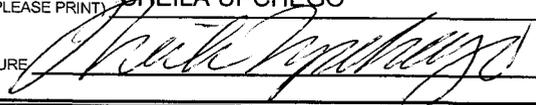
4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1592'FNL, 803'FEL**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 18 10S 22E**

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

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
**MIRU ROCKY MTN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.**  
  
**SPUD WELL LOCATION ON 11/27/2006 AT 1330 HRS.**

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

TITLE **SENIOR LAND ADMIN SPECIALIST**  
DATE **11/30/2006**

(This space for State use only)

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

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-22973**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**NBU 1022-181**

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

9. API NUMBER:  
**4304737770**

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

PHONE NUMBER:  
**(435) 781-7024**

10. FIELD AND POOL, OR WILDCAT:  
**NATURAL BUTTES**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1592'FNL, 803'FEL**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 18 10S 22E**

COUNTY: **UINTAH**

STATE: **UTAH**

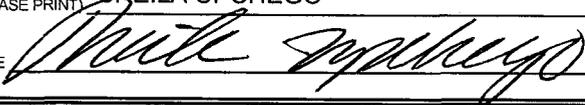
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

MIRU BILL MARTIN AIR RIG ON 11/29/2006. DRILLED 12 1/4" SURFACE HOLE TO 2010'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TAILED CMT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT. TOP OUT W/325 SX PREM CLASS G @15.8 PPG 1.15 YIELD. CMT TO SURFACE HOLE STAYED FULL.

WORT

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

TITLE **SENIOR LAND ADMIN SPECIALIST**  
DATE **12/4/2006**

(This space for State use only)

**RECEIVED**

**DEC 11 2006**

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

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-22973</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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>UNIT #891008900A</b>
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		8. WELL NAME and NUMBER: <b>NBU 1022-181</b>
3. ADDRESS OF OPERATOR: <b>1368 SOUTH 1200 EAST</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>	PHONE NUMBER: <b>(435) 781-7024</b>	9. API NUMBER: <b>4304737770</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1592'FNL, 803'FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESE 18 10S 22E</b>		COUNTY: <b>UINTAH</b>
		STATE: <b>UTAH</b>

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

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

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

**THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 02/13/2007 AT 10:50 AM.**

**PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY**

NAME (PLEASE PRINT) <b>SHEILA UPCHEGO</b>	TITLE <b>SENIOR LAND ADMIN SPECIALIST</b>
SIGNATURE	DATE <b>2/14/2007</b>

(This space for State use only)

**RECEIVED**  
**FEB 20 2007**



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

### CHRONOLOGICAL WELL HISTORY

**NBU 1022-18I**

NESE, SEC. 18, T10S, R22E  
 UINTAH COUNTY, UT

DATE	Activity		Status
11/10/06	Location is 10% Complete	Pioneer 38	
11/13/06	Location is 20% Complete	Pioneer 38	
11/14/06	Location is 30% Complete	Pioneer 38	
11/15/06	Location is 40% Complete	Pioneer 38	
11/16/06	Location is 40% Complete	Pioneer 38	DRLG
11/20/06	Location is 40% Complete	Pioneer 38	DRLG
11/21/06	Location is 50% Complete	Pioneer 38	
11/22/06	Location is 60% Complete	Pioneer 38	
11/24/06	Location is 70% Complete	Pioneer 38	
11/27/06	LOCATION COMPLETE SET CONDUCTOR	Pioneer 38	P/L IN, WOBR
11/29/06	9 5/8" @ 1991' AIR RIG SPUD	Pioneer 38	WORT
01/08/07	TD: 2010' Csg. 9 5/8"@ 1992' MW: 8.4 SD: 1/XX/06 DSS: 0 Move to NBU 1022-18I. RURT. NU BOPE @ report time.		
01/09/07	TD: 2275' Csg. 9 5/8"@ 1992' MW: 8.4 SD: 1/9/07 DSS: 0 NU and test BOPE. PU BHA and DP and drill FE. Rotary Spud @ 0230 hrs 1/9/07. Drill from 2010'-2275'. DA @ report time.		
01/10/07	TD: 4000' Csg. 9 5/8"@ 1992' MW: 9.5 SD: 1/9/07 DSS: 2 Drill from 2275'-4000'. DA @ report time.		
01/11/07	TD: 5138' Csg. 9 5/8"@ 1992' MW: 9.8 SD: 1/9/07 DSS: 3 Drill from 4000'-5138'. DA @ report time.		
01/12/07	TD: 6120' Csg. 9 5/8"@ 1992' MW: 10.0 SD: 1/9/07 DSS: 4		

Drill from 5138'-6120'. DA @ report time.

01/15/07

TD: 7600' Csg. 9 5/8"@ 1992' MW: 10.4 SD: 1/9/07 DSS: 7  
Drill from 6120'-7450'. TFNB and MM. Drill to 7600'. DA @ report time.

01/16/07

TD: 8107' Csg. 9 5/8"@ 1992' MW: 10.6 SD: 1/9/07 DSS: 8  
Drill from 7600'-8107'. DA @ report time.

01/17/07

TD: 8134' Csg. 9 5/8"@ 1992' MW: 10.7 SD: 1/9/07 DSS: 9  
Drill from 8107'-8134'. Thaw out fill-up line. TFNB. TIH to 8066'. Thaw water system on rig @ report time.

01/18/07

TD: 8330' Csg. 9 5/8"@ 1992' MW: 11.0 SD: 1/9/07 DSS: 10  
Thaw water system on rig. FIH and ream to 8134'. Drill from 8134'-8330'. DA @ report time.

01/19/07

TD: 8413' Csg. 9 5/8"@ 1992' MW: 11.0 SD: 1/9/07 DSS: 11  
Drill from 8330'-8413'. TFNB and MM. TIH @ report time.

01/22/07

TD: 8880' Csg. 9 5/8"@ 1992' MW: 11.9 SD: 1/9/07 DSS: 14  
Drill from 8413'-8880' TD. CCH and short trip to 7462'. Lay down drill string. Run Triple Combo. Run 4 1/2" Production Casing. Circulate out gas prior to cementing casing.

01/23/07

TD: 8880' Csg. 9 5/8"@ 1992' MW: 11.9 SD: 1/9/07 DSS: 14  
Hold safety meeting with BJ. Mix and pump lead cement and 2/3 of tail cement. Mixing pump failed with 84 bbls cement left to pump. Turn to rig pumps, circulate out cement and build mud volume. Circulate gas out on choke. CC mud and build mud weight. Re load cement bins and CCH. RU BJ and pressure test lines @ report time.

01/24/07

TD: 8880' Csg. 9 5/8"@ 1992' MW: 11.9 SD: 1/9/07 DSS: 16  
Cement production casing. ND BOPE, set slips and release rig @ 1800 hrs 1/23/07. RDRT @ report time.

02/06/07

**MIRU**

Days On Completion: 1  
Remarks: HSM. RD RIG, RACK OUT EQUIP. RR & EQUIP FR NBU 1022-4 A TO LOC. SPOT RIG & EQUIP. ND WH, NU BOP. PU ROCK 3-7/8" ROCK BIT, PREP TALLY & PU 104 JT TBG, RIH TO 3200'. POOH, STAND BACK 52 STANDS. ND BOP, NU FRAC VALVES. MIRU B&C QUICK TEST. PRES TEST FRAC VALVES & CSG TO 7500 PSI. RDMO B&C. TENT OFF WELL HEAD, PREP TO FRAC IN MORNING. RU HEATER TO WH. MIRU HOT OIL EXPRESS TO HEAT FRAC TNKS. SWI.

02/07/07

**FRAC**

Days On Completion: 2  
Remarks: MIRU WEATHERFORD FRACTURING TECH (WFT) & CUTTERS WIRELINE SERVICE (CWLS). HSM. PRES TEST SURF LINE TO 8500 PSI. ALL STAGES WILL USE NALCO DVE-005 SCALE INHIBITOR (3 GPT IN PAD THRU HALF OF THE 1ST RAMP OF SAND & 10 GPT IN FLUSH); PERF GUNS WILL BE 3-3/8" EXPENDABLE (23 GM CHG, 40" PENE, 0.36" HOLE, 3 OR 4 SPF-120 OR 90 DEGREE PHASING RESPECTIVELY); 30/50

OTTAWA SAND; RESIN COATED SND WILL BE THE LAST 5,000 LBS OF SAND; SLICK WATER; CBPs ARE HALLIBURTON 10K 4.5". HSM.

STAGE 1: PU PERF GUN. RIH, PERF: 8724-26', 8638-40', 8552-57' & 8382-85'. 3, 4, 4 & 4 SPF EA RESPECTIVELY. TOT OF 46 HOLES. MU WFT.OW: 0 PSI, BRK: 3806 PSI, ISIP: 2463 PSI, FG: 0.72. ER: 51 BPM @ 4300 PSI. POC: 65%. FRAC STG W/SW. TOT SND: 65,501 LBS, TOT FL: 1752 BBL. ISIP: 2702 PSI, FG: 0.75. MP: 7048 PSI, MR: 53.5 BPM, AP: 4051 PSI, AR: 49.5 BPM. MU CWLS.

STAGE 2: PU CBP & PERF GUN. RIH, SET CBP @ 8300'. PU, PERF: 8266-70', 8198-8201', 8115-17', 8082-83' & 8034-36'. 4, 4, 3, 4 & 4 SPF EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WFT. OW: 1090 PSI, BRK: 4815 PSI, ISIP: 3340 PSI, FG: 0.84. ER: 50 BPM @ 4250 PSI. POC: 100%. TOT SND: 63,265 LBS, TOT FL: 1661.4 BPM. ISIP: 2578 PSI, FG: 0.75. MP: 6446 PSI, MR: 52.5 BPM, AP: 4129 PSI, AR: 50.1 BPM. MU CWLS.

STAGE 3: PU CBP & PERF GUN. RIH, SET CBP @ 7782'. PU, PERF: 7747-52', 7611-13', 7544-46' & 7509-13'. 4, 4, 3 & 3 SPF EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. OW: 750 PSI, BRK: 2716 PSI, ISIP: 1979 PSI, FG: 0.69. ER: 50.2 BPM @ 3950 PSI. POC: 61%. TOT SND: 52,500 LBS, TOT FL: 1401 BBL. ISIP: 2580 PSI, FG: 0.77. MP: 4342 PSI, MR: 51.7 BPM, AP: 3749 PSI, AR: 50.1 BPM. MU CWLS.

STAGE 4: PU CBP & PERF GUN. RIH, SET CBP @ 7457'. PU, PERF: 7423-27', 7337-40' & 7296-7301'. 4, 3 & 4 SPF EA RESPECTIVELY. TOT OF 45 HOLES. POOH, LD WL TLS. MU WFT. OW: 230 PSI, BRK: 3432 PSI, ISIP: 2105 PSI, FG: 0.72. ER: 50.2 BPM @ 4280 PSI. POC: 60%. TOT SND: 34,960 LBS, TOT FL: 980 BBL. ISIP: 2806 PSI, FG: 0.81. MP: 4384 PSI, MR: 51.1 BPM, AP: 3799 PSI, AR: 50.2 BPM. MU CWLS.

STAGE 5: PU CBP & PERF GUN. RIH, SET CBP @ 7165'. PU, PERF: 7116-21', 6964-66', 6877-79' & 6838-41'. 4, 4, 3 & 4 SPF RESPECTIVELY. POOH, LD WL TLS.

02/08/07

#### FRAC

Days On Completion: 3

Remarks: ALL STAGES WILL USE NALCO DVE-005 SCALE INHIBITOR (3 GPT IN PAD THRU HALF OF THE 1ST RAMP OF SAND & 10 GPT IN FLUSH); PERF GUNS WILL BE 3-3/8" EXPENDABLE (23 GM CHG, 40" PENE, 0.36" HOLE, 3 OR 4 SPF-120 OR 90 DEGREE PHASING RESPECTIVELY); 30/50 OTTAWA SAND; RESIN COATED SND WILL BE THE LAST 5,000 LBS OF SAND; SLICK WATER; CBPs ARE HALLIBURTON 10K 4.5".HSM.

STAGE 5: OW: 530 PSI, BRK: 2328 PSI, ISIP: 1770 PSI, FG: 0.69. ER: 57 BPM @ 3600 BPM. POC: 78%. FRAC STG W/SW. TOT SND: 60,412, TOT FL: 1617 BBL. ISIP: 2277 PSI, FG: 0.76. MP: 5329 PSI, MR: 57.4 BPM, AP: 3489 PSI, AR: 51.5 BPM. MU CWLS.

STAGE 6: PU CBP & PERF GUN. RIH, SET CBP @ 5842'. PU, PERF: 5809-12', 5777-82', 5727-29' & 5538-40'. 4, 4, 3 & 4 SPF EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WFT.OW: 150 PSI, BRK: 2943 PSI, ISIP: 1681 PSI, FG: 0.73. ER: 50.6 BPM @ 2850 PSI. POC-100%. FRAC STG W/SW. TOT SND: 17,773 LBS, TOT FL: 546 BBL. ISIP: 1691 PSI, FG: 0.73. MP: 4681 PSI, MR: 63.2 BPM, AP: 2788 PSI, AR: 50.4 BPM. MU CWLS.

STAGE 7: PU CBP & PERF GUN. RIH SET CBP @ 5046', PU, PERF: 5006-16', 4 SPF, TOT OF 40 HOLES. POOH, LD WL TLS. MU WFT.OW: 280 PSI, BRK: 2426 PSI, ISIP: 1182 PSI, FG: 0.67. ER: 51 BPM @ 3300 PSI. POC: 63%. FRAC STG W/SW. TOT SND: 16,886 LBS, TOT FL: 522 BBL, ISIP: 2265 PSI, FG: 0.89. MP: 3889 PSI, MR: 51.5 BPM, AP: 3228 PSI, AR: 51.3 BPM. MU CWLS. PU KILL PLUG. RIH, SET PLUG @ 4960'. POOH, LD WL TLS. RDMO CWLS & WFT. RD RIG FLR, ND FRAC VALVES, NU BOP, RU FLR. PU BIT & FE POBS, RIH W/BIT SUB & TBG. TAG KILL PLUG @ 4960'. X-OVER EQUIP TO PWR SWVL, RU PMP TO SWVL. D/O PLUGS AS LISTED:

CBP#	FILL DPTH	CBP DPTH	D/O MINS	PRES INCR
1	4960'	4960'	15	400 PSI
2	5016'	5046'	25	300

02/09/07

**D/O PLUGS**

Days On Completion: 4

Remarks: RIH W/BIT POBS & TBG, TAG PLUG #3 @ 6300'. EST CIRC. D/O PLUGS:

CBP#	FILL DPTH	CBP DPTH	D/O MINS	PRES INCR (PSI)
3	5827'	5842'	40	200
4	7120'	7165'	30	300
5	7445'	7457'	30	600
6	7770'	7782'	28	400
7	8285'	8300'	35	0

CONT TO CLN OUT TO PBTD. POOH, LD 46 JTS ON FLOAT. 247 JT IN HOLE (7685.49') TOT OF 293 JTS ON LOC. PU HNGR LAND TBG W/247 JTS IN HOLE (7685.49') IN HOLES. RD FLR, ND BOP, NU WH. DROP BALL. RU FL TO PIT, RU PMP TO WELL. PMP OFF BIT & SUB. FLOW WELL TO PIT, TURN WELL OVER TO FBC (KEN D. OF DELSCO).

02/11/07

**FLOW BACK REPORT:** CP: 1775#, TP: 1650#, 35 BWPH, 18/64 CHK, TTL BBLS FLWD: 965  
TODAYS LTR: 3649 BBLS, TTL LOAD RECD TO DATE: 4830 BBLS

02/12/07

**FLOW BACK REPORT:** CP: 2000#, TP: 1700#, 30 BWPH, 18/64 CHK, TTL BBLS FLWD: 770  
TODAYS LTR: 2879 BBLS, TTL LOAD RECD TO DATE: 5600 BBLS

02/13/07

**WELL WENT ON SALES:** @ 10:50 AM, 2400 MCF, TBG 1850, CSG 2250, 18/64 CK, 35 BBWH  
**FLOW BACK REPORT:** CP: 2250#, TP: 1725#, 25 BWPH, 18/64 CHK, TTL BBLS FLWD: 600  
TODAYS LTR: 2279 BBLS, TTL LOAD RECD TO DATE: 6200 BBLS

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-22973</b>
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		7. UNIT or CA AGREEMENT NAME <b>UNIT #891008900A</b>
3. ADDRESS OF OPERATOR: <b>1368 S 1200 E CITY VERNAL STATE UT ZIP 84078</b>		8. WELL NAME and NUMBER: <b>NBU 1022-181</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>1592'FNL, 803'FEL</b>  AT TOP PRODUCING INTERVAL REPORTED BELOW:  AT TOTAL DEPTH:		9. API NUMBER: <b>4304737770</b>
10. FIELD AND POOL, OR WILDCAT <b>NATURAL BUTTES</b>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NESE 18 10S 22E</b>
12. COUNTY <b>UINTAH</b>		13. STATE <b>UTAH</b>

14. DATE SPUNDED: <b>11/27/2006</b>	15. DATE T.D. REACHED: <b>1/21/2007</b>	16. DATE COMPLETED: <b>2/13/2007</b>	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): <b>5187'GL</b>
18. TOTAL DEPTH: MD <b>8,880</b> TVD	19. PLUG BACK T.D.: MD <b>8,829</b> TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) <b>CBL-CCL-GR</b>			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		2,010		650			
7 7/8"	4 1/2 I-80	11.6#		8,880		1638			

**25. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7.705							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) WASATCH	5,006	5,812			5,006 5,812	0.36	86	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) WSTCH/MESA	6,838	7,121			6,838 7,121	0.36	46	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C) MESAVERDE	7,296	8,726			7,296 8,726	0.36	183	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5006'-5812'	PMP 1068 BBLs SLICK H2O & 34,659# 30/50 OTTOWA SD
6838'-7121'	PMP 1617 BBLs SLICK H2O & 60,412# 30/50 OTTOWA SD
7296'-8726'	PMP 5794 BBLs SLICK H2O & 216,226# 30/50 OTTOWA SD

29. ENCLOSED ATTACHMENTS: <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____ <input type="checkbox"/> DIRECTIONAL SURVEY	30. WELL STATUS:  <b>PROD</b>
--	-------------------------------------

**MAR 16 2007**  
DIV. OF OIL, GAS & MINING

**RECEIVED**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 2/13/2007		TEST DATE: 2/28/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,519	WATER - BBL: 350	PROD. METHOD: FLOWING
CHOKE SIZE: 19/64	TBG. PRESS. 1,183	CSG. PRESS. 1,636	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,519	WATER - BBL: 350	INTERVAL STATUS: PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 2/13/2007		TEST DATE: 2/28/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,519	WATER - BBL: 350	PROD. METHOD: FLOWING
CHOKE SIZE: 19/64	TBG. PRESS. 1,183	CSG. PRESS. 1,636	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,519	WATER - BBL: 350	INTERVAL STATUS: PROD

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED: 2/13/2007		TEST DATE: 2/28/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,519	WATER - BBL: 350	PROD. METHOD: FLOWING
CHOKE SIZE: 19/64	TBG. PRESS. 1,183	CSG. PRESS. 1,636	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,519	WATER - BBL: 350	INTERVAL STATUS: PROD

INTERVAL D (As shown in item #26)

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

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

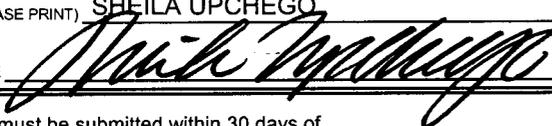
33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,247 6,788	6,788			

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST  
 SIGNATURE  DATE 3/12/2007

This report must be submitted within 30 days of

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

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

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

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

<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> ML-22973
<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 1022-18I
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047377700000
<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> 1592 FSL 0803 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 18 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 checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 9/1/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: Gas Lift

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

The operator requests authorization to implement artificial gas lift in the subject well. The associated pipeline right of way is being filed for and permitted under separate cover with SITLA. Please see attached gas lift measurement formula, downhole configuration proposal, and topo map of the project area.

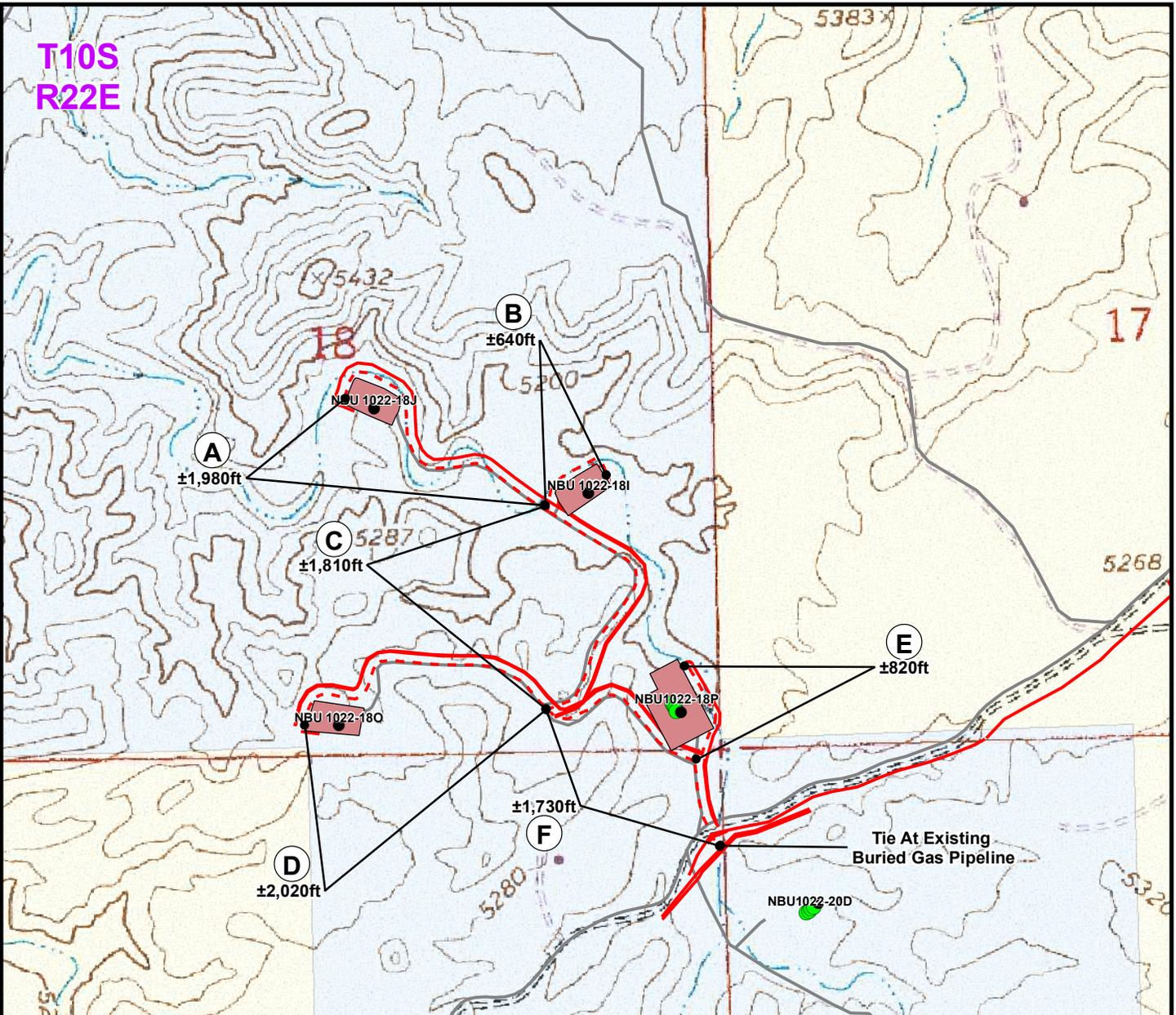
**Approved by the Utah Division of Oil, Gas and Mining**

**Date:** July 20, 2010

**By:** *Derek [Signature]*

<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> 7/14/2010

T10S  
R22E



Proposed Gas Pipeline	Size	Length
A	2"	1,980ft
B	2"	640ft
C	4"	1,810ft
D	2"	2,020ft
E	2"	820ft
F	4"	1,730ft

Note:  
All proposed gas lift pipelines (A - F)  
will be constructed as surface pipelines.

**Legend**

- Well - Proposed
- Well - Existing
- Bottom Hole - Proposed
- Well Path
- Well Pad
- - - Gas Pipeline - Proposed
- · - · - Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- - - Road - Proposed
- Road - Existing
- Bureau of Land Management
- Indian Reservation
- State
- Private

Total Length of Proposed Pipelines = ±9,000ft  
(Measured to Edge of Each Pad)

**Kerr-McGee Oil & Gas Onshore, LP**  
1099 18th Street, Denver, Colorado 80202

**609**  
CONSULTING, LLC  
371 Coffeen Avenue  
Sheridan, WY 82801  
Phone (307) 674-0609  
Fax (307) 674-0182



**EXHIBIT A**  
**GAS LIFT PROJECT**  
**PROPOSED PIPELINES**  
LOCATED IN SECTION 18, T10S, R22E  
S.L.B.&M., UINTAH COUNTY, UTAH

Scale: 1" = 1,000ft	NAD83 USP Central	<b>EXHIBIT A</b>
Drawn: TL	Date: 15 July 2010	
Revised:	Date:	

**Section 18-10S-22E Gas Lift Proposal**

**Change of Measurement**

The purpose of this change of measurement is to account for additional gas circulated in the wellbore during "gas lift" operations.

"Lift Gas" volumes and BTU content will be measured through a calibrated orifice meter. Reported "Formation Production" will be the BTU difference between the "Sales Meter" and "Lift Gas Meter." The calculation is shown below:

	Sales Meter:	BTU Content	x	Volume
-	Lift Gas Meter:	BTU Content	x	Volume
	Formation Production	BTU Content	x	Volume

Gas meters will be tested twice annually for BTU content.

**Downhole Change of Configuration**

The purpose of the new configuration is to operate this well with the "gas lift" mode of artificial lift. The installation will include a packer set above the perforation interval and gas lift valves & mandrels spaced throughout the tubing string. "Lift Gas" will be circulated from the casing-tubing annulus, pass through gas lift valves, and be produced with formation production. "Gas lift" is a proven artificial lift method in the Rockies region for high liquid rate wells such as this.

**Purpose of Pipeline**

The proposed surface pipeline will tap into the Bitter Creek Compressor's high-pressure discharge pipeline and extend back to the casing valve of each wellhead below. The purpose of this pipeline is to supply the well with "Lift Gas" from the Bitter Creek Compressor Station, therefore enabling the "gas lift" mode of artificial lift.

The associated gas lift pipeline ROW is being filed for and obtained under separate cover with SITLA.



<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> ML-22973
<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 1022-181
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047377700000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6456
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1592 FSL 0803 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 18 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: 12/14/2016	<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 type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="WORKOVER"/>

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

A WELLBORE CLEANOUT HAS BEEN COMPLETED ON THE NBU 1022-181 WELL. PLEASE SEE THE ATTACHED OPERATIONS SUMMARY REPORT FOR DETAILS.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 December 30, 2016

<b>NAME (PLEASE PRINT)</b> Candice Barber	<b>PHONE NUMBER</b> 435 781-9749	<b>TITLE</b> HSE Representative
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/20/2016	

**US ROCKIES REGION  
Operation Summary Report**

Well: NBU 1022-18I		Spud date: 1/9/2007	
Project: UTAH-UINTAH		Site: NBU 1022-18I	Rig name no.: MILES 2/2
Event: WELL WORK EXPENSE		Start date: 12/12/2016	End date: 12/14/2016
Active datum: RKB @5,206.99usft (above Mean Sea Level)		UWI: NBU 1022-18I	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
12/12/2016	7:00 - 7:15	0.25	MAINT	48		P		HSM/ JSA
	7:15 - 17:00	9.75	MAINT	31	S	P		RDMO 1022-180, MOVE RIG & EQUIP, MIRU SPOT EQUIP, SICP 900 PSI, CONTROL WELL W/ 30 BBLS TMAC, NDWH, NUBOP, PU 14 JTS TBG RIH TAG FILL @ 8419", POOH LD 14 JTS TBG, MIRU SCAN TECH, POOH SCAN 257 JTS TBG, 125 YELLOW & 132 RED, RDMO SCAN TECH, PU 3 7/8" MILL, XN SN, & POBS, TALLY PU RIH W/ 70 JTS TBG EOT @ 2263', SWI, DRAIN UP EQUIP, SDFN.
12/13/2016	7:00 - 7:15	0.25	MAINT	48		P		HSM/ JSA
	7:15 - 17:30	10.25	MAINT	44	D	P		SICP 400 PSI, CONT TO RIH W/ 174 JTS TBG (244 TOTAL) TAG @ 7776', RU PWR SWVL, MIRU WTRFD FOAM & N2 UNITS BRK CIRC, C/O TO 8232' CIRC 30 MIN, C/O TO 8456', CIRC CLN, POOH STD BK 22 JTS TBG REMOVE SF EOT @ 7776', SWI, DRAIN UP EQUIP, SDFN.
12/14/2016	7:00 - 7:15	0.25	MAINT	48		P		HSM/ JSA
	7:15 - 17:00	9.75	MAINT	44	D	P		SICP 650 PSI, RIH W/ 22 JTS TBG TAG @ 8456', BRK CIRC W/ FOAM & N2, C/O TO PBTD @ 8828', CIRC CLN, RD PWR SWVL, POOH LD 26 JTS TBG, LAND TBG W/ 251 JTS EOT @ 8005', RD FLOOR & TBG EQUIP, NDWH, NUBOP, DROP BALL POBS @ 1500 PSI, RDMO WTRFD, BROACH TBG TO SN, SWI, RDMO, MOVE RIG & EQUIP TO NATURAL COTTON 23-18, SDFN.  KB- 17' HANGER- .83' 251 JTS 2 3/8" J55- 7985.16' POBS W/ XN SN- 2.20' EOT @ 8005.19' PBTD- 8828'