

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-22649	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 922-32J3	
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: 1434'FSL, 2382'FEL 631300X 39.989199 AT PROPOSED PRODUCING ZONE: 4427481Y -109.462115 SW				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 9S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 24.05 MILES SOUTHEAST OF OURAY, UTAH				12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1434'		16. NUMBER OF ACRES IN LEASE: 640.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 20.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 9,010		20. BOND DESCRIPTION: RLB0005238	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4965'GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:	

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#	2,020	265 SX CLASS G	15.6 PPG	1.18 YIELD
7 7/8"	4 1/2	I-80	11.6#	9,010	1860 SX 50/50 POZ	14.3 PPG	1.31 YIELD

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: 43 047-38009

APPROVAL:

RECEIVED
APR 14 2006

DIV. OF OIL, GAS & MINING

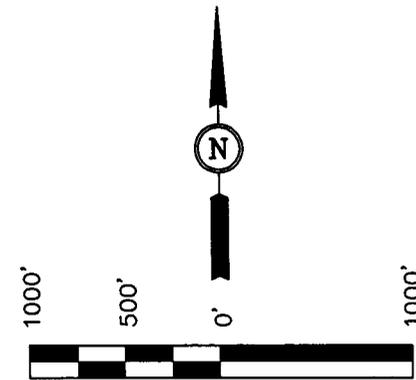
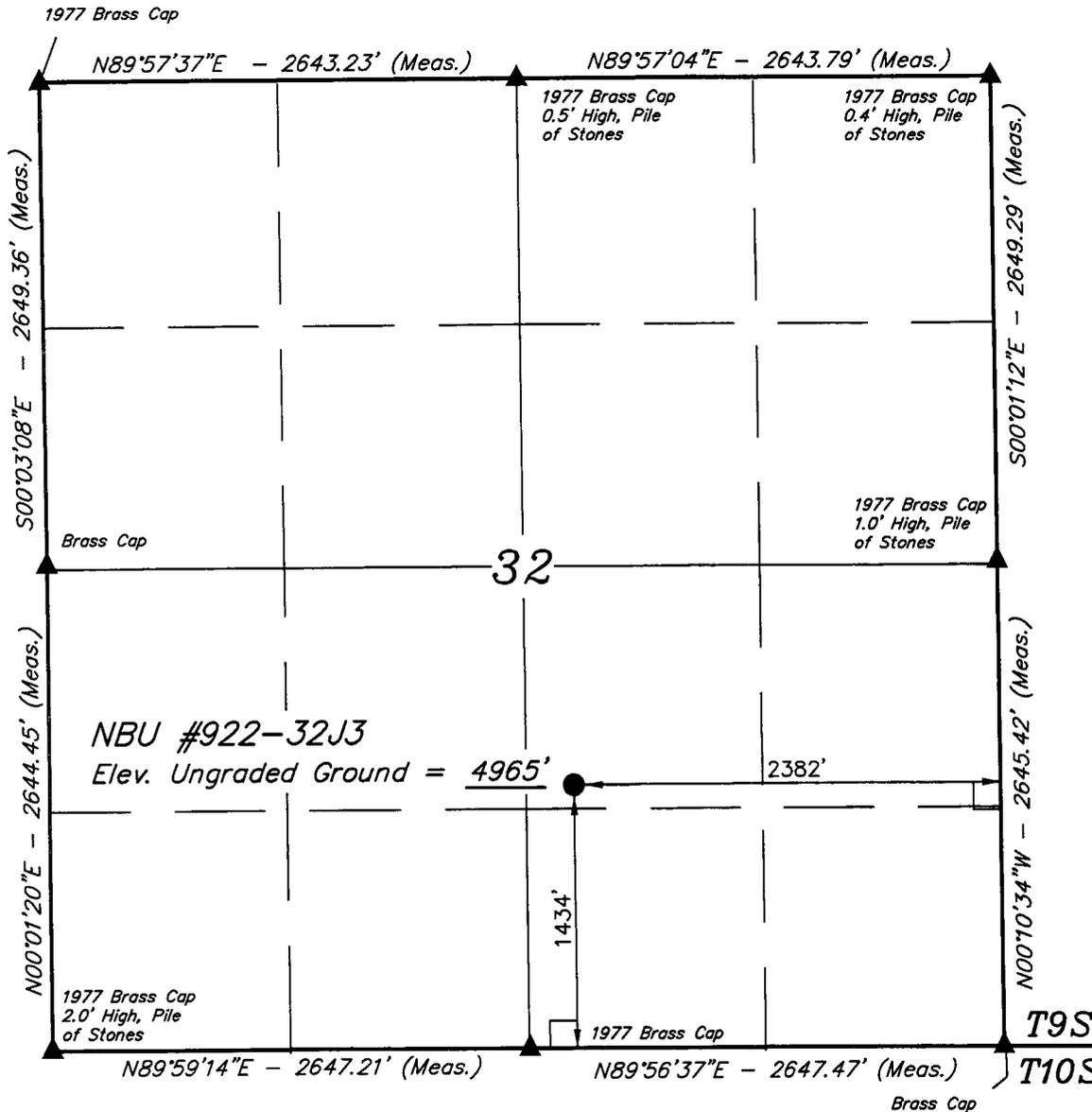
T9S, R22E, S.L.B.&M.

KERR McGEE OIL & GAS ONSHORE LP

Well location, NBU #922-32J3, located as shown in the NW 1/4 SE 1/4 of Section 32, 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, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



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 A. Hines
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

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

(NAD 83)
 LATITUDE = 39°59'21.08" (39.989189)
 LONGITUDE = 109°27'46.47" (109.462908)
 (NAD 27)
 LATITUDE = 39°59'21.21" (39.989225)
 LONGITUDE = 109°27'44.01" (109.462225)

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

SCALE 1" = 1000'	DATE SURVEYED: 01-24-06	DATE DRAWN: 02-03-06
PARTY P.J. N.F. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE KERR McGEE OIL & GAS ONSHORE LP	

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25. **ATTACHMENTS**

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

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NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST

SIGNATURE *Sheila Upchego* DATE 4/12/2006

(This space for State use only)

API NUMBER ASSIGNED: 43 047-35200

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

Date: 05-16-06
By: *[Signature]*

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

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

KERR McGEE OIL & GAS ONSHORE LP

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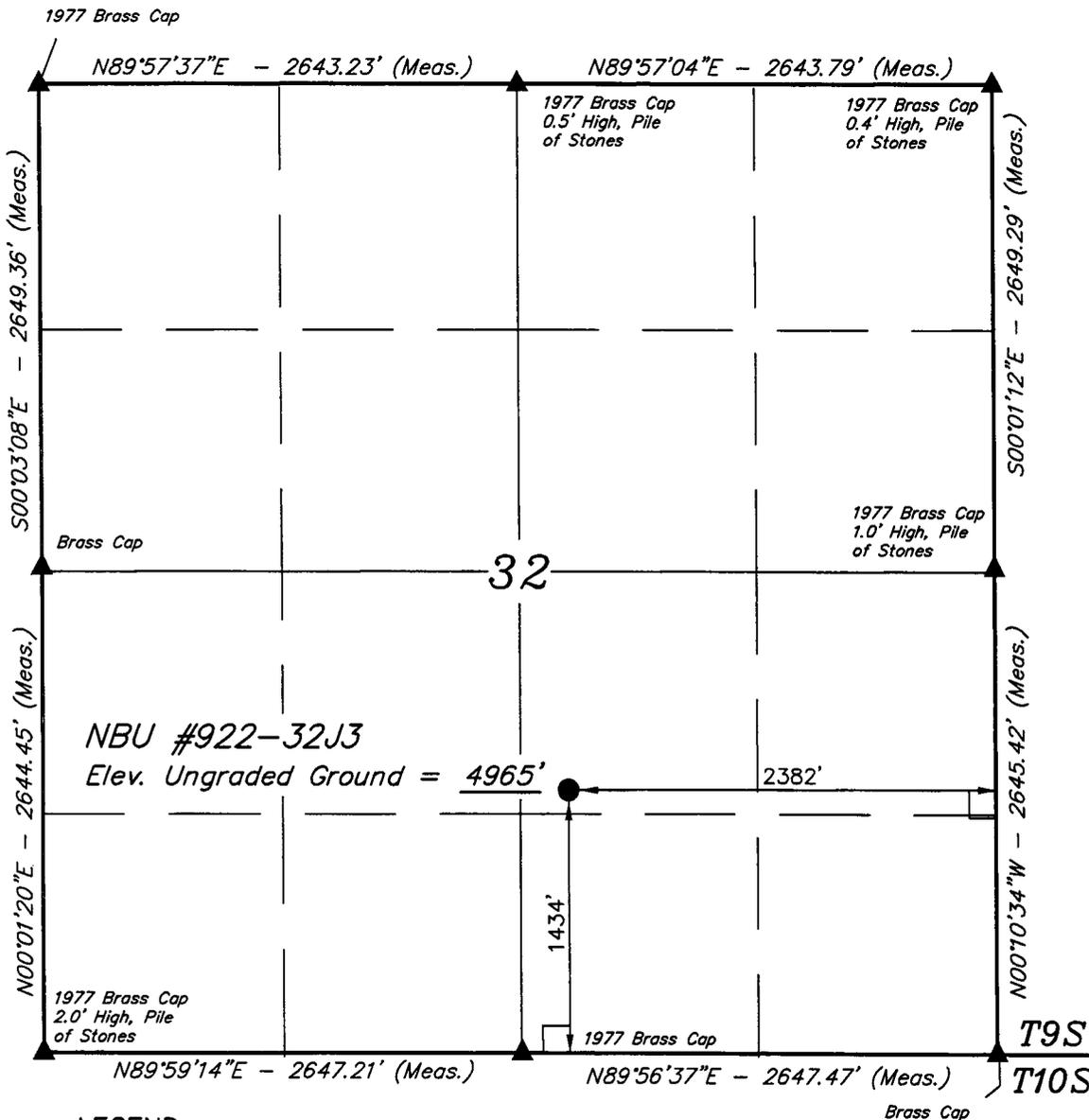


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WEATHER COLD	FILE KERR McGEE OIL & GAS ONSHORE LP	

**NBU 922-32J3
SWNWSE SEC 32-T9S-R22E
UINTAH COUNTY, UTAH
ML-22649**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1251'
Mahogany	2166'
Wasatch	4408'
Mesaverde	6934'
MVU2	7827'
MVL1	8390'
TD	9010'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1251'
	Mahogany	2166'
Gas	Wasatch	4408'
Gas	Mesaverde	6934'
Gas	MVU2	7827'
Gas	MVL1	8390'
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 9010' TD, approximately equals 5586 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3604 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 2020	32.30	H-40	STC	0.67*****	1.45	4.45
PRODUCTION	4-1/2"	0 to 9010	11.60	I-80	LTC	2.28	1.18	2.20

- 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 = 11.5 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 3406 psi
 ***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
Option 2	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,900'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	430	60%	11.00	3.38
	TAIL	5,110'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1430	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

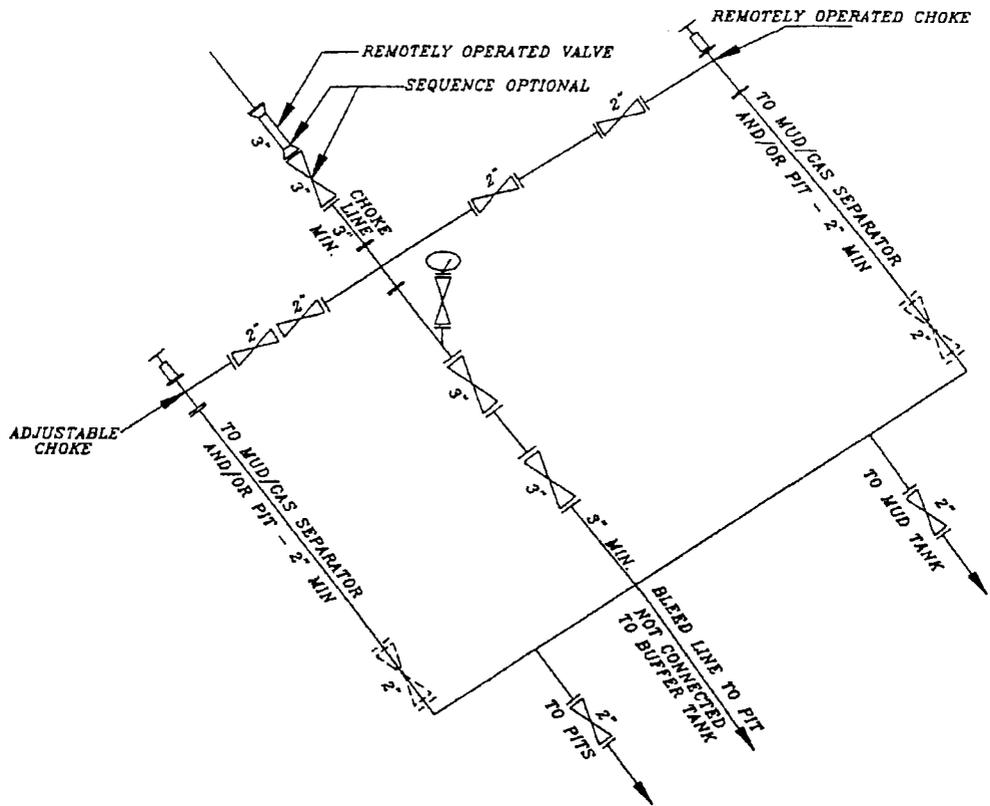
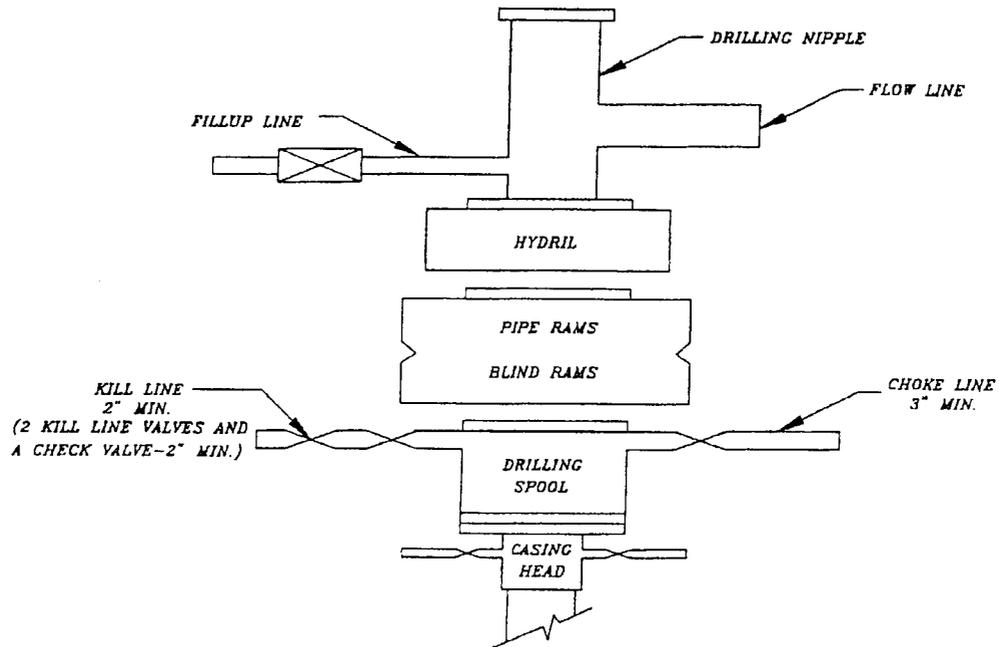
Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
 BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & 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

DRILLING SUPERINTENDENT: _____
 Randy Bayne

DATE: _____
 DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 922-32J3
SWNWSE SEC 32-T9S-R22E
Uintah County, UT
ML-22649

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 80' +/- of re-route 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 49' +/- of pipeline and Approximately 300' of re-route 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 #922-32J3
SECTION 32, 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 3.8 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 4.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.05 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #922-32J3

LOCATED IN UINTAH COUNTY, UTAH
SECTION 32, T9S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

LOCATION PHOTOS

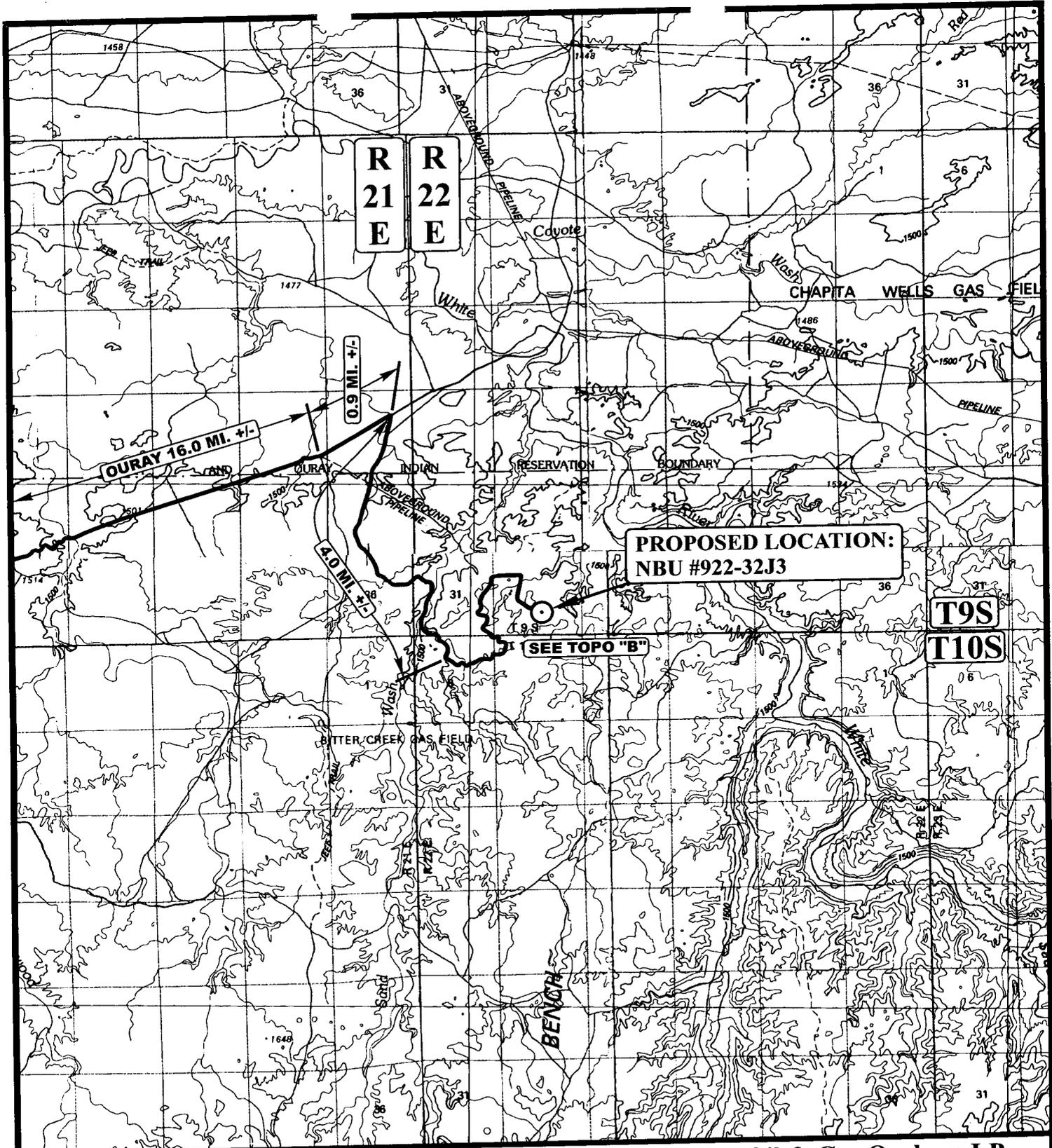
02 09 06
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: C.P.

REVISED: 00-00-00



R
21
E

R
22
E

PROPOSED LOCATION:
NBU #922-32J3

T9S
T10S

SEE TOPO "B"

OURAY 16.0 MI. +/-

0.9 MI. +/-

4.0 MI. +/-

LEGEND:

○ PROPOSED LOCATION

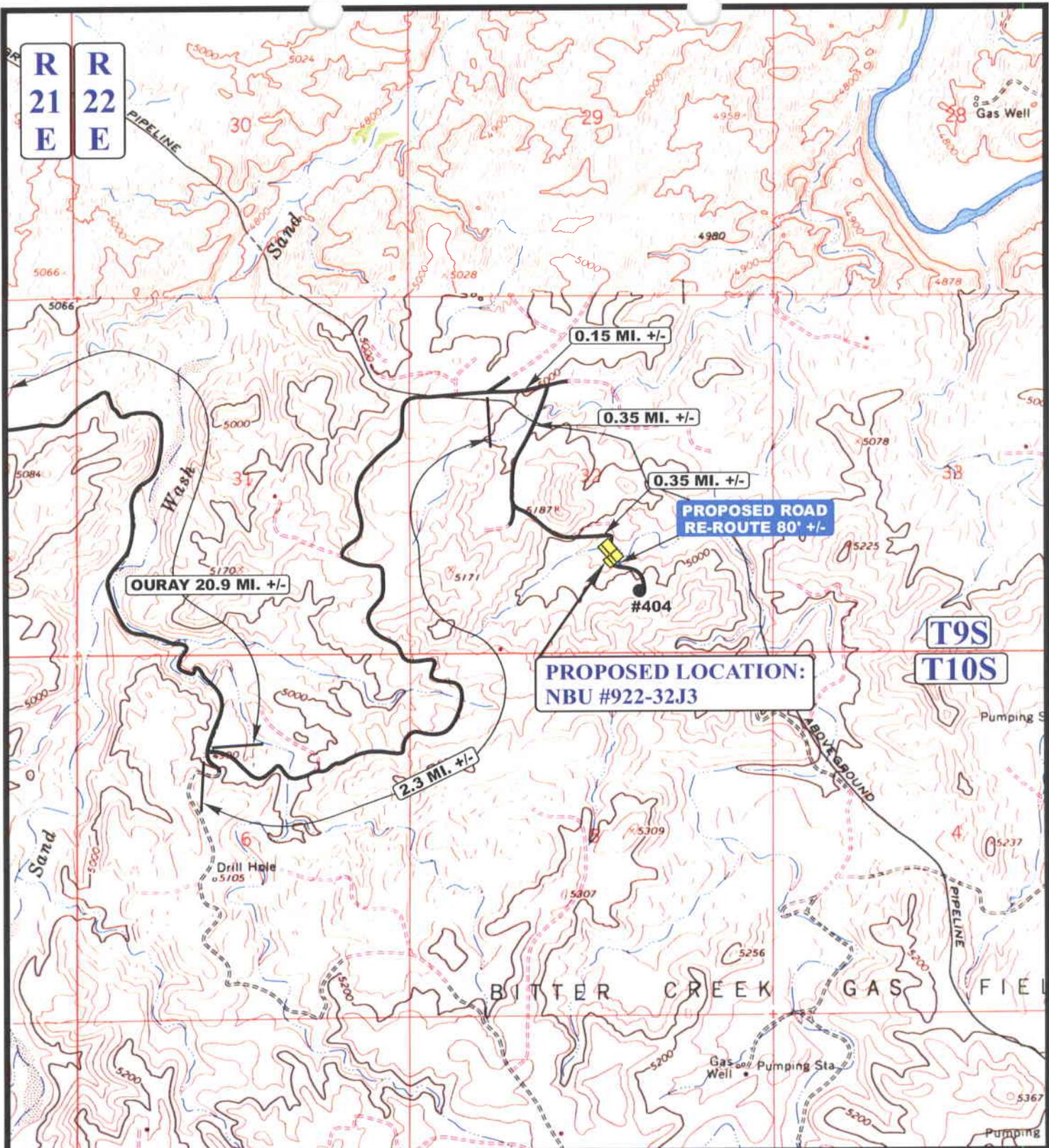


Kerr-McGee Oil & Gas Onshore LP

NBU #922-32J3
SECTION 32, T9S, R22E, S.L.B.&M.
1434' FSL 2382' FEL

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

TOPOGRAPHIC	02	09	06	
MAP	MONTH	DAY	YEAR	
SCALE: 1:100,000	DRAWN BY: C.P.		REVISED: 00-00-00	TOPO



LEGEND:

- EXISTING ROAD
- PROPOSED ROAD RE-ROUTE

Kerr-McGee Oil & Gas Onshore LP

NBU #922-32J3
SECTION 32, T9S, R22E, S.L.B.&M.
1434' FSL 2382' FEL



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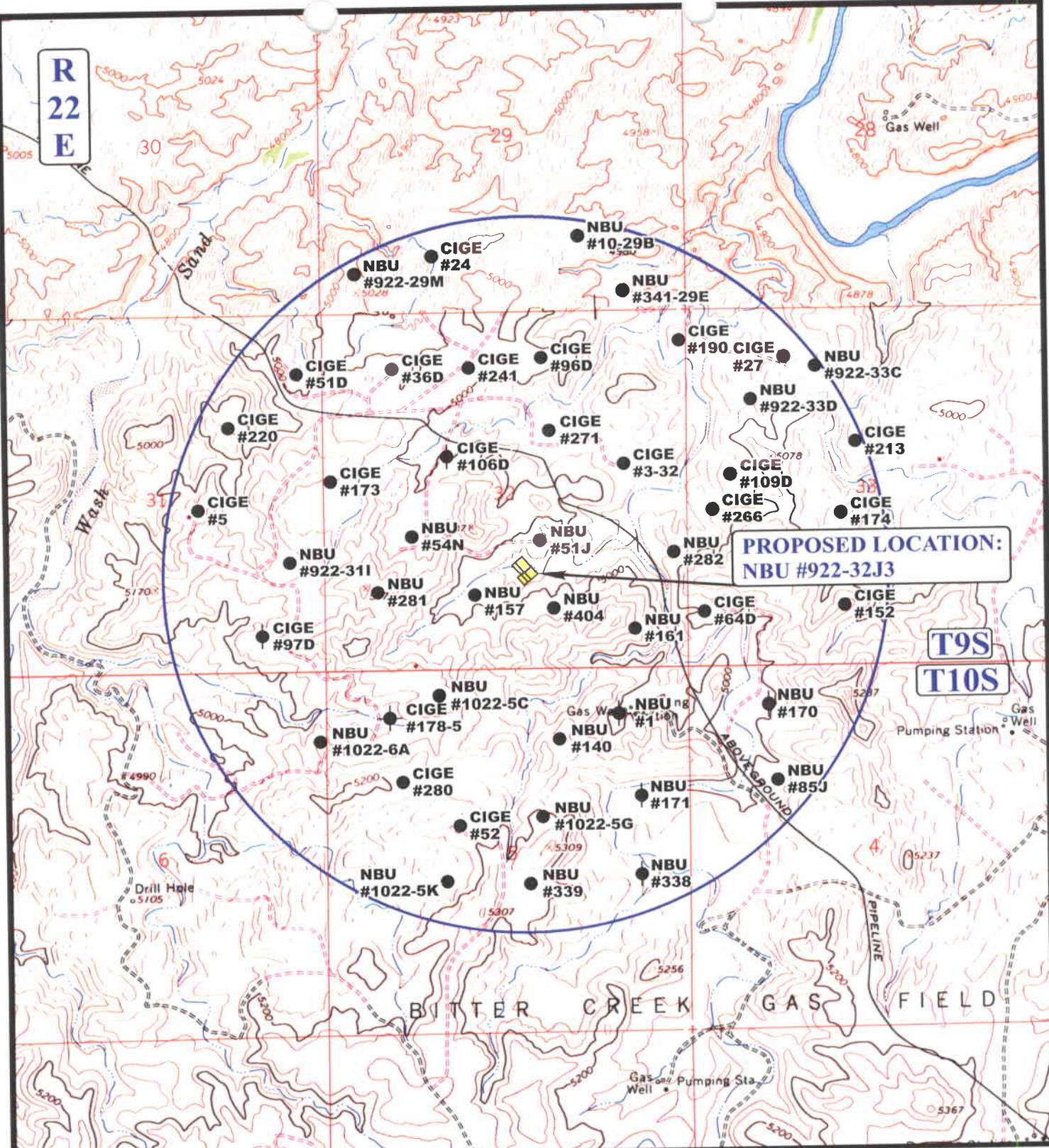
TOPOGRAPHIC
MAP

02 **09** **06**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00



R
22
E



**PROPOSED LOCATION:
NBU #922-32J3**

**T9S
T10S**

BITTER CREEK GAS FIELD

LEGEND:

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

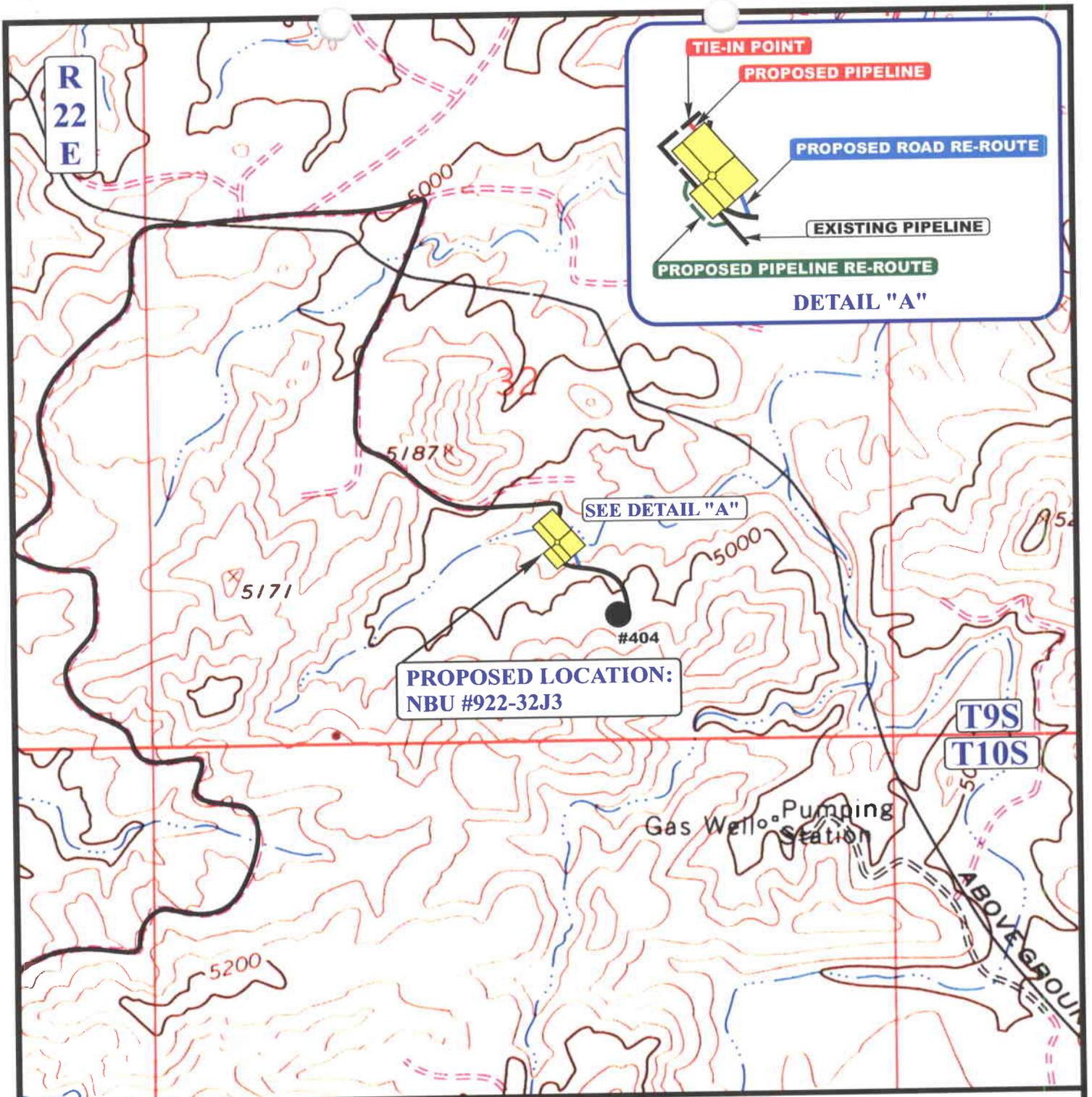


Kerr-McGee Oil & Gas Onshore LP

**NBU #922-32J3
SECTION 32, T9S, R22E, S.L.B.&M.
1434' FSL 2382' FEL**

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

TOPOGRAPHIC MAP 02 09 06
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 49' +/-

APPROXIMATE TOTAL PIPELINE RE-ROUTE DISTANCE = 300' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #922-32J3

SECTION 32, T9S, R22E, S.L.B.&M.

1434' FSL 2382' FEL



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

TOPOGRAPHIC
MAP

02	09	06
MONTH	DAY	YEAR

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

D
TOPO

Kerr-McGee Oil & Gas Onshore LP

NBU #922-32J3

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 32, T9S, R22E, S.L.B.&M.



PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHERLY

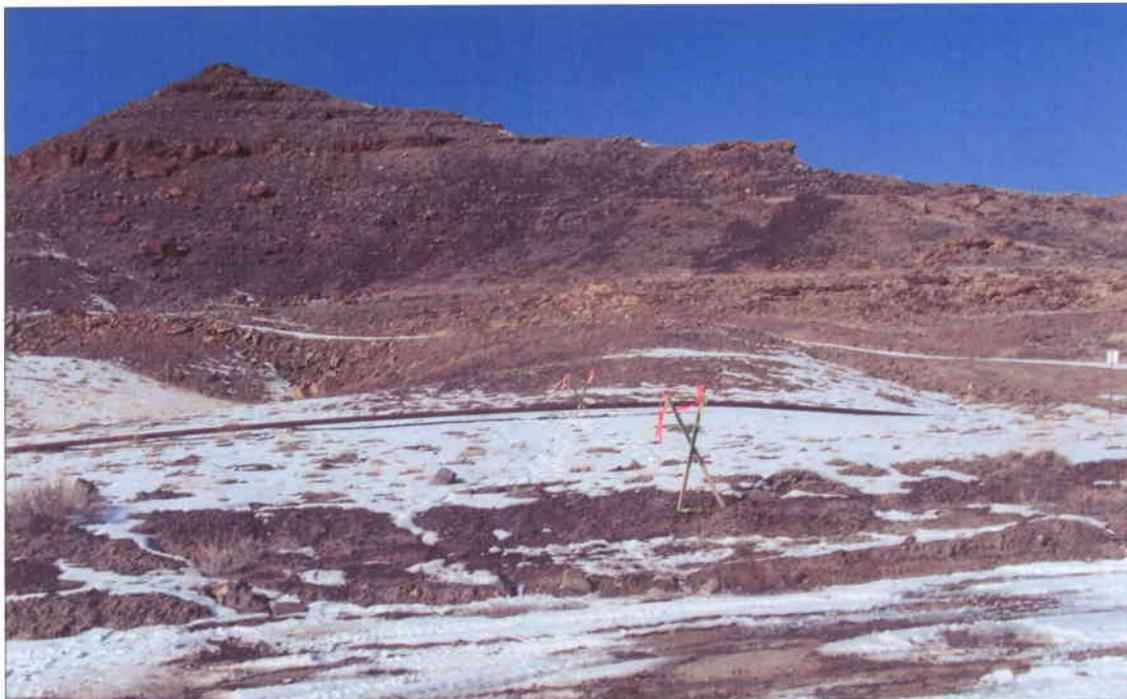


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: norTHERLY



- Since 1964 -

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PIPELINE PHOTOS

02 09 06
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: C.P.

REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

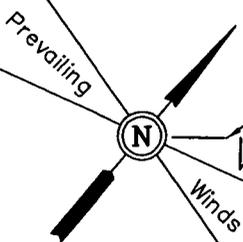
FIGURE #1

LOCATION LAYOUT FOR

NBU #922-32J3
SECTION 32, T9S, R22E, S.L.B.&M.

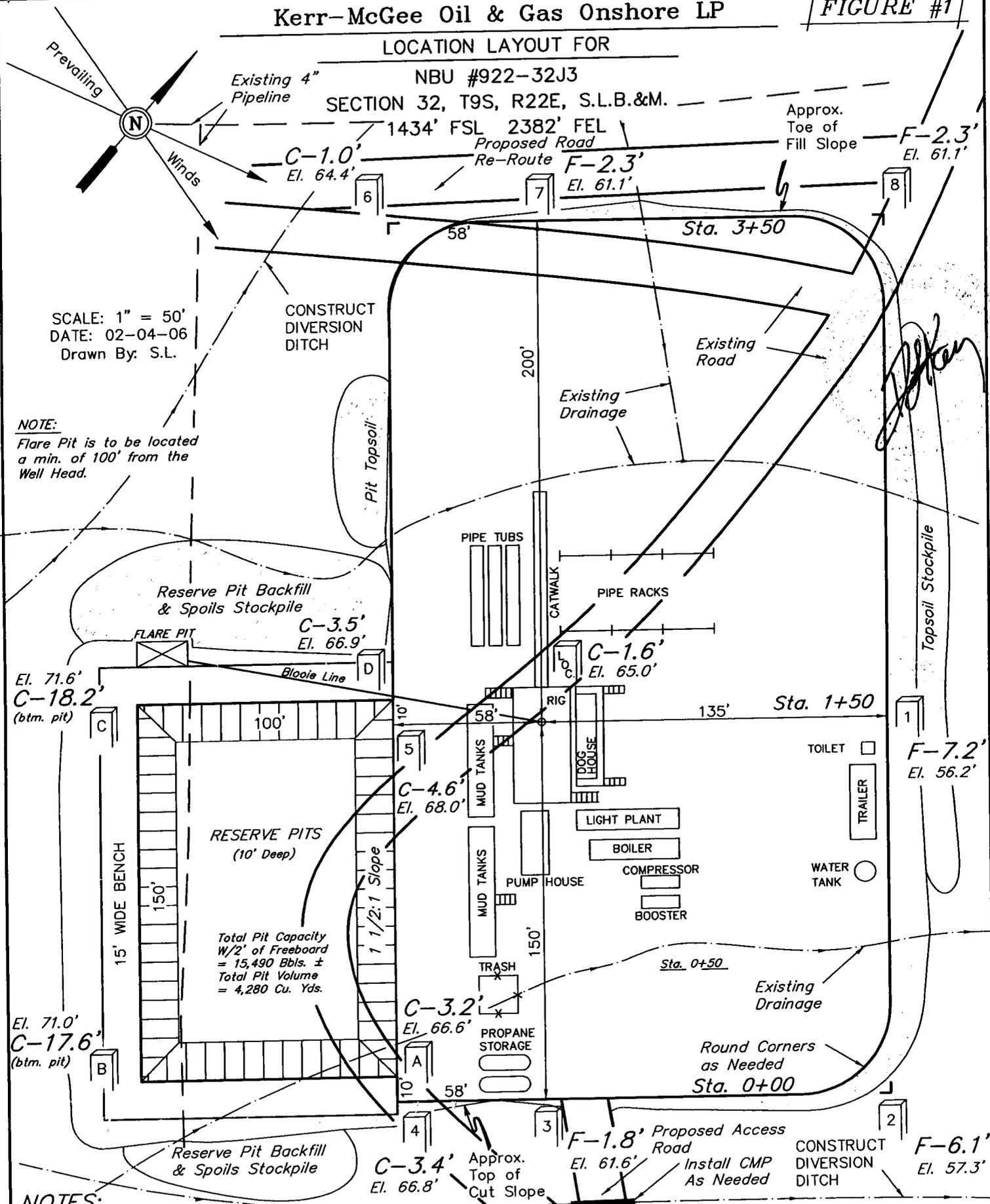
1434' FSL 2382' FEL
Proposed Road
Re-Route

Approx. Toe of Fill Slope
F-2.3'
El. 61.1'



SCALE: 1" = 50'
DATE: 02-04-06
Drawn By: S.L.

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



NOTES:
Elev. Ungraded Ground At Loc. Stake = 4965.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 4963.4'

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

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

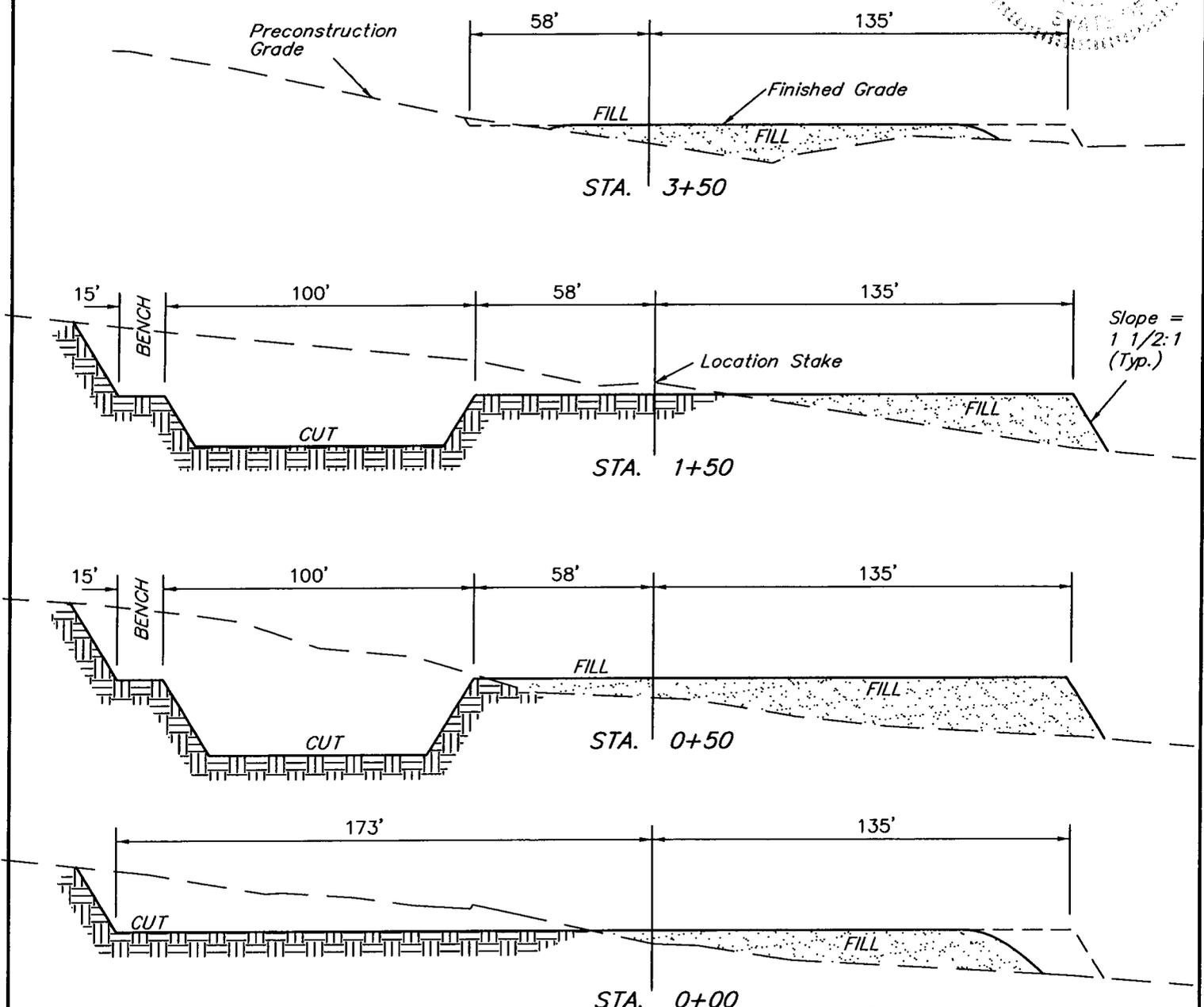
NBU #922-32J3

SECTION 32, T9S, R22E, S.L.B.&M.

1434' FSL 2382' FEL

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

DATE: 02-04-06
Drawn By: S.L.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,870 Cu. Yds.
Remaining Location	= 9,340 Cu. Yds.
TOTAL CUT	= 11,210 CU.YDS.
FILL	= 11,960 CU.YDS.

DEFICIT MATERIAL	= <750> Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,010 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= <4,760> 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: 43-047-38009

WELL NAME: NBU 922-32J3
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NWSE 32 090S 220E
 SURFACE: 1434 FSL 2382 FEL
 BOTTOM: 1434 FSL 2382 FEL
 COUNTY: UINTAH
 LATITUDE: 39.98920 LONGITUDE: -109.4621
 UTM SURF EASTINGS: 631300 NORTHINGS: 4427481
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	5/15/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-22649
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

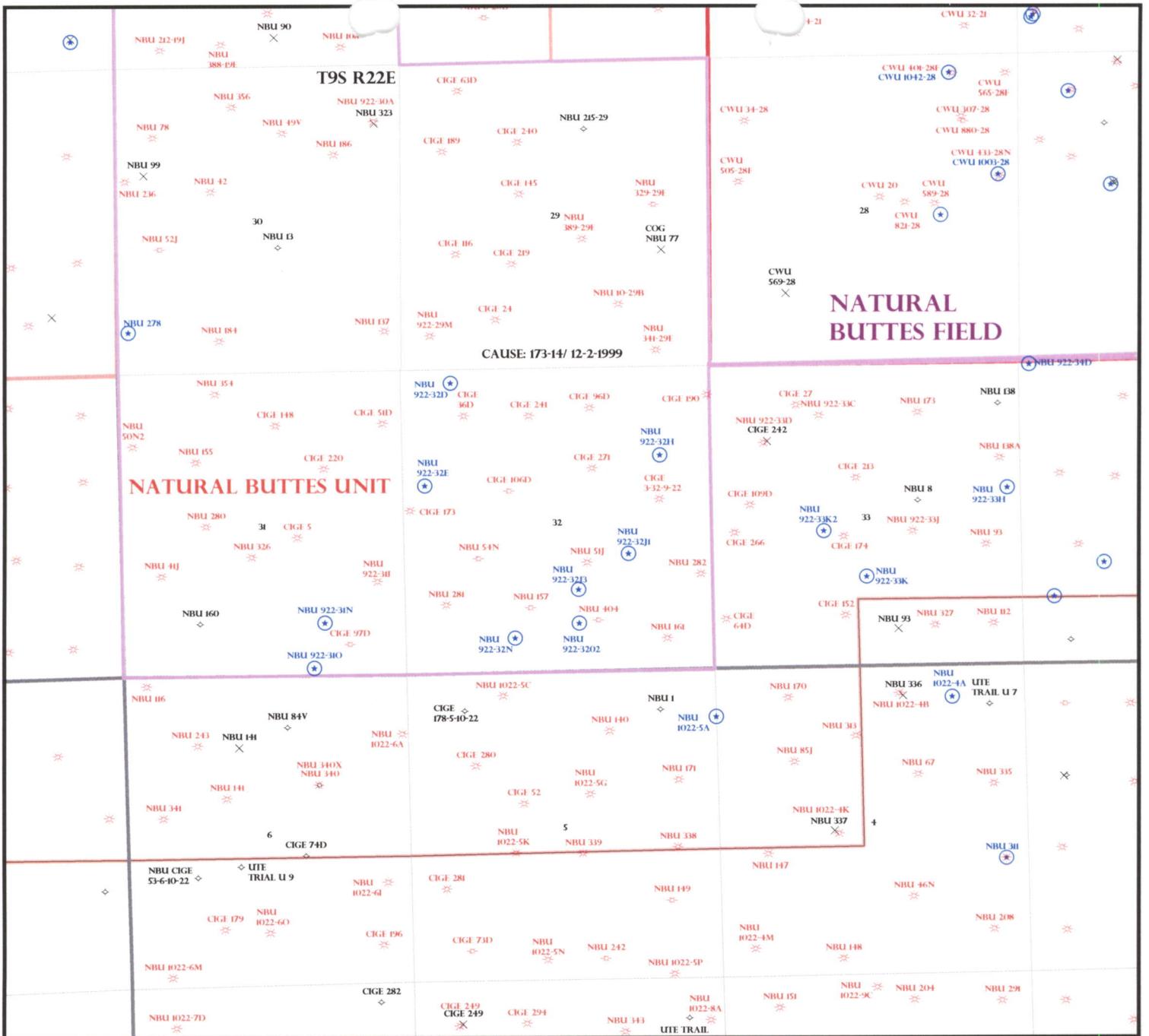
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0005236)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: 12.2.04
Siting: 460' for u/bdry & uncomm. meas
- ___ R649-3-11. Directional Drill

COMMENTS: Needs Permit (04-26-06)

STIPULATIONS: 1- STATEMENT OF BASIS
2- Oil Shale
3- Surface (sy 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	Unit Status
ABANDONED	EXPLORATORY
ACTIVE	GAS STORAGE
COMBINED	NF PP OIL
INACTIVE	NF SECONDARY
PROPOSED	PENDING
STORAGE	PI OIL
TERMINATED	PP GAS
	PP GEOTHERML
	PP OIL
	SECONDARY
	TERMINATED

Wells Status

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

Utah Oil Gas and Mining

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

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

OPERATOR: Kerr McGee Oil and Gas Onshore LP
WELL NAME & NUMBER: NBU 922-32J3
API NUMBER: 43-047-38009
LOCATION: 1/4,1/4 NW/SE Sec: 32 TWP: 9S RNG: 22E ; 1434' FSL 2382' FEL

Geology/Ground Water:

Kerr McGee proposes to set 2,020' 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 3,500'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. 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 up above the base of the moderately saline ground water in order to isolate it from fresher waters up hole. The proposed casing and cement should adequately protect. Any usable ground water.

Reviewer: Brad Hill **Date:** 05/04/06

Surface:

The pre-drill investigation of the surface was performed on April 26, 2006. Ed Bonner and Jim Davis of SITLA and Ben Williams of UDWR were invited to attend the pre-site on April 21, 2006. Mr. Davis attended. Mr. Williams stated he had a previous commitment and would not be able to attend. The site is State Surface and State Mineral. This location is planned in the bottom of a draw formed by the confluence of two individual side draws. An oilfield development road runs through the center of the location. This road will remain with a slight re-routing. A total of 3 existing drainages will be re-routed around the ends of the location with culverts installed, as needed. No stabilization problems are likely to occur. Approximately 80 feet of road will be re-routed. Clay Einerson, Kerr McGee, said the access road should be changed where it enters the location at corner 8 to immediately east of corner 7. Carol Estes of Kerr McGee made that note in their files. The proposed location poses no obvious problems for drilling and appears to be the best location for drilling a well in the immediate area. On other pre-sites in the general area, Mr. Williams of the UDWR has 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. Also no other wildlife were expected to be affected.

Reviewer: Floyd Bartlett **Date:** 04/27/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 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 and Gas Onshore LP
WELL NAME & NUMBER: NBU 922-32J3
API NUMBER: 43-047-38009
LEASE: ML-22649 **FIELD/UNIT:** Natural Buttes
LOCATION: 1/4,1/4 NW/SE Sec: 32 TWP: 9S RNG: 22E ; 1434' FSL 2382' FEL
LEGAL WELL SITING: 460 Feet from unit boundary and uncommitted tracts.
GPS COORD (UTM): 4427486 Y 0631292 X **SURFACE OWNER:** State of Utah SITLA)

PARTICIPANTS

Floyd Bartlett (DOGM), Carol Estes, Rich Devot, Shane Bullock and Clay Einerson (Kerr McGee), Luke Kay (Uintah Engineering & Land Survey), Jim Davis (SITLA),

REGIONAL/SETTING TOPOGRAPHY

General area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 24 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 1 1/2 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This site is in the bottom of a draw formed by the confluence of two individual side draws. An oilfield development road runs through the center of the location. This road will remain with a slight re-routing. A total of 3 existing drainages will be re-routed around the ends of the location with culverts installed, as needed. No stabilization problems are likely to occur. Approximately 80 feet of road will be re-routed.

SURFACE USE PLAN

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

PROPOSED SURFACE DISTURBANCE: Location of 350'x 193' and a reserve pit of 150'x 100'x 10 feet deep and an additional 15' wide bench. Approximately 80 feet of road will be rerouted within the location. All material for the location and road will be obtained onsite.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production

facilities will be on location and added after drilling well. A pipeline 49 feet in length will be laid overland to a tie-in point.

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

ANCILLARY FACILITIES: None will be required.

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

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: A moderate cover of desert type vegetation consisting of bud sagebrush, cheatgrass, halogeton, greasewood, Gardner saltbrush, shadscale, prickly pear, and curly mesquite occupies the site. Antelope, rabbits, small reptiles, birds and mammals. Sheep graze the area in the winter.

SOIL TYPE AND CHARACTERISTICS: Moderately deep sandy loam with fractured surface rock.

EROSION/SEDIMENTATION/STABILITY: Little current natural erosion. A total of 3 existing drainages will be re-routed around the ends of the location with culverts installed, as needed. Sedimentation and stability should not be a problem and location construction should not cause an increase in instability or erosion.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

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

LINER REQUIREMENTS (Site Ranking Form attached): Level 1 sensitivity. A 16 mil liner with a felt pad will be required for the reserve pit. The operator stated that a 20mil liner with double felt sub-pad, as needed would be installed.

SURFACE RESTORATION/DECLAMATION PLAN

As per SITLA requirements.

SURFACE AGREEMENT:

As per SITLA requirements.

CULTURAL RESOURCES/ARCHAEOLOGY: Site has been surveyed by MOAC on 3-14-2006.
A copy will be furnished to SITLA.

OTHER OBSERVATIONS/COMMENTS

Ben Williams of the UDWR was invited to the pre-site on Friday 4/21/06.
He was unable to attend because of previous commitments. On other pre-
sites in the general area he has 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. Also no other wildlife are expected to be affected.

Clay Einerson, Kerr McGee, said the access road should be changed where
it enters the location at corner 8 to immediately east of corner 7.
Carol Estes of Kerr McGee made that note in their files.

This pre-drill investigation was conducted on a sunny day. ATV's were
used to access the site.

ATTACHMENTS

Photos of this site were taken and placed on file.

FLOYD BARTLETT
DOGM REPRESENTATIVE

04/26/06; 10:05 AM
DATE/TIME

**a. Location Ranking Criteria and Ranking Scores
For Reserve and Onsite Pit Liner Requirements**

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

Final Score 25 (Level I Sensitivity)

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

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

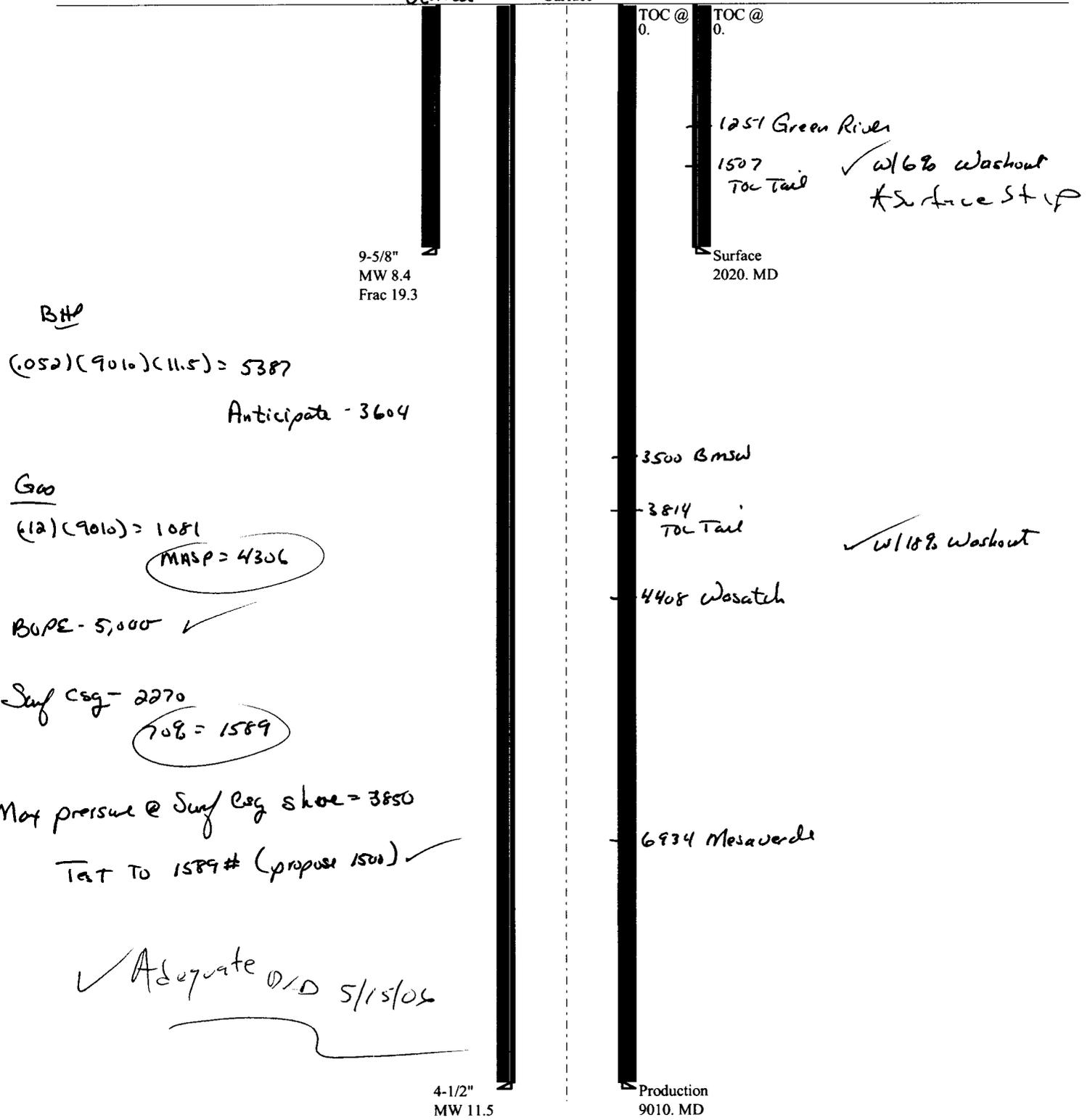
Sensitivity Level II = below 15; no specific lining is required.

J5-06 Kerr McGee NBU 922 J2J3

Casing Schematic

Uinta

Surface



BHP

$$(0.52)(9010)(11.5) = 5387$$

Anticipate - 3604

Gao

$$(12)(9010) = 1081$$

MASP = 4306

BUPE - 5,000 ✓

Surf cog - 2270

708 = 1589

Max pressure @ Surf cog shoe = 3850

TAT TO 1589# (propose 1500) ✓

✓ Adequate O/D 5/15/02

TOC @ 0.

TOC @ 0.

1251 Green River

1507 TOC Tail

✓ w/ 6% Washout
*Surface St 4

Surface
2020. MD

3500 Bmsw

3814 TOC Tail

✓ w/ 18% Washout

4408 Wasatch

6934 Mesaverde

4-1/2"
MW 11.5

Production
9010. MD

Well name:	05-06 Kerr McGee NBU 922-32J3	
Operator:	Kerr McGee	Project ID:
String type:	Surface	43-047-38009
Location:	Uintah County	

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 1,778 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP: 2,020 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on buoyed weight.

Neutral point: 1,771 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 103 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 9,210 ft
 Next mud weight: 11.500 ppg
 Next setting BHP: 5,502 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,020 ft
 Injection pressure: 2,020 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	2020	9.625	32.30	H-40	ST&C	2020	2020	8.876	128.1
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	881	1370	1.554	2020	2270	1.12	57	254	4.44 J

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

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

Date: May 5, 2006
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2020 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:

05-06 Kerr McGee NBU 922-32J3

Operator: **Kerr McGee**

String type: **Production**

Project ID:

43-047-38009

Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 11.500 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: 201 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 2,262 psi
Internal gradient: 0.346 psi/ft
Calculated BHP 5,383 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 buoyed weight.

Neutral point: 7,461 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	9010	4.5	11.60	N-80	LT&C	9010	9010	3.875	208.9
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	5383	6350	1.180	5383	7780	1.45	87	223	2.58 J

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

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

Date: May 5,2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 9010 ft, a mud weight of 11.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

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 922-32O2	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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: NBU 922-32J3
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		9. API NUMBER: 4304738009
3. ADDRESS OF OPERATOR: 1368 S. 1200 E. CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434'FSL, 2382'FEL (SWNWSE)		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 9S		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"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input 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: <u>PIPELINE CHANGE</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.

AN ON-SITE INSPECTION WAS CONDUCTED ON 04/26/2006. IT WAS DECIDED AT THE ON-SITE INSPECTION TO CHANGE THE PIPELINE ROUTE FROM THE PROPOSED PIPELINE, TO APPROXIMATELY 1300' +/- OF 4" HIGH PRESSURE PIPELINE AND 50' +/- OF 6" LOW PRESSURE PIPELINE TO PARALLEL THE 4" PIPELINE. AS DISCUSSED AT THE ON-SITE INSPECTION.

PLEASE REFER TO TOPO MAP D FOR PIPELINE PLACEMENT.

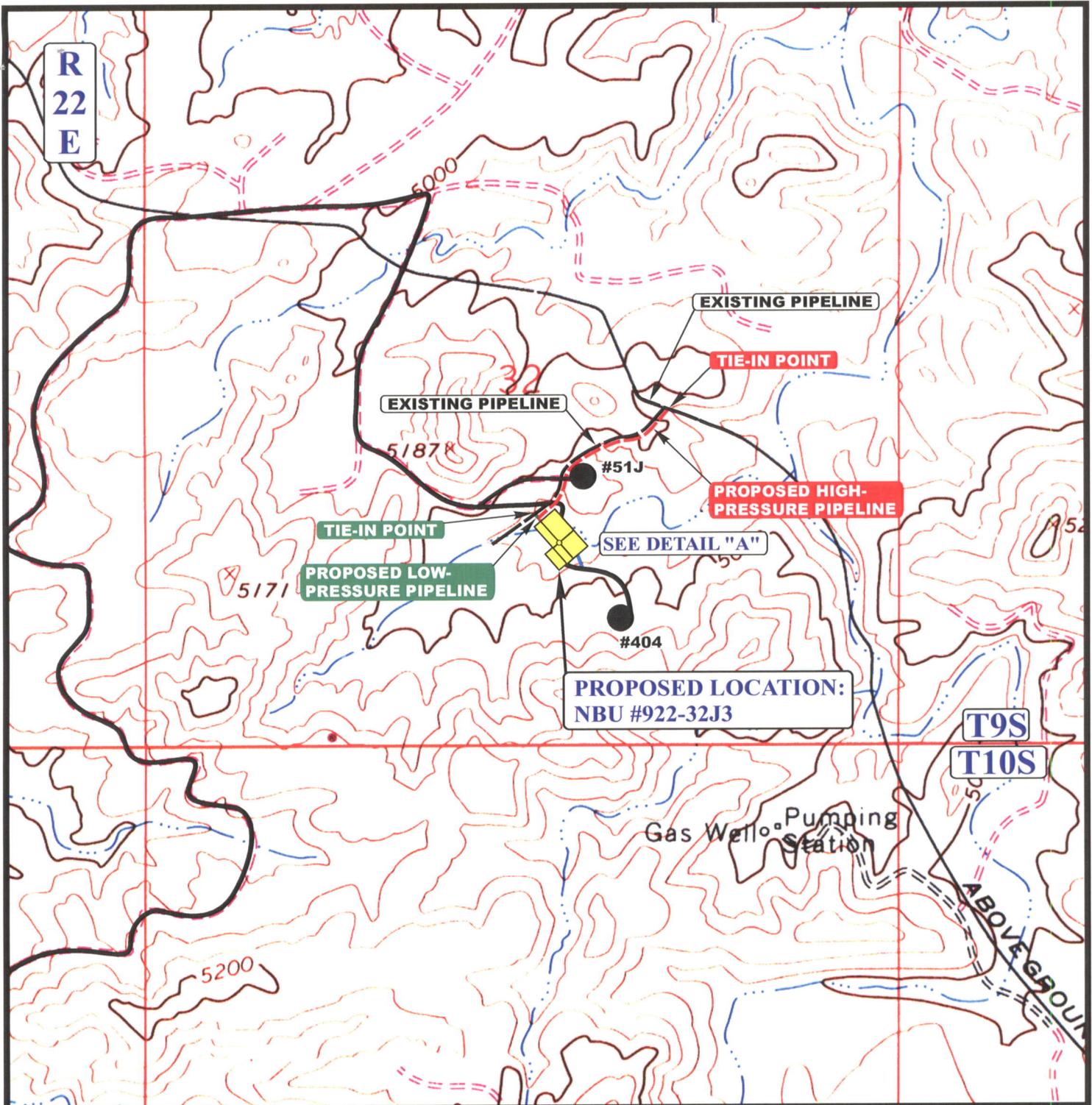
RECEIVED

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE	DATE 5/4/2006

(This space for State use only)

Accepted by
Utah Division
Oil, Gas and Mining
For Record



APPROXIMATE TOTAL HIGH-PRESSURE PIPELINE DISTANCE = 1,300' +/-

APPROXIMATE TOTAL LOW-PRESSURE PIPELINE DISTANCE = 50' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

NBU #922-32J3
SECTION 32, T9S, R22E, S.L.B.&M.
1434' FSL 2382' FEL



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

**TOPOGRAPHIC
MAP**

02 09 06
MONTH DAY YEAR

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

**D
TOPO**



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

May 16, 2006

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

Re: Natural Buttes Unit 922-32J3 Well, 1434' FSL, 2382' FEL, NW SE, Sec. 32,
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 43-047-38009.

Sincerely,

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 922-32J3
API Number: 43-047-38009
Lease: ML-22649

Location: NW SE **Sec.** 32 **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)

Page 2

43-047-38009

May 16, 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

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

Well Name: NBU 922-32J3

Api No: 43-047-38009 Lease Type: STATE

Section 32 Township 09S Range 22E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # BUCKET

SPUDDED:

Date 07/19/06

Time 2:30 PM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 07/20/2006 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736674	LOVE 1121-15H		SENE	15	11S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>A</u>	99999	<u>15538</u>	<u>7/20/2006</u>		<u>7/31/06</u>		
Comments: <u>MIRU ROCKY MOUNTAIN BUCKET RIG. WSMVD</u> <u>SPUD WELL LOCATION ON 07/20/2006 AT 1200 HRS. outside unit boundary</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738009	NBU 922-32J3		NWSE	32	9S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>B</u>	99999	<u>2900</u>	<u>7/19/2006</u>		<u>7/31/06</u>		
Comments: <u>MIRU PETE MARTIN BUCKET RIG. WSMVD</u> <u>SPUD WELL LOCATION ON 07/19/2006 AT 1430 HRS.</u>							

Well 3

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

ACTION CODES:

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

To: Earlene Russell From: Sheila Upchego
(6/2000) Co./Dept. UTDOG/M Co. KMG
Phone # (801) 558-5830 Phone # (435) 781-7024
Fax # (801) 359-3940 Fax # (435) 781-7094

SHEILA UPCHEGO

Name (Type & Print) [Signature]
Signature
REGULATORY ANALYST 7/24/2006
Title Date

RECEIVED
JUL 25 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
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 922-32J3
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024	9. API NUMBER: 4304738009
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434'FSL, 2382'FEL (SWNWSE)			10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 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 type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>WELL SPUD</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 07/19/2006 AT 1430 HRS.

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>REGULATORY ANALYST</u>
SIGNATURE	DATE <u>7/24/2006</u>

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-22649
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: NBU 922-32J3	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		9. API NUMBER: 4304738009
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434'FSL, 2382'FEL (SWNWSE)		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 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 type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>SER SURFACE CSG</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

MIRU BILL MARTIN AIR RIG ON 07/21/2006. DRILLED 12 1/4" SURFACE HOLE TO 2080'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO CMT TO SURFACE. TOP OUT W/475 SX CLASS G @15.8 PPG 1.15 YIELD DOWN BACKSIDE. GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>REGULATORY ANALYST</u>
SIGNATURE	DATE <u>7/24/2006</u>

(This space for State use only)

RECEIVED
AUG 01 2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
		8. WELL NAME and NUMBER: NBU 922-32J3
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	9. API NUMBER: 4304738009	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-7024	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434'FSL, 2382'FEL (SWNWSE)		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 9S, 22E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
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<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: FINAL DRILLING OPERATIONS
	<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.

FINISHED DRILLING FROM 2080' TO 8904'. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. PMP 20 BBLS MUD CLEAN & 20 SX SCAVENGER SLURRY @10.5 PPG 4.15 YIELD. LEAD CMT W/430 SX PREM LITE II @11.7 PPG 2.60 YIELD. TAILED CMT W/1178 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DROP PLUG & DISPLACED W/137.5 WATER BUMP PLUG W/500 OVER FINAL. CIRC PRESSURE OF 2407 & PLUG HELD & HAD FULL RETURNS 95 BBLS INTO DISPLACEMENT. RETURNS DROP TO 1/4 RETURNS NO CMT BACK TO SURFACE. NIPPLE DOWN SET SLIPS W/98K STRING WT. ROUGH CUT 4 1/2" CSG AND CLEAN OUT MUD PITS.

RELEASED PIONEER RIG 52 ON 08/29/2006 AT 1900 HRS.

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>REGULATORY ANALYST</u>
SIGNATURE	DATE <u>8/30/2006</u>

(This space for State use only)

RECEIVED
SEP 05 2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
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 922-32J3
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-7024	9. API NUMBER: 4304738009
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434'FSL, 2382'FEL (SWNWSE)		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 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 type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: PRODUCTION START-UP
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/18/2006 AT 9:30 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

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D.V. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE	DATE 10/18/2006

(This space for State use only)



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

CHRONOLOGICAL WELL HISTORY

NBU 922-32J3

SWNW, SEC. 32, T9S, R22E
 UINTAH COUNTY, UT
 TD: 8904'

PBTD:

PERFS: (I.E. 5172' - 9162' WAS/MV)

EOT: (I.E. 2 3/8" J55 @ 8155')

SPUD	Surface Casing Air Rig	Activity	Status
07/05/06		Building Location, 20% Complete	Pioneer 52
07/06/06		Building Location, 30% Complete	Pioneer 52
07/07/06		Building Location, 40% Complete	Pioneer 52
0710/06		Building Location, 60% Complete	Pioneer 52
07/11/06		Building Location, 60% Complete Drlg	Pioneer 52
07/12/06		Building Location, 60% Complete Drlg	Pioneer 52
07/13/06		Building Location, 60% Complete	Pioneer 52
07/14/06		Building Location, 75% Complete	Pioneer 52
07/17/06		Building Location, Location Complete	Pioneer 52
07/19/06		WOBR	Pioneer 52
07/21/06	7/19/06	Set Conductor Spud, WOAR	Pioneer 52
08/01/06	7/21/06	9 5/8" @ 2058'	Air Rig Spud, WORT Pioneer 52
08/09/06	TD: 2080'	Csg. 9 5/8" @ 2058'	MW: 8.4 SD: 8/XX/06 DSS: 0 Move to 922-32J-3. RURT, 100% moved, 90% rigged up @ report time.
08/10/06	TD: 2080'	Csg. 9 5/8" @ 2058'	MW: 8.4 SD: 8/XX/06 DSS: 0 RURT. NU and test BOPE. Rig on repair @ report time.
08/11/06	TD: 2346'	Csg. 9 5/8" @ 2058'	MW: 8.4 SD: 8/11/06 DSS: 1 Finish rig repair. PU BHA and drill pipe. Work on motors. Drill cement and FE. Drill from 2084'-2346'. DA @ report time.
08/14/06	TD: 2610'	Csg. 9 5/8" @ 2058'	MW: 8.4 SD: 8/11/06 DSS: 4

Drill from 2346'-2610'. POOH and run leak off test to 9.13 EMW. RU Big 4 and pump 40 bbls cement. Close rams and squeeze cement. POOH and PU tri-cone bit. WOC. Wash to 2107'. Drill firm cement to 2602'. POOH and test shoe to 9.7 ppg EMW. POOH and TIH open-ended. Pump and squeeze 40 bbls cement. WOC and work on SCR. TIH with tri-cone bit and tag cement @ 2033'. Drill firm cement from 2160'-2610'. POOH for PDC bit @ report time.

08/15/06	TD: 3475'	Csg. 9 5/8" @ 2058'	MW: 8.4	SD: 8/11/06	DSS: 4
	Finish POOH for PDC bit and mud motor. TIH. Displace hole with 9.0 ppg mud. Drill from 2610'-3475'. DA @ report time.				
08/16/06	TD: 5000'	Csg. 9 5/8" @ 2058'	MW: 9.9	SD: 8/11/06	DSS: 6
	Drill from 3475'-5000'. DA @ report time.				
08/17/06	TD: 6100'	Csg. 9 5/8" @ 2058'	MW: 10.1	SD: 8/11/06	DSS: 7
	Drill from 5000'-6100'. DA @ report time.				
08/18/06	TD: 6623'	Csg. 9 5/8" @ 2058'	MW: 10.1	SD: 8/11/06	DSS: 8
	Drill from 6100'-6623'. Pump slug and drop survey. Prep to TFNB @ report time.				
08/21/06	TD: 8025'	Csg. 9 5/8" @ 2058'	MW: 11.2	SD: 8/11/06	DSS: 11
	TFNB. Drill f/ 6593'-8025'. DA @ report time.				
08/22/06	TD: 8255'	Csg. 9 5/8" @ 2058'	MW: 12.2	SD: 8/11/06	DSS: 12
	Drill f/ 8025'-8255'. DA @ report time.				
08/23/06	TD: 8362'	Csg. 9 5/8" @ 2058'	MW: 12.0	SD: 8/11/06	DSS: 13
	Drill f/ 8255'-8362'. TFNB and MM @ report time.				
08/24/06	TD: 8362'	Csg. 9 5/8" @ 2058'	MW: 12.0	SD: 8/11/06	DSS: 14
	TIH to csg shoe. Start repair of electric brake. Rig on repair @ report time.				
08/25/06	TD: 8362'	Csg. 9 5/8" @ 2058'	MW: 12.0	SD: 8/11/06	DSS: 15
	Repairing electric brake. Rig on repair @ report time.				
08/28/06	TD: 8904'	Csg. 9 5/8" @ 2058'	MW: 12.2	SD: 8/11/06	DSS: 18
	Finish rig repair. Drill f/ 8362'-8904'. CCH and short trip. TOO H for logs. Wait on loggers, logs went to btm but density tool failed. Logging @ report time.				
08/29/06	TD: 8904'	Csg. 9 5/8" @ 2058'	MW: 12.2	SD: 8/11/06	DSS: 18
	Run O/H logs. RD loggers. TIH and CCH for casing. Lay down drill string. RU casing crew and run 4 1/2" Production Casing @ report time.				
08/30/06	DHC: \$1,033,365	TD: 8904'	Csg. 9 5/8" @ 2058'	MW: 12.2	SD: 8/11/06
		DSS: 19			
	Run and cement 4 1/2" Production Casing. ND BOPE, set slips and release rig @ 1900 hrs 8/29/06. RDRT @ report time.				
08/31/06	TD: 8904'	Csg. 9 5/8" @ 2058'	MW: 12.2	SD: 8/11/06	DSS: 20
	RDRT. Moving to NBU 922-32H @ report time.				
10/05/06	POOH W/ TBG. RUN CBL. PERF STG 1. SDFN. PREP TO FRAC IN AM.				
10/06/06	Days On Completion: 3				
	7:00 a.m. HSM. WAIT ON B.J. TO MIRU. (RAINY & MUDDY). MIRU B.J., MIRU CUTTERS. HOLD SFT MTG. PSI TST LINES TO 8500# (HELD). BEG FRAC.				

ALL PERF'S SHOT W/ 3 3/8" EXP PERF GUNS LOADED W/ 23 GM CHARGES, 4 SPF, 90 DEG PHASING. ALL STAGES INCLUDE NALCO DVE-005 SCALE INHIB. 3 GAL PER THOUSAND IN PAD & 1/2 THE RAMP, 10 GAL'S PER THOUSAND IN FLUSH. OPEN WELL, SICP 1620#.

STG 1: BRK DWN PERF'S @ 2992#, EST INJ RT @ 39.8 BPM @ 5300#, ISIP 2450#, FG .72, TREAT STG 1 W/ 190,400# 20/40 SAND W/ LIGHTNING 20 GEL. TOT CL FL 1628 BBLS. ISIP 4900#, NPI 2450#, FG 1.00, 2359# ON WELL AFTER PERF

STG 2: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8431', P/U SHOOT 20 HOLES F/ 8396' - 8401', P/U SHOOT 12 HOLES F/ 8325' - 28', P/U SHOOT 16 HOLES F/ 8270' - 74'. POOH. BRK DWN PERF'S @ 3011#, EST INJ RT @ 44.5 BPM @ 5100#, ISIP 2700#, FG .76, TREAT STG 2 W/ 310,000# SAND W/ LIGHTNING 20 GEL. TOT CL FL 2327 BBLS. ISIP 3250#, NPI 550#, FG .82. 1130# ON WELL AFTER PERF

STG 3: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8054'. P/U SHOOT 12 HOLES F/ 8021' - 24', P/U SHOOT 16 HOLES F/ 7950' - 54'. POOH. BRK DWN PERF'S @ 3124#, EST INJ RT @ 30.5 BPM @ 4600#, ISIP 2450#, FG .74, TREAT STG 3 W/ 84,900# SAND W/ LIGHTNING 20 GEL. TOT CL FL 718 BBLS. ISIP 2400#, NPI -50#, FG .73, 1474# ON WELL AFTER PERF

STG 4: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 7636'. P/U SHOOT 16 HOLES F/ 7602' - 06', P/U SHOOT 8 HOLES F/ 7421' - 23'. POOH. BRK DWN PERF'S @ 2673#, EST INJ RT 36 BPM @ 4400#, ISIP 1750#, FG .67. TREAT STG 4 W/ 101,800# SAND W/ LIGHTNING 18 GEL. TOT CL FL 858 BBLS. ISIP 2878#, NPI 1128#, FG .82.

STG 5: (DFIT TEST). P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 7370'. P/U SHOOT 8 HOLES F/ 7104' - 06'. POOH. R/D CUTTERS. MIRU DELSCO P/U HALLIBURTON B.H. PSI BOMB. (1.61" O.D.) ON SLICK LINE & RIH. R/U B.J. OPEN WELL 300# SICP, BRK DWN PERF'S @ 3170#. EST INJ RT @ 2.9 BPM @ 1815#, PMP TOTAL OF 24.1 BBLS 2% KCL W/ ADDS. ISIP 2000#. SWI. LET HANG PSI BMB. SWI. SDFWE

10/09/06

Days On Completion: 6

6:00 a.m. HSM. WAIT ON DELSCO 45 MIN. POOH W/ HALLIBURTON PSI BOMB'S. R/D DELSCO. MIRU CUTTERS. P/U 3 3/8" PERF GUNS & RIH. SHOOT 12 HOLES F/ 7246' - 49'. P/U SHOOT 16 HOLES F/ 7162' - 66'. POOH. R/U B.J. HOLD SFT MTG. PSI TST LINES TO 8500# (HELD). BEG FRAC.

STG 5: BRK DWN PERF'S @ (DID NOT SEE BRK, USE BRK PSI F/ FRI. 3170#), EST INJ RT 41 BPM @ 3670#, ISIP 1550#, FG .64. TREAT STG 5 W/ 156,400# 20/40 SAND W/ LIGHTNING 18 GEL. TOT CL FL 1330 BBLS. ISIP 2550#, NPI 1000#, FG .78

STG 6: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 6817', P/U SHOOT 16 HOLES F/ 6783' - 87', P/U SHOOT 12 HOLES F/ 6466' - 69', P/U SHOOT 12 HOLES F/ 6422' - 25'. POOH. BRK DWN PERF'S @ 2280#, EST INJ RT @ 41 BPM @ 3600#, ISIP 1450#, FG .65, TREAT STG 6 W/ 100,000# SAND W/ LIGHTNING 18 GEL. TOT CL FL 797 BBLS. ISIP 2025#, NPI 575#, FG .75. 500# ON WELL AFTER PERF

STG 7: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 5813', P/U SHOOT 20 HOLES F/ 5778' - 83', POOH. BRK DWN PERF'S @ 2122#, EST INJ RT @ 34.7 BPM @ 2800#, ISIP 1200#, FG .64, TREAT STG 7 W/ 69,500# SAND W/ LIGHTNING 18 GEL. TOT CL FL 574 BBLS. ISIP 1500#, NPI 300#, FG .70

DFIT TEST: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 5600', P/U SHOOT 12 HOLES F/ 5488' - 91'. POOH. RD CUTTERS. R/U DELSCO, P/U HALLIBURTON PSI BOMB & RIH. LET HANG PSI BOMB @ 5480'. R/U B.J. BRK DWN PERF'S @ 1680#,

EST INJ RT 3.2 BPM @ 1190#, PMP 24 BBLS 2% KCL W/ ADDS. S/D PMP. ISIP 1090#, LET BOMBS HANG. BEG TEST @ 1PM. SDFN.

10/10/06 WAIT 24 HRS FOR BHP BOMB TEST. 1 PM POOH W/ PRESS BOMB. RU CUTTERS. RIH W/ 3 3/8" GUN & 8K CBP. SET PLUG @ 5420'. PU & SHOOT 16 HLS FROM 5378' – 82'. POOH. PERFORM DFIT W/ 24 BBLS FLUID.
DAILY COST: \$9185

10/11/06 7:00 A.M. HSM. POOH W/ BHP BOMB'S. L/D BOMB'S & DOWN LOAD INFO. CONSULT ENGINEERING. ND FRAC VALVES. NU BOPE. PU 3 7/8" SMITH BIT, POBS & RIH ON TBG. TAG CBP @ 5420'. R/U DRL EQUIP. R/U PMP & LINES. ATTEMPT TO BRK CONV CIRC W/ 2% KCL. CATCH CIRC AFTER 40 BBLS PUMPED. DRL OUT CBP @ 5420', CONT TO RIH TO 5522'. X/O, RD DRL EQUIP. POOH W/ TBG. L/D BIT & BIT SUB. NDBOPE. NU FRAC VLV'S. R/U B.J. HOLD SFT MTG. PSI TST LINES TO 8000# (HELD). CONT TO FRAC.

STG 8: PERF'S ALREADY BROKE DWN. EST INJ RT @ 41.4 BPM @ 2200#. (PAD INCLUDES 10 GAL PER K OF NALCO DVE-005 SCALE INHIB) ISIP 1090#, FG .63, TREAT STG 8 W/ 110,000#, 20/40 SAND W/ LIGHTNING 18 GEL. TOT CL FL 793 BBLS. ISIP 1360#, NPI 270#, FG .68

DFIT: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 5270'. P/U SHOOT 16 HOLES F/ 5173' - 77'. POOH. RD CUTTERS, RDMO B.J. MIRU DELSCO P/U HALLIBURTON BHP BOMB'S & RIH. LET HANG BHP BOMB'S @ 5165'. R/U B.J. BRK PERF'S DWN @ 1966#, EST INJ RT @ 5 BPM @ 1370#, ISIP 1185#, FG .65 (TOTAL CL FL 24.4 BBLS). SWI. SDFN

10/12/06 Days On Completion: 10
Remarks : 7:00 A.M. HSM
P/U 3 7/8" SMITH BIT, POBS & RIH ON TBG. TAG CBP @ 3040', PUSH PLUG DWN HOLE TO 3400', PLUG STUCK. R/U DRL EQUIP. DRL OUT CBP. CIRC WELL CLEAN. CONT TO RIH TO 5244', CIRC HOLE CLEAN. POOH. L/D BIT & BIT SUB. NDBOP. NU FRAC VALVES. P/U 3 3/8" PERF GUNS & BAK 8K CBP & RIH. STACK OUT @ 2092'. BECAME STUCK. COULD NOT WORK FREE. R/U B.J. TO CSG. ATTEMPT TO PMP PLUG FREE W/O SUCCESS. SET CBP,
POOH W/ PERF GUNS. RD CUTTERS. ND FRAC VLV'S, NU BOPE. P/U 3 7/8" BIT & POBS & RIH. TAG CBP @ 2092', R/U DRL EQUIP. BRK CONV CIRC & DRL UP CBP IN 10 MIN. CONT TO RIH. TO 5244', CIRC WELL CLEAN. (FOUND VALVE SEATS & CROWS FOOT IN RETURNS??). POOH. L/D BHA. ND BOPE, NU FRAC VALVES. R/U CUTTERS. P/U 3 7/8" GAUGE RING & RIH TO 5100', (NO OBSTRUCTIONS). POOH.

P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 5010', P/U SHOOT 12 HOLES F/ 4970' - 73', POOH. MIRU DELSCO. P/U HALLIBURTON BHP BOMB'S & RIH. LET HANG PSI BOMBS @ 4960'. MIRU B.J. PSI TST LINES TO 8000# (HELD). FILL CSG W/ 18.5 BBLS 2% KCL. BRK DWN PERF'S @ 2706#, EST INJ RT 5 BPM @ 950#, PMP TOTAL OF 24 BBLS. ISIP 350#, 55 SEC 100#, 1MIN 15 SEC 50#, 1 MIN 36 SEC 0#. SWI. SDFN

10/13/06 Days On Completion: 11
Remarks: 10:30 A.M. HSM.
START EQUIP. 11:00 A.M. POOH W/ BHP PSI BOMB'S. RDMO DELSCO. ND FRAC VALVES. NU BOPE. P/U 3 7/8" BIT, POBS & RIH W/ TBG. TAG CBP @ 5010', R/U DRL EQUIP. BRK CONV CIRC & BEG TO DRL. DRL OUT CBP IN 10 MIN. CIRC WELL CLEAN 45 MIN. CONT TO RIH TO 5244'. R/D DRL EQUIP. POOH. NDBOP. NU FRAC VALVES. MIRU B.J. HOLD SFT MTG. PSI TST LINES TO 8000#, (HELD).

STG 9: (LOAD PAD W/ 10 GAL PER THOUSAND) ZONE ALREADY BRK DWN. EST INJ RT @ 34.8 BPM @ 2890#, TREAT STG 9 W/ 71,800# SAND W/ LIGHTNING 18 GEL. TOT CL FL 689 BBLs. ISIP 1440# NPI 255#, FG .71.

R/U CUTTERS. P/U 4 1/2" BAK 8K CBP & RIH. SET KILL PLUG @ 4870'. POOH. RDMO CUTTERS. RDMO B.J. ND FRAC VLV'S. NU BOPE. PREP TO RIH IN A.M. SWI. SDFWE

10/16/06

Days On Completion: 13

7:00 A.M. HSM. ND FRAC VALVES, NU BOPE. P/U 3 7/8" BIT, POBS & RIH ON TBG. TAG KILL PLUG @ 4870'. R/U DRL EQUIP. R/U PMP & LINES. BRK CONV CIRC & BEG TO DRL.

DRL UP KILL PLUG IN 8 MIN. (0# PSI INC). CONT TO RIH. TAG FILL @ 5108', (162' FILL + 2 BTM HALF'S OF CBP'S), C/O TO 2ND CBP @ 5270'. (45 MIN)

DRL UP 2ND CBP IN 10 MIN. (0# PSI INC). CONT TO RIH. TAG FILL @ 5526', (54' FILL + 2 BMT HALF'S OF CBP'S), C/O TO 3RD CBP @ 5580'

DRL UP 3RD CBP IN 15 MIN. (0# PSI INC). CONT TO RIH. TAG FILL @ 5783', (30' FILL). C/O TO 4TH CBP @ 5813'.

DRL UP 4TH CBP IN 8 MIN. (500# PSI INC). CONT TO RIH. TAG FILL @ 6732', (85' FILL). C/O TO 5TH CBP @ 6817'.

DRL UP 5TH CBP IN 7 MIN. (500# PSI INC). CONT TO RIH. TAG FILL @ 7267', (93' FILL). C/O TO 6TH CBP @ 7370'

DRL UP 6TH CBP IN 12 MIN. (500# PSI INC). CONT TO RIH. TAG FILL @ 7600', (36' FILL). C/O TO 7TH CBP @ 7636'

DRL UP 7TH CBP IN 18 MIN. (300# PSI INC). CONT TO RIH. TAG FILL @ 8020', (34' FILL). C/O TO 8TH CBP @ 8054'.

DRL UP 8TH CBP IN 12 MIN. (800# PSI INC). CONT TO RIH. TAG FILL @ 8400', (31' FILL). C/O TO 9TH CBP @ 8431'.

DRL UP 9TH CBP IN 10 MIN. (400# PSI INC). CONT TO RIH. TAG FILL, C/O TO PBTD @ 8735'. CIRC WELL CLEAN. ND DRL EQUIP. POOH L/D 32 JTS ON TRAILER. LUBRICATE TBG HANGER INTO WELL. LAND TBG W/ EOT @ 7764'. NDBOPE. NUWH. DROP BALL & PMP OFF THE BIT SUB @ 1500#. R/U FLOW BACK EQUIP. TURN WELL OVER TO FLOW BACK CREW

SICP 1500#

FTP 50#

46/64 CHOKE

TBG ON LOC 296 JTS

TBG IN WELL 249 JTS

TBG LEFT ON TRAILER 47 JTS

10/17/06

RD. MUDDY CONDITIONS, ROADS IMPASSABLE. SDFD.

ON FLOWBACK 10/18/06: 1650# CP, 1450# TP, 20/64 CK, 28 BWPH, LOAD REC'D 702 BBLs, LLTR 1246 BBLs

10/18/06

ON FLOWBACK 10/19/06: 1450# CP, 1325# TP, 20/64 CK, 16 BWPH, LOAD REC'D 440 BBLs, LLTR 1686 BBLs

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-22649

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

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

8. WELL NAME and NUMBER:
NBU 922-32J3

9. API NUMBER:
4304738009

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NWSE 32 9S 22E

12. COUNTY: **UINTAH** 13. STATE: **UTAH**

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

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

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

3. ADDRESS OF OPERATOR: **1368 S 1200 E** CITY **VERNAL** STATE **UT** ZIP **84078** PHONE NUMBER: **(435) 781-7024**

14. DATE SPUDDED: **7/19/2006** 15. DATE T.D. REACHED: **8/28/2006** 16. DATE COMPLETED: **10/18/2006** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): **4965'GL**

18. TOTAL DEPTH: MD **8,904** 19. PLUG BACK T.D.: MD **8,738** 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 YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		2,080		675			
7 7/8"	4 1/2 I-80	11.6#		8,904		1628			

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"	7.764							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) WASATCH	4,970	6,787			4,970 6,787	0.35	116	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) MESAVERDE	7,104	8,616			7,104 8,616	0.35	172	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"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4970'-6787'	PMP 2853 BBLs LIGHTNING 18 & 351,300# 20/40 SD
7104'-8616'	PMP 6861 BBLs LIGHTNING 18, 20 & 843,500# 20/40 SD

RECEIVED

NOV 13 2006

DIV. OF OIL, GAS & MINING

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**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 10/18/2006		TEST DATE: 10/19/0200		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,961	WATER - BBL: 288	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 1,125	CSG. PRESS. 1,350	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,961	WATER - BBL: 288	INTERVAL STATUS: PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 10/18/2006		TEST DATE: 10/19/0200		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,961	WATER - BBL: 288	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 1,125	CSG. PRESS. 1,350	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,961	WATER - BBL: 288	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

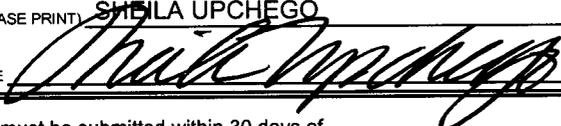
33. SUMMARY OF POROUS ZONES (Include Aquifers):

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.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,415 6,891	6,891			

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 REGULATORY ANALYST
 SIGNATURE  DATE 11/6/2006

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
 Box 145801
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434'FSL, 2382'FEL (SWNWSE) QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 9S, 22E		8. WELL NAME and NUMBER: NBU 922-32J3
		9. API NUMBER: 4304738009
		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 type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: MAINTENANCE
	<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.

01/08/08 MIRU RUSU AND BLOW DN TBG. PMP 10 BBLS 2% DN TBG. ND WH. NU BOP. RU LUB OUT AND LD TBG HANGER. POOH AS S/B 102-JTS 2-3/8" TBG (3100'). FOUND BLACK SCALE IN ID OF TBG THAT 1.90" BROACH WOULD GO THRU BUT NOT DRIFT. RUN IN W/ 10-JTS. HAVE 157-JTS IN WELL, EOT AT 4877'. PMP 110 GAL (2-DRUMS) 31% HCL ACID. FLUSH TBG W/ 20 BBLS 2%. NOW DETECTING H2S IN RETURNS AT FLOW BACK TANK. SHUT TBG IN LEAVE CSG OPEN TO SALES. 157-JTS IN, EOT AT 4877'. PMP 85 BBLS TODAY TO CONTROL WELL. RCVR 90 BBLS.C/O to PBDT TEST GAS IN CSG- 2 PPM H2S. OPEN CSG TO FLOWBACK TANK AND MONITOR THRU OUT DAY. PMP 10 BBLS 2% DOWN TBG. CONT POOH W/ 249 TOTAL JTS PROD AS PMPG DN CSG FOR WELL CONTROL. PMPD H2S SCAVENGER AND BIOCID 2%. HAVE 228-GOOD JTS. LD 21-JT HEAVY SCALE (IRON SULFIDE) INSIDE AND OUTSIDE. MU RIH W/ 3-7/8" MILL, POBS, 1.87" R-NIPPLE ON 2-3/8" J-55 TBG. PU J-55 TAG SCALE AT 8034' W/ 258-JTS IN. RU PWR SWIVEL. FOAM UNIT. 1-1/2 HRS TO GET CIRC W/ MAX 1245 PSI. C/O SCALE AND BRIDGE 8034 (51') TO 8085'. FELL THRU. HANG OFF PWR SWIVEL. RIH PU TBG. TAG PBDT AT 8738' W/ #281. LD 1-JT CIRC HOLE CLEAN W/ 280-JTS IN AT 8730'. LD AS POOH W/ 20-JTS. DRAIN EQUIP. W/ 260-JTS EOT AT 8116'. .01/10/08 OPEN CSG TO FLOWBACK TANK. PMP 10 BBLS DN TBG. PULL 3-JTS AND REMOVE STRING FLOAT. RUN BACK IN W/ 3-JTS. PU 4-1/16" 10K TBG HANGER AND LUB IN. LAND 260-JTS 2-3/8" J-55 TBG W/ EOT AT 8122'. DROP BALL. PMP 21-BBLS 2% DN TBG. PRESS TBG TO 3000 PSI. BLEED PRESS OFF. PRESSTBG TO 3000 PSI AGAIN. POBS DID NOT RELEASE. HOOK UP HARDLINE TO TBG. PRESS UP TO 3100 PSI WHEN POBS RELEASED. GOOD. RU SANDLINE AND RUN 1.90" BROACH TO EOT. GOOD.ND BOP. NUWH. DRAIN AND RACK OUT EQUIP. RDSU.TURN OVER TO PRODUCTION DEPT

NAME (PLEASE PRINT) SHEILA URCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 3/12/2008

(This space for State use only)

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 922-32J3
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047380090000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434 FSL 2382 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 32 Township: 09.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/18/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

THE OPERATOR REQUESTS AUTHORIZATION TO TEMPORARILY ABANDON THE SUBJECT WELL LOCATION. THE OPERATOR PROPOSES TO TEMPORARILY ABANDON THE WELL TO DRILL THE NBU 922-32J4CS WELL LOCATION. PLEASE REFER TO THE ATTACHED TEMPORARILY ABANDON PROCEDURE.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: November 18, 2009
 By: *Derek Duff*

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 11/16/2009

NBU 922-32J3
 1434' FSL & 2382' FEL
 SWNWSE SEC.32, T9S, R22E
 Uintah County, UT

KBE: 4987'
 GLE: 4963'
 TD: 8904'
 PBDT: 8735'

API NUMBER: 43-047-38009
 LEASE NUMBER: ML-22649
 WINS #: 91714
 WI: 100.0000%
 NRI: 79.452949%

CASING: 20" hole
 14" STL 36.7# csg @ 40' GL
 Cemented to surface w/ 28 sx

12 1/4" hole
 9 5/8" 32.3# H-40 @ 2080' (KB)
 Cement w/ 675 sx

7.875" hole
 4 1/2" 11.6# I-80 @ 8904'
 Cement w/ 1628 sks, TOC @ surface per CBL

TUBING: 2 3/8" 4.7# J-55 tubing landed at 8122'

Tubular/Borehole	Drift inches	Collapse psi	Burst Psi	Capacities		
				Gal./ft.	Cuft/ft.	Bbl./ft.
2.375" 4.7# J-55 tbg.	1.901	8100	7700	0.1624	0.02173	0.00387
4.5" 11.6# P-110	3.875	6350	7780	0.6528	0.0872	0.01554
9.625" 32.3# H-40	8.845	1400	2270	3.3055	0.4418	0.0787
14" 36.7# Stl						
Annular Capacities						
2.375" tbg. X 4 1/2" 11.6# csg				0.4227	0.0565	0.01006
4.5" csg X 9 5/8" 32.3# csg				2.4780	0.3314	0.0590
4.5" csg X 7.875 borehole				1.7052	0.2278	0.0406
9.625" csg X 12 1/4" borehole				2.3436	0.3132	0.0558
9.625" csg X 14" csg				3.4852	0.4659	0.0830
14" csg X 20" borehole						

GEOLOGIC INFORMATION:

Formation	Depth to top, ft.
Uinta	Surface
Green River	
Bird's Nest	
Mahogany	
Base of Parachute	
Wasatch	4415'
Mesa Verde	6891'

Tech. Pub. #92 Base of USDW's

USDW Elevation 1000' MSL

USDW Depth 3987' KBE

PERFORATIONS:

Formation	Date	Top	Btm	Spf	Status
Wasatch	10/13/2006	4,970	4,973	4	Open
Wasatch	10/11/2006	5,173	5,177	4	Open
Wasatch	10/9/2006	5,378	5,382	4	Open
Wasatch	10/9/2006	5,488	5,491	4	Open
Wasatch	10/9/2006	5,778	5,783	4	Open
Wasatch	10/9/2006	6,422	6,425	4	Open
Wasatch	10/9/2006	6,466	6,469	4	Open
Wasatch	10/9/2006	6,783	6,787	4	Open
Mesaverde	10/6/2006	7,104	7,106	4	Open
Mesaverde	10/6/2006	7,162	7,166	4	Open
Mesaverde	10/6/2006	7,246	7,249	4	Open
Mesaverde	10/6/2006	7,421	7,423	4	Open
Mesaverde	10/6/2006	7,602	7,606	4	Open
Mesaverde	10/6/2006	7,950	7,954	4	Open
Mesaverde	10/6/2006	8,021	8,024	4	Open
Mesaverde	10/6/2006	8,270	8,274	4	Open
Mesaverde	10/6/2006	8,325	8,328	4	Open
Mesaverde	10/6/2006	8,396	8,401	4	Open
Mesaverde	10/5/2006	8,578	8,582	4	Open
Mesaverde	10/5/2006	8,611	8,616	4	Open

WELL HISTORY:

- Spud Well 7/21/06, TD'd 8/29/06
- 10/6/06 - Completed MV/Was intervals f/ 4970' - 8616'. Frac gross interval in 9 stages using 1,194,8020# 20/40sand & 9714 bbls gel fluid.
- 10/19/06 - Well IP - 1961 MCF, 0 BC, 288 BW, TP: 1125#, CP: 1350#, 20/64 CHK, 24 HRS, LP: 335#.
- 1/8/08 - C/O Scale w/ workover rig (heavy scale on id & od of tbg)

REMARKS:

- Land Exploration/Operations - This well is producing from the Was/MV formations. The lease is held by the NB Unit. OK to TA. Jason Rayburn 9/25/09
- Geology - Ok to TA and bring back online after pad drilling. BJK 10/19/09
- Reservoir Engineering - The NBU 922-32J-3 is producing from the Wasatch & Mesaverde since October 2006 and has a gross cum of 768 mmcf. The net remaining reserves as of Q309 are 2,514 MMCFE (419 MBOE). The well is currently making ~525 mcf/d with a LGR of ~27 bbl/mmcf. It is recommended to TA this well for the DC&E operations of the NBU 922-32J4CS. LNG 10/8/09.
- Operations Engineering - No objection to TA. MB 9/23/2009

Recommended future action for disposition of well bore:

Temporarily abandon the wellbore during the drilling and completion operations of the NBU 922-32J4CS pad wells. Return to production as soon as possible once completions are done.

NBU 922-32J3 TEMPORARY ABANDONMENT PROCEDURE

GENERAL

- H2S MAY BE PRESENT. CHECK FOR H2S AND TAKE APPROPRIATE PRECAUTIONS.
- CEMENT QUANTITIES BELOW ASSUME NEAT CLASS G, YIELD 1.145 CUFT./SX. IF A DIFFERENT PRODUCT IS USED, WELLSITE PERSONNEL ARE RESPONSIBLE FOR CORRECTING QUANTITIES TO YIELD THE STATED SLURRY VOLUME. WHEN SQUEEZING, INCLUDE 10% EXCESS PER 1000' OF DEPTH.
- TREATED FRESH WATER WILL BE PLACED BETWEEN ALL PLUGS INSTEAD OF BRINE.
- ALL DISPLACEMENT FLUID SHALL CONTAIN CORROSION INHIBITOR AND BIOCIDES. PREMIX 5 GALLONS PER 100 BBLs FLUID.
- NOTIFY UDOGM 24 HOURS BEFORE MOVING ON LOCATION.

PROCEDURE

Note: An estimated 19 sx Class "G" cement needed for procedure

Note: Gyro ran to 7176'

1. MIRU. KILL WELL AS NEEDED. ND WH, NU AND TEST BOPE.
2. PULL TBG & LD SAME. RU WIRELINE AND MAKE A GAUGE RING RUN TO CHECK FOR FILL.
3. **PLUG #1, ISOLATE MESAVERDE/WASATCH PERFORATIONS (4970' - 8616')**: RIH W/ 4 ½" CBP. SET @ ~4920'. RELEASE CBP, PUH 10', BRK CIRC W/ FRESH WATER. PRESSURE TEST CASING TO 500 PSI. INFORM ENGINEERING IF IT DOESN'T TEST. DISPLACE A MINIMUM OF 4.36 CUFT CMT (4 SX) ON TOP OF PLUG. PUH ABOVE TOC (~4870'). REVERSE CIRCULATE W/ TREATED FRESH WATER.
4. **PLUG #2, PROTECT WASATCH TOP (4415')**: PUH TO ~4515'. BRK CIRC W/ FRESH WATER. DISPLACE 17.44 CUFT. (15 SX) AND BALANCE PLUG W/ TOC @ ~4315' (200' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED FRESH WATER.
5. LOWER WELLHEAD TO GROUND LEVEL TO ACCOMMODATE DRILLING OPS AND INSTALL MARKER PER BLM GUIDELINES.
6. RDMO. TURN OVER TO DRILLING OPERATIONS.

ALM 11/16/09

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 922-32J3
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047380090000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434 FSL 2382 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 32 Township: 09.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/28/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 THIS TEMPORARILY ABANDONED WELL HAS RETURNED TO PRODUCTION.
 THIS WELL RETURNED TO PRODUCTION ON 4/28/2010 AT 10:30 A.M.

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY
 May 05, 2010

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 4/28/2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 922-32J3
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047380090000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1434 FSL 2382 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 32 Township: 09.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/28/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 THIS TEMPORARILY ABANDONED WELL HAS RETURNED TO PRODUCTION.
 THIS WELL RETURNED TO PRODUCTION ON 4/28/2010 AT 10:30 A.M.

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY
 May 05, 2010

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 4/28/2010