

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-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 1022-18J	
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: 2158' FSL 2171' FEL AT PROPOSED PRODUCING ZONE:				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 18 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 22.25 MILES SOUTHEAST OF OURAY, UTAH				12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2171'		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.): 5171.6' GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION: TO BE DETERMINED	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
	14"			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

25. ATTACHMENTS

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

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

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

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37772

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

Date: 03-15-06
[Signature]

**RECEIVED
FEB 14 2006**

DIV. OF OIL, GAS & MINING

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

Kerr-McGee Oil & Gas Onshore LP

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

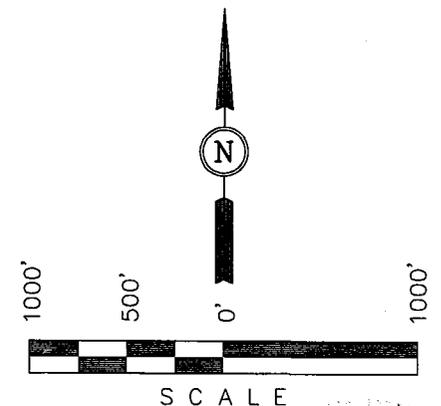
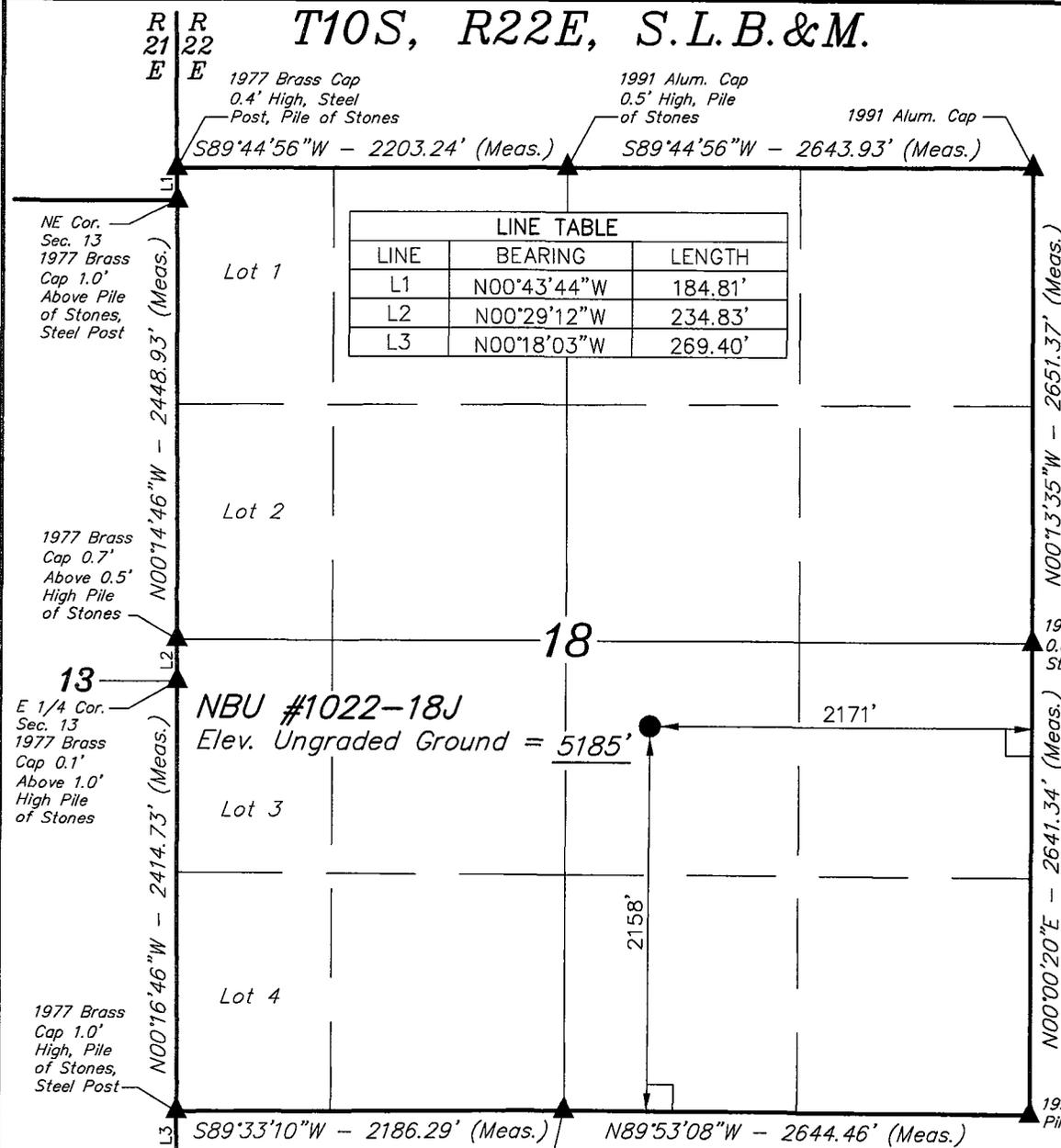
BASIS OF ELEVATION

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, UTAH 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'



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

REVISED: 01-15-06

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
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 COLD	FILE Kerr-McGee Oil & Gas Onshore LP	

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

(NAD 83)
 LATITUDE = 39°56'51.32" (39.947589)
 LONGITUDE = 109°28'50.86" (109.480794)
 (NAD 27)
 LATITUDE = 39°56'51.44" (39.947622)
 LONGITUDE = 109°28'48.40" (109.480111)

SE Cor. Sec 13
 1977 Brass Cap
 0.5' Above 3.0'
 High Pile of
 Stones, Steel
 Post

1991 Alum. Cap
 0.1' Above 2.0'
 High Pile of
 Stones, Steel
 Post

NBU 1022-18J
NWSE 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**

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	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
Option 2	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

DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

NBU 1022-18J
NWSE 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 0.6 miles 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 3108' 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 #1022-18J
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 TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 53.75 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18J

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

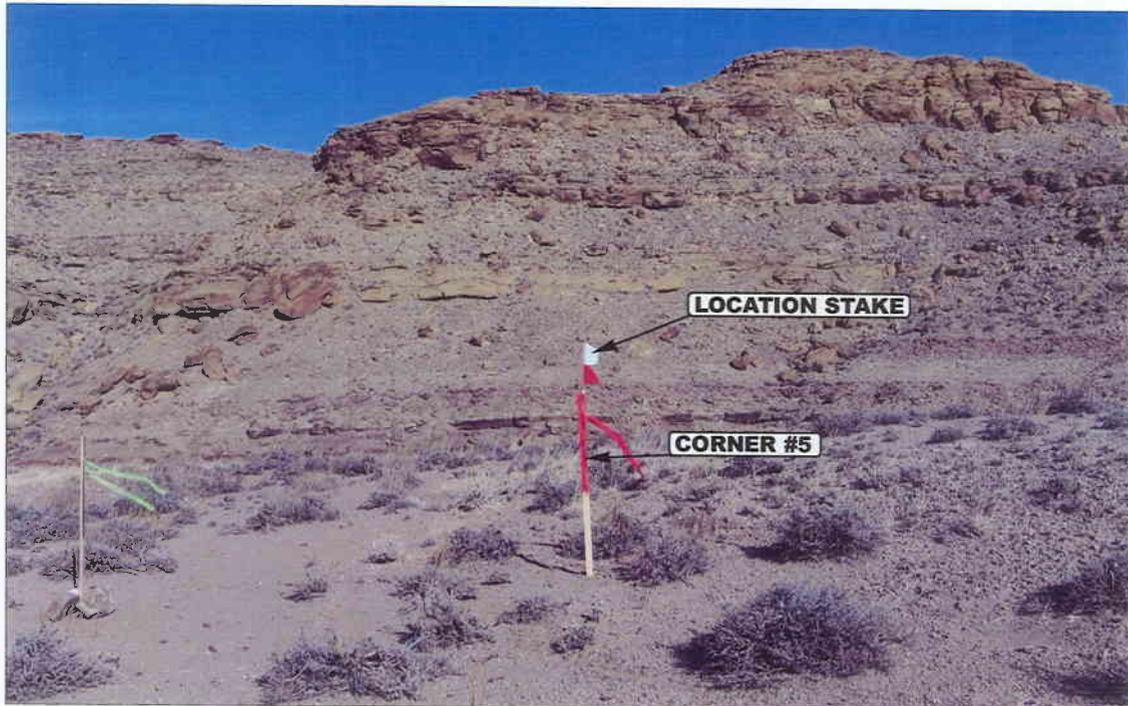


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



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 #1022-18J

PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH

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

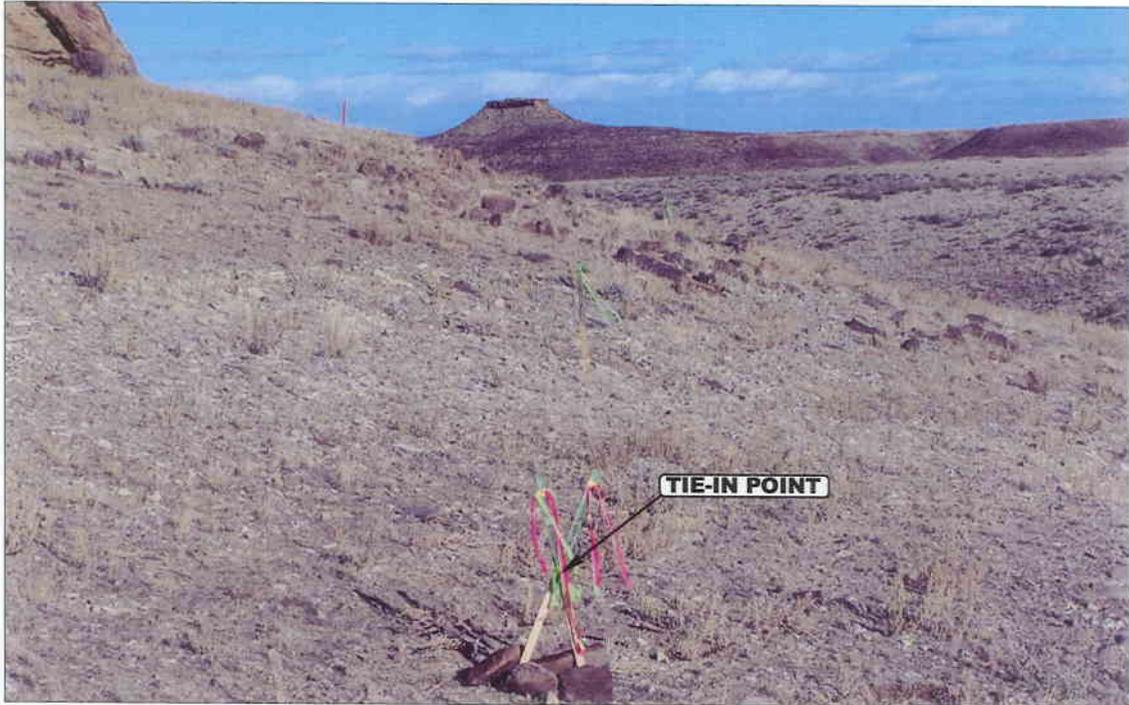


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: WESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

PIPELINE PHOTOS

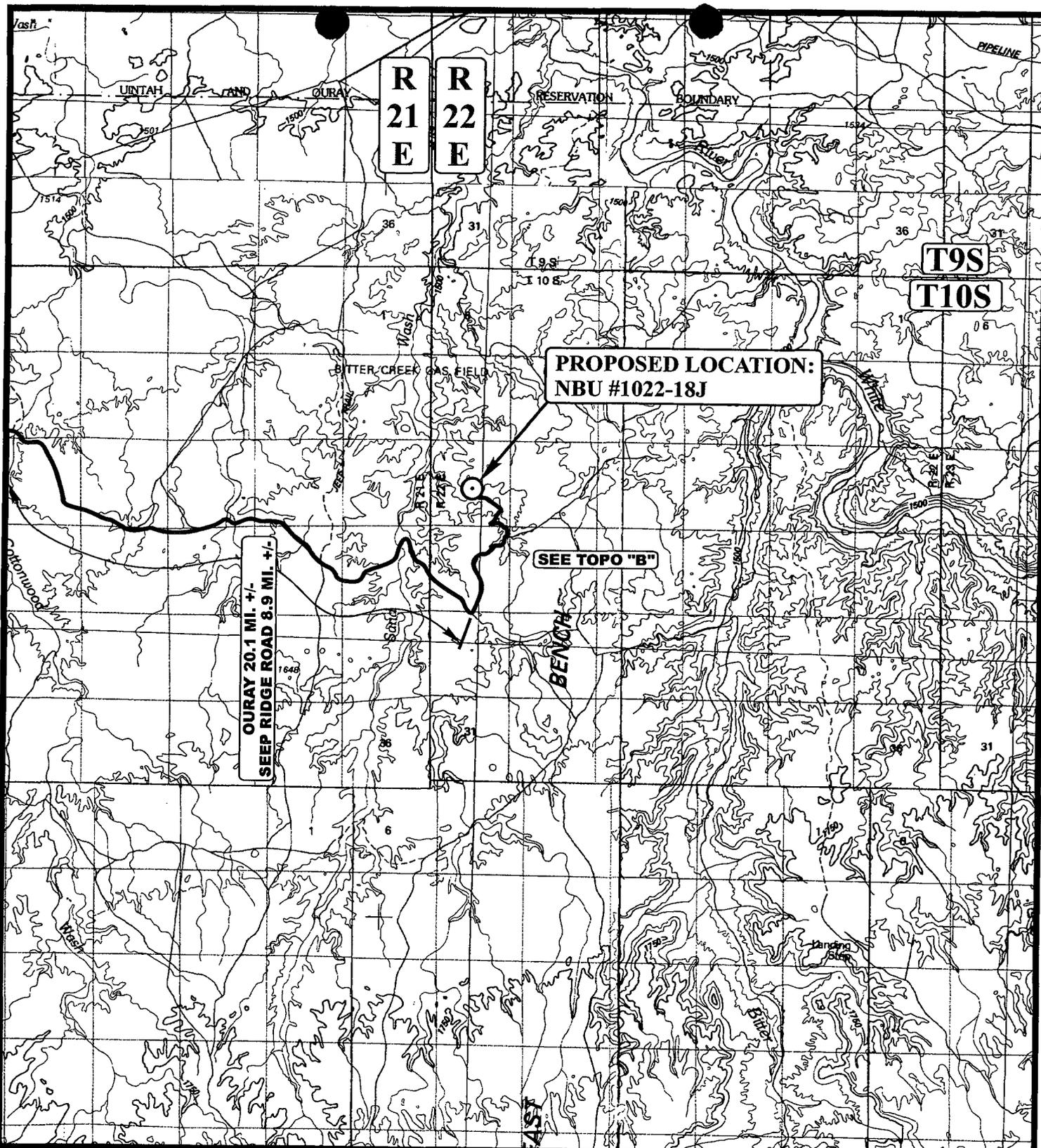
11 30 05
MONTH DAY YEAR

PHOTO

TAKEN BY: T.A.

DRAWN BY: C.P.

REVISED: 01-15-06



LEGEND:

⊙ PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18J

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

2158' FSL 2171' FEL

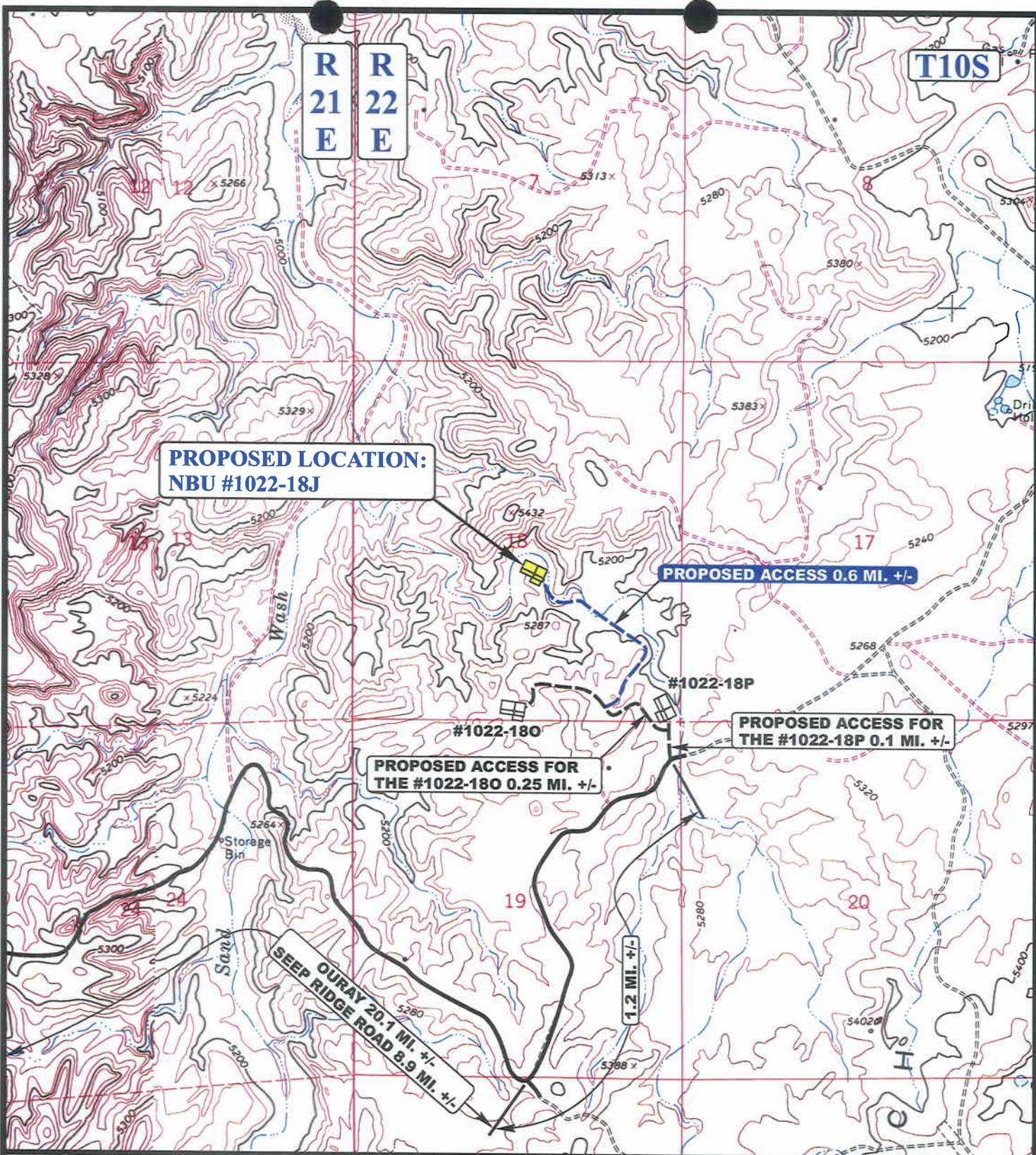


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 11 30 05
MAP MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 01-15-06





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

PROPOSED ACCESS 0.6 MI. +/-

**PROPOSED ACCESS FOR
THE #1022-18P 0.1 MI. +/-**

**PROPOSED ACCESS FOR
THE #1022-180 0.25 MI. +/-**

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

1.2 MI. +/-

LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

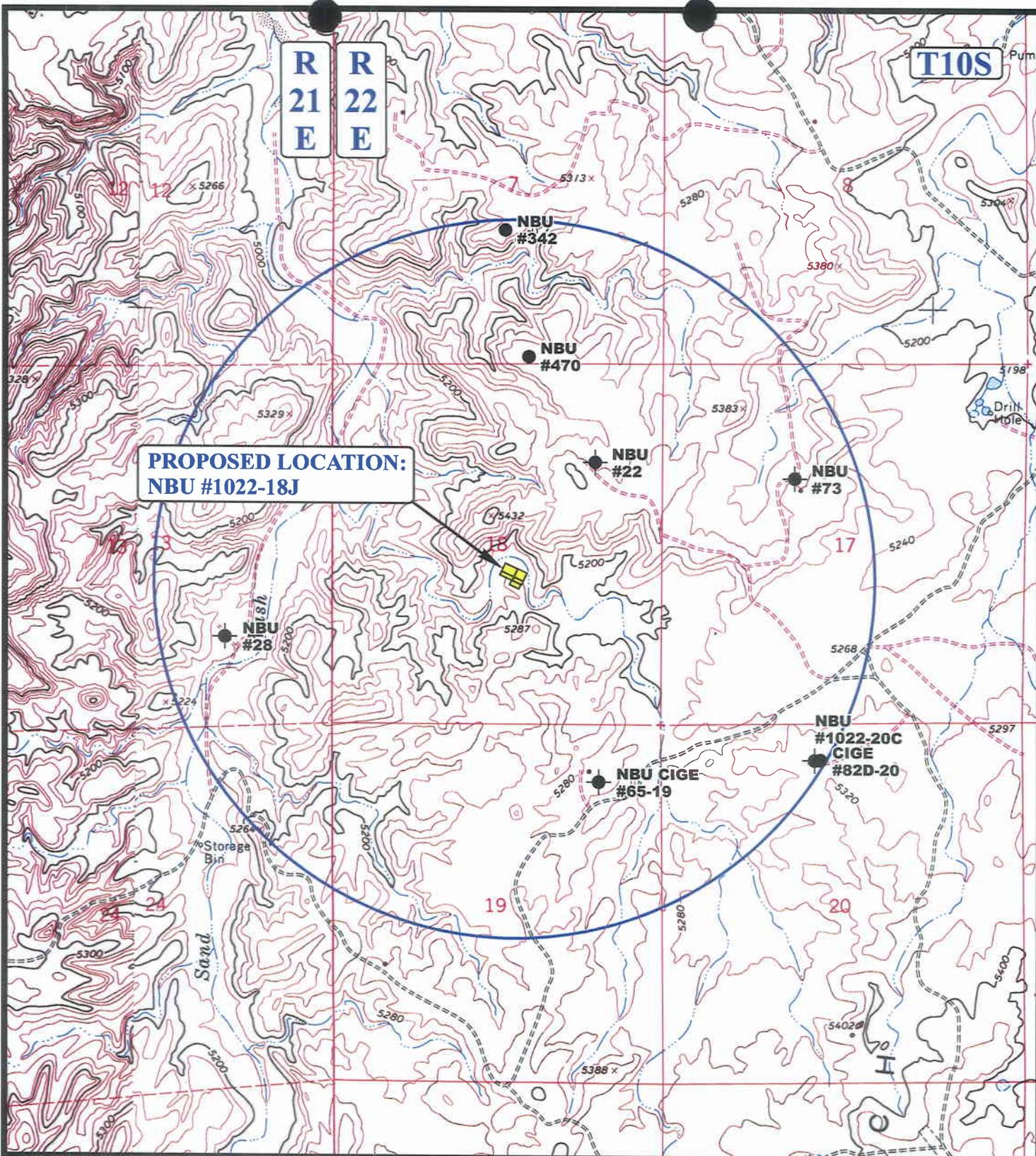


Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18J
SECTION 18, T10S, R22E, S.L.B.&M.
2158' FSL 2171' 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 **B**
TOPO



LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18J
SECTION 18, T10S, R22E, S.L.B.&M.
2158' FSL 2171' FEL

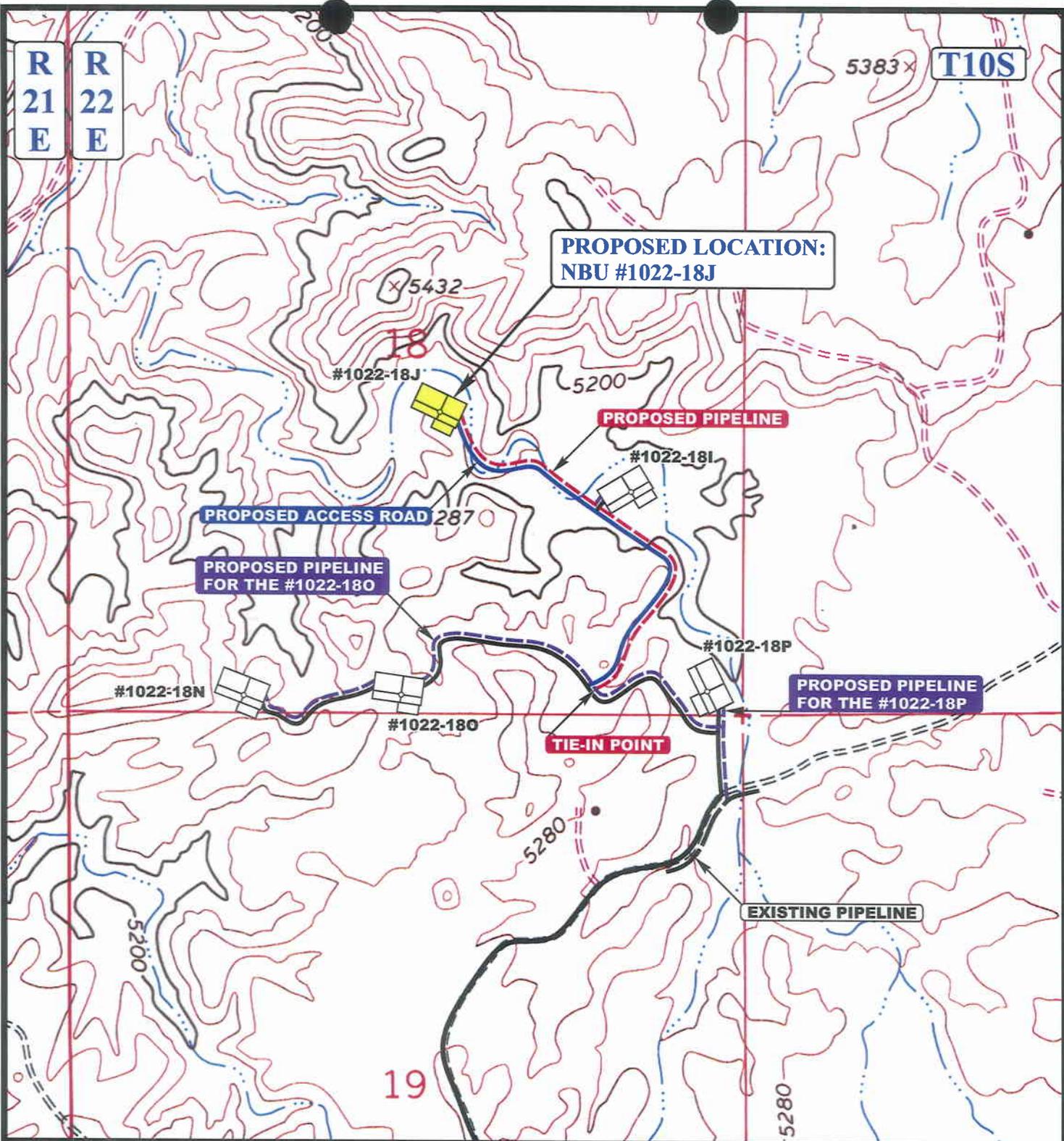


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TOPOGRAPHIC **11 30 05**
MAP MONTH DAY YEAR

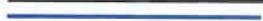
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 01-15-06





APPROXIMATE TOTAL PIPELINE DISTANCE = 3,108' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18J
SECTION 18, T10S, R22E, S.L.B.&M.
2158' FSL 2171' FEL

UELS **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" = 1000' DRAWN BY: C.P. REVISED: 01-15-06 **D**
 TOPO

Kerr-McGee Oil & Gas Onshore LP

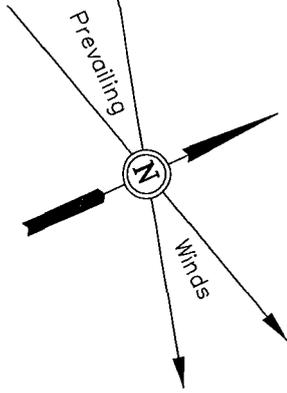
FIGURE #1

LOCATION LAYOUT FOR

NBU #1022-18J

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

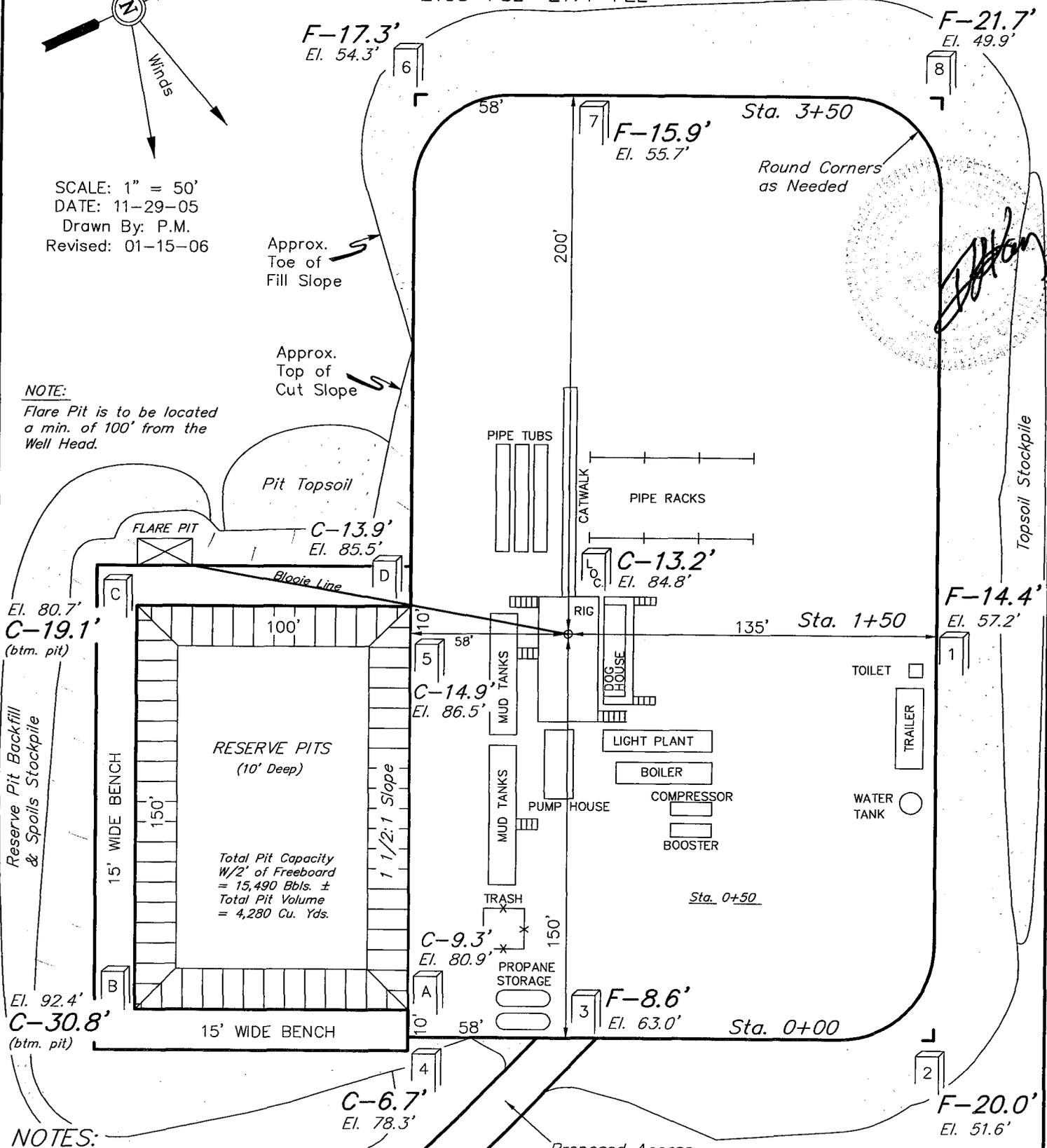
2158' FSL 2171' FEL



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

NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5184.8'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5171.6'

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

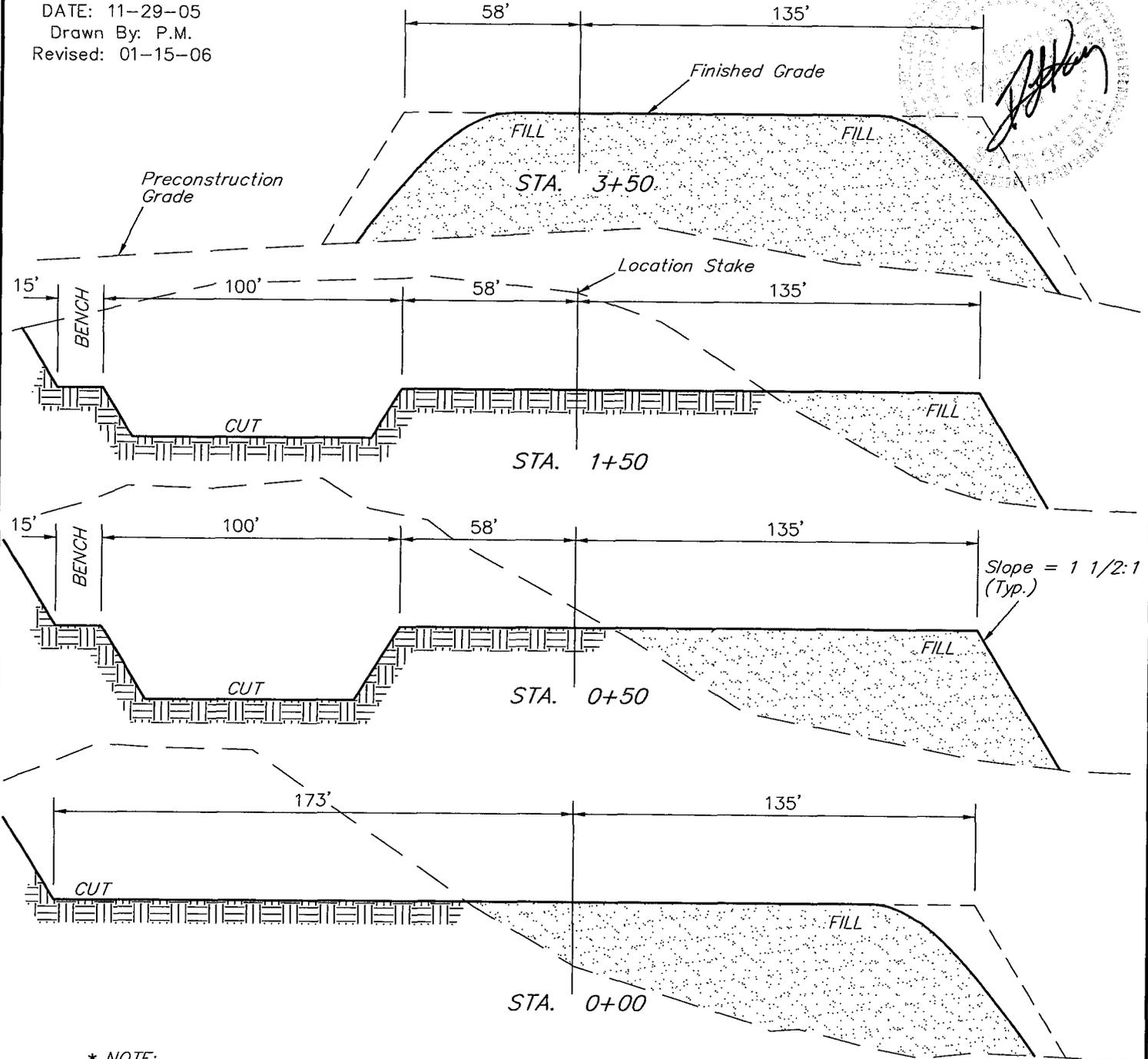
NBU #1022-18J

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

2158' FSL 2171' FEL

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

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



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 2,350 Cu. Yds.
Remaining Location	= 26,030 Cu. Yds.
TOTAL CUT	= 28,380 CU.YDS.
FILL	= 23,890 CU.YDS.

EXCESS MATERIAL	= 4,490 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,490 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/14/2006

API NO. ASSIGNED: 43-047-37772

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

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:
 NWSE 18 100S 220E
 SURFACE: 2158 FSL 2171 FEL
 BOTTOM: 2158 FSL 2171 FEL
 COUNTY: UINTAH
 LATITUDE: 39.94749 LONGITUDE: -109.4801
 UTM SURF EASTINGS: 629844 NORTHINGS: 4422825
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	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

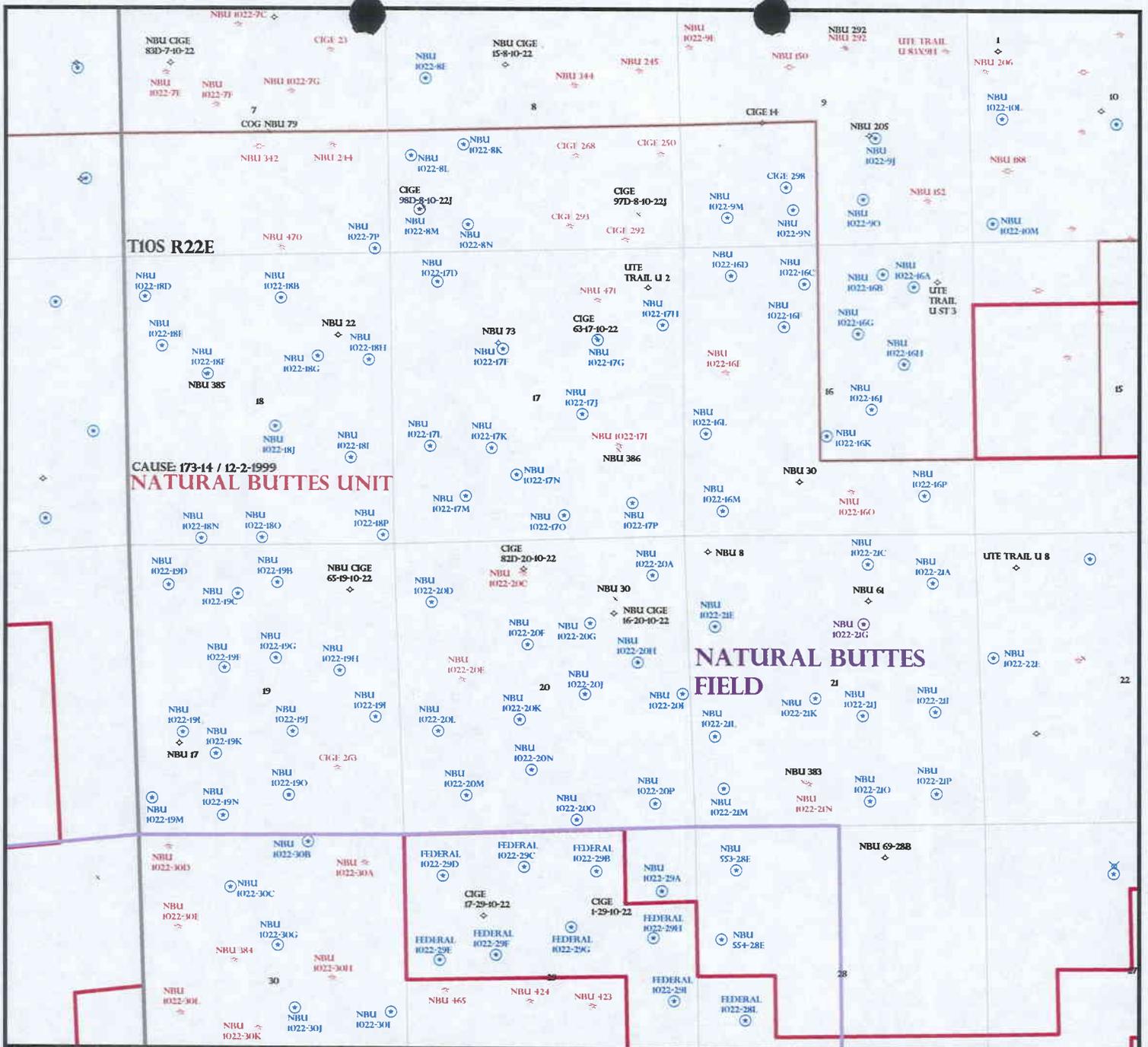
 R649-3-3. Exception

Drilling Unit
 Board Cause No: 173-14
 Eff Date: 12-2-99
 Siting: 460' fr uhd'g & Wneamm trace

 R649-3-11. Directional Drill

COMMENTS: Needs Permit (02-24-06)

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



OPERATOR: WESTPORT O&G CO (N2115)

SEC: 16,18,19 T. 10S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

Field Status	
	ABANDONED
	ACTIVE
	COMBINED
	INACTIVE
	PROPOSED
	STORAGE
	TERMINATED

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

Wells Status

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



PREPARED BY: DIANA WHITNEY
DATE: 16-FEBRUARY-2006

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

OPERATOR: Westport Oil & Gas Company, L.P.
WELL NAME & NUMBER: NBU 1022-18J
API NUMBER: 43-047-37772
LOCATION: 1/4,1/4 NW/SE Sec: 18 TWP: 10S RNG: 22E; 2158' FSL 2171' 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 will be somewhat difficult to construct considering the steep topography but should be stable when completed. It appears to be the best location for drilling a well in the immediate area.

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 1022-18J
API NUMBER: 43-047-37772
LEASE: ML-22973 **FIELD/UNIT:** Natural Buttes
LOCATION: 1/4, 1/4 NW/SE Sec: 18 TWP: 10S RNG: 22E ; 2158' FSL 2171' FEL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): 4422825 Y 0629844 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 a difficult location on the end of a ridge immediately adjacent to an active sub-drainage of Sand Wash. A ridge lies to the north with sharp slopes on both sides. Cut at the wellhead location is 13.9 feet. Following construction no drainage problems are anticipated. Ridges to the north have layered sandstone outcrops and ledges. Approximately 0.6 miles of new road will be constructed from the road planned for NBU 1022-180 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 0.6 miles 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 3108 feet in length will follow access road.

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

ANCILLARY FACILITIES: None will be required.

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

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: A poor desert type vegetation consisting of black sage brush, curly mesquite grass and needle and thread grass. 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.

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 east side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

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

SURFACE RESTORATION/RECLAMATION PLAN

As per SITLA requirements.

SURFACE AGREEMENT:

As per SITLA requirements.

CULTURAL RESOURCES/ARCHAEOLOGY: Site was surveyed by MOAC on 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; 11:30 AM

DATE/TIME

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

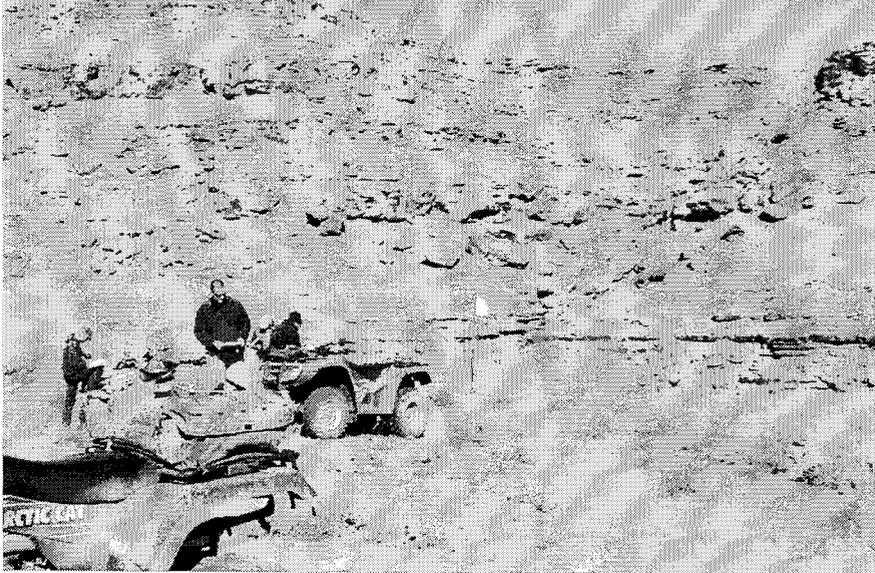
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	
Distance to Nearest Municipal 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.





Casing Schematic

Uinta

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
0.

1250 Green River

1427 TOC Tail ✓ w/ 8% Washout
Surface St. A

Surface
1900. MD

BHP

$$(.052)(11.5)(8900) = 5322$$

Anticipate 5518

MAS

$$(.12)(8900) = 1068$$

MASP = 4450

BOPE - 5,000 ✓

Surf Csg - 2270

70% = 1589

Max pressure @ Surf Csg shoe = 3978

✓ Test to 1500# (as proposed)

3735 TOC Tail

4405 Wasatch

✓ w/ 17% Washout

5200 BMSW

6850 Mesa Verde

✓ Adequate
DWD 3/14/06

4-1/2"
MW 11.5

Production
8900. MD

Well name:	03-06 Westport NBU 1022-18J		
Operator:	Westport Oil & Gas		
String type:	Surface	Project ID:	43-047-37772
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: Surface

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:	03-06 Westport NBU 1022-18J		
Operator:	Westport Oil & Gas		
String type:	Production	Project ID:	43-047-37772
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: 1 ft

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.

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 1022-18J Well, 2158' FSL, 2171' FEL, NW 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 43-047-37772.

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 1022-18J
API Number: 43-047-37772
Lease: ML-22973

Location: NW 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

43-047-37772

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

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT OR CA AGREEMENT NAME:
NATURAL BUTTES UNIT

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 1022-18J

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

9. API NUMBER:
43-047-3777 2

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

PHONE NUMBER:
(435) 781-7024

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2158'FSL, 2171'FEL
COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: PIPELINE CHANGE
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

THE OPERATOR REQUESTS AUTHORIZATION TO CHANGE THE EXISTING PIPELINE PROPOSED IN THE ORIGINAL APD. AN ON-SITE WAS CONDUCTED ON 02/23/2006 WITH THE UTDGDM REPRESENTATIVE. WHILE CONDUCTING THE ON-SITE INSPECTION IT WAS DECIDED TO CHANGE THE PIPELINE TO A TOTAL OF APPROXIMATELY 3108' +/- OF 4" AND APPROXIMATELY 1900' +/- OF 4" PIPELINE IS PROPOSED.

PLEASE REFER TO THE ATTACHED TOPO MAP D.

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

TITLE REGULATORY ANALYST
DATE 3/13/2006

(This space for State use only)

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

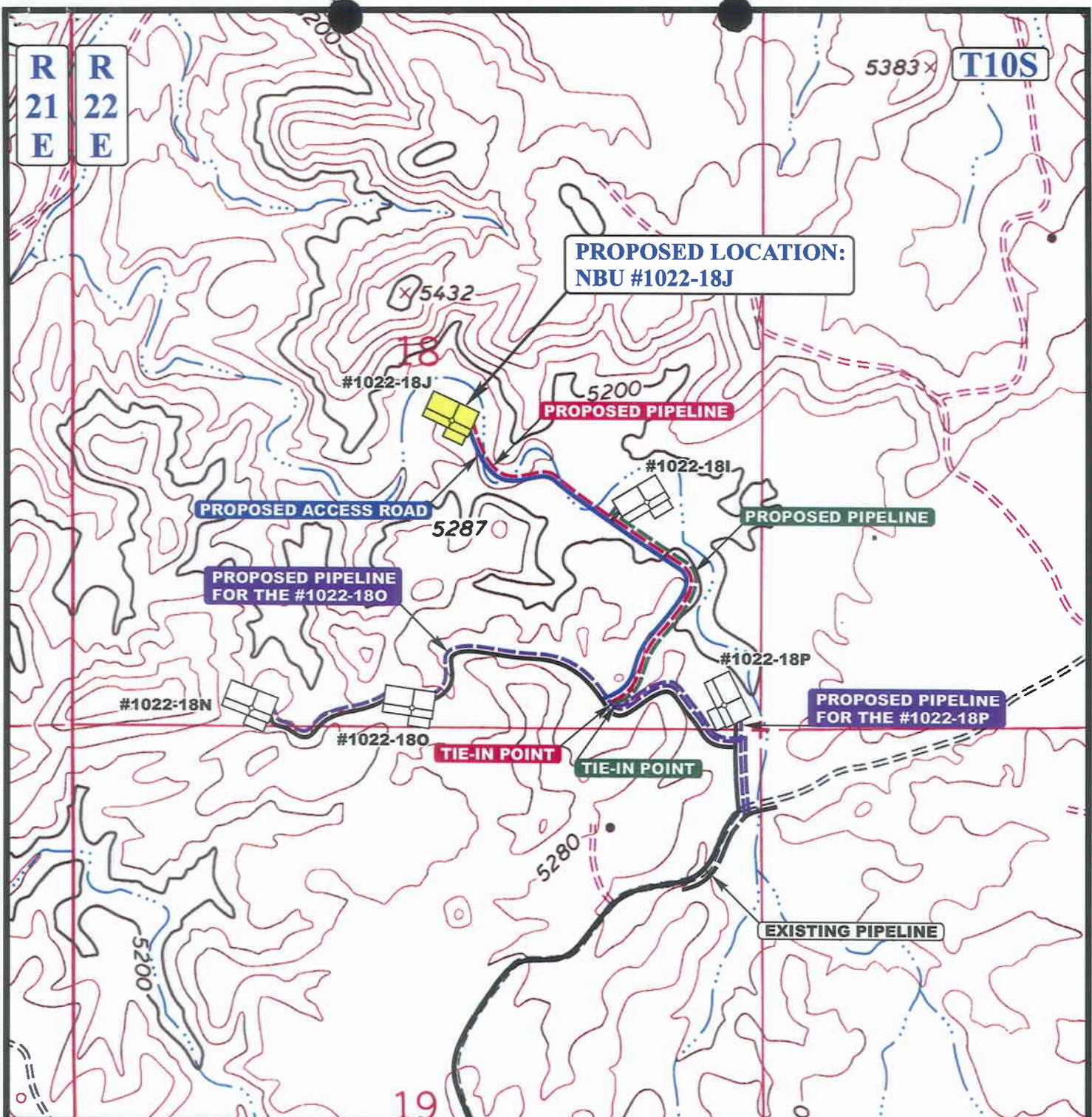
(See Instructions on Reverse Side)

RECEIVED
MAR 23 2006

(5/2000)

*Approval should be obtained from appropriate land management Agency/owner

DIV OF OIL, GAS & MINING
management Agency/owner



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

APPROXIMATE TOTAL PIPELINE DISTANCE = 3,108' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18J

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

2158' FSL 2171' 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: 03-07-06



Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

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

1/6/2006

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

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

CA No.		Unit:		NATURAL BUTTES UNIT				
WELL NAME	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
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

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

BOND VERIFICATION:

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

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

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

RECEIVED
MAY 10 2006

BLM BOND = C01203
BIA BOND = RLB0005239

APPROVED 5116106

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

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY L.P.

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

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

SEE ATTACHED

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

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

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

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

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

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

RECEIVED
MAY 10 2006

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)

BRAD LANEY

Title

ENGINEERING SPECIALIST

Signature

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Brad Laney

Title

Date

5-9-06

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

Office

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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-Mc-GEE OIL & GAS ONSHORE LP

Well Name: NBU 1022-18J

Api No: 43-047-37772 Lease Type: STATE

Section 18 Township 10S Range 22E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # BUCKET

SPUDDED:

Date 10/09/06

Time 2:00 PM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 10/10/06 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737772	NBU 1022-18J		NWSE	18	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	10/9/2006		10/12/06		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 10/09/2006 AT 1400 HRS							

Well 2

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

Well 3

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

ACTION CODES:

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

SHEILA UPCHEGO

Name (Please Print) _____
 Signature *[Handwritten Signature]*
 REGULATORY ANALYST 10/10/2006
 Title _____ Date

(5/2000)

To: <u>GARLENE Russell</u>	From: <u>Sheila Upchego</u>
Co./Dept: <u>UTDOG M</u>	Co.: <u>KMG</u>
Phone: <u>(801) 538-5330</u>	Phone: <u>(435) 781-7024</u>
Fax: <u>(801) 389-2940</u>	Fax: <u>(435) 781-7094</u>

RECEIVED

OCT 10 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
			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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: NBU 1022-18J	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		9. API NUMBER: 4304737772	
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: 2158'FSL, 2171'FEL		COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 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 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>WELL SPUD</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 PETE MARTIN 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 10/09/2006 AT 1400 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE	DATE 10/10/2006

(This space for State use only)

OCT 11 2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
			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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: NBU 1022-18J		9. API NUMBER: 4304737772
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2158'FSL, 2171'FEL		COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 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 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 JR'S AIR RIG ON 10/11/2006. DRILLED 12 1/4" SURFACE HOLE TO 1975'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT. TOP OUT W/100 SX CLASS G @15.8 PPG 1.15 YIELD DOWN BACKSIDE. 2ND TOP OUT W/125 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 3RD TOP OUT W/100 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE CMT TO SURFACE HOLE STAYED FULL.

WORT

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>REGULATORY ANALYST</u>
SIGNATURE	DATE <u>10/17/2006</u>

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NOV 01 2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
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2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 1022-18J
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304737772
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2158'FSL, 2171'FEL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: FINAL DRILLING OPERATIONS

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

FINISHED DRILLING FROM 1975' TO 8960' ON 12/03/2006. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/324 SX PREM LITE II @11.6 PPG 3.38 YIELD. TAILED CMT W/1255 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACED W/138 BBLs CLAYFIX FINAL LIFT 2600 PSI BUMP PLUG 3200 PSI FLOATS HELD. SET SLIPS W/100K NIPPLE DOWN MAKE ROUGH CUT ON CSG. CLEAN PITS.

RELEASED PIONEER RIG 38 ON 12/05/2006 AT 0700 HRS.

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE	DATE <u>12/5/2006</u>

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RECEIVED
DEC 11 2006

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

FORM 9

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2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 1022-18J
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304737772
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2158'FSL, 2171'FEL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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"/> 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: PRODUCTION START-UP
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 01/06/2007 AT 10:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE 1/8/2007

(This space for State use only)

RECEIVED
JAN 11 2007

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

CHRONOLOGICAL WELL HISTORY

NBU 1022-18J

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

BUILD LOCATION: AFE# 806196D

	Activity		Status
09/08/06	Building Location, 10% Complete	Pioneer 38	
09/11/06	Building Location, 20% Complete	Pioneer 38	
09/12/06	Building Location, 30% Complete	Pioneer 38	
09/13/06	Building Location, 40% Complete	Pioneer 38	
09/14/06	Building Location, 45% Complete	Pioneer 38	
09/15/06	Building Location, 45% Complete	Pioneer 38	
09/18/06	Building Location, 45% Complete	Pioneer 38	DRLG
09/22/06	Building Location, 45% Complete	Pioneer 38	DRLG
09/25/06	Building Location, 55% Complete	Pioneer 38	
09/26/06	Building Location, 65% Complete	Pioneer 38	
09/27/06	Building Location, 70% Complete	Pioneer 38	
09/28/06	Building Location, 75% Complete	Pioneer 38	
09/29/06	Building Location, 80% Complete	Pioneer 38	
10/02/06	Building Location, 85% Complete	Pioneer 38	
10/03/06	Building Location, 90% Complete	Pioneer 38	
10/04/06	Building Location, 95% Complete	Pioneer 38	
10/05/06	LOCATION COMPLETE, 100 P/L IN	Pioneer 38	WOBR
10/09/06	SET CONDUCTOR	Pioneer 38	WORT
10/11/06	AIR RIG SPUD, DRLG	Pioneer 38	WORT
11/14/06	TD: 1975' Csg. 9 5/8"@ 1956' Move to NBU 1022-18J. RURT. Work on mud pump.	MW: 8.3	SD: 11/XX/06 DSS: 0

11/15/06	TD: 1975' Csg. 9 5/8"@ 1956' Rig on repair. Working on mud pumps.	MW: 8.3	SD: 11/XX/06	DSS: 0
11/16/06	TD: 1975' Csg. 9 5/8"@ 1956' Rig on repair. Working on mud pumps.	MW: 8.3	SD: 11/XX/06	DSS: 0
11/17/06	TD: 1975' Csg. 9 5/8"@ 1956' Rig on repair. Working on mud pumps.	MW: 8.3	SD: 11/XX/06	DSS: 0
11/20/06	TD: 1975' Csg. 9 5/8"@ 1956' Rig on repair. Mud pump should leave Casper this morning.	MW: 8.3	SD: 11/XX/06	DSS: 0
11/21/06	TD: 1975' Csg. 9 5/8"@ 1956' NU and test BOPE. PU BHA and DP. Wait on #2 pump f/ Casper. Rig on repair @report time.	MW: 8.3	SD: 11/XX/06	DSS: 0
11/22/06	TD: 1975' Csg. 9 5/8"@ 1956' Wait on #2 pump f/ Casper. Pump on location late pm. Prep to install pump @report time.	MW: 8.3	SD: 11/XX/06	DSS: 0
11/27/06	TD: 6700' Csg. 9 5/8"@ 1956' Drill from 4180'-5516'. POOH to shoe and repair generator. Change swivel packing. POOH and check bit and motor. TIH and drill from 5516'-6700'. DA @report time.	MW: 10.1	SD: 11/22/06	DSS: 5
11/28/06	TD: 7163' Csg. 9 5/8"@ 1956' Drill from 6700'-7163'. DA @report time.	MW: 10.5	SD: 11/22/06	DSS: 6
11/29/06	TD: 7447' Csg. 9 5/8"@ 1956' TFNB. Drill from 7163'-7447'. DA @report time.	MW: 10.6	SD: 11/22/06	DSS: 7
11/30/06	TD: 8302' Csg. 9 5/8"@ 1956' DSS: 8 Drill from 7447'-8302'. Pump pill and TFNB @ report time.	MW: 10.9	SD: 11/22/06	
11/30/06	TD: 8715' Csg. 9 5/8"@ 1956' Finish bit trip. Drill f/ 8302'-8715'. DA @ report time.	MW: 10.9	SD: 11/22/06	DSS: 9
12/03/06	TD: 8960' Csg. 9 5/8"@ 1956' Drill from 8715'-8904'. TFNB and lay down MM. TIH with tri-cone bit and drill to 8960' TD. CCH for casing. Lay down drill string. Run Triple Combo. Run and cement 4 1/2" Production Casing @ report time.	MW: 11.7	SD: 11/22/06	DSS: 12
12/04/06	TD: 8960' Csg. 9 5/8"@ 1956' DSS: 13	MW: 11.7	SD: 11/22/06	

Finish cementing 4 1/2" Production Casing. Set slips and release rig @ 1600 hrs 12/2/06. RDRT. WOC.

01/02/07

FRAC

Days On Completion: 6

Remarks: MIRU WEATHERFORD PUMPING SERVICE & CUTTERS WIRELINE SERVICE. HSM. ALL STAGES WILL USE NALCO DVE-005 SCALE INHIBITOR (3 GPT IN PAD THRU MID SND & 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 IN LAST 5 THOUSAND LBS OF SND; SLICK WATER; CBPs ARE BAKER 8K 4.5".

STG 1: OW: 1430 PSI, BRK: 3406 PSI, ISIP: 2281 PSI, FG: 0.69. ER: 50 BPM @ 3850 PSI. POC- 76%. FRAC STG W/SW. TOT SND: 43,070 LBS, TOT FL: 1268 BBL. ISIP: 2729 PSI. ISIP: 2729 PSI, FG: 0.75. MP: 5325 PSI, MR: 52.6 BPM, AP: 3885 PSI, AR: 47.3 BPM. MU CWLS.

STG 2: PU CBP & PERF GUN. RIH, SET CBP @ 8537'. PU, PERF: 8505-07', 8422-25', 8390-92' & 8293-98'. 4,4,3 & 4 SFP EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WPS. OW: 0 PSI, BRK: 4874 PSI, ISIP: 3695 PSI, FG: 0.87. ER: 49.5 BPM @ 4800 PSI. POC: 72%. FRAC STG W/SW. TOT SND: 33,470 LBS, TOT FL: 891 BBL. ISIP: 3012 PSI, FG: 0.79. MP: 6189 PSI, MR: 52.8 BPM, AP: 4099 PSI, AR: 50.1 BPM. MU CWLS.

STG 3: PU CBP & PERF GUN. RIH, SET CBP @ 8198'. PU, PERF: 8154-64'. 4 SPF, TOT OF 40 HOLES. POOH, LD WL TLS. MU WPS. OW: 0 PSI, BRK: 4621 PSI, ISIP: 2719 PSI, FG: 0.77. ER: 50 BPM @ 4600 PSI. POC: 70%. FRAC STG W/SW. TOT SND: 23,473 LBS, TOT FL: 672 BBL. ISIP: 2560 PSI, FG: 0.75. MP: 6063 PSI, MR: 56.1 BPM, AP: 4157 PSI, AR: 50.5 BPM. MU CWLS.

STG 4: PU CBP & PERF GUN. RIH, SET CBP @ 8007'. PU, PERF: 7975-77', 7914-17'. PU TO PERF NEXT SET OF PERFS, GUN FAILED. POOH TO INSPECT AND RE-DRESS GUN. RIH, PERF: 7856-59' & 7799-7804'. 4,3,3 & 4 SPF RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WPS. OW: 400 PSI, BRK: 4876 PSI, ISIP: 3250 PSI, FG: 0.84. ER: 45 BPM @ 3650 PSI. POC: 96%. FRAC STG W/SW. TOT SND: 89780 LBS, TOT FL: 2142 BBL. ISIP: 2552 PSI, FG: 0.76. MP: 6555 PSI, MR: 61.6 BPM, AP: 3557 PSI, AR: 51.5 BPM. MU CWLS.

STG 5: PU CBP & PERF GUN. RIH, SET CBP @ 7732'. PU, PERF: 7701-01', 7531-33', 7459-62', 7402-04' & 7344-48'. 4,3,4,3 & 4 SPF EA RESPECTIVELY. TOT OF 44 HOLES. OW: 0 PSI, BRK: 5363 PSI, ISIP: 2271 PSI, FG: 0.78. ER: 50 BPM @ 3850 PSI. POC: 73%. FRAC STG W/SW. TOT SND: 88,630 LBS, TOT FL: 2103 BBL. ISIP: 2703 PSI, FG: 0.79. MP: 6605 PSI, MR: 56 BPM, AP: 3756 PSI, AR: 54.7 BPM.

01/03/07

FRAC

Days On Completion: 7

Remarks : ALL STAGES WILL USE NALCO DVE-005 SCALE INHIBITOR (3 GPT IN PAD THRU MID SND & 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 IN LAST 5 THOUSAND LBS OF SND; SLICK WATER; CBPs ARE BAKER 8K 4.5".

STG 6: MU CWLS. PU CBP & PERF GUN. RIH, SET CBP @7286', PU, PERF: 7252-56', 7214-19' & 6897-6902'. 4,3 & 3 SPF RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WPS. OW: 155 PSI, BRK: 2707 PSI, ISIP: 1770 PSI, FG: 0.68. ER: 50 BPM @ 5050 PSI. POC: 50%. FRAC STG W/SW. TOT SND: 22,517 LBS, TOT FL: 628 BBL. ISIP: 2340 PSI, FG: 0.76. MP: 6123 PSI, MR: 51.7 BPM, AP: 3698 PSI, AR: 50.5 BPM. MU CWLS.

STG 7: PU CBP & PERF GUN. RIH, SET CBP @ 6360'. PU, PERF: 6320-30', 4 SPF, TOT OF 40 HOLES. POOH, LD WL TLS. MU WPS. OW: 320 PSI, BRK: 2473 PSI, ISIP: 1077 PSI, FG: 0.60. ER: 50 BPM @ 4400 PSI. POC: 45%. FRAC STG W/SW. TOT SND: 23,350 LBS, TOT FL: 607 BBL. ISIP: 2189 PSI, FG: 0.78. MP: 4439 PSI, MR: 58.9 BPM, AP: 3225 PSI, AR: 50.6 BPM.

STG 8: PU CBP & PERF GUN. RIH, SET CBP @ 6012'. PU, PERF: 5978-82', 5959-61' & 5628-32'. 4 SPF EA, TOT OF 40 HOLES. POOH, LD WL TLS. MU WPS. OW: 180 PSI, BRK: 2464 PSI, ISIP: 1455 PSI, FG: 0.68. ER: 51.5 BPM @ 3400 PSI. POC: 70%. FRAC STG W/SW. TOTSND: 24,600 LBS, TOT FL: 620 BBL. ISIP: 1896 PSI, FG: 0.76. MP: 4666 PSI, MR: 52.1 BPM, AP: 3488 PSI, AR: 50.5 BPM.

MU CWLS. PU KILL PLUG. RIH, SET PLUG @ 5580'. POOH, LD WL TLS. RDMO WPS & CWLS. ND FRC VLVS, NU BOP. PU 3-7/8" BIT, POBS. RIH W/BIT, SUB & TBG. TAG KILL PLUG @ 5580'. X-OVER EQUIP TO PWR SWVL, RU PMP TO TBG. PREP TO D/O IN MORNING. DRAIN DN LINES & EQUIP. SWI, SDFN.

01/04/07

D/O PLUGS

Days On Completion: 8

Remarks: HSM. RU PMP TO SWVL, EST CIRC. D/O PLUGS AS LISTED:

CBP #	FILL DPTH	CBP DPTH	D/O MINS	PSI INCR
1	5580'	5580'	12	500
2	5997'	6012'	14	300
3	6350'	6360'	10	300
4	7271'	7286'	10	300
5	7700'	7755'	10	400
6	7990'	8007'	12	300
7	8185'	8198'	15	300
8	8520'	8537'	10	0

CONT TO RIH, C/O TO PBTD. POOH, LD 28 JTS. PU HNGR, LAND TBG W/256 JTS TBG IN HOLE. EOT @ 8065.59'. TOT TBG ON LOC: 284 JTS, THREW OUT 1 BAD JT. 27 JTS TO SEND BACK ON FLT. RD FLR, ND BOP, NU WH. DROP BALL. RU FLOW LN TO PIT. RU PMP TO TBG, PMP OFF BIT & SUB. TURN WELL OVER TO DELSCO FBC (KEN) W/1500 PSI ON CSG & 1500 PSI ON TBG.3

01/05/06

FLOW BACK REPORT: CP: 1650#, TP: 1650#, 55 BWPH, 20/64 CHK, TTL BBLs FLWD: 880, TODAY'S LTR: 5618 BBLs, TTL LOAD REC'D: 3380 BBLs.

01/06/07

WELL WENT ON SALES: @ 10:00 A.M. TBG 1900/2000, CSG 2100, 20/64 CK, 2.1 MILMCF, 40 BBLs/HR WTR

FLOW BACK REPORT: CP: 2025#, TP: 1950#, 40 BWPH, 20/64 CHK, TTL BBLs FLWD: 990, TODAY'S LTR: 4628 BBLs, TTL LOAD REC'D: 4370 BBLs.

01/07/07

FLOW BACK REPORT: CP: 2700#, TP: 2050#, 30 BWPH, 20/64 CHK, TTL BBLs FLWD: 790, TODAY'S LTR: 3838 BBLs, TTL LOAD REC'D: 5160 BBLs.

01/08/07

FLOW BACK REPORT: CP: 2500#, TP: 1900#, 30 BWPH, 20/64 CHK, TTL BBLs FLWD: 720, TODAY'S LTR: 3118 BBLs, TTL LOAD REC'D: 5880 BBLs.

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-22973

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
UNIT #891008900A

8. WELL NAME and NUMBER:
NBU 1022-18J

9. API NUMBER:
4304737772

10. FIELD AND POOL, OR WILDCAT
NATURAL BUTTES

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NWSE 18 10S 22E

12. COUNTY
UINTAH

13. STATE
UTAH

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

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

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: **2158'FSL, 2171'FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

14. DATE SPUDDED: **10/9/2006** 15. DATE T.D. REACHED: **12/3/2006** 16. DATE COMPLETED: **1/6/2007** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5172'GL

18. TOTAL DEPTH: MD **8,960** TVD _____ 19. PLUG BACK T.D.: MD **8,909** 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)
CBL-CCL-GR; SD/DS; HRF; HRI; SD/DS;

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		1,975		550			
7 7/8"	4 1/2 I-80	11.6#		8,960		1579			

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"	8.066							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) WASATCH	5,628	6,330			5,628 6,330	0.36	80	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) WAS/MESA	6,897	7,256			6,897 7,256	0.36	46	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) MESAVERDE	7,344	8,865			7,344 8,865	0.36	221	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5628'-6330'	PMP 1227 BBLs SLICK H2O & 47,950# 30/50 SD
6897'-7256'	PMP 628 BBLs SLICK H2O & 22,517# 30/50 SD
7344'-8865'	PMP 7076 BBLs SLICK H2O & 278,423# 30/50 SD

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

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

30. WELL STATUS:
PROD

RECEIVED

JAN 31 2007

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/6/2007		TEST DATE: 1/14/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,795	WATER - BBL: 600	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 1,406	CSG. PRESS. 1,800	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,795	WATER - BBL: 600	INTERVAL STATUS: PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 1/6/2007		TEST DATE: 1/14/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,795	WATER - BBL: 600	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 1,406	CSG. PRESS. 1,800	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,795	WATER - BBL: 600	INTERVAL STATUS: PROD

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED: 1/6/2007		TEST DATE: 1/14/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,795	WATER - BBL: 600	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 1,406	CSG. PRESS. 1,800	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,795	WATER - BBL: 600	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.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,272 6,916	6,916			

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 1/29/2007

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

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 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: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
--	--

1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-18J
------------------------------------	---

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047377720000
---	---

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
---	--	--

4. LOCATION OF WELL FOOTAGES AT SURFACE: 2158 FSL 2171 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 18 Township: 10.0S Range: 22.0E Meridian: S	COUNTY: UINTAH 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 Approximate date work will start: 9/1/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: 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.

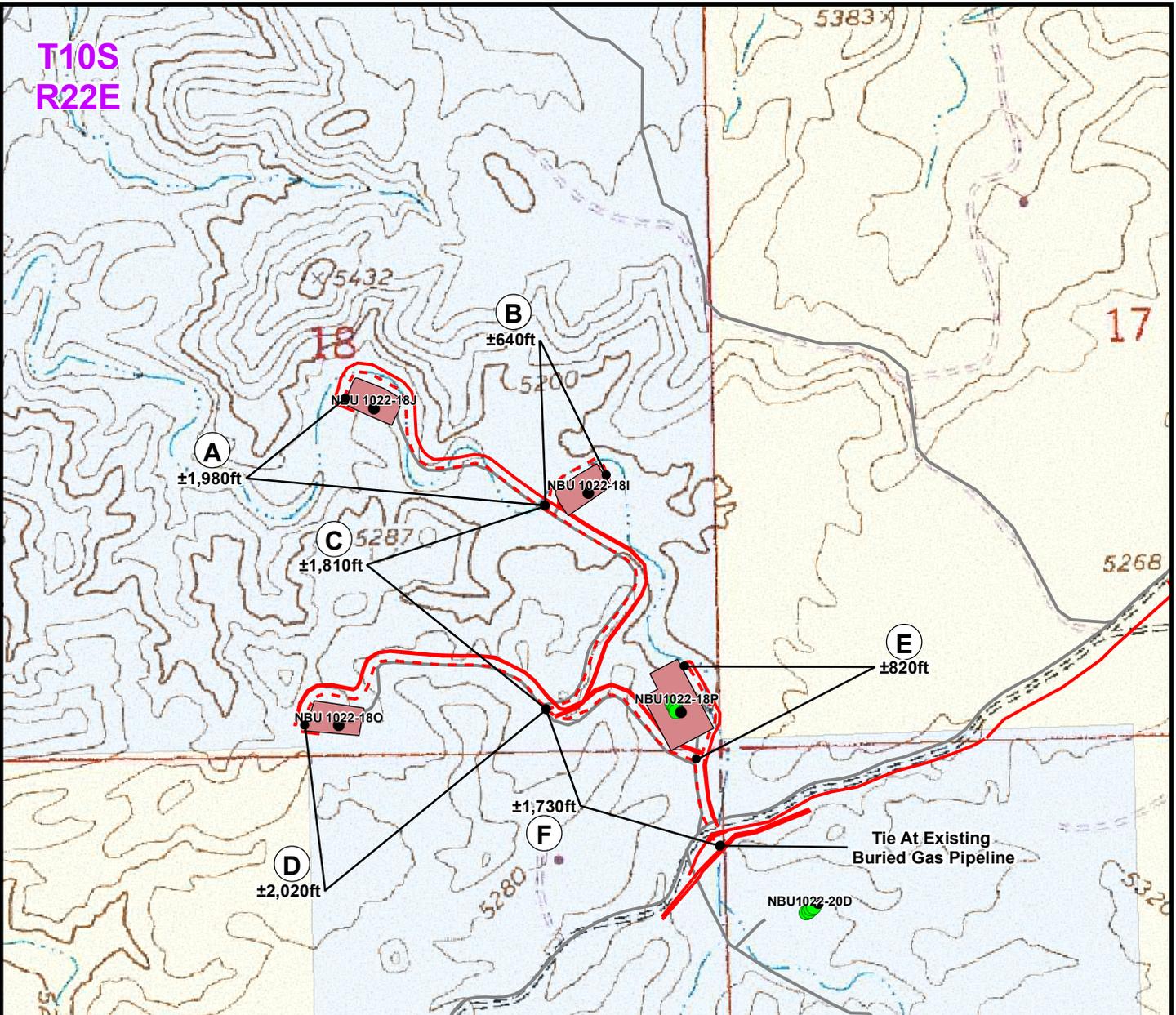
Approved by the Utah Division of Oil, Gas and Mining

Date: July 20, 2010

By: 

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 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	EXHIBIT A
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.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-18J
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2158 FSL 2171 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 18 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047377720000
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/4/2011	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE SUBJECT WELL WAS RETURNED BACK TO PRODUCTION ON 10/04/2011.		
<p style="margin: 0;">Accepted by the</p> <p style="margin: 0;">Utah Division of</p> <p style="margin: 0;">Oil, Gas and Mining</p> <p style="margin: 0;">FOR RECORD ONLY</p>		
NAME (PLEASE PRINT) Sheila Wopsock	PHONE NUMBER 435 781-7024	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 10/17/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
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 Gas Well	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
PHONE NUMBER: 720 929-6507	8. WELL NAME and NUMBER: NBU 1022-18J
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2158 FSL 2171 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 18 Township: 10.0S Range: 22.0E Meridian: S	9. API NUMBER: 43047377720000
	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
	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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/22/2015	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

The NBU 1022-18J well was returned to production on 10/22/2015.
 Thank you.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 October 28, 2015

NAME (PLEASE PRINT) Jennifer Thomas	PHONE NUMBER 720 929-6808	TITLE Regulatory Specialist
SIGNATURE N/A	DATE 10/27/2015	