

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-20714	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 1022-19G	
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: 2069' FNL 2241' FEL <i>624848x 39.935884</i> AT PROPOSED PRODUCING ZONE: <i>4421537y -109.480308</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 19 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 20.7 MILES SOUTHEAST OF OURAY, UTAH				12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2069'		16. NUMBER OF ACRES IN LEASE: 320		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: 8,800		20. BOND DESCRIPTION: RLB0005238	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5308' 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#	1,850	PREM CMT	265 SX	1.18	15.6
7 7/8"	4 1/2"	I-80	11.6#	8,800	PREM LITE II	400 SX	3.38	11
					50/50 POZ G	1380 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: 43-047-37780

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

**RECEIVED
FEB 14 2006**

APPROVAL:

Date: 12-28-06
By: *[Signature]*

DIV. OF OIL, GAS & MINING

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

Kerr-McGee Oil & Gas Onshore LP

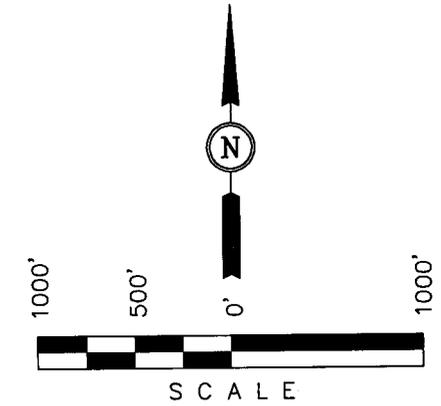
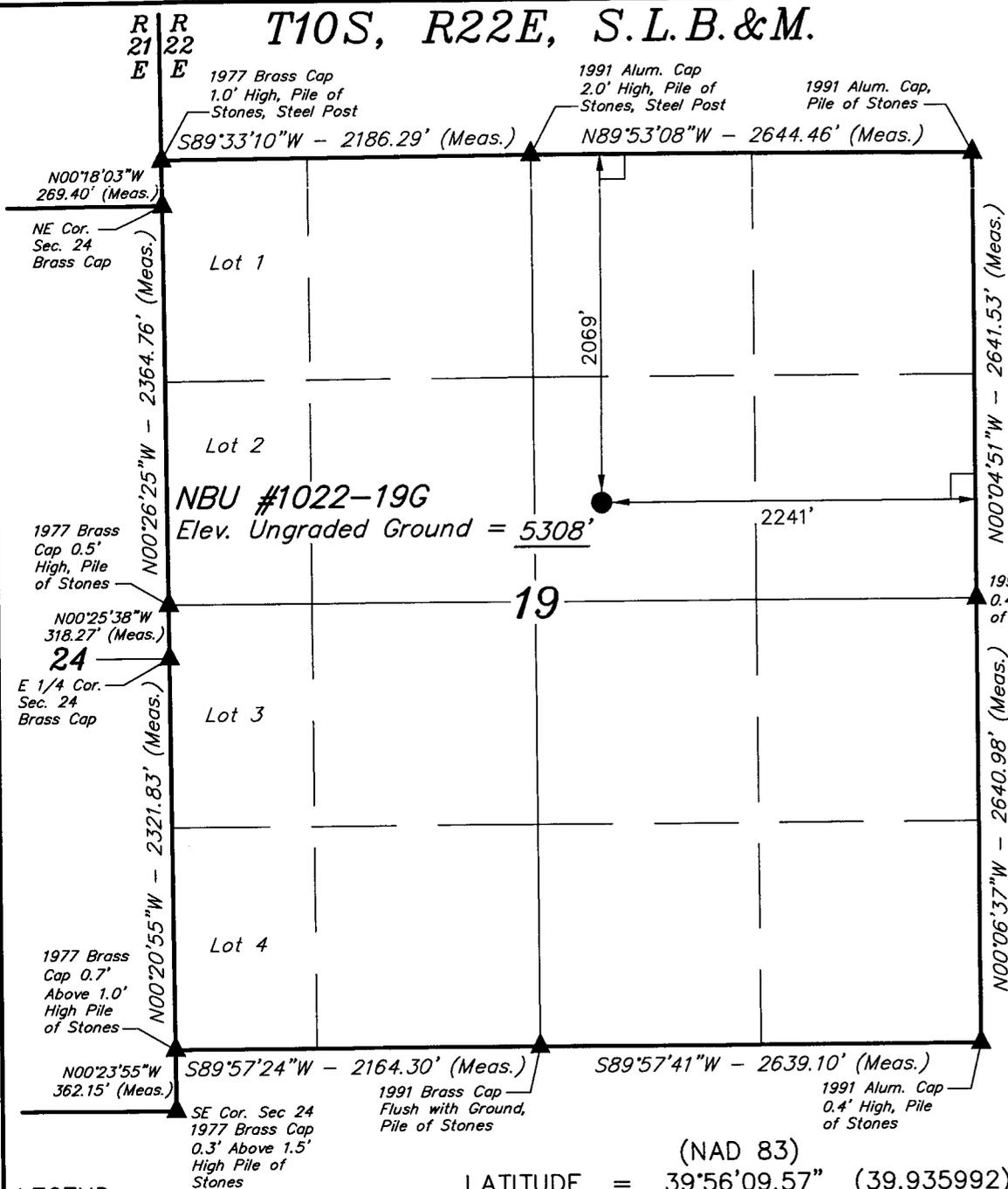
Well location, NBU #1022-19G, located as shown in the SW 1/4 NE 1/4 of Section 19, T10S, R22E, S.L.B.&M. Uintah County, Utah.

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.



CERTIFICATE
 REGISTERED LAND SURVEYOR
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 P. J. ROBERTSON
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 1015
 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: 12-01-05	DATE DRAWN: 12-06-05
PARTY P.J. N.F. 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°56'09.57" (39.935992)
 LONGITUDE = 109°28'51.71" (109.481031)
 (NAD 27)
 LATITUDE = 39°56'09.69" (39.936025)
 LONGITUDE = 109°28'49.25" (109.480347)

NBU 1022-19G
SWNE SEC 19-T10S-R22E
UINTAH COUNTY, UTAH
ML-20714

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1170'
Wasatch	4370'
Mesaverde	6750'
TD	8800'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1170'
Gas	Wasatch	4370'
Gas	Mesaverde	6750'
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 8800' TD, approximately equals 5456 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3520 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 1850	32.30	H-40	STC	0.73*****	1.71	4.85
PRODUCTION	4-1/2"	0 to 8800	11.60	M-80 or I-80	LTC	2.51	1.26	2.26

- 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 3098 psi
 ***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to surface, option 2 will be utilized					
Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOc	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,870'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	400	60%	11.00	3.38
	TAIL	4,930'	50/50 Poz/G + 10% salt + 2% gel	1380	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: _____ DATE: _____
 Brad Laney
 DRILLING SUPERINTENDENT: _____ DATE: _____
 Randy Bayne

**NBU 1022-19G
SWNE SEC 19-T10S-R22E
Uintah County, UT
ML-20714**

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 100' 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 50' 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

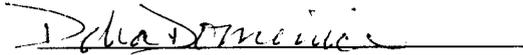
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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 #1022-19G
SECTION 19, 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, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1022-19F TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 200' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 100' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 51.7 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G

LOCATED IN UINTAH COUNTY, UTAH
SECTION 19, T10S, R22E, S.L.B.&M.

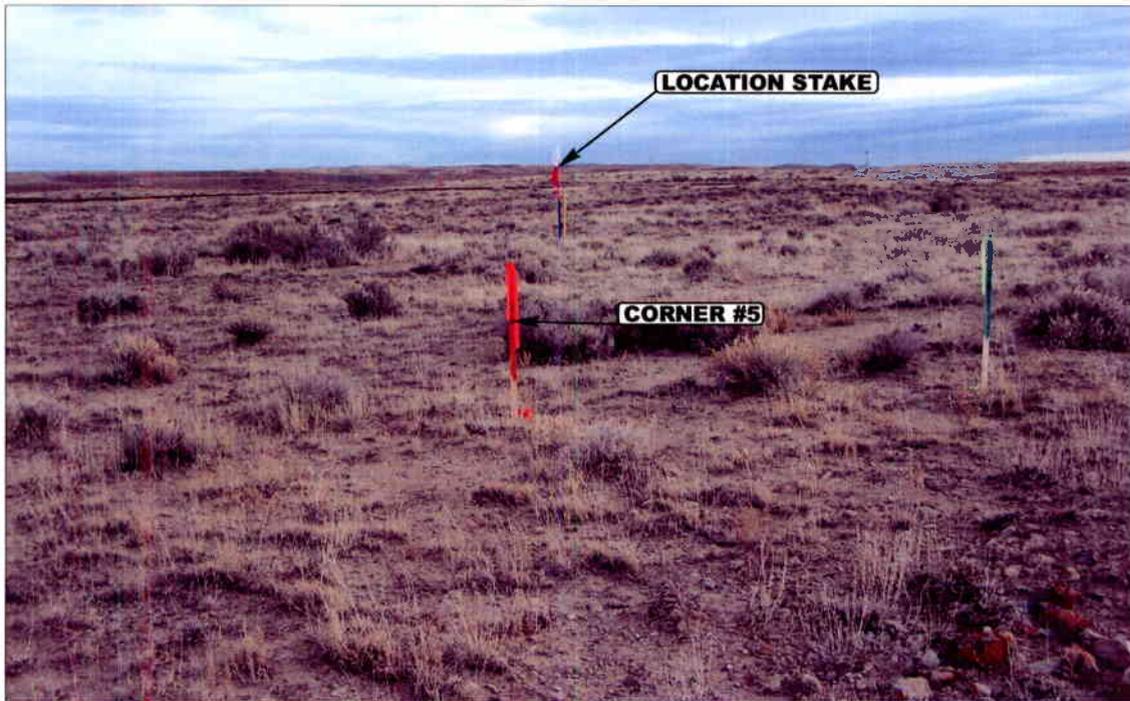


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

LOCATION PHOTOS

12 06 05
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: C.P.

REVISED: 01-15-06

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH
SECTION 19, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

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

PIPELINE PHOTOS

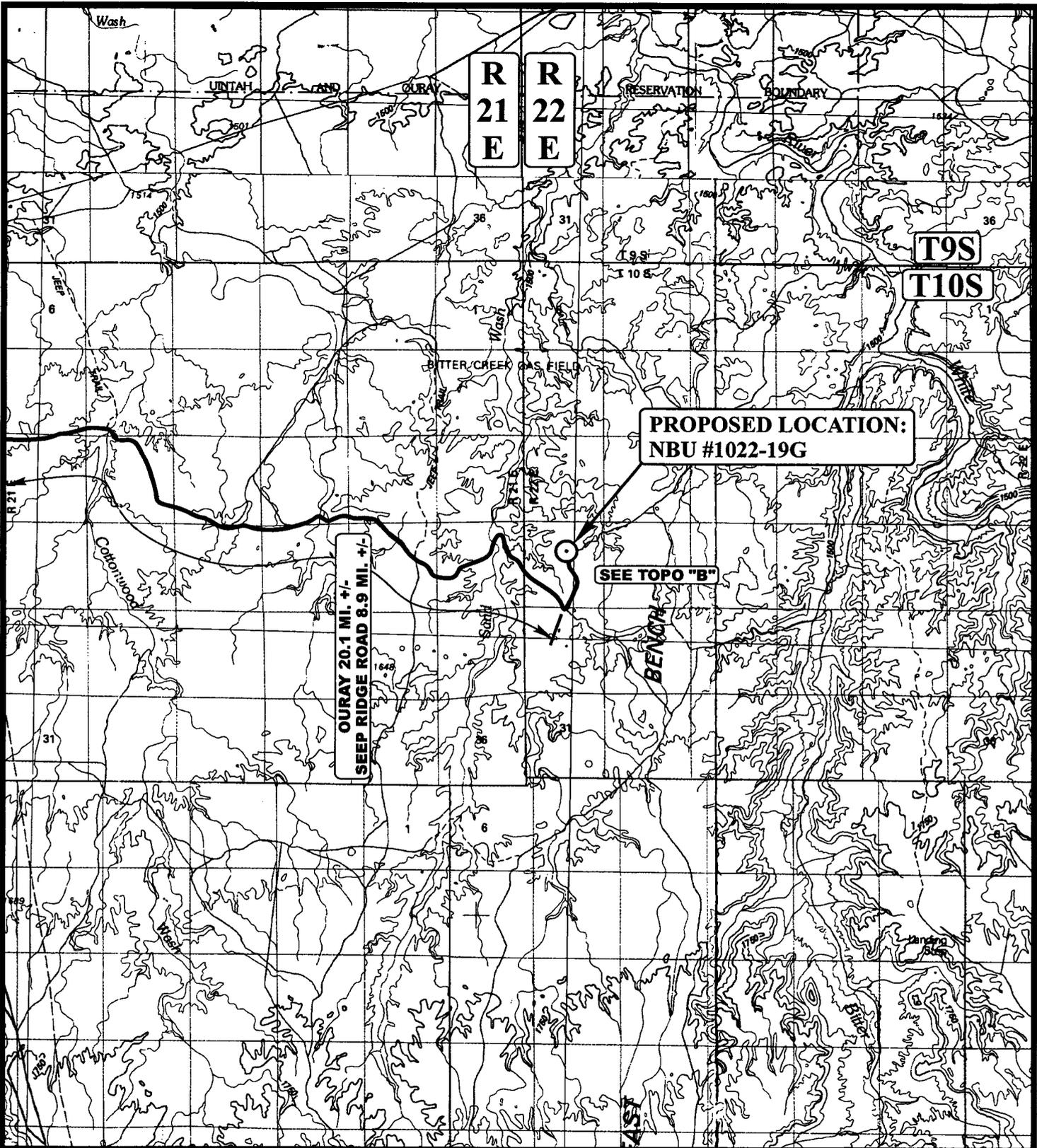
12 06 05
MONTH DAY YEAR

PHOTO

TAKEN BY: A.F.

DRAWN BY: C.P.

REVISED: 01-15-06



LEGEND:

○ PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G

SECTION 19, T10S, R22E, S.L.B.&M.

2069' FNL 2241' FEL



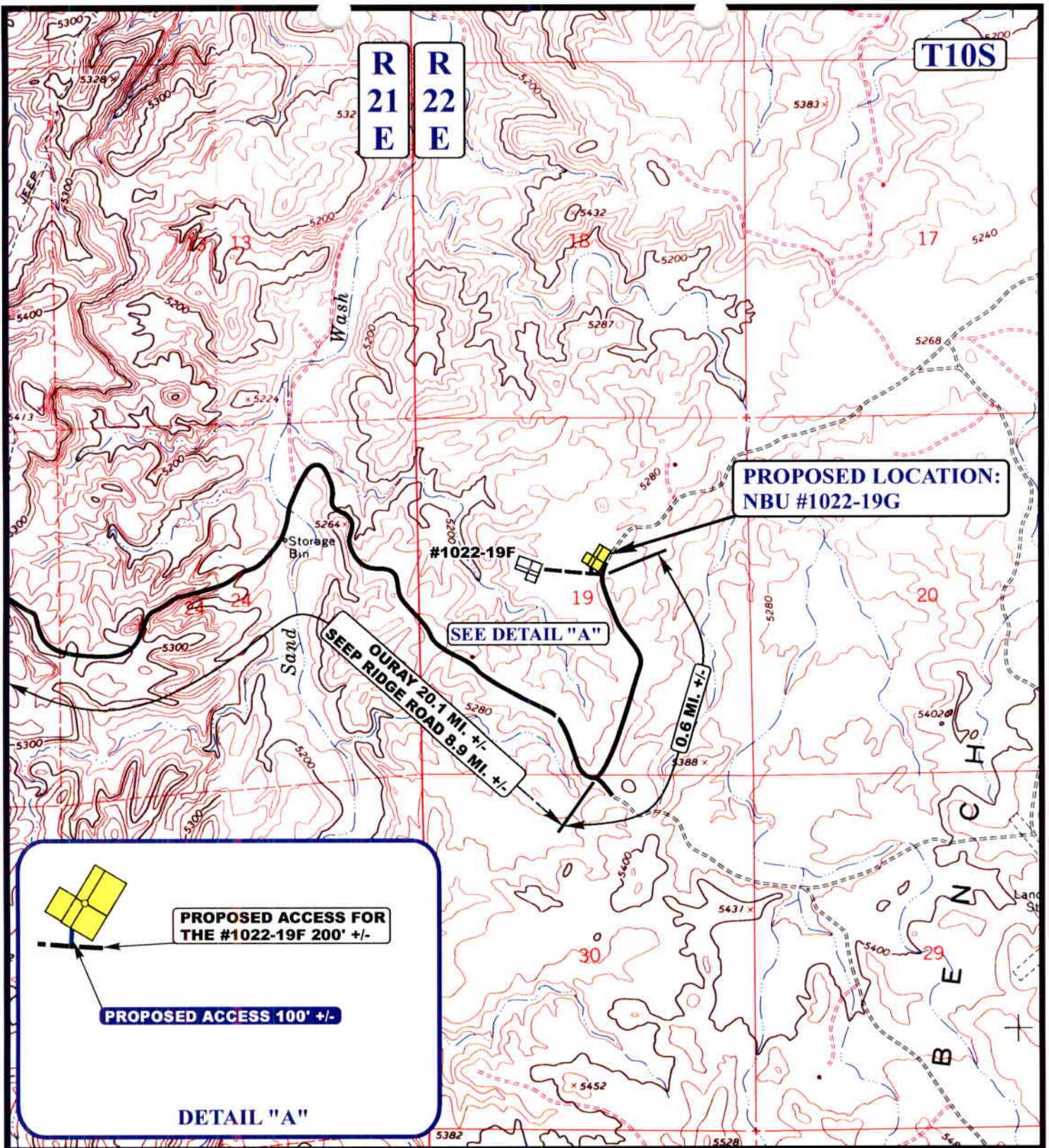
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

12	06	05
MONTH	DAY	YEAR

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





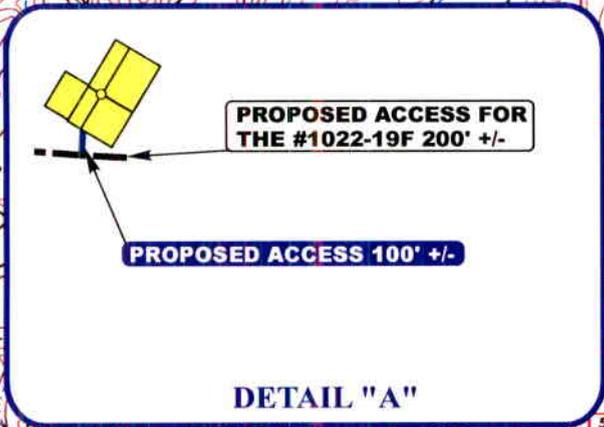
**PROPOSED LOCATION:
NBU #1022-19G**

#1022-19F

SEE DETAIL "A"

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

0.6 MI. +/-



DETAIL "A"

LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

**NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL**



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

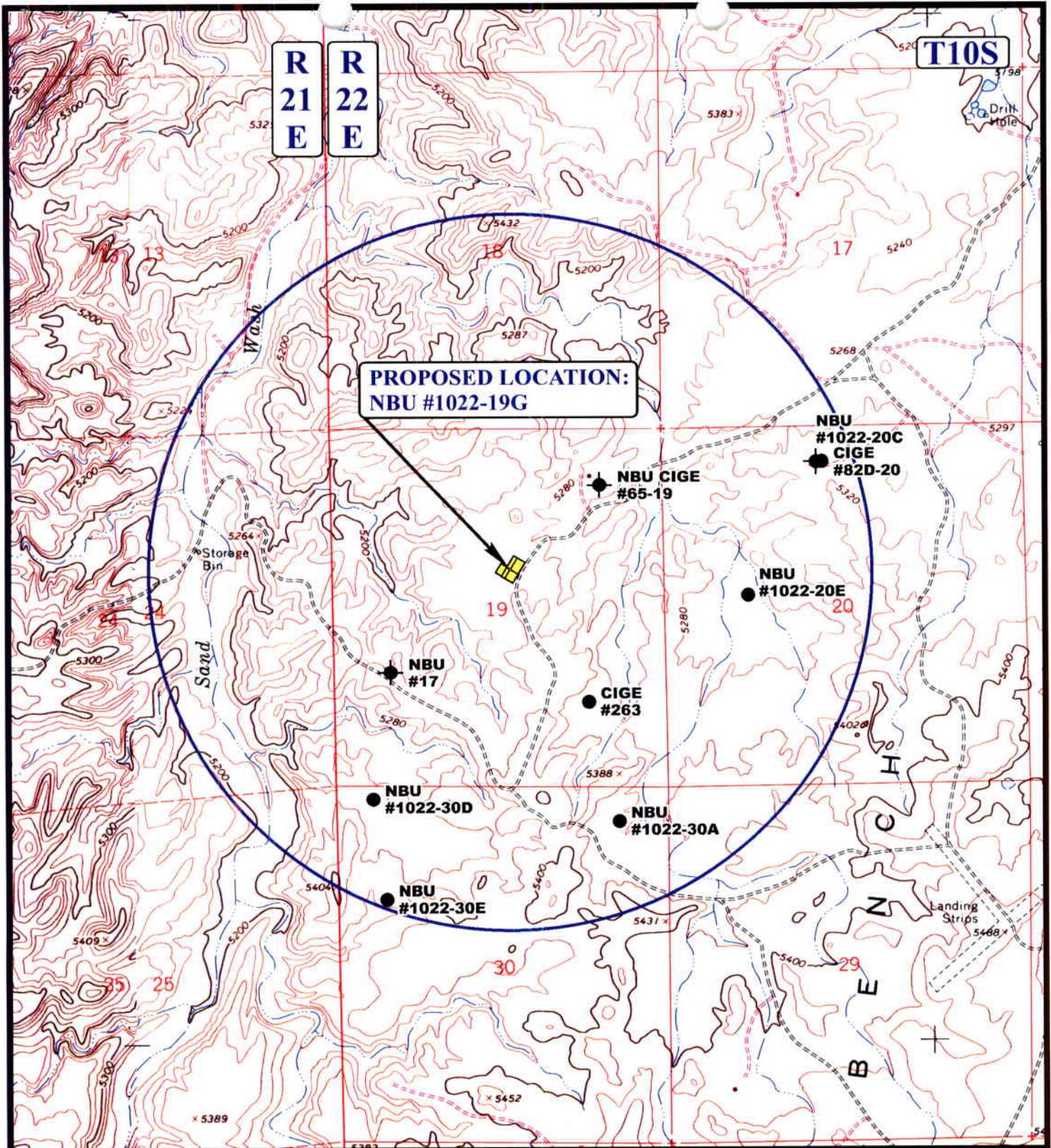


**TOPOGRAPHIC
MAP**

12 06 05
MONTH DAY YEAR



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



**PROPOSED LOCATION:
NBU #1022-19G**

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL



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

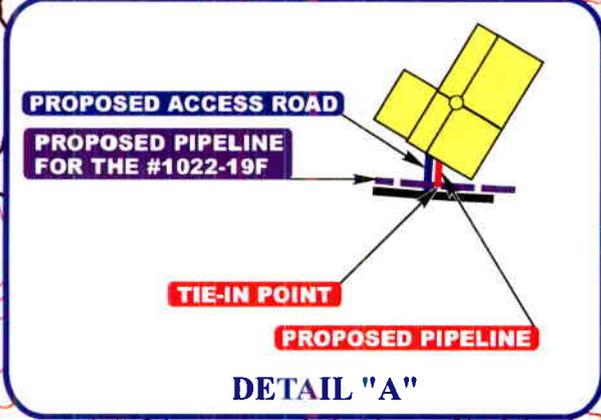
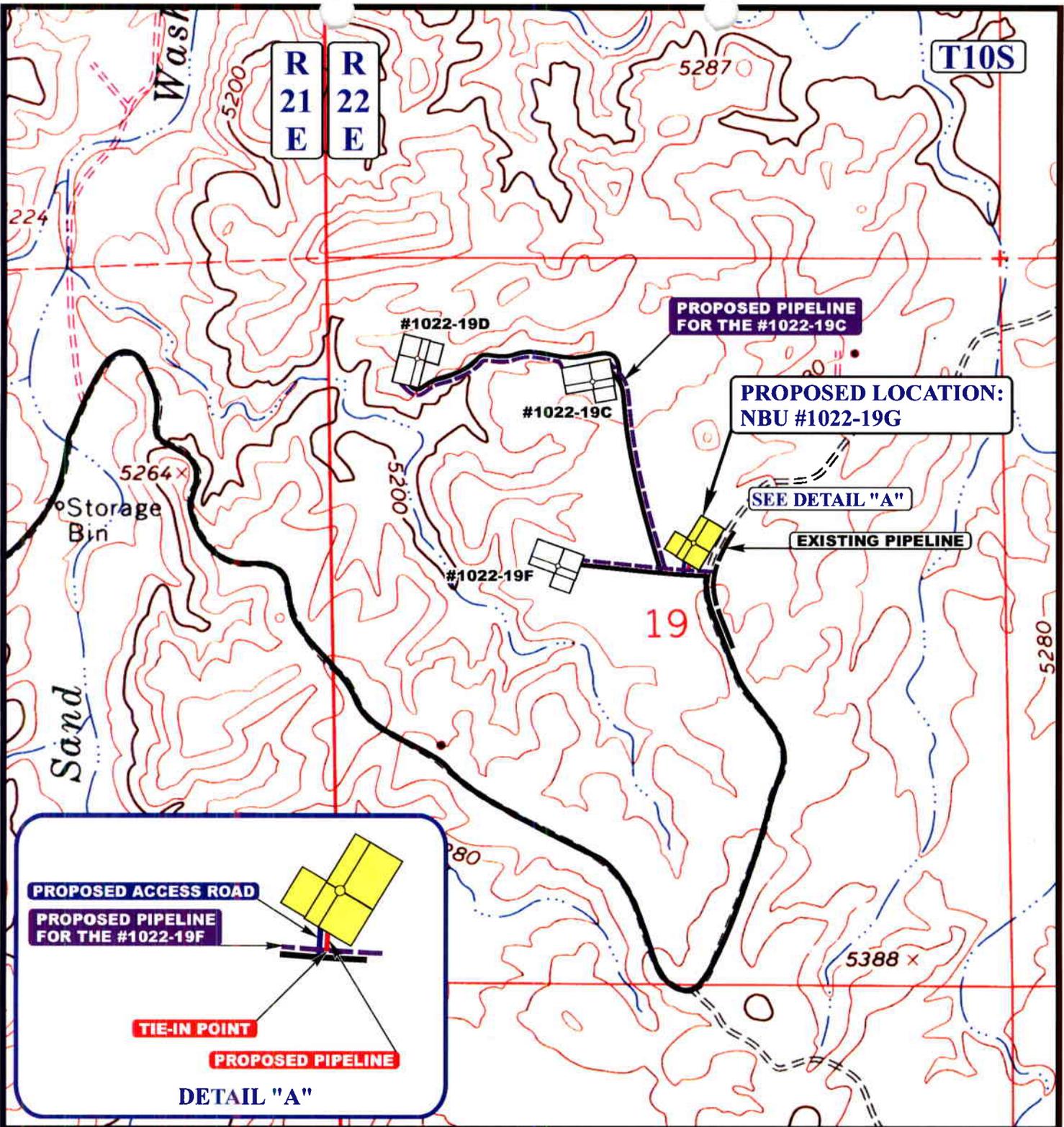


**TOPOGRAPHIC
MAP**

12 06 05
 MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 50' +/-

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
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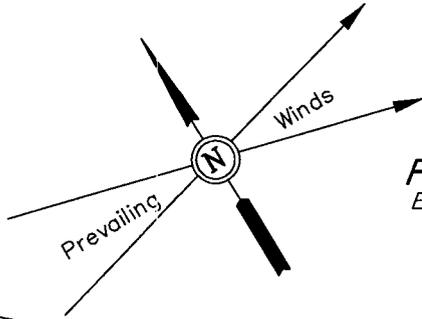


TOPOGRAPHIC MAP	12	06	05
	MONTH	DAY	YEAR
SCALE: 1" = 1000'	DRAWN BY: C.P.		REVISED: 01-15-06



LOCATION LAYOUT FOR

NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL

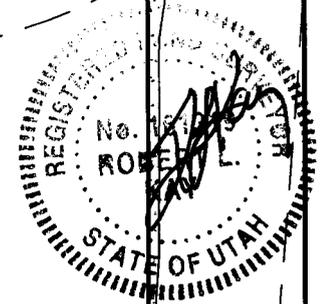


Approx. Toe of Fill Slope

F-5.0'
El. 303.0'

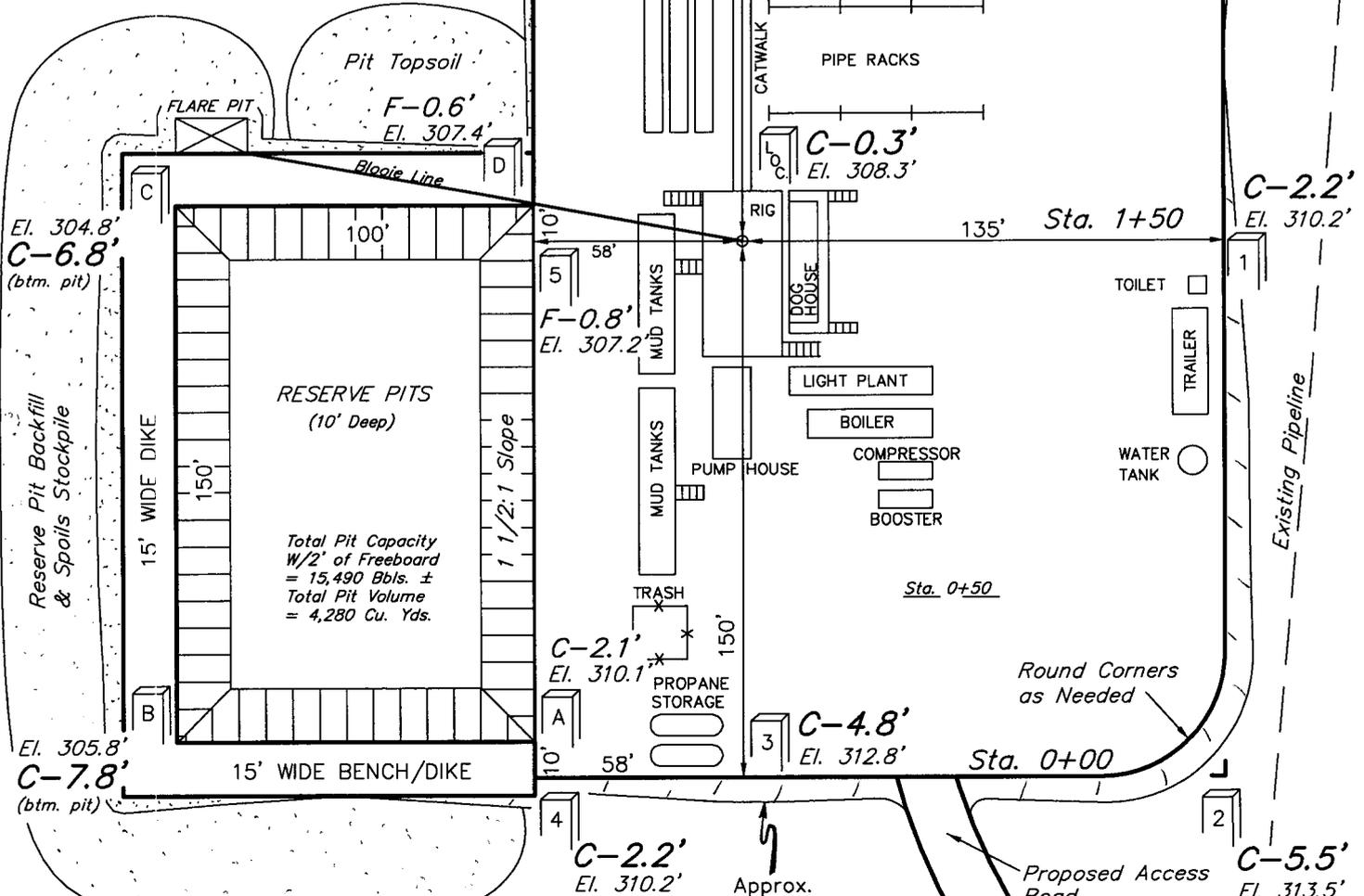
F-2.4'
El. 305.6'

SCALE: 1" = 50'
DATE: 12--06--05
Drawn By: P.M.
Revised: 0--15--06



NOTE:

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



NOTES:

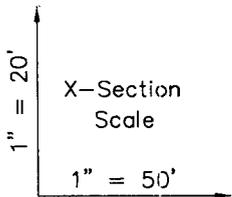
Elev. Ungraded Ground At Loc. Stake = 5308.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 5308.0'

TYPICAL CROSS SECTIONS FOR

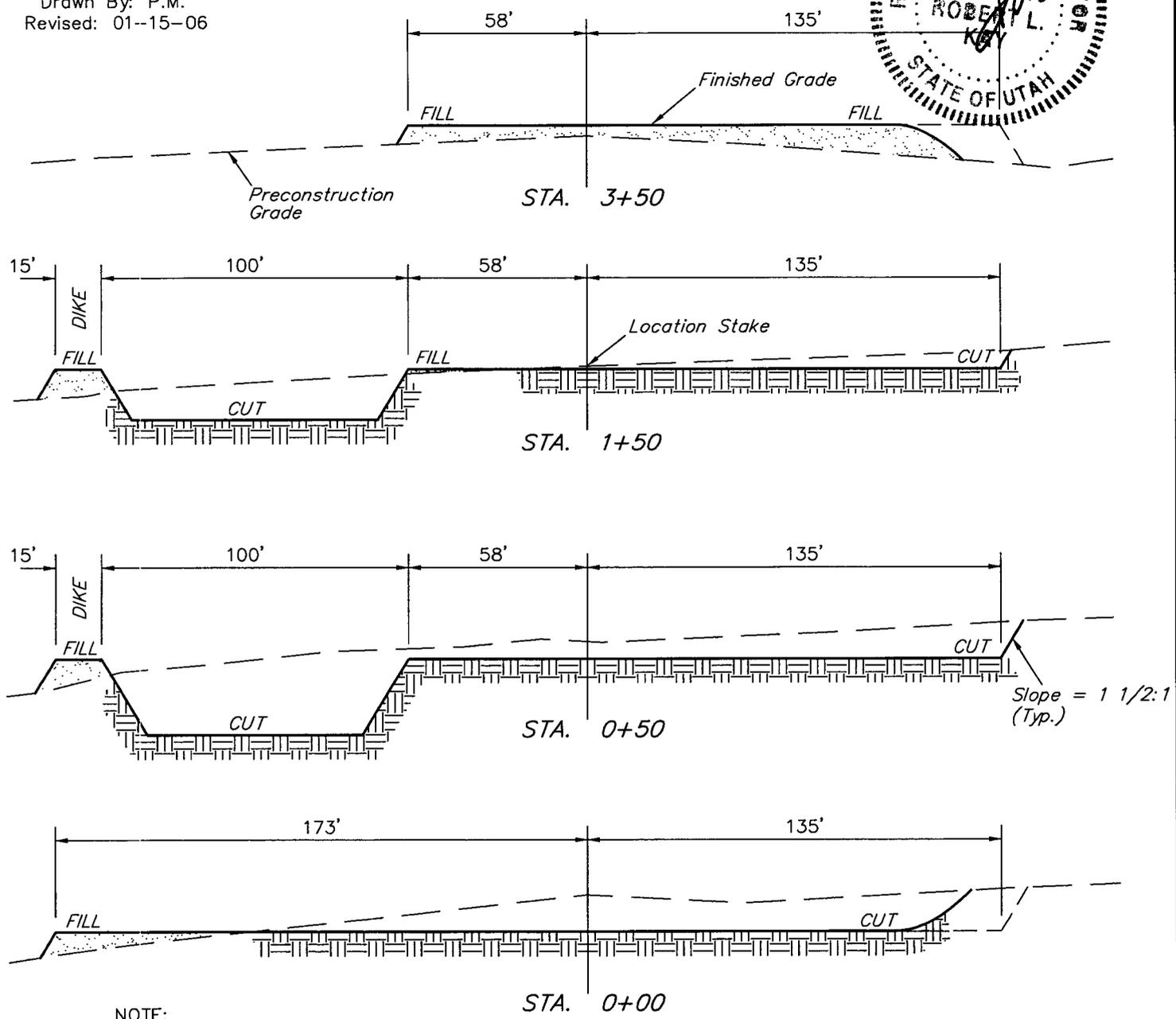
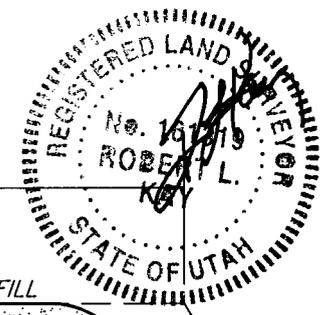
NBU #1022-19G

SECTION 19, T10S, R22E, S.L.B.&M.

2069' FNL 2241' FEL



DATE: 12-06-05
Drawn By: P.M.
Revised: 01-15-06



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,790 Cu. Yds.
Remaining Location	= 5,980 Cu. Yds.
TOTAL CUT	= 7,770 CU.YDS.
FILL	= 3,840 CU.YDS.

EXCESS MATERIAL	= 3,930 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,930 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/14/2006

API NO. ASSIGNED: 43-047-37780

WELL NAME: NBU 1022-19G

OPERATOR: Kerr-McGee (N2995)

PHONE NUMBER: 435-781-7060

CONTACT: DEBRA DOMENICI

PROPOSED LOCATION:

SWNE 19 100S 220E
 SURFACE: 2069 FNL 2241 FEL
 BOTTOM: 2069 FNL 2241 FEL
 COUNTY: UINTAH
 LATITUDE: 39.93588 LONGITUDE: -109.4803
 UTM SURF EASTINGS: 629848 NORTHINGS: 4421537
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DED	12/28/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-20714
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

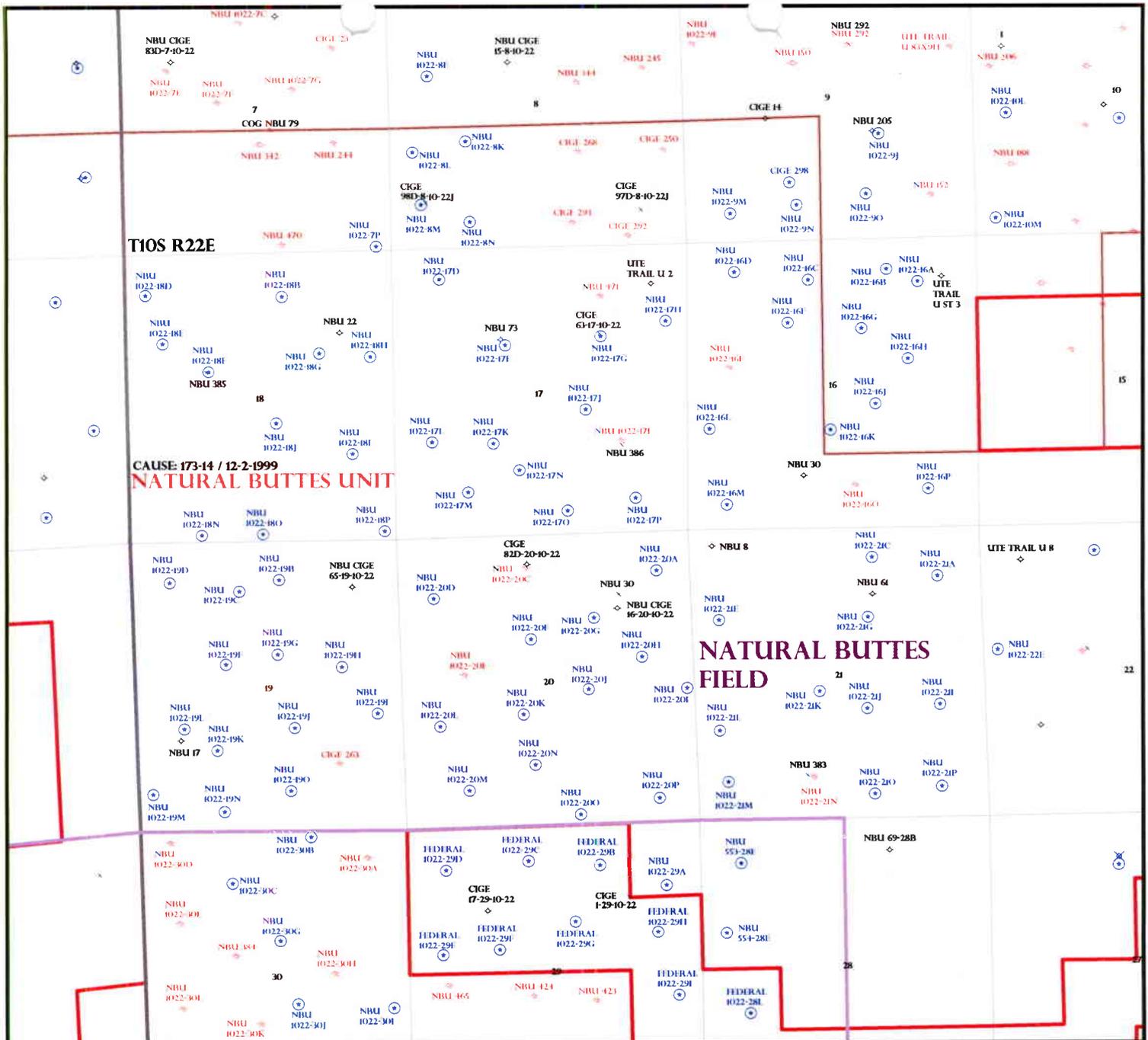
- R649-2-3.
- Unit: NATURAL BUTTES
- R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-99
Siting: 460' fr u bdrg E Encumber Tract
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (2-23-06)

STIPULATIONS:

- 1- OIL SHALE
- 2- STATEMENT OF BASIS
- 3- Surf. 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
 -

Application for Permit to Drill Statement of Basis

12/21/2006

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
16	43-047-37780-00-00		GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, LP		Surface Owner-APD		
Well Name	NBU 1022-19G	Unit	NATURAL BUTTES		
Field	NATURAL BUTTES		Type of Work		
Location	SWNE 19 10S 22E S 0 FL 0 FL GPS Coord (UTM) 629848E 4421537N				

Geologic Statement of Basis

KERR-MCGEE proposes to set 1,850' 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 5,300'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 19. 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.

Brad Hill
APD Evaluator

12/21/2006
Date / Time

Surface Statement of Basis

The pre-drill investigation of the surface was performed on February 23, 2006. The site is State surface and State Mineral. The proposed location poses no obvious problems for drilling and appears to be the best location for drilling a well in the immediate area.

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.

Floyd Bartlett
Onsite Evaluator

2/23/2006
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP
Well Name NBU 1022-19G
API Number 43-047-37780-0 **APD No** 16 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SWNE **Sec** 19 **Tw** 10S **Rng** 22E 0 FL 0 FL
GPS Coord (UTM) **Surface Owner**

Participants

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

Regional/Local 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 21 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads.

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

This site is on a flat approximately 1 mile west of Sand Wash. Pointed topped hills occur in the area. No drainages occur in the immediate area. Access will be on 200 feet of new road which will be constructed north off the road planned to the NBU 1022-19F well. An existing 2-track road intersects the north end of the proposed pad. Its future use is not needed.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat
Recreational

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.1	Width 193 Length 350	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Desert type vegetation consisting of cheat grass, shadscale, prickly pear and Gardner saltbrush. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter.

Soil Type and Characteristics

Deep sandy loam. Some small surface rock pavement exists.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 25 1 **Sensitivity Level**

Characteristics / Requirements

100' by 150' and 10' deep. The reserve pit is mostly within a cut on the south west side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard. With the liner and the 15' outside bench, no stabilization problems should occur.

Level 1 sensitivity. A 16 mil liner with a felt pad will be required for the reserve pit.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

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.

Floyd Bartlett
Evaluator

2/23/2006
Date / Time

Casing Schematic

Surface

BHP
 $0.052(8800)11 = \boxed{5034 \text{ psi}}$
 anticipate - 5456 psi

Gas
 $.12(8800) = 1056$
 $5034 - 1056 = \boxed{3978 \text{ psi, MAST}}$
 anticipate 3520 psi

BOPE 5M ✓

Burst 2270
 $70\% = 1596$ (csg strength > formation strength)
 strength")

Max P @ surf. shoe
 $.22(6950) = 1529$
 $5034 - 1529 = \boxed{3505 \text{ psi}}$

rest to 1596 psi ✓

Stop ⇒ surf csg ✓
 ⇒ surf cut

✓ Adequate OKD 12/28/06

12 1/2" 14 1/2"

TOC @ 0.

Uinta

TOC @ to surf w/ 8% w/o * Stop ✓

-1170 Green River

Surface 1850. MD

-4370' Wasatch

-5300' ± BMSW

-6750' Mesaverde

4-1/2" MW 11.

Production 8800. MD

Well name:

2006-12 Kerr McGee NBU 1022-19GOperator: **Kerr McGee Oil & Gas Onshore, LP**String type: **Surface**

Project ID:

43-047-37780

Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 101 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 491 ft

BurstMax anticipated surface
pressure: 1,936 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,158 psi

No backup mud specified.

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: 1,622 ft**Non-directional string.****Re subsequent strings:**Next setting depth: 8,800 ft
Next mud weight: 11.000 ppg
Next setting BHP: 5,029 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,200 ft
Injection pressure: 2,200 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 (ft ³)
1	1850	9.625	32.30	H-40	ST&C	1850	1850	8.876	817.5
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	807	1370	1.697	2158	2270	1.05	52	254	4.85 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: (801) 538-5357
FAX: (801) 359-3940Date: December 27, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 1850 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.

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

Well name:	2006-12 Kerr McGee NBU 1022-19G		
Operator:	Kerr McGee Oil & Gas Onshore, LP		
String type:	Production	Project ID:	43-047-37780
Location:	Uintah County, Utah		

Design parameters:

Collapse

Mud weight: 11,000 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 3,093 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP: 5,029 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: 7,353 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 198 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8800	4.5	11.60	M-80	LT&C	8800	8800	3.875	767.9

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	5029	6350	1.263	5029	7780	1.55	85	267	3.13 B

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: (801) 538-5357
 FAX: (801) 359-3940

Date: December 27, 2006
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 8800 ft, a mud weight of 11 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.

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 FWL
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

From: Ed Bonner
To: Whitney, Diana
Date: 3/21/2006 4:21:02 PM
Subject: Well Clearance

The following well has been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Westport Oil & Gas Company
NBU 1022-19G

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

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

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

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 920-14M	14	090S	200E	4304737753		Federal	GW	APD
NBU 920-14N	14	090S	200E	4304737754		Federal	GW	APD
NBU 920-20I	20	090S	200E	4304737755		Federal	GW	APD
NBU 920-20J	20	090S	200E	4304737756		Federal	GW	APD
NBU 920-20L	20	090S	200E	4304737757		Federal	GW	APD
NBU 920-20M	20	090S	200E	4304737758		Federal	GW	APD
NBU 920-20N	20	090S	200E	4304737759		Federal	GW	APD
NBU 920-20O	20	090S	200E	4304737760		Federal	GW	APD
NBU 920-20P	20	090S	200E	4304737761		Federal	GW	APD
NBU 920-22E	22	090S	200E	4304737732		Federal	GW	APD
NBU 920-24M	24	090S	200E	4304737764		Federal	GW	NEW
NBU 1021-13O	13	100S	210E	4304737727		State	GW	APD
NBU 1021-27E	27	100S	210E	4304737734		Federal	GW	APD
NBU 1021-28G	28	100S	210E	4304737728		State	GW	APD
NBU 1022-15P-S	14	100S	220E	4304737735		Federal	GW	APD
NBU 1022-14M2-S	14	100S	220E	4304737736		Federal	GW	APD
NBU 1022-14L2-S	14	100S	220E	4304737737		Federal	GW	APD
NBU 1022-16J	16	100S	220E	4304737765		State	GW	APD
NBU 1022-16P	16	100S	220E	4304737766		State	GW	APD
NBU 1022-16L	16	100S	220E	4304737767		State	GW	APD
NBU 1022-18H	18	100S	220E	4304737768	2900	State	GW	DRL
NBU 1022-18G	18	100S	220E	4304737769		State	GW	NEW
NBU 1022-18I	18	100S	220E	4304737770		State	GW	APD
NBU 1022-18E	18	100S	220E	4304737771		State	GW	APD
NBU 1022-18J	18	100S	220E	4304737772		State	GW	APD
NBU 1022-18N	18	100S	220E	4304737773		State	GW	APD
NBU 1022-18B	18	100S	220E	4304737774		State	GW	APD
NBU 1022-18P	18	100S	220E	4304737775		State	GW	APD
NBU 1022-18D	18	100S	220E	4304737776		State	GW	APD
NBU 1022-18O	18	100S	220E	4304737777	99999	State	GW	DRL
NBU 1022-19F	19	100S	220E	4304737738		Federal	GW	APD
NBU 1022-19D	19	100S	220E	4304737739		Federal	GW	APD
NBU 1022-19C	19	100S	220E	4304737740		Federal	GW	APD
NBU 1022-19H	19	100S	220E	4304737778		State	GW	APD
NBU 1022-19B	19	100S	220E	4304737779		State	GW	APD
NBU 1022-19G	19	100S	220E	4304737780		State	GW	NEW
NBU 1022-19I	19	100S	220E	4304737781		State	GW	APD
NBU 1022-19O	19	100S	220E	4304737782		State	GW	APD
NBU 1022-23D3-S	23	100S	220E	4304737741		Federal	GW	APD
NBU 1022-23D2-S	23	100S	220E	4304737742		Federal	GW	APD
NBU 1022-23E3-S	23	100S	220E	4304737743		Federal	GW	APD
NBU 1022-22H-S	23	100S	220E	4304737744		Federal	GW	APD

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
5. If **NO**, the operator was contacted on: _____

- 6a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- 6b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 6c. Reports current for Production/Disposition & Sundries on: ok

-
7. **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

-
8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006

-
9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

-
10. **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:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

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

SEE ATTACHED

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

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

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

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

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

BLM BOND = C01203
BIA BOND = RLB0005239

APPROVED 5116106

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

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

Name (Printed/Typed)

RANDY BAYNE

Signature

Randy Bayne

Title

DRILLING MANAGER

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.

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

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.

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

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

RECEIVED
MAY 10 2006

BLM BOND = C01203
BIA BOND = RLB0005239

APPROVED 5116106
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

DIV. OF OIL, GAS & MINING

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

Title 18 U.S.C. Section 1001, make it a crime 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

8. Well Name and No.
MUTIPLE WELLS

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

9. API Well No.

3a. Address **1368 SOUTH 1200 EAST VERNAL, UT 84078**
3b. Phone No. (include area code) **(435) 781-7024**

10. Field and Pool, or Exploratory Area

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

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

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



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

December 28, 2006

Kerr McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: Natural Buttes Unit 1022-19G Well, 2069' FNL, 2241' FEL, SW NE, Sec. 19,
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 43-047-37780.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
SITLA
Bureau of Land Management, Vernal District Office

Operator: Kerr McGee Oil & Gas Onshore LP
Well Name & Number Natural Buttes Unit 1022-19G
API Number: 43-047-37780
Lease: ML-20714

Location: SW NE **Sec.** 19 **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

43-047-37780

December 28, 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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-20714
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 1021-19G
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		9. API NUMBER: 4304737780
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2069'FNL, 2241'FEL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 19 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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input 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 checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

AN ON-SITE INSPECTION WAS CONDUCTED ON 02/23/2006 WITH UDOGM AND SITLA REPRESENTATIVES. IT WAS DECIDED AT THE ON-SITE INSPECTION TO CHANGE THE PROPOSED ACCESS ROAD FROM 100' +/- TO 80' +/- . THE PIPELINE WAS CHANGED FROM 50' +/- OF 4" STEEL TO APPROXIMATELY 110' +/- OF 4" STEEL PIPELINE.

PLEASE REFER TO THE ATTACHED REVISED TOPO MAPS FOR ACCESS ROAD AND PIPELINE PLACEMENT.

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE	DATE <u>3/14/2007</u>

(This space for State use only)

RECEIVED
MAR 21 2007

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-19G
SECTION 19, 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, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1022-19C TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 200' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 80' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.8 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G

LOCATED IN UINTAH COUNTY, UTAH
SECTION 19, T10S, R22E, S.L.B.&M.

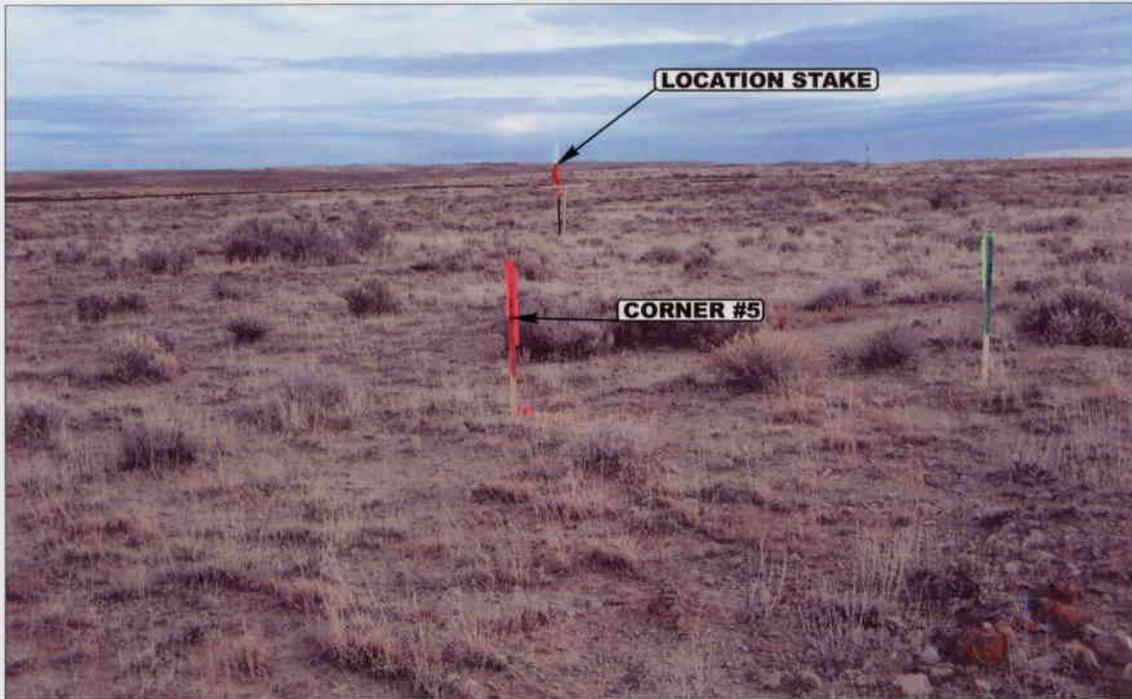


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

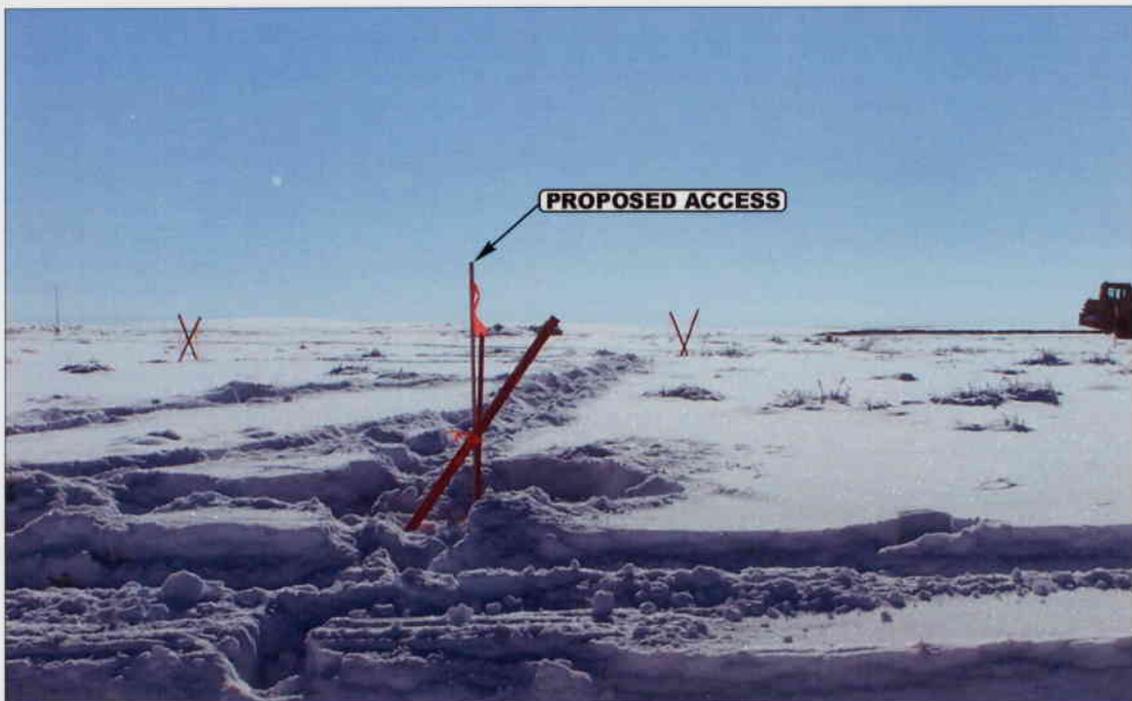


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

LOCATION PHOTOS

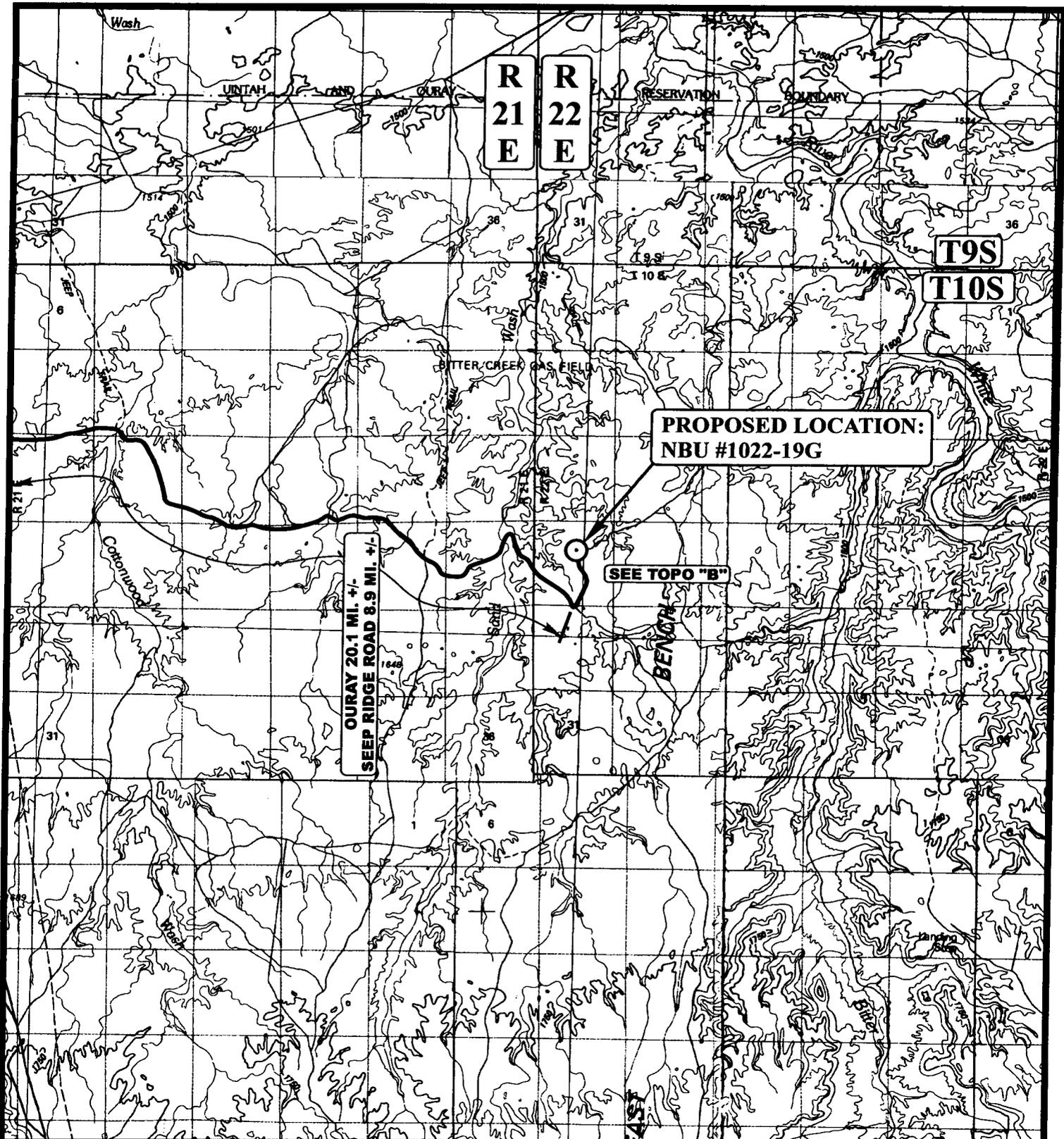
12 06 05
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: C.P.

REV: 01-16-07 L.K.



LEGEND:

○ PROPOSED LOCATION

N

↑

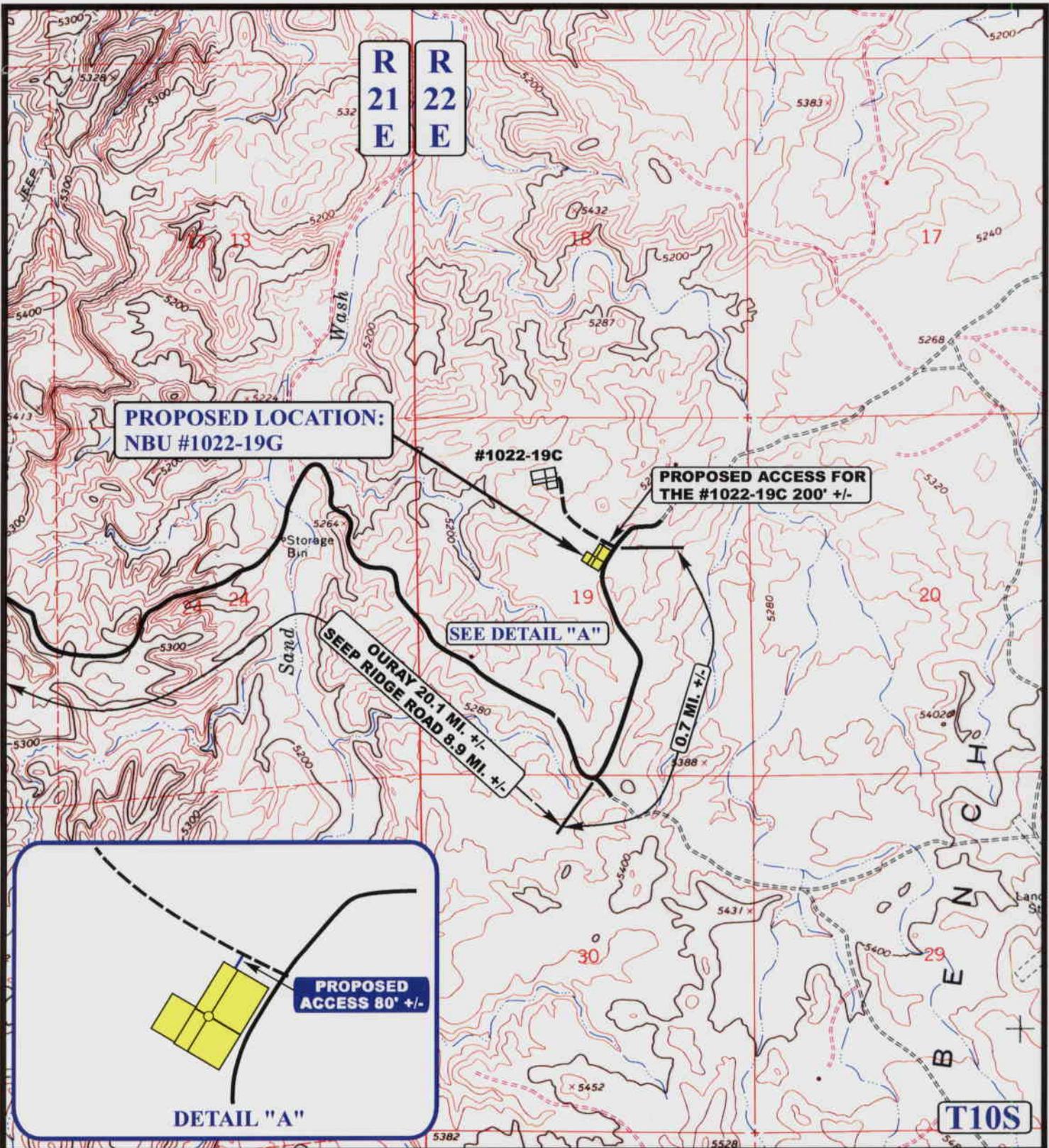
Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G

SECTION 19, T10S, R22E, S.L.B.&M.

2069' FNL 2241' FEL

	Uintah Engineering & Land Surveying		
	85 South 200 East Vernal, Utah 84078 (435) 789-1017 * FAX (435) 789-1813		
TOPOGRAPHIC	12	06	05
MAP	MONTH	DAY	YEAR
SCALE: 1:100,000	DRAWN BY: C.P.	REVISED: 01-15-06	



LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD

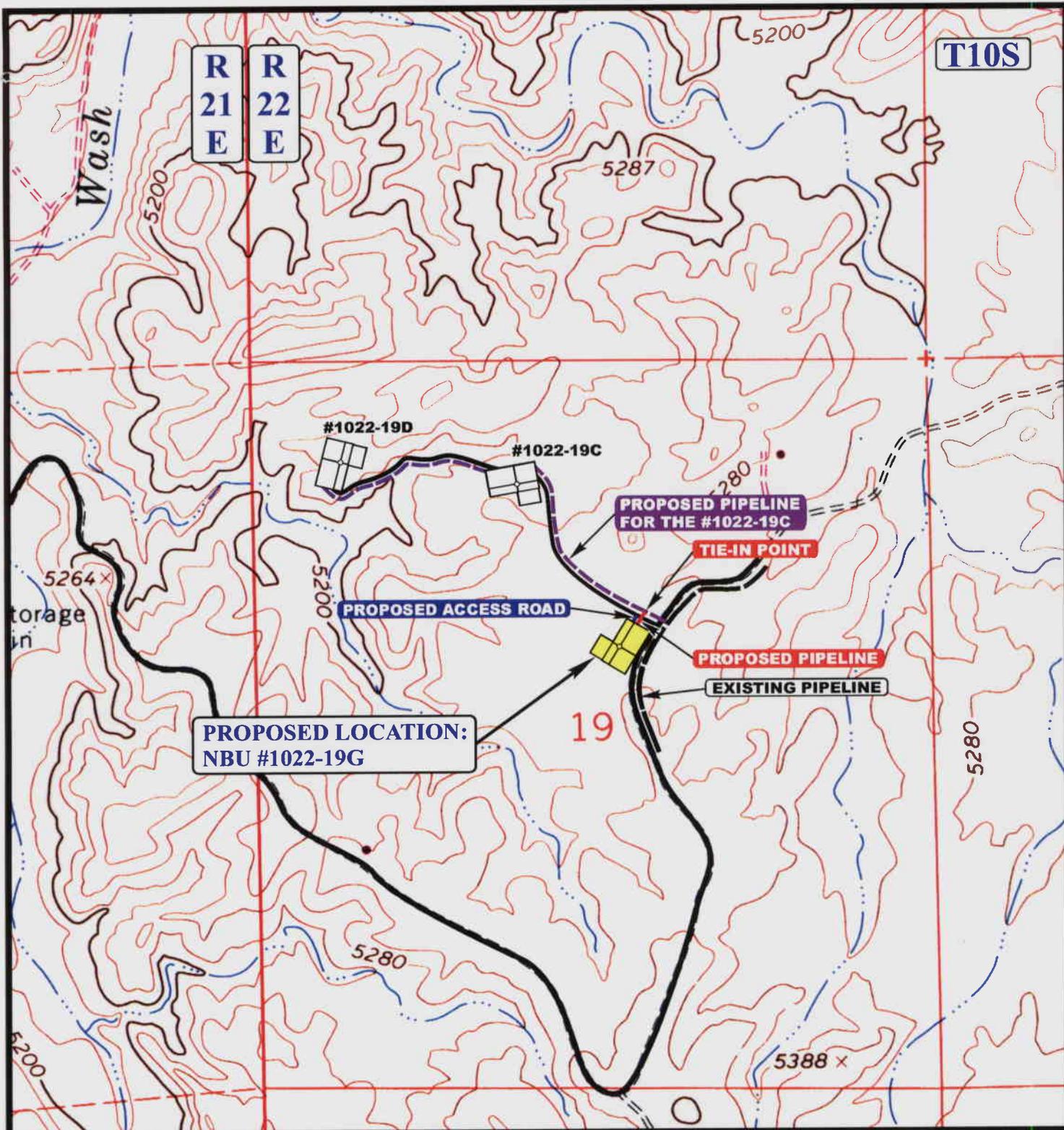


Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL

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

TOPOGRAPHIC MAP **12 06 05**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REV: 01-16-07 L.K. **B TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 110' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL



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

TOPOGRAPHIC
MAP

12 14 05
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REV: 01-16-07 L.K.



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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-20714

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

8. WELL NAME and NUMBER:
NBU 1021-19G

9. API NUMBER:
4304737780

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

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

3. ADDRESS OF OPERATOR:
1368 SOUTH 1200 EAST VERNAL UT 84078

PHONE NUMBER:
(435) 781-7024

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2069'FNL, 2241'FEL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNE 19 10S 22E**

STATE: **UTAH**

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

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

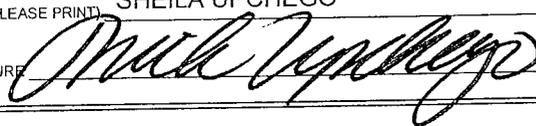
AN ON-SITE INSPECTION WAS CONDUCTED ON 02/23/2006 WITH UDOGM AND SITLA REPRESENTATIVES. IT WAS DECIDED AT THE ON-SITE INSPECTION TO CHANGE THE PROPOSED ACCESS ROAD FROM 100' +/- TO 80' +/- . THE PIPELINE WAS CHANGED FROM 50' +/- OF 4" STEEL TO APPROXIMATELY 110' +/- OF 4" STEEL PIPELINE.

PLEASE REFER TO THE ATTACHED REVISED TOPO MAPS FOR ACCESS ROAD AND PIPELINE PLACEMENT.

NAME (PLEASE PRINT) **SHEILA UPCHEGO**

TITLE **SENIOR LAND ADMIN SPECIALIST**

SIGNATURE



DATE **3/14/2007**

(This space for State use only)

RECEIVED
MAR 21 2007

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-19G
SECTION 19, 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, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1022-19C TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 200' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 80' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.8 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G
LOCATED IN UINTAH COUNTY, UTAH
SECTION 19, T10S, R22E, S.L.B.&M.

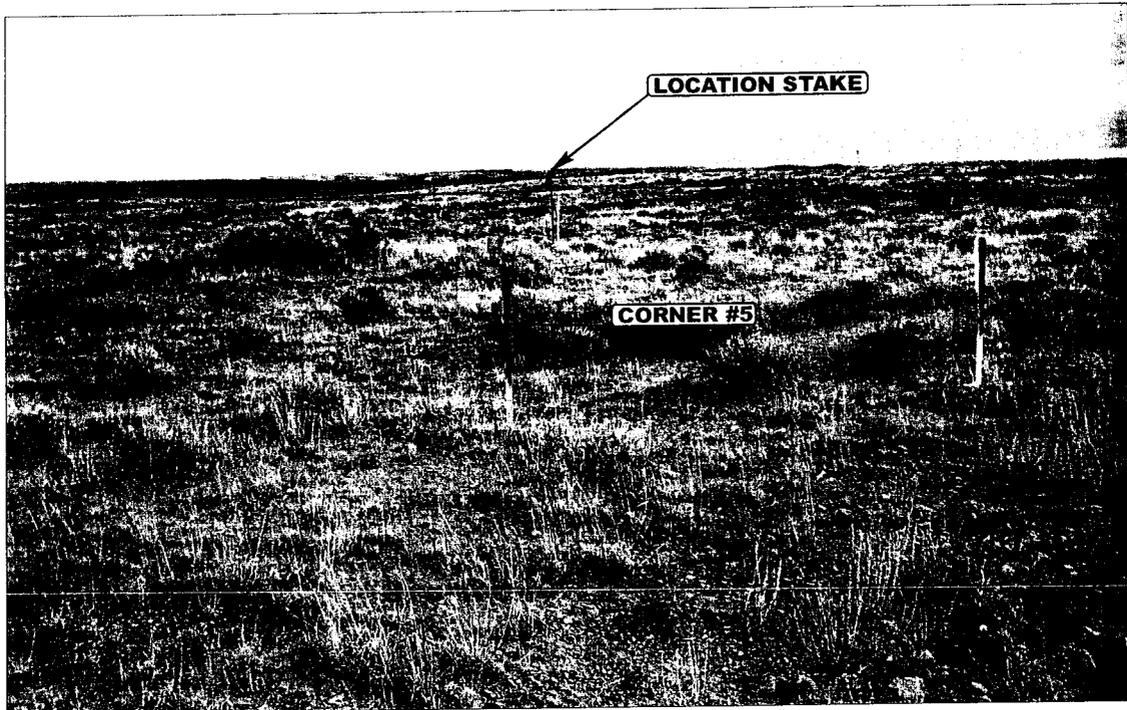


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

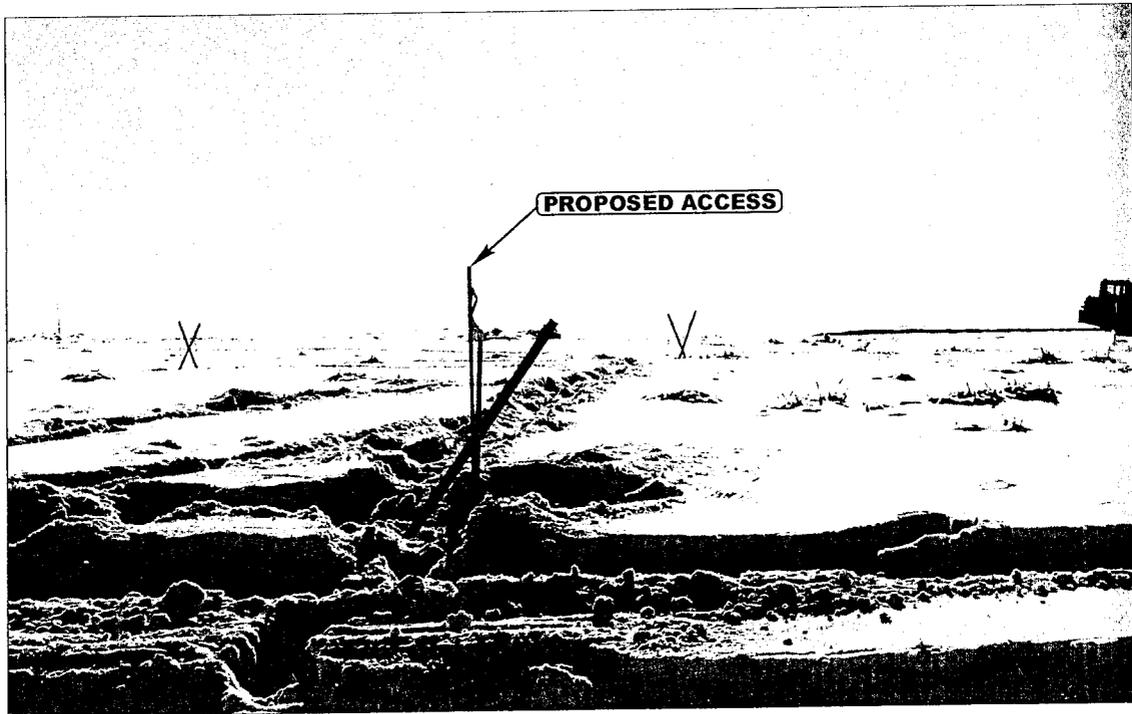


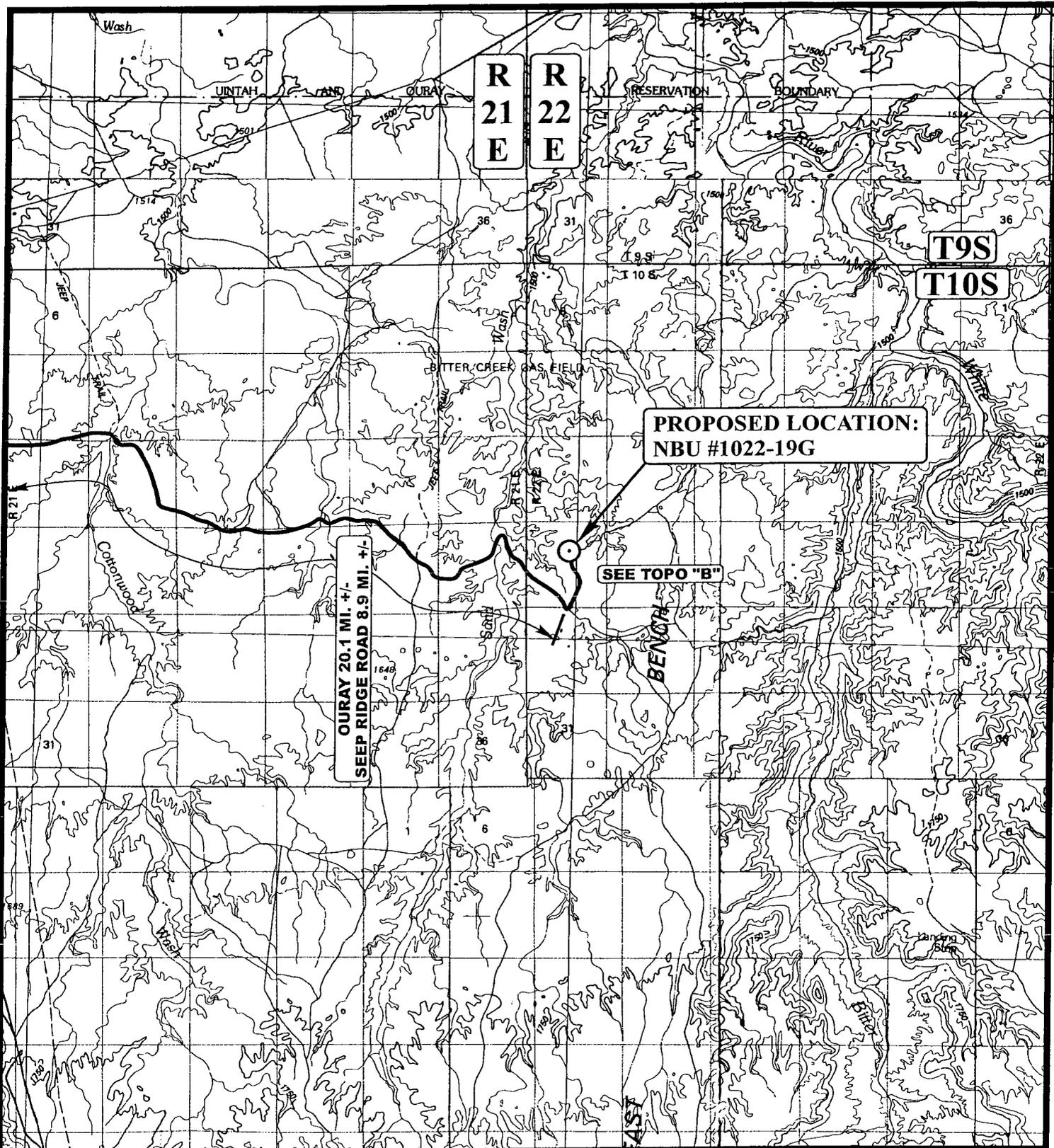
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



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

LOCATION PHOTOS	12	06	05	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: C.P.		REV: 01-16-07 L.K.	



LEGEND:

○ PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G

SECTION 19, T10S, R22E, S.L.B.&M.

2069' FNL 2241' FEL



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



TOPOGRAPHIC
 MAP

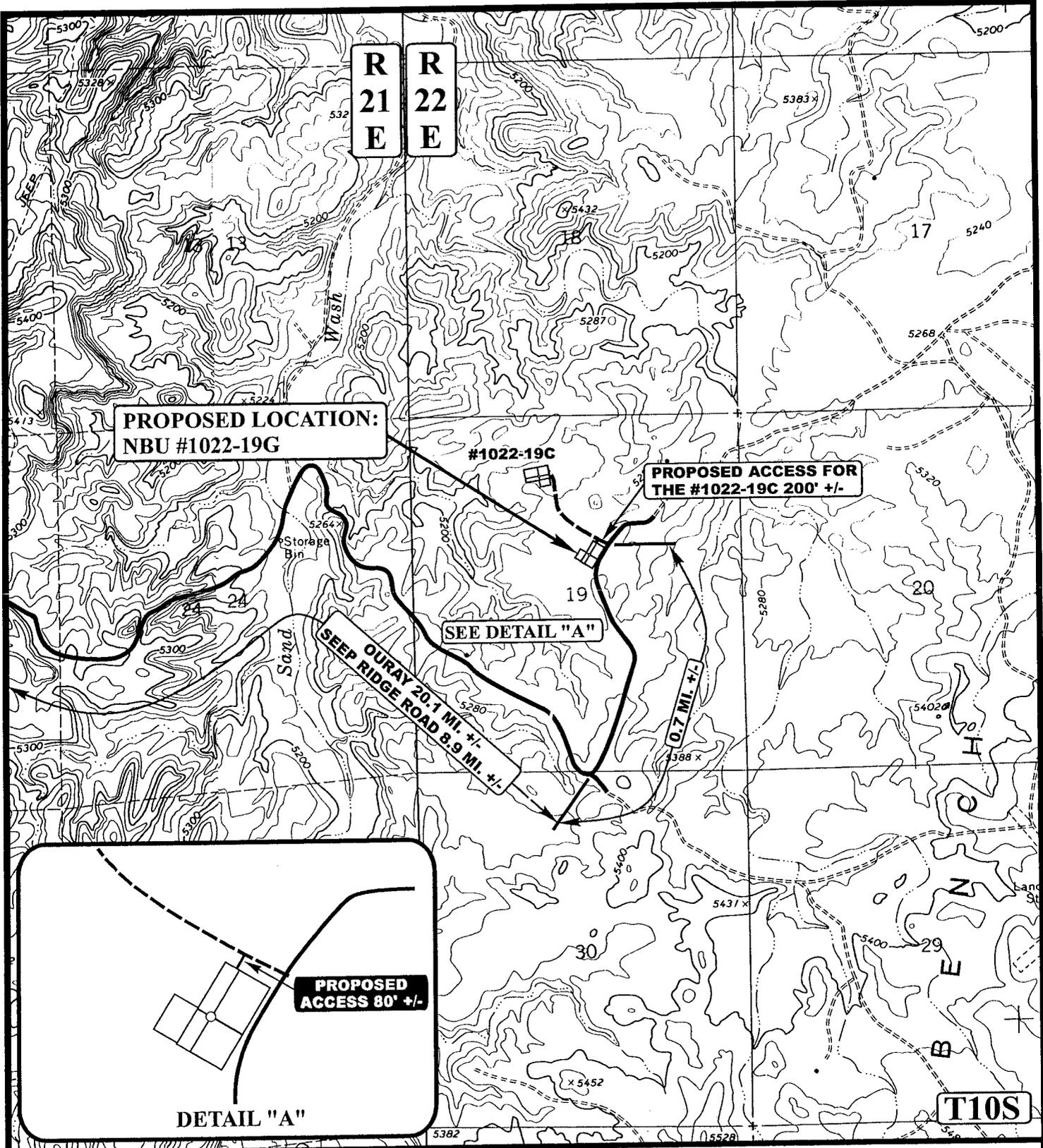
12	06	05
MONTH	DAY	YEAR



SCALE: 1:100,000

DRAWN BY: C.P.

REVISED: 01-15-06



**PROPOSED LOCATION:
NBU #1022-19G**

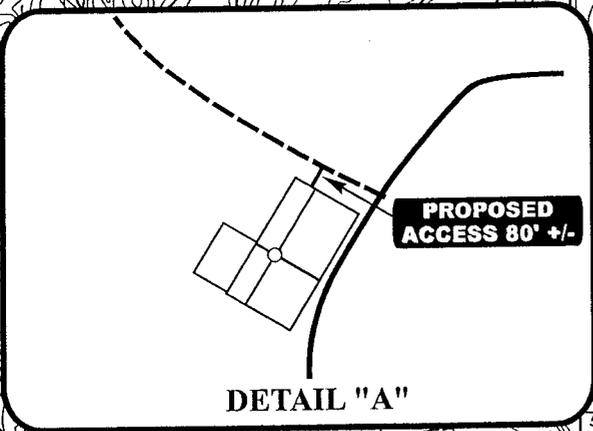
#1022-19C

**PROPOSED ACCESS FOR
THE #1022-19C 200' +/-**

SEE DETAIL "A"

**SEEP CARRY 20.1 MI. +/-
SAND RIDGE ROAD 8.9 MI. +/-**

0.7 MI. +/-



DETAIL "A"

T10S

LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

**NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL**



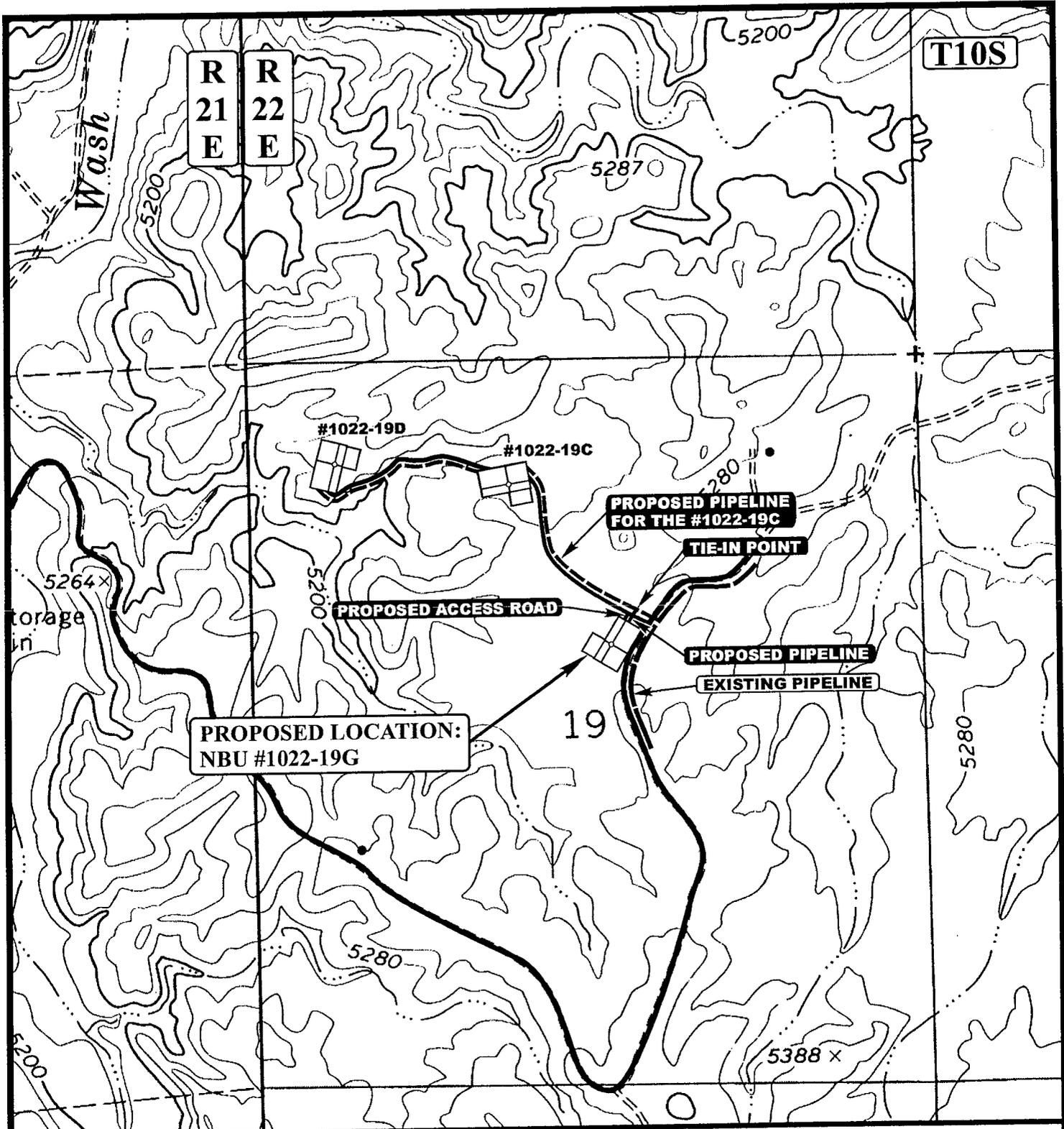
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

12 06 05
MONTH DAY YEAR

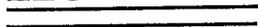
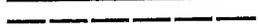


SCALE: 1" = 2000' DRAWN BY: C.P. REV: 01-16-07 L.K.



APPROXIMATE TOTAL PIPELINE DISTANCE = 110' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-19G
SECTION 19, T10S, R22E, S.L.B.&M.
2069' FNL 2241' FEL



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

TOPOGRAPHIC 12 14 05
MAP MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: C.P. REV: 01-16-07 L.K.



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-20714
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 1022-19G
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-7024	9. API NUMBER: 4304737780
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2069'FNL, 2241'FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 19 10S 22E		10. 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 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: <u>APD EXTENSION</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.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION, FOR THE SUBJECT WELL LOCATION. SO THAT THE DRILLING ACTIVITIES MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING ON DECEMBER 28, 2006, AND "ACCEPTED FOR UNIT PURPOSES ONLY" BY THE BUREAU OF LAND MANAGEMENT ON JANUARY 25, 2007.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-17-07
By: [Signature]

RECEIVED
DEC 14 2007
DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 12-17-2007
Initials: [Signature]

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE <u>[Signature]</u>	DATE <u>12/3/2007</u>



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

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

API: 4304737780
Well Name: NBU 1022-19G
Location: SW/NE SEC. 19, T10S, R22E
Company Permit Issued to: KERR McGEE OIL & GAS ONSHORE LP
Date Original Permit Issued: 12/28/2006

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

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

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

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

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

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

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

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

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


Signature

12/3/2007
Date

Title: SENOIR LAND ADMIN SPECIALIST

Representing: KERR-McGEE OIL & GAS ONSHORE LP

RECEIVED
DEC 14 2007
DIV. OF OIL, GAS & MINING

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

FORM 9

6. LEASE DESIGNATION AND SERIAL NUMBER:
ST ML 20714

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

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:
891008900A

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 1022-19G

2. NAME OF OPERATOR:
Kerr-McGee Oil & Gas Onshore, LP

9. API NUMBER:
4304737780

3. ADDRESS OF OPERATOR:
P.O. Box 173779 CITY **Denver** STATE **CO** ZIP **80217-3779** PHONE NUMBER: **(720) 929-6226**

10. FIELD AND POOL, OR WILDCAT:
Natural Buttes Field

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2069' FNL & 2241' FEL** COUNTY: **Uintah**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNE 19 10S 22E** STATE: **UTAH**

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

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

Kerr-McGee Oil & Gas Onshore, LP, respectfully requests a one year extension for this APD in order to complete drilling operations. The Utah Division of Oil, Gas, and Mining initially approved this APD on 12/28/2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-22-08
By: [Signature]

NAME (PLEASE PRINT) Kevin McIntyre TITLE Regulatory Analyst
SIGNATURE [Signature] DATE 12/16/2008

(This space for State use only)

COPY SENT TO OPERATOR

Date: 12-30-2008

Initials: KS

(See Instructions on Reverse Side)

RECEIVED

DEC 17 2008

DIV. OF OIL, GAS & MINING



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

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

API: 4304737780
Well Name: NBU 1022-19G
Location: SWNE 2069' FNL & 2241' FEL, Sec. 19, T10S R22E
Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP
Date Original Permit Issued: 12/28/2006

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

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

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

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

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

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

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

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

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


Signature

12/16/2008
Date

Title: Regulatory Analyst

Representing: Kerr-McGee Oil & Gas Onshore, LP

RECEIVED
DEC 17 2008
DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 7, 2010

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

Re: APD Rescinded – NBU 1022-19G, Sec. 19, T. 10S, R. 22E,
Uintah County, Utah, API No. 43-047-37780

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 28, 2006. On December 17, 2007 and December 22, 2008 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 7, 2010.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner