

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: ST UO-01530-ST	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: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP			9. WELL NAME and NUMBER: NBU 922-310	
3. ADDRESS OF OPERATOR: 1368 S. 1200 E. CITY: VERNAL STATE: UT ZIP: 84078		PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 135'FSL, 1638'FWL			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 31 9S 22E	
AT PROPOSED PRODUCING ZONE:				
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 21.7 MILES SOUTHEAST OF OURAY, UTAH			12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 135'	16. NUMBER OF ACRES IN LEASE: 80.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 9,050	20. BOND DESCRIPTION: RLB0005238		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4956'GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:		

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		
12 1/4"	9 5/8	H-40	32.3#	2,300	315 SX CLASS G	15.6 PPG	1.18 YIELD
7 7/8"	4 1/2	I-80	11.6#	9,050	1880 SX	14.3 PPG	1.31 YIELD

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) SHEILA UPCHEGO TITLE REGULATORY ANALYST

SIGNATURE *Sheila Upchego* DATE 4/12/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-33005 APPROVAL: _____

RECEIVED
APR 14 2006
DIV. OF OIL, GAS & MINING

R 21 E T9S, R22E, S.L.B.&M.
R 22 E

S89°49'W - 2234.10' (G.L.O.) S89°49'W - 2630.10' (G.L.O.)

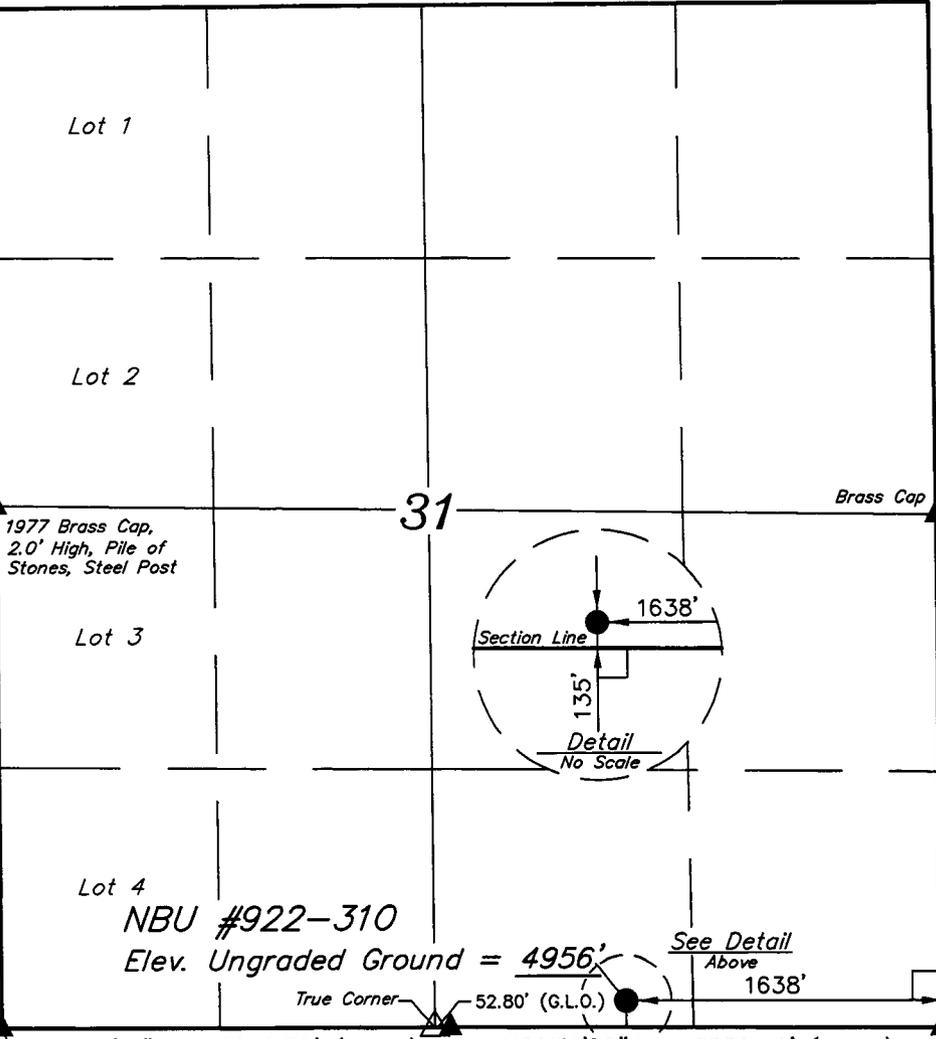
N00°04'E - 2571.36' (G.L.O.)

N00°06'W - 2649.24' (G.L.O.)

N00°03'49"E - 2697.16' (Meas.)

S00°01'20"W - 2644.45' (Meas.)

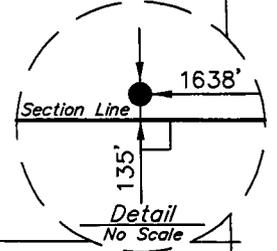
T9S
T10S



1977 Brass Cap,
2.0' High, Pile of
Stones, Steel Post

1977 Brass Cap,
Set Stone,
Pile of Stones

w.c. 1977 Brass Cap,
Flush w/Top of
Pile of Stones



See Detail
Above

1977 Brass Cap,
2.0' High, Pile
of Stones

Kerr-McGee Oil & Gas Onshore LP

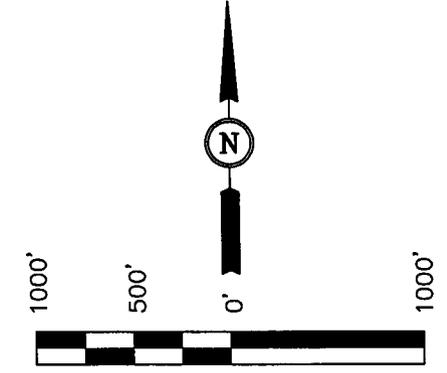
Well location, NBU #922-310, located as shown in the SW 1/4 SE 1/4 of Section 31, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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



SCALE

CERTIFICATE

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

John H. Gray
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

LEGEND:

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

(NAD 83)
LATITUDE = 39°59'08.27" (39.985631)
LONGITUDE = 109°28'44.86" (109.479128)
(NAD 27)
LATITUDE = 39°59'08.40" (39.985667)
LONGITUDE = 109°28'42.39" (109.478442)

SCALE 1" = 1000'	DATE SURVEYED: 12-09-05	DATE DRAWN: 02-09-06
PARTY D.K. L.K. L.K.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr-McGee Oil & Gas Onshore LP	

**NBU 922-310
SWSE SEC 31-T9S-R22E
UINTAH COUNTY, UTAH
ST UO-01530-ST**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1162'
Mahogany	2123'
Wasatch	4385'
Mesaverde	6962'
MVU2	7854'
MVL1	8460'
TD	9050'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1162'
	Mahogany	2123'
Gas	Wasatch	4385'
Gas	Mesaverde	6962'
Gas	MVU2	7854'
Gas	MVL1	8460'
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 9050' TD, approximately equals 5611 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3620 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. **Variations:**

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'							
SURFACE	9-5/8"	0	to 1900	32.30	H-40	STC	2270 0.62*****	1370 1.54	254000 3.90
	9-5/8"	1900	to 2300	36.00	J-55	STC	3520 1.22*****	2020 1.88	564000 8.67
PRODUCTION	4-1/2"	0	to 9050	11.60	I-80	LTC	7780 2.13	6350 1.12	201000 2.19

- 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 = 12.0 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 3656 psi
- ***** Burst SF is low but csg is stronger than formation at 2300 feet
- ***** EMW @ 2300 for 2270# is 19.0 ppg or 1.0 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	250	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	100		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	LEAD	2000	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	230	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	3,880'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	430	60%	11.00	3.38
	TAIL	5,170'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1450	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained
*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

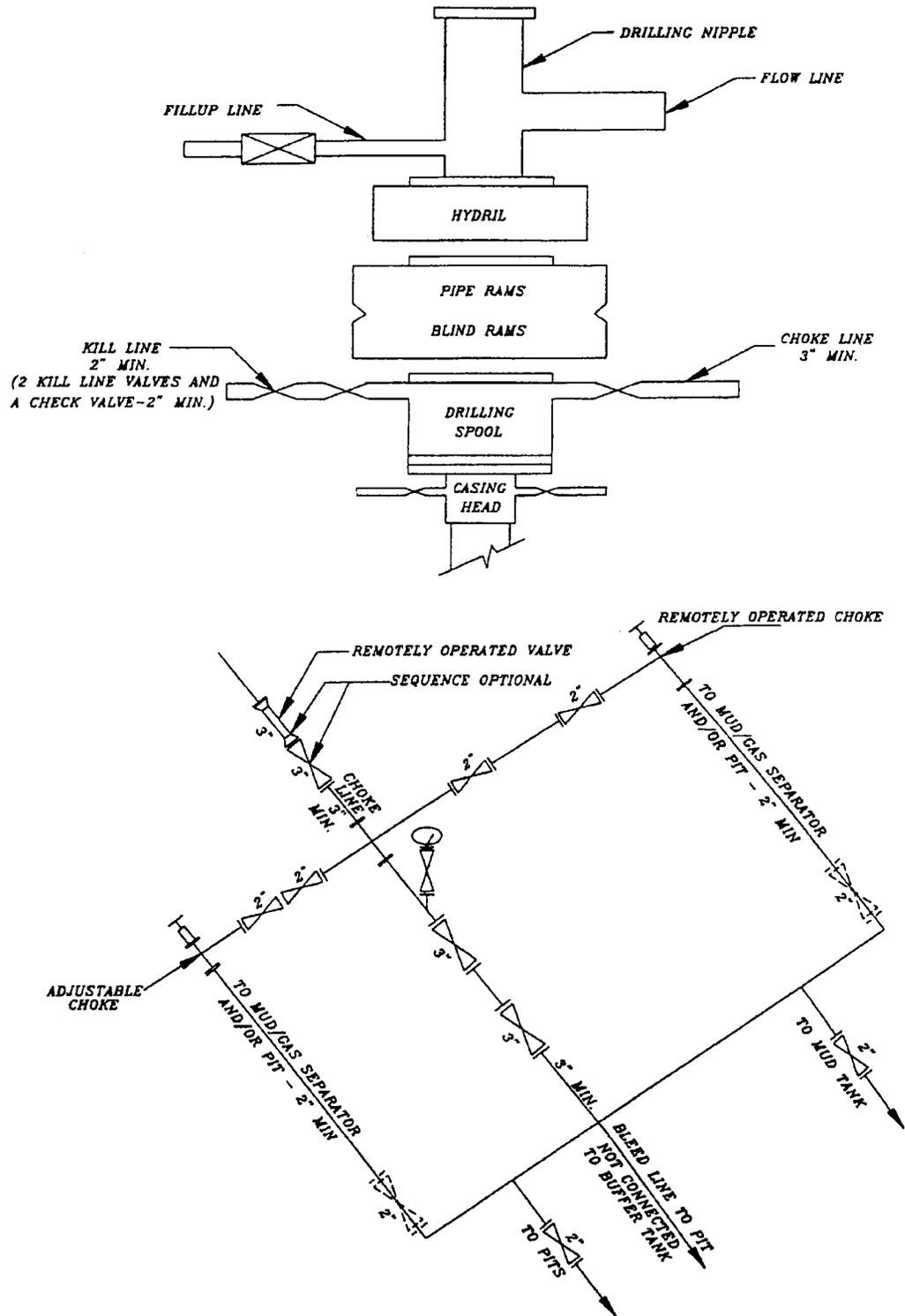
DRILLING ENGINEER: _____
Brad Laney

DATE: _____

DRILLING SUPERINTENDENT: _____
Randy Bayne NBU922-310 APD 2200' +.xls

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 922-31O
SWSE SEC 31-T9S-R22E
Uintah County, UT
ST UO-01530-ST**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

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

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

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

2. Planned Access Roads:

Approximately 0.35 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

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

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

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

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

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

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

Approximately 25' of 4" steel pipeline and Approximately 539' +/- of 4" re-route 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:

Sheila Upchego
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

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.



Sheila Upchego

4/12/2006

Date

Kerr-McGee Oil & Gas Onshore LP
NBU #922-310
SECTION 31, T9S, 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 DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHWESTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.4 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #922-310

LOCATED IN UINTAH COUNTY, UTAH
SECTION 31, T9S, R22E, S.L.B.&M.

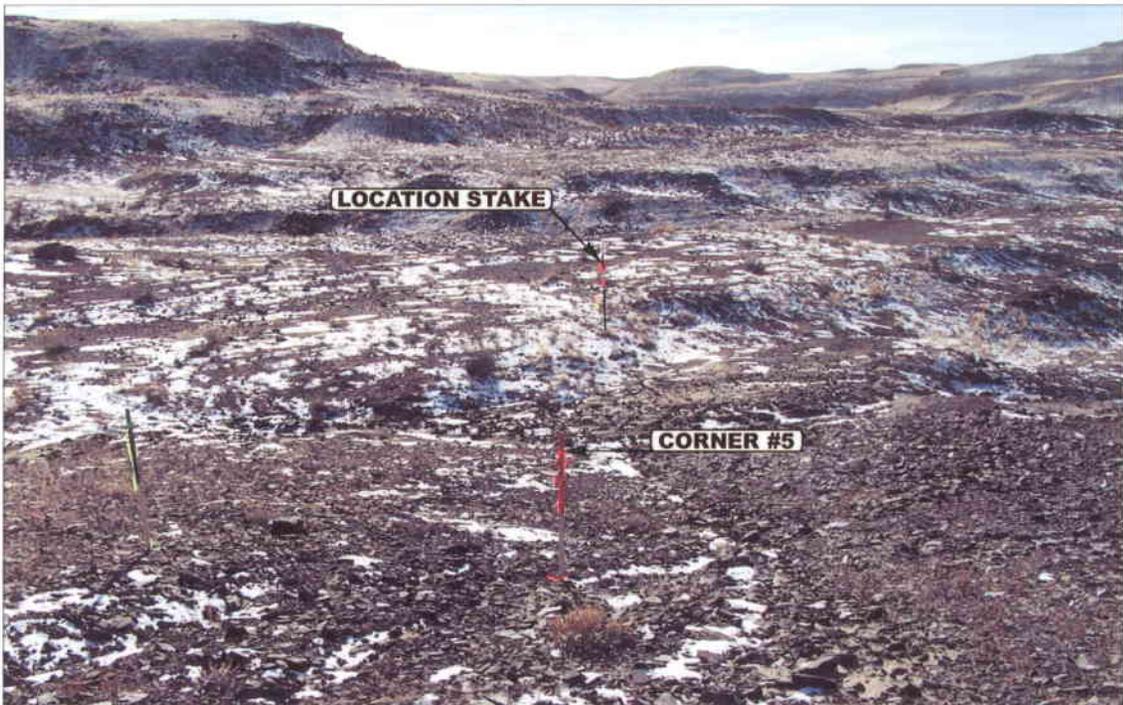


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

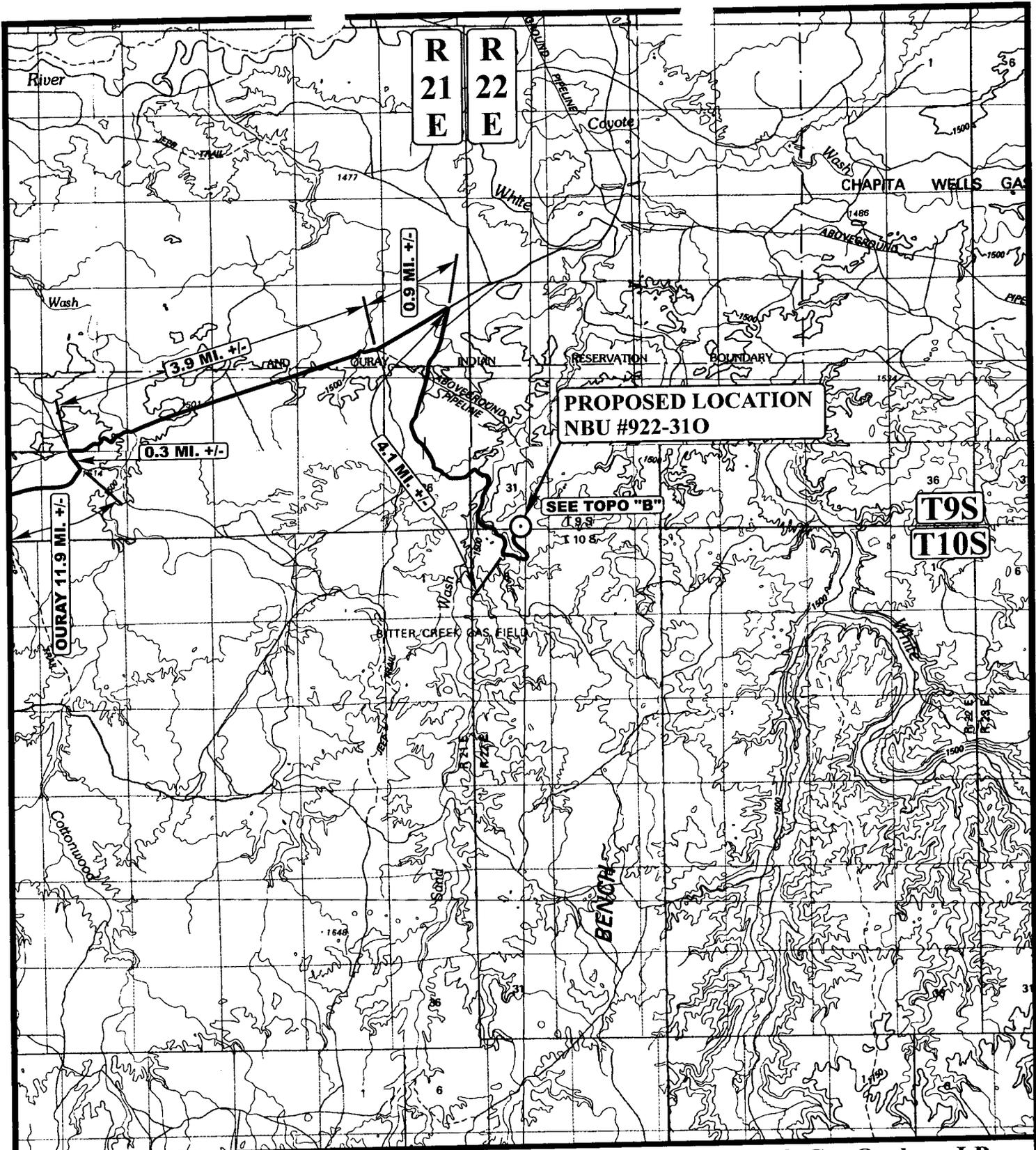
12 20 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: C.P.

REVISED: 00-00-00



**PROPOSED LOCATION
NBU #922-310**

SEE TOPO "B"

**T9S
T10S**

**R
21
E**

**R
22
E**

LEGEND:

⊙ PROPOSED LOCATION

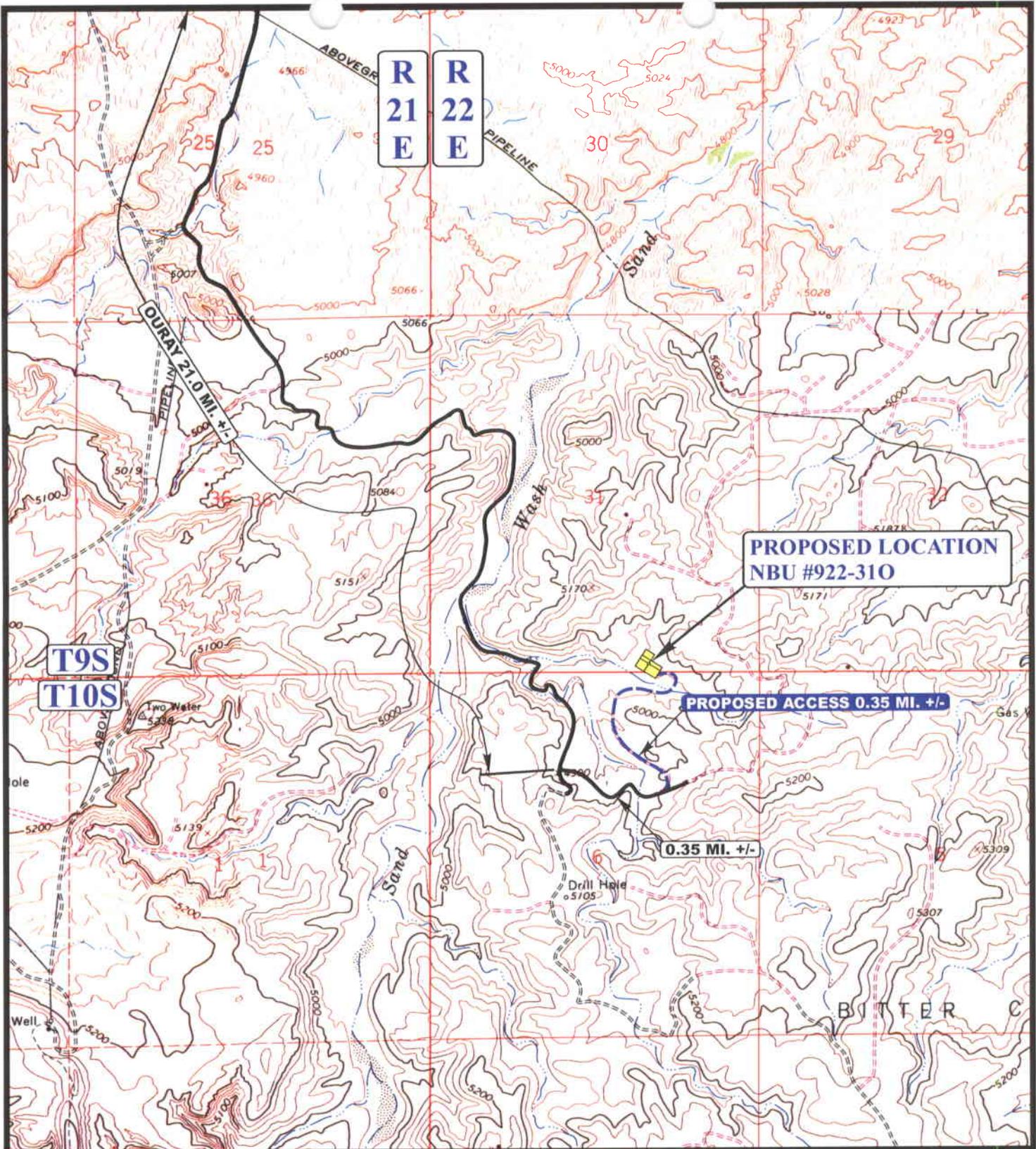


Kerr-McGee Oil & Gas Onshore LP

**NBU #922-310
SECTION 31, T9S, R22E, S.L.B.&M.
135' FSL 1638' FWL**

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

TOPOGRAPHIC MAP	12	20	05	A TOPO
	MONTH	DAY	YEAR	
SCALE: 1:100,000	DRAWN BY: C.P.		REVISED: 00-00-00	



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

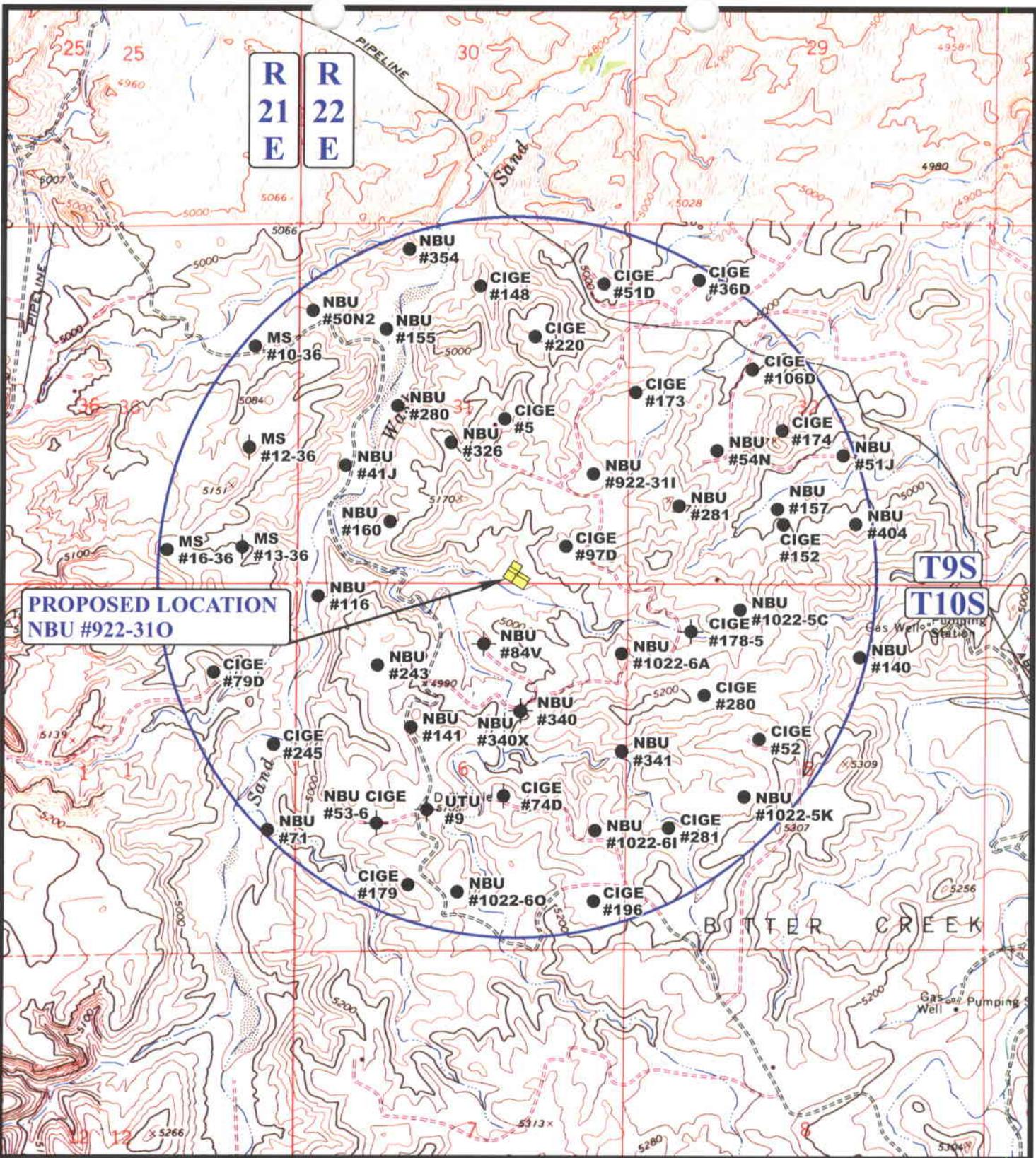


Kerr-McGee Oil & Gas Onshore LP

NBU #922-310
 SECTION 31, T9S, R22E, S.L.B.&M.
 135' FSL 1638' FWL

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

TOPOGRAPHIC MAP 12 20 05
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **B TOPO**



PROPOSED LOCATION
NBU #922-310

LEGEND:

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

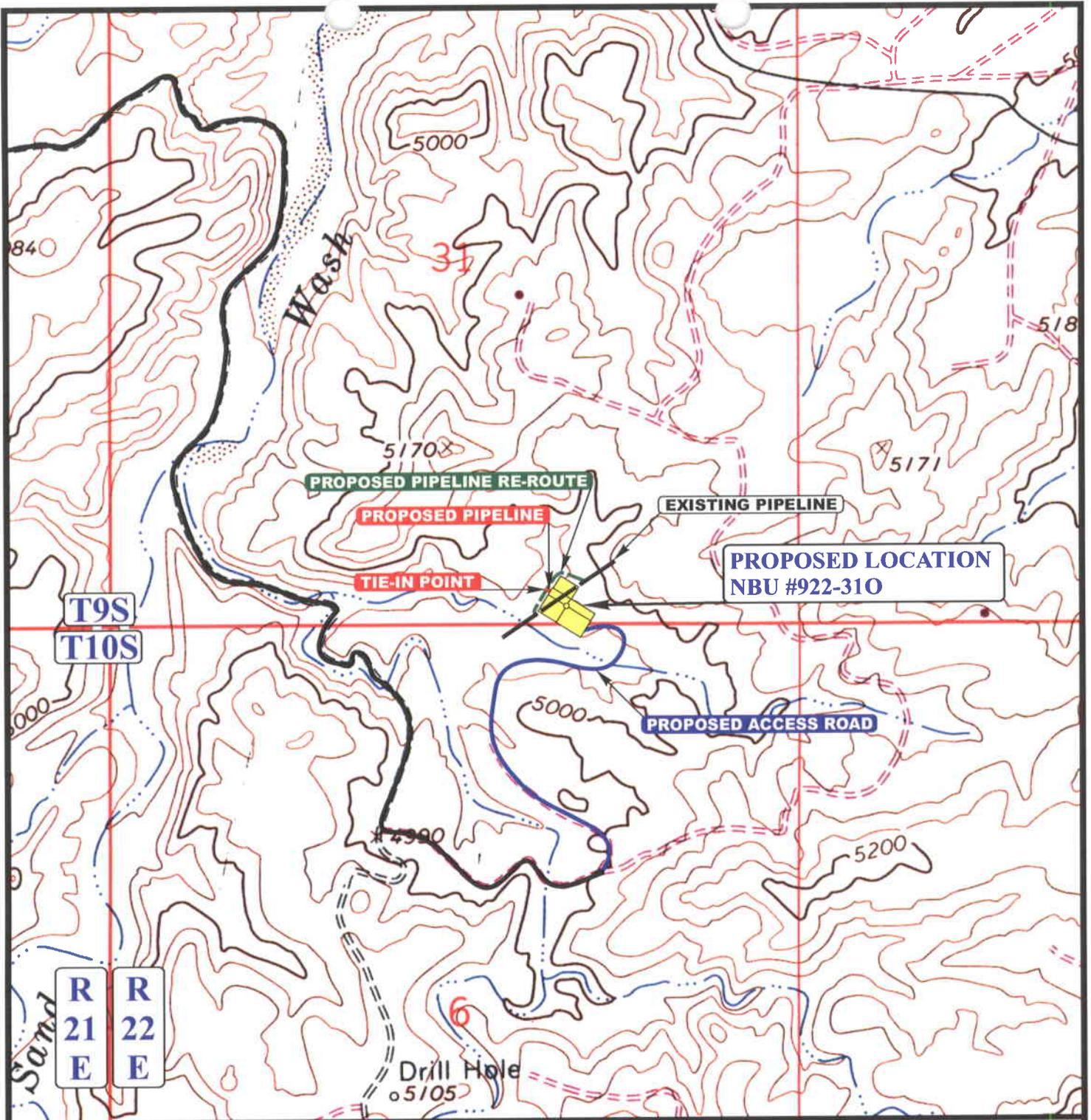
Kerr-McGee Oil & Gas Onshore LP

NBU #922-310
SECTION 31, T9S, R22E, S.L.B.&M.
135' FSL 1638' FWL

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 85 South 200 East Vernal, Utah 84078
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TOPOGRAPHIC MAP **12 20 05**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 25' +/-

APPROXIMATE TOTAL PIPELINE RE-ROUTE DISTANCE = 539' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - PROPOSED PIPELINE
- - - - PROPOSED PIPELINE RE-ROUTE



Kerr-McGee Oil & Gas Onshore LP

NBU #922-310

SECTION 31, T9S, R22E, S.L.B.&M.

135' FSL 1638' FWL



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

TOPOGRAPHIC
MAP

12	20	05
MONTH	DAY	YEAR

SCALE: 1" = 1000' | DRAWN BY: C.P. | REVISED: 00-00-00



Kerr-McGee Oil & Gas Onshore LP

NBU #922-310

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 31, T9S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #2

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

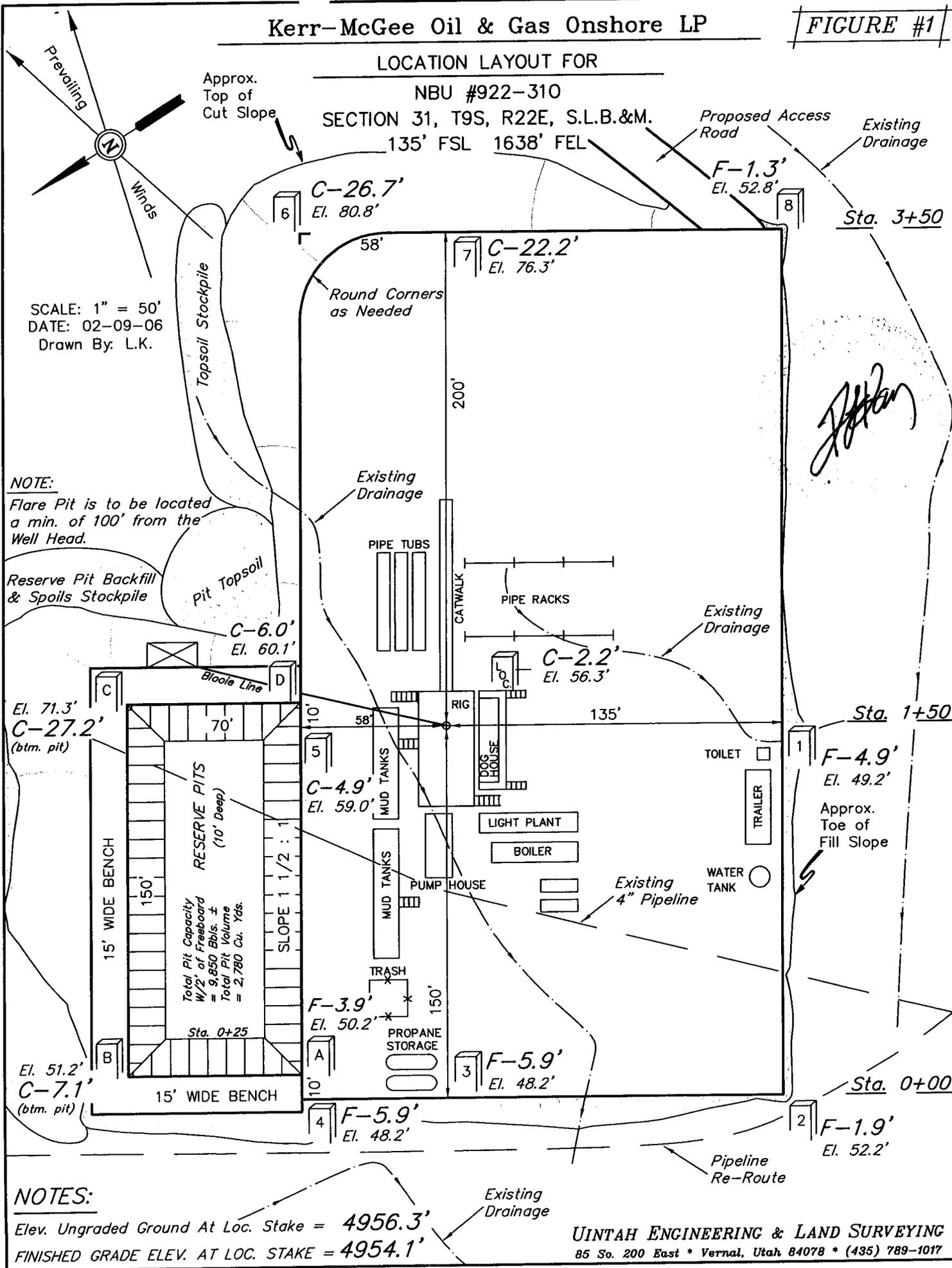
PIPELINE PHOTOS	12	20	05	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: C.P.	REVISED: 00-00-00		

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

NBU #922-310
SECTION 31, T9S, R22E, S.L.B.&M.
135' FSL 1638' FEL



NOTE:

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

Reserve Pit Backfill & Spoils Stockpile

Pit Topsoil

El. 71.3'
C-27.2'
(btm. pit)

RESERVE PITS
(10' Deep)
SLOPE 1 1/2 : 1
Total Pit Capacity
W/2' of Freeboard
= 9,850 Bbls. ±
Total Pit Volume
= 2,780 Cu. Yds.

El. 51.2'
C-7.1'
(btm. pit)

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4956.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 4954.1'

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

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

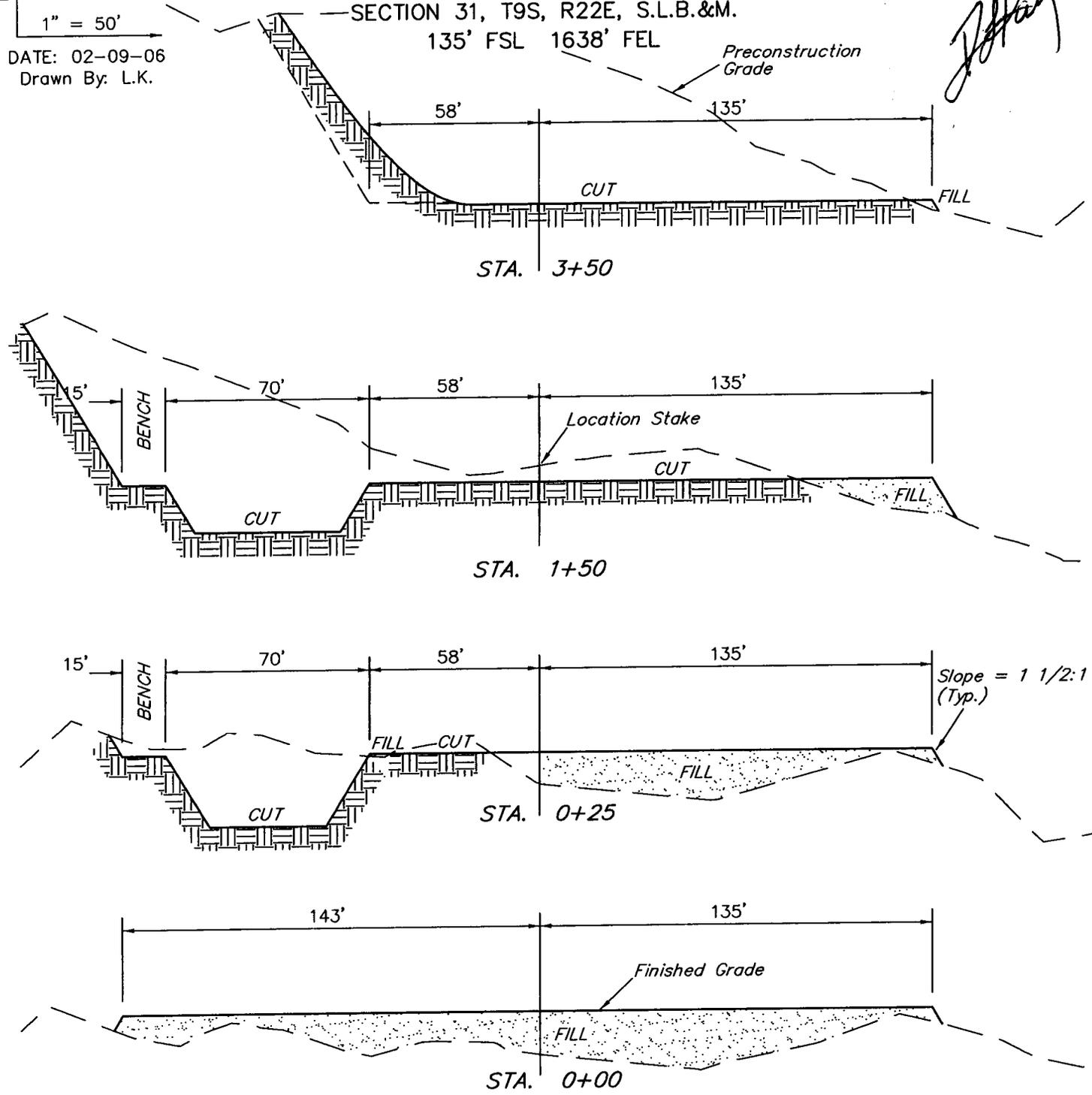
X-Section Scale
1" = 50'
DATE: 02-09-06
Drawn By: L.K.

TYPICAL CROSS SECTIONS FOR

NBU #922-310

SECTION 31, T9S, R22E, S.L.B.&M.

135' FSL 1638' FEL



APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,960 Cu. Yds.
Remaining Location	= 24,310 Cu. Yds.
TOTAL CUT	= 26,270 CU.YDS.
FILL	= 3,430 CU.YDS.

EXCESS MATERIAL	= 22,840 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,350 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 19,490 Cu. Yds.

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/14/2006

API NO. ASSIGNED: 43-047-38005

WELL NAME: NBU 922-310
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	6/21/06
Geology		
Surface		

SWSE 31 090S 220E
 SURFACE: 0135 FSL 1638 FEL
 BOTTOM: 0135 FSL 1638 FEL
 COUNTY: UINTAH
 LATITUDE: 39.98568 LONGITUDE: -109.4783
 UTM SURF EASTINGS: 629923 NORTHINGS: 4427066
 FIELD NAME: NATURAL BUTTES (630)

LEASE TYPE: 3 - State
 LEASE NUMBER: UC-1207-A-ST
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

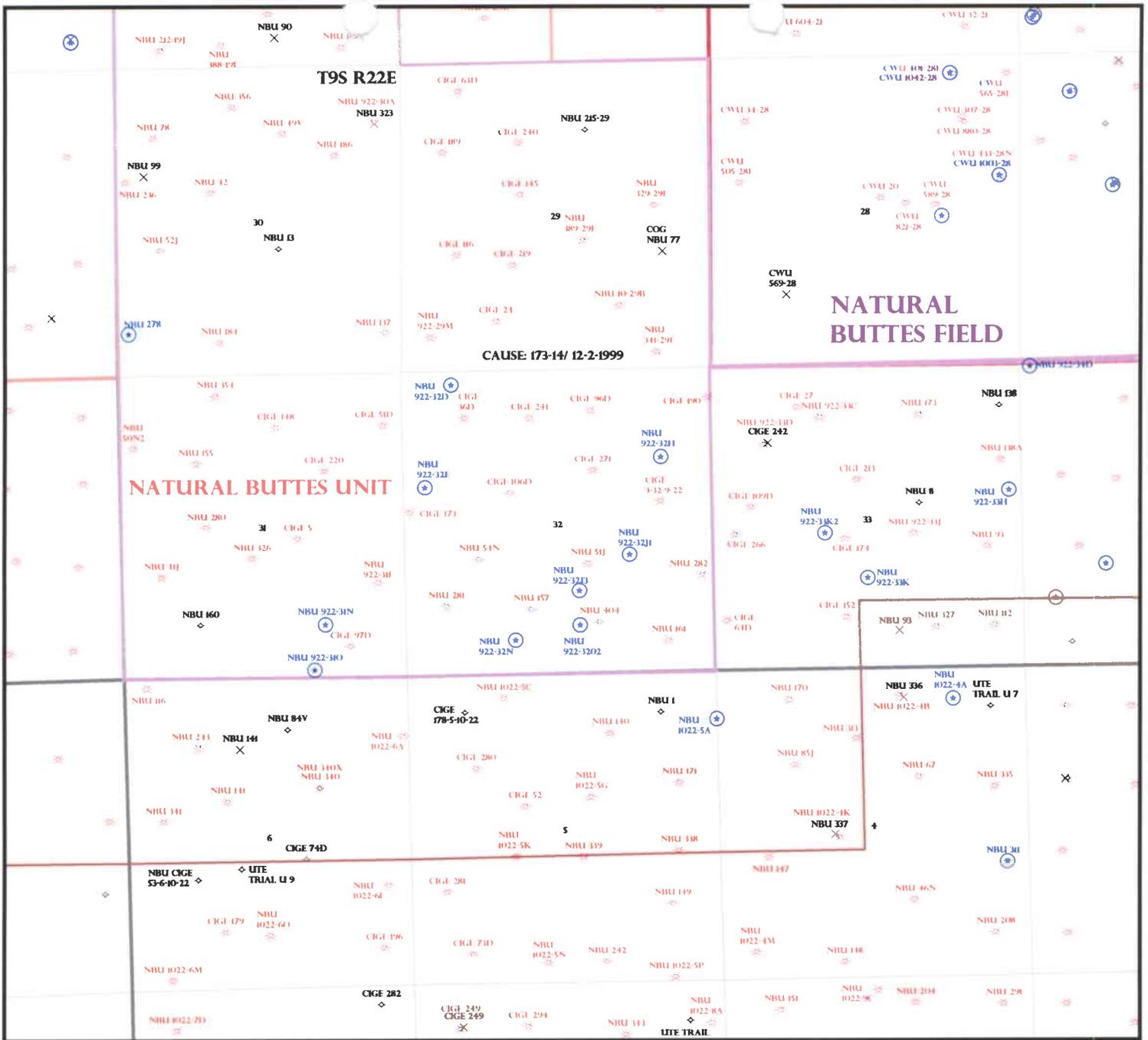
- R649-2-3.
- Unit: NATURAL BUTTES
- R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 173.14
Eff Date: 12-2-99
Siting: 460' fr w/bed of uranium tract
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (05-31-2006)

STIPULATIONS:

- 1- OIL SHALE
- 2- STATEMENT OF BASIS
- 3- Surface Cgg Cont Stip



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 31,32,33 T. 9S R. 22E

FIELD: NATURAL BUTTES (630)

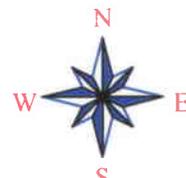
COUNTY: Uintah

CAUSE: 173-14/ 12-2-1999

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

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

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



PREPARED BY: DIANA WHITNEY
DATE: 24-APRIL-2006

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

OPERATOR: KERR McGEE OIL & GAS ONSHORE LP
WELL NAME & NUMBER: NBU 922-310
API NUMBER: 43-047-38005
LOCATION: 1/4,1/4 SWSE Sec: 31 TWP: 9S RNG: 22E 135' FSL 1638' FEL

Geology/Ground Water:

Kerr McGee proposes to set 2,300' 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 3,000'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 31. 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 proposed surface casing and cement should adequately protect ground water in this area.

Reviewer: Brad Hill Date: 06/07/06

Surface:

The pre-site investigation of the surface was performed on 05/31/2006. This site is on State surface, and appears to be the best site for a well in this area due to steep slopes and difficult terrain. Ed Bonner of SITLA was invited to attend this surface inspection but was not present. Ben Williams from DWR stated that this site is classified as critical yearlong pronghorn habitat, but made no requests and had no concerns with drilling on this location. There is an existing pipeline crossing this proposed location. Kerr-McGee must reroute the pipeline around the west side of the location and avoid the drainage to the west of the site.

Reviewer: Richard Powell Date: 05/31/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP
WELL NAME & NUMBER: NBU 922-310
API NUMBER: 43-047-38005
LEASE: STUO-01530-ST **FIELD/UNIT:** NATURAL BUTTES
LOCATION: 1/4, 1/4 SWSE Sec: 31 TWP: 9S RNG: 22E 135' FSL 1638' FEL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): 0629916 4427066 **SURFACE OWNER:** SITLA.

PARTICIPANTS

Richard Powell (DOGM), Ben Williams (DWR), Carroll Estes, Clay Einerson and Tony Kazeck (WESTPORT), David Kay (UELS)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Location is set in the midst of steep rocky hills, and drains to the southwest. There is a small drainage right through the center of the location, but the collection area is very small and extends only approximately 150 feet above location. There is a much larger drainage to the northwest but it will not be affected by the location.

SURFACE USE PLAN

CURRENT SURFACE USE: Livestock and Wildlife Grazing.

PROPOSED SURFACE DISTURBANCE: Location as proposed will be 350' by 308'. Proposed new access road approximately .35 miles.

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

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

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Unlikely.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Portable toilets, sewage holding tanks, and onsite sewage treatment equipment will be handled by commercial contractors and regulated by the appropriate health authority. Trash will be contained

in trash baskets and disposed of at an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: The area of location contains sagebrush, sparse grasses, greasewood, salt brush, halogeton, rabbit brush and prickly pear. Wildlife found in this area may include: Rodents, Raptors, Coyote, Pronghorn, Prairie Dogs and Rabbits.

SOIL TYPE AND CHARACTERISTICS: Brown silty clay soil with abundant rock fragments scattered on the surface.

EROSION/SEDIMENTATION/STABILITY: It does not appear that construction will affect erosion or the potential of sediment leaving the site.

PALEONTOLOGICAL POTENTIAL: Per Carroll Estes study has been done by IPC.

RESERVE PIT

CHARACTERISTICS: 150' by 100' and ten feet deep. Reserve pit to be placed in cut.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Site ranking score is 25.

SURFACE RESTORATION/RECLAMATION PLAN

As per SITLA

SURFACE AGREEMENT: As per SITLA

CULTURAL RESOURCES/ARCHAEOLOGY: Per Carroll Estes a study has been done by Montgomery Archaeology consultants.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

RICHARD POWELL
DOG M REPRESENTATIVE

05/31/2006 10:35 AM
DATE/TIME

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

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

Final Score 20 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.

06-06 Kerr McGee NBU 922-310

Casing Schematic

Surface

9-5/8"
MW 8.4
Frac 19.3

Blip

$$(0.022)(10)(9050) = 5647$$

Anticipate - 5611

Gas

$$(0.10)(9050) = 1086$$

MHS.P - 4561

BOPE 5,000 - ✓

Seal Csg - 2220
70% = 1584

Max pressure @ Seal Csg shrt: 4162

Test to 1584# (propose 1500) ✓

✓ Adequate DWD 6/29/06

4-1/2"
MW 12.

TOC @
0.

1162 Green River

1845 Joe Tail

Surface
2300. MD

3000 15 MISC

3781 Joe Tail

4355 Washout

✓ w/ 9% washout
* surface stop

✓ w/ 18% washout

Production
9050. MD

Well name:	06-06 Kerr McGee NBU 922-310	
Operator:	Kerr McGee Oil & Gas	Project ID:
String type:	Surface	43-047-38005
Location:	Uintah County	

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 97 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,272 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 2,300 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 air weight.
Neutral point: 2,040 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 9,050 ft
Next mud weight: 12.000 ppg
Next setting BHP: 5,642 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,300 ft
Injection pressure 2,300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
2	1900	9.625	32.30	H-40	ST&C	1900	1900	8.876	120.4
1	400	9.625	36.00	J-55	ST&C	2300	2300	8.796	28.5

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
2	829	1355	1.635	2121	2270	1.07	76	254	3.35 J
1	1004	2020	2.013	2300	3520	1.53	14	394	27.37 J

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

Phone: 801-538-5280

Date: June 8, 2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name:	06-06 Kerr McGee NBU 922-310	
Operator:	Kerr McGee Oil & Gas	Project ID:
String type:	Production	43-047-38005
Location:	Uintah County	

Design parameters:

Collapse

Mud weight: 12.000 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: 65 °F
 Bottom hole temperature: 192 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,598 psi
 Internal gradient: 0.447 psi/ft
 Calculated BHP 5,642 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)

Non-directional string.

Tension is based on air weight.
 Neutral point: 7,427 ft

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	9050	4.5	11.60	N-80	LT&C	9050	9050	3.875	209.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5642	6350	1.126	5642	7780	1.38	105	223	2.12 J

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

Phone: 801-538-5280

Date: June 8, 2006
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 9050 ft, a mud weight of 12 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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



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

June 29, 2006

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

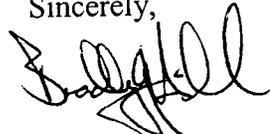
Re: Natural Buttes Unit 922-31O Well, 135' FSL, 1638' FEL, SW SE, Sec. 31,
T. 9 South, R. 22 East, Uintah County, Utah

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 43-047-38005.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number Natural Buttes Unit 922-310
API Number: 43-047-38005
Lease: UO-1207-A-ST

Location: SW SE **Sec.** 31 **T.** 9 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)

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 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ST UO-01530-ST	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: UNIT #891008900A / <i>Natural Gas</i>	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP			9. WELL NAME and NUMBER: NBU 922-310	
3. ADDRESS OF OPERATOR: 1368 S. 1200 E. CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 135'FSL, 1638'FWL			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 31 9S 22E	
AT PROPOSED PRODUCING ZONE:				
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 21.7 MILES SOUTHEAST OF OURAY, UTAH			12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 135'	16. NUMBER OF ACRES IN LEASE: 80.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 9,050	20. BOND DESCRIPTION: RLB0005238		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4956'GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:		

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		
12 1/4"	9 5/8	H-40	32.3#	2,300	315 SX CLASS G	15.6 PPG	1.18 YIELD
7 7/8"	4 1/2	I-80	11.6#	9,050	1880 SX	14.3 PPG	1.31 YIELD

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) SHEILA UPCHEGO TITLE REGULATORY ANALYST

SIGNATURE *[Signature]* DATE 4/12/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-33005

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

Date: 06-29-06
By: *[Signature]*

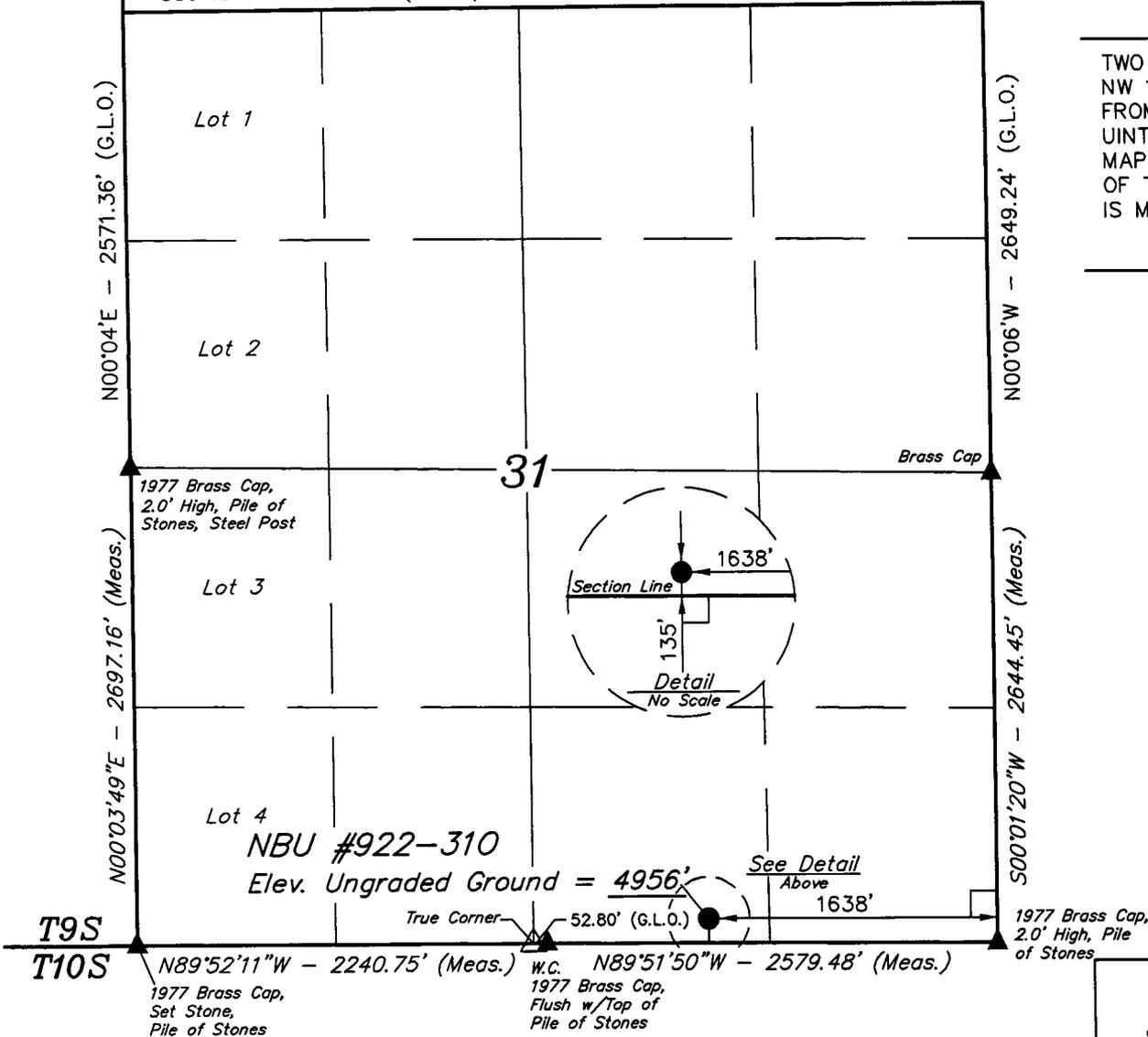
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R
21
E

R
22
E

T9S, R22E, S.L.B.&M.

S89°49'W - 2234.10' (G.L.O.) S89°49'W - 2630.10' (G.L.O.)



Kerr-McGee Oil & Gas Onshore LP

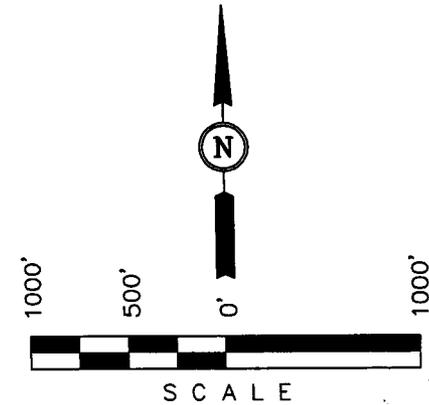
Well location, NBU #922-310, located as shown in the SW 1/4 SE 1/4 of Section 31, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

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



CERTIFICATE

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

John H. ...
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

LEGEND:

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

(NAD 83)
LATITUDE = 39°59'08.27" (39.985631)
LONGITUDE = 109°28'44.86" (109.479128)

(NAD 27)
LATITUDE = 39°59'08.40" (39.985667)
LONGITUDE = 109°28'42.39" (109.478442)

SCALE 1" = 1000'	DATE SURVEYED: 12-09-05	DATE DRAWN: 02-09-06
PARTY D.K. L.K. L.K.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr-McGee Oil & Gas Onshore LP	

From: Ed Bonner
To: Whitney, Diana
Date: 4/25/2006 10:57:52 AM
Subject: Re: NBU 922-310

Hi Diana:

This application lease number should be corrected to read: UO 1207-A-ST
This covers the mineral acreage in the SWSE Sec. 31

Thanks, Ed

>>> Diana Whitney 04/17/06 10:26 AM >>>

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)

April 24, 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)

43-047-38005	NBU 922-31O	Sec 31 T09S R22E 0135 FSL 1638 FEL
43-047-38006	NBU 922-32E	Sec 32 T09S R22E 2022 FNL 0305 FWL
43-047-38007	NBU 922-32H	Sec 32 T09S R22E 1555 FNL 0951 FEL
43-047-38008	NBU 922-32D	Sec 32 T09S R22E 0264 FNL 0778 FWL
43-047-38009	NBU 922-32J3	Sec 32 T09S R22E 1434 FSL 2382 FEL
43-047-38010	NBU 922-3202	Sec 32 T09S R22E 0844 FSL 2377 FEL
43-047-38011	NBU 922-32J1	Sec 32 T09S R22E 2044 FSL 1513 FEL
43-047-38002	NBU 922-33K2	Sec 33 T09S R22E 2383 FSL 1837 FWL
43-047-38003	NBU 922-33K	Sec 33 T09S R22E 1586 FSL 2553 FWL
43-047-38004	NBU 922-33H	Sec 33 T09S R22E 2222 FNL 0283 FEL

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
Agr. Sec. Chron
Fluid Chron

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

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

Well Name: NBU 922-310

Api No: 43-047-38005 Lease Type: STATE

Section 31 Township 09S Range 22E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # BUCKET

SPUDDED:

Date 01/24/07

Time _____

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 01/26/2007 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738005	NBU 922-310		SWSE	31	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>B</u>	99999	<u>2900</u>	1/24/2007			1/31/07	
Comments: <u>MIRU ROCKY MTN BUCKET RIG. WSMVD</u> <u>SPUD WELL LOCATION ON 01/24/2007 AT 1430 HRS.</u>							

Well 2

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

Well 3

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

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ACTION CODES:

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

DIV. OF OIL, GAS & MINING

SHEILA UPCHEGO

Name (Please Print) _____
 Signature 
 SENIOR LAND SPECIALIST 1/26/2007
 Title Date

To EARLENE RUSSELL From SHEILA UPCHEGO
 (6/2000) Co./Dept. UTDOGMI Co. KMG
 Phone # (801) 538-6336 Phone # (435) 781-7024
 Fax # (801) 359-3440 Fax # (435) 781-7094

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: ST UO-01530-ST
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 922-310
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304738005
4. LOCATION OF WELL FOOTAGES AT SURFACE: 135'FSL, 1638'FWL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 31 9S 22E		COUNTY: UINTAH
		STATE: UTAH

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

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

MIRU BILL MARTIN AIR RIG ON 01/25/2007. DRILLED 12 1/4" SURFACE HOLE TO 2400'. RAN 9 5/8" 49 JTS OF 32.3# H-40 AND 10 JTS OF 36# J-55 SURFACE CSG. LEAD CMT W/400 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT. TOP OUT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE NO CMT TO SURFACE. WOC. 2ND TOP OUT W/210 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE CMT TO SURFACE HOLE STAYED FULL.

WORT

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE 1/30/2007

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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: ST UO-01530-ST
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 922-310
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078	PHONE NUMBER: (435) 781-7024	9. API NUMBER: 4304738005
4. LOCATION OF WELL FOOTAGES AT SURFACE: 135'FSL, 1638'FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 31 9S 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 type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: FINAL DRILLING OPERATIONS

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

FINISHED DRILLING FROM 2400' TO 9050' ON 03/20/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/330 SX PREM LITE II @11.0 PPG 3.38 YIELD. TAILED CMT W/1200 SX 50/50 POZ @14.3 PPG 1.31 YIELD. 140 BBLS DISPLACEMENT BUMP PLUG PLUG HOLDING AFTER 134 BBLS DISPLACEMENT LOST RETURNS. NIPPLE DOWN SET SLIPS W/100,000# STRING WT. CLEAN MUD PITS.

RELEASED ENSIGN RIG #12 ON 03/21/2007 AT 1500 HRS.

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE	DATE <u>3/22/2007</u>

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ST UO-01530-ST

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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

8. WELL NAME and NUMBER:
NBU 922-310

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

9. API NUMBER:
4304738005

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

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **135'FSL, 1638'^EFWL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSE 31 9S 22E**

STATE: **UTAH**

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

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 04/15/2007 AT 9:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

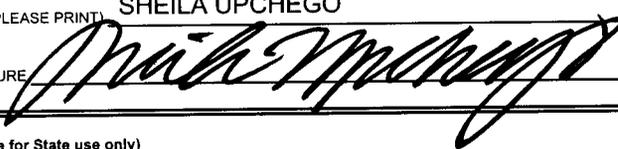
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APR 23 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) **SHEILA UPCHEGO**

TITLE **SENIOR LAND ADMIN SPECIALIST**

SIGNATURE 

DATE **4/16/2007**

(This space for State use only)



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

CHRONOLOGICAL WELL HISTORY

NBU 922-310

SWSE, SEC. 10, T9S, R22E
UINTAH COUNTY, UT

DATE	Activity	Status
01/04/07	LOCATION STARTED	Pioneer 12
01/24/07	Location is 95% Complete SET CONDUCTOR	Pioneer 12
01/25/07	LOCATION COMPLETE SET AIR RIG SPUD	Pioneer 12 P/L IN
01/30/07	9 5/8" @2366'	Pioneer 12 WORT
03/09/07	TD: 2400' Csg. 9 5/8"@ 2367' MW: 8.4 SD: 3/XX/07 DSS: 0 Move rig from NBU 1022-7B-3T. 100% moved and 70% rigged up @ report time.	
03/12/07	TD: 4740' Csg. 9 5/8"@ 2367' MW: 8.4 SD: 3/10/07 DSS: 2 RURT. NU and test BOPE. PU BHA and DP. Drill cmt and FE. Rotary spud @ 1330 hrs on 3/10/07. Drill and survey from 2400'-4740'. DA @ report time.	
03/13/07	TD: 5902' Csg. 9 5/8"@ 2367' MW: 9.2 SD: 3/10/07 DSS: 3 Drill from 4740'-5902'. DA @ report time.	
03/14/07	TD: 6350' Csg. 9 5/8"@ 2367' MW: 9.4 SD: 3/10/07 DSS: 4 Drill from 5902'-6158'. TFNB. Drill to 6350'. DA @ report time.	
03/15/07	TD: 7200' Csg. 9 5/8"@ 2367' MW: 10.0 SD: 3/10/07 DSS: 5 Drill from 6350'-7200'. DA @ report time.	
03/16/07	TD: 7600' Csg. 9 5/8"@ 2367' MW: 10.5 SD: 3/10/07 DSS: 6 Drill from 7200'-7449'. TFNB. Drill to 7600'. DA @ report time.	
03/19/07	TD: 8880' Csg. 9 5/8"@ 2367' MW: 11.2 SD: 3/10/07 DSS: 9 Drill from 7600'-8520'. TFNB. TIH to 8100'. Stuck @ bit. Work stuck pipe. Spot diesel around bit and work pipe. PU surface jar and jar bit loose. Ream tight hole and wash and ream to bottom. Drill from 8520'-8833'. Lost full returns. Mix and pump NU TRU SEAL LCM pill. Establish returns. Drill to 8880'. DA @ report time.	

03/20/07

TD: 9050' Csg. 9 5/8"@ 2367' MW: 11.4 SD: 3/10/07 DSS: 10
Drill from 8880'-9050' TD. Short trip to 5900'. Circulate out gas. POOH laying down drill string @ report time.

03/21/07

TD: 9050' Csg. 9 5/8"@ 2367' MW: 11.4 SD: 3/10/07 DSS: 11
Lay down drill string. Run Triple Combo. Run 4 1/2" Production Casing. Circulate out gas @ report time.

03/22/07

TD: 9050' Csg. 9 5/8"@ 2367' MW: 11.4 SD: 3/10/07 DSS: 11
Cement 4 1/2" Production Casing. Set slips and release rig @ 1500 hrs 3/21/07. RDRT.

03/23/07

TD: 9050' Csg. 9 5/8"@ 2367' MW: 11.4 SD: 3/10/07 DSS: 11
RDRT. Will move to NBU 922-31K-2TX this am.

04/09/07

MOVE IN EQUIPMENT

Days On Completion: 1

Remarks: 7:00 AM HSM. ROAD RIG TO LOC. RU RIG. ND WELLHEAD, NU BOP. PU 37/8" MILL RIH PU 2 3/8" TBG. TAG @ 9020'. CIR WELL. POOH W/ TBG EOT 7000'. SWI 6:00 PM

04/10/07

POOH W/TBG & TEST

Days On Completion: 2

Remarks: HSM. CONT TO POOH W/TBG & BIT, LD 34 JTS ON FLT, STND BK REMAINDER, LD BIT & SUB. ND BOP, NU FRAC VALVES. MIRU B&C QUICK TEST. PRES TST VALVES & CSG TO 7500 PSI. RDMO B&C, SWI, PREP TO FRAC IN MORNING. SDFN.

04/11/07

FRAC

Days On Completion: 3

Remarks: MIRU CUTTERS WIRELINE SERVICE (CWLS) & WEATHERFORD FRACTURING TECH (WFT). ALL STAGES WILL USE NALCO DVE-005 SCALE INHIBITOR (3 GPT IN PAD THRU HALF OF THE 1ST RAMP OF SAND & 10 GPT IN FLUSH); PERF GUNS WILL BE 3-3/8" EXPENDABLE (23 GM CHG, 40" PENE, 0.36" HOLE, 3 OR 4 SPF, 120 OR 90 DEGREE PHASING RESPECTIVELY); 30/50 OTTAWA SAND. RECYCLED SLICK WATER FROM THE GOAT PASTURE POND; CBPs ARE BAKER 5K 4.5".HSM. PRES TEST SURF LINES TO 8500 PSI.

STAGE 1: PU PERF GUN. RIH, PERF: 8983-86', 8959-62', 8926-28', 8730-32' & 8656-58'. 4, 4, 3, 4 & 3 SPF EA RESPECTIVELY, TOT OF 44 HOLES. POOH, LD WL TLS. OW: 170 PSI, BRK: 4142 PSI, ISIP: 3211 PSI, FG: 0.80. ER: 50.5 BPM @ 4500 PSI, POC: 100% (42/42). FRAC STAGE W/SW. TOT SND: 39,525 LBS, TOT FL: 1266 BBL. ISIP: 2862 PSI, FG: 0.76. MP: 6708 PSI, MR: 60.8 BPM, AP: 4970 PSI, AR: 55.8 BPM. MU CWLS.

STAGE 2: PU CBP & PERF GUN. RIH SET CBP @ 8530', PU, PERF: 8497-8500', 8454-56', 8424-28' & 8380-84'. 4, 4, 3 & 3 SPF EA RESPECTIVELY. TOT OF 44 HOLES. POOH, LD WL TLS. MU WFT.OW: 80 PSI, BRK: 3310 PSI, ISIP: 2785 PSI, FG: 0.76. ER: 51 BPM @ 4700 PSI, POC: 66% (29/44). FRAC STG W/SW. TOT SND: 65,685 LBS, TOT FL: 1775 BBL. ISIP: 3050 PSI, FG: 0.80. MP: 6670 PSI, MR: 55.3 BPM, AP: 4611 PSI, AR: 49.8 BPM. MU CWLS.

STAGE 3: PU CBP & PERF GUN. RIH SET CBP @ 8338', PU, PERF: 8306-11', 8270-72', 8241-43' & 8203-06'. 4, 4, 3 & 4 SPF EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WFT. OW: 830 PSI, BRK: 2741 PSI, ISIP: 2308 PSI, FG: 0.71. ER: 54.5 BPM @ 4600 PSI. POC: 65% (30/46). FRAC STG W/SW. TOT SND: 91,625 LBS, TOT FL: 2382 BBL. ISIP: 2624 PSI, FG: 0.75. MP: 6029 PSI, MR: 60.4 BPM, AP: 4722 PSI, AR: 59.5 BPM. MU CWLS.

STAGE 4: PU CBP & PERF GUN. RIH, SET CBP @ 7884'. PU, PERF: 7852-54', 7800-02', 7745-49' & 7625-30'. 3, 4, 3 & 4 SPF EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WFT.OW: 350 PSI, BRK: 2762 PSI, ISIP: 2088 PSI, FG: 0.70. ER: 55 BPM @ 4300 PSI, POC: 67% (31/46). FRAC STG W/SW. TOT SND: 48,216 LBS, TOT FL: 1339 BBL. ISIP: 2735 PSI. FG: 0.79. MP: 5115 PSI, MR: 61.9 BPM, AP: 4435 PSI, AR: 58.5 BPM. MU CWLS.

STAGE 5: PU CBP & PERF GUN. RIH SET CBP @ 7512', PU, PERF: 7477-82', 7407-10', 7345-48' & 7310-12'. 4, 3, 4 & 3 SPF EA RESPECTIVELY. TOT OF 47 HOLES. POOH, LD WL TLS. MU WFT.OW:288 PSI, BRK: 3512 PSI, ISIP: 2733 PSI, FG: 0.80. ER: 51 BPM @ 4500 PSI. POC: 66% (31/47). FRAC STG W/SW. TOT SND: 50,472 LBS, TOT FL: 1373 BBL. ISIP: 2361 PSI, FG: 0.75. MP: 5117 PSI, MR: 61.1 BPM, AP: 4440 PSI, AR: 58.8 BPM. MU CWLS.

STAGE 6: PU CBP & PERF GUN. RIH SET CBP @ 7280', PU, PERF: 7249-53', 7178-80', 7158-60', 7109-10' & 7067-71'. 4, 4, 3, 4 & 4 SPF EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WFT. OW: 230 PSI, BRK: 2733 PSI, ISIP: 1789 PSI, FG: 0.68. ER: 58.5 BPM @ 3900 PSI. POC: 70% (32/46). FRAC STG W/SW. TOT SND: 50,620 LBS, TOT FL: 1385 BBL, ISIP: 2399 PSI, FG: 0.77. MP: 5208 PSI, MR: 68.4 BPM, AP: 4064 PSI, AR: 61.9 BPM. MU CWLS.

STAGE 7: PU CBP & PERF GUN. RIH SET CBP @ 6705', PU, PERF: 6669-75', 6539-42' & 6358-62'. 4, 3 & 3 SPF EA RESPECTIVELY. TOT OF 45 HOLES. POOH, LD WL TLS.OW: 250 PSI, BRK: 1651 PSI, ISIP: 1411 PSI, FG: 0.65. ER: 51 BPM @ 3500 PSI, POC: 60% (27/45). FRAC STG W/SW. TOT SND: 19,599 LBS, TOT FL: 619 BBL, ISIP: 1871 PSI, FG: 0.72. MP: 4738, MR: 67 BPM, AP: 3842 PSI, AR: 64.7 BPM. MU CWLS.

STAGE 8: PU CBP @ PERF GUN. RIH SET CBP @ 5355', PU, PERF: 5320-25', 5284-88' & 5169-72'. 4, 4 & 3 SPF EA RESPECTIVELY. TOT OF 45 HOLES. POOH, LD WL TLS.OW: 158 PSI, BRK: 1727 PSI, ISIP: 1106 PSI, FG: 0.65. ER: 51 BPM @ 2400 PSI. POC: 100% (45/45). FRAC STG W/SW. TOT SND: 24,712 LBS, TOT FL: 684 BBL. ISIP: 14R51 PSI, FG: 0.71. MP: 3854 PSI, MR: 64.2 BPM, AP: 2804 PSI, AR: 61.7 BPM. MU CWLS PU KILL PLUG, RIH, SET PLUG @ 5125'. POOH, LD WL TLS. RDMO CWLS & WFT. TOT SAND PMP'D: 390, 414 LBS, TOT FLUID PMP'D: 10 303 BBL.

04/12/07

D/O PLUGS

Days On Completion: 4

Remarks: HSM. ND FRAC VLVS, NU BOP. PU 3-7/8" ROCK BIT & FE POBS. RIH W/BIT & TBG, TAG KILL PLUG @ 5125'. X-OVER EQUIP TO PWR SWVL. RU PMP TO SWVL, D/O PLUGS AS LISTED.

CBP#	FILL DPTH	CBP DPTH	PSI INCR
1	5120'	5125'	0
2	5345'	5355'	200
3	6690'	6705'	200
4	7270'	7280'	300
5	7500'	7512'	300
6	7870'	7884'	300
7	8325'	8338'	500
8	8525'	8530'	800

CONT TO C/O TO PBTD @ 9020', CIRC HOLE CLN. X-OVER EQUIP TO TBG, POOH, LD TOT OF 43 JTS ON FLT, PU HANGER, LND TBG W/264 JTS IN HOLE (7982.25'). ND BOP, NU WH, DROP BALL. RU FLOW LINE TO PIT, RU PMP TO TBG. PMP OFF BIT & SUB. OPEN WELL TO PIT, TURN WELL OVER TO FBC.

FLOW BACK REPORT: CP: 2100#, TP: 2000#, 55 BWPH, 20/64 CHK, BBLS REC'D: 860, LLTR: 6442

04/13/07 **FLOW BACK REPORT:** CP: 2350#, TP: 2175#, 35 BWPH, 20/64 CHK, BBLS REC'D: 1795, LLTR: 5507

04/14/07 **FLOW BACK REPORT:** CP: 2250#, TP: 2000#, 20 BWPH, 20/64 CHK, BBLS REC'D: 2355, LLTR: 4947

04/15/07 **WELL WENT ON SALES:** @ 9:00 AM, 1.7 MCF, 1900/2300 TBG, 2300 CSG, 20/64 CK, 20 BBWH
FLOW BACK REPORT: CP: 2325#, TP: 1900#, 15 BWPH, 20/64 CHK, BBLS REC'D: 2770, LLTR: 4532

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-01530-AST
1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 922-310
3. ADDRESS OF OPERATOR: 1368 S 1200 E VERNAL UT ZIP 84078		9. API NUMBER: 4304738005
PHONE NUMBER: (435) 781-7024		10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 135'FSL, 1638'FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 31 9S 22E
		12. COUNTY UINTAH
		13. STATE UTAH

14. DATE SPUNDED: 1/24/2007	15. DATE T.D. REACHED: 3/20/2007	16. DATE COMPLETED: 4/15/2007	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 4956'GL
18. TOTAL DEPTH: MD 9,050 TVD	19. PLUG BACK T.D.: MD 9,020 TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL-CCL-GR			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3# 36#		2,400		710			
7 7/8"	4 1/2 I-80	11.6#		9,050		1530			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7.982							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) WASATCH	5,169	6,675			5,169 6,675	0.36	90	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) MESAVERDE	7,067	8,986			7,067 8,986	0.36	273	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5169'-6675'	PMP 1303 BBLs SLICK H2O & 44,271# 30/50 SD
7067'-8986	PMP 9250 BBLs SLICK H2O & 346,143# 30/50 SD

29. ENCLOSED ATTACHMENTS:

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

30. WELL STATUS:

PROD

RECEIVED

MAY 29 2007

DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 4/15/2007		TEST DATE: 5/1/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,121	WATER – BBL: 240	PROD. METHOD: FLOWING
CHOKE SIZE: 16/64	TBG. PRESS. 1,299	CSG. PRESS. 1,645	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,121	WATER – BBL: 240	INTERVAL STATUS: PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 4/15/2007		TEST DATE: 5/1/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,121	WATER – BBL: 240	PROD. METHOD: FLOWING
CHOKE SIZE: 16/64	TBG. PRESS. 1,299	CSG. PRESS. 1,645	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,121	WATER – BBL: 240	INTERVAL STATUS: PROD

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

SOLD

33. SUMMARY OF POROUS ZONES (include Aquifers):

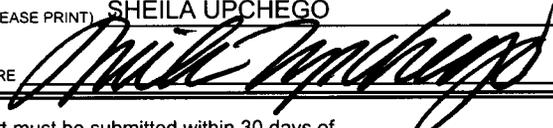
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH	4,406	7,025			
DARK CANYON	7,025	7,079			
MESAVERDE	7,079				

35. ADDITIONAL REMARKS (include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
 SIGNATURE  DATE 5/15/2007

This report must be submitted within 30 days of

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

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

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

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

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