

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: STUO-0868-ST	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS OIL ONSHORE LP		9. WELL NAME and NUMBER: NBU 921-25P	
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: 475'FSL, 742'FEL AT PROPOSED PRODUCING ZONE: _____		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 25 9S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 17.65 MILES SOUTHEAST OF OURAY, UTAH		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 475'	16. NUMBER OF ACRES IN LEASE: 80.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 9,460	20. BOND DESCRIPTION: RLB0005238	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5006'GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

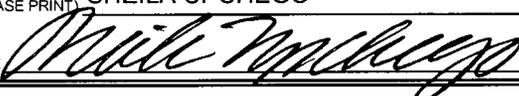
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8	H-40	32.3#	2,220	315 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2"	I-80	11.6#	9,460	1940 SX 50/50 POZ	1.31 YIELD	14.3 PPG

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST

SIGNATURE  DATE 5/8/2006

(This space for State use only)

RECEIVED
MAY 15 2006
DIV. OF OIL, GAS & MINING

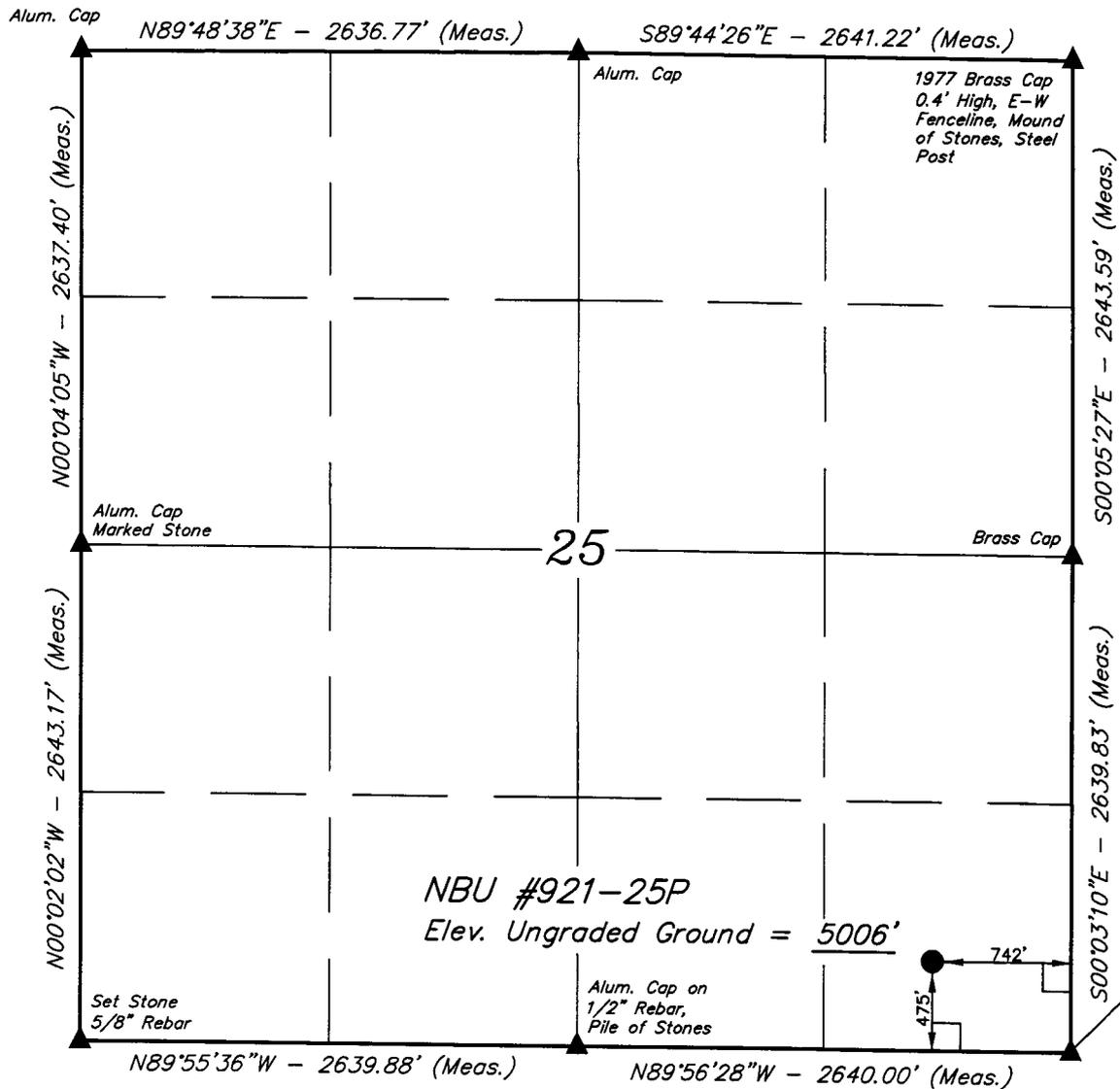
API NUMBER ASSIGNED: 4304738092

APPROVAL:

T9S, R21E, S.L.B.&M.

Kerr McGee Oil & Gas Onshore LP

Well location, NBU #921-25P, located as shown in the SE 1/4 SE 1/4 of Section 25, T9S, R21E, S.L.B.&M. Uintah County, Utah.

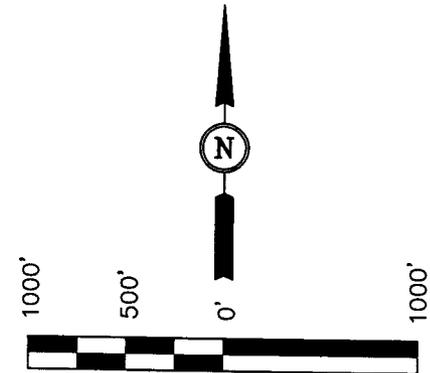


BASIS OF ELEVATION

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

BASIS OF BEARINGS

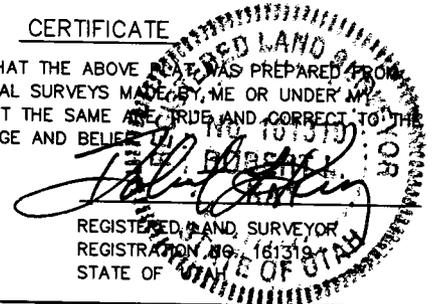
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



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.



REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

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

(NAD 83)
LATITUDE = 40°00'03.74" (40.001039)
LONGITUDE = 109°29'35.86" (109.493294)
(NAD 27)
LATITUDE = 40°00'03.87" (40.001075)
LONGITUDE = 109°29'33.39" (109.492608)

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

SCALE 1" = 1000'	DATE SURVEYED: 02-24-06	DATE DRAWN: 03-21-06
PARTY A.F. L.G. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr McGee Oil & Gas Onshore LP	

**NBU 921-25P
SESE SEC 25-T9S-R21E
UINTAH COUNTY, UTAH
STUO-0868-ST**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1470'
Top of Birds Nest Water	1717'
Mahogany	2398'
Wasatch	4671'
Mesaverde	7327'
MVU2	8276'
MVL1	8820'
TD	9460'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1470'
	Top of Birds Nest Water	1717'
	Mahogany	2398'
Gas	Wasatch	4671'
	Mesaverde	7327'
Gas	MVU2	8276'
Gas	MVL1	8820'
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 9460' TD, approximately equals 5865 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3784 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



**KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM**

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0 to 1820	32.30	H-40	STC	2270	1370	254000
						0.59*****	1.61	4.05
PRODUCTION	4-1/2"	1820 to 2220	36.00	J-55	STC	3520	2020	564000
						1.14*****	1.94	8.98
		0 to 9460	11.60	I-80	LTC	7780	6350	201000
						2.04	1.08	2.10

1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)
 (Burst Assumptions: TD = 12.0 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)
 MASP 3822 psi
 ***** Burst SF is low but csg is stronger than formation at 2220 feet
 ***** EMW @ 2220 for 2270# is 19.7 ppg or 1.0 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	250	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	100		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	LEAD	2000	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	230	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,170'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	460	60%	11.00	3.38
	TAIL	5,290'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1480	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

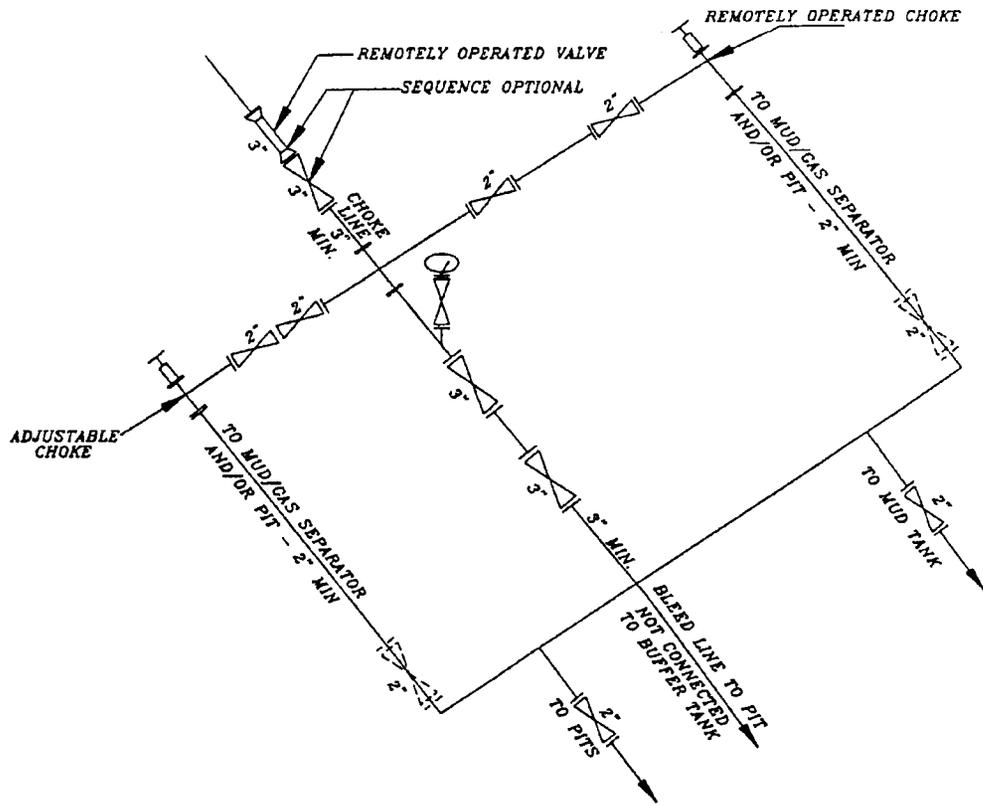
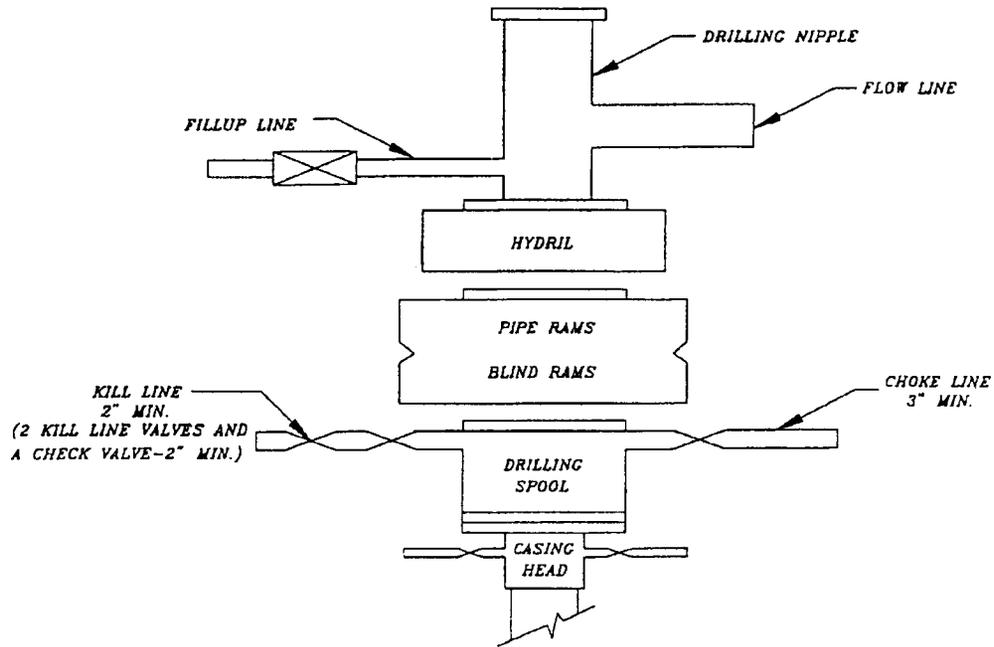
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

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: _____ **DATE:** _____
 Brad Laney
DRILLING SUPERINTENDENT: _____ **DATE:** _____
 Randy Bayne NBU921-25P APD.xls

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 921-25P
SESE SEC 32-T9S-R21E
Uintah County, UT
STUO-0868-ST**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

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

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

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

2. Planned Access Roads:

Approximately 30' +/- of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

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

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

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

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

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

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

Approximately 970' of pipeline is proposed. Refer to Topo D for the proposed pipeline.

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

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

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

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

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

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

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

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

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

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

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

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

8. Ancillary Facilities:

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

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

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

Producing Location:

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

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

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

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

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

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

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

Dry Hole/Abandoned Location:

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

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

11. **Surface Ownership:**

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

12. **Other Information:**

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

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

A Class III archaeological survey has been completed by MOAC on 03/10/2006, Archaeological Report No. 06-95.

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

5/8/2006

Date

Kerr-McGee Oil & Gas Onshore LP
NBU #921-25P
SECTION 25, T9S, R21E, 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 ON THE SEEP RIDGE ROAD 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 SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.0 MILE TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 400' 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 EXISTING CIGE #42 WELL PAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 30' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 48.65 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #921-25P

LOCATED IN UINTAH COUNTY, UTAH
SECTION 25, T9S, R21E, S.L.B.&M.

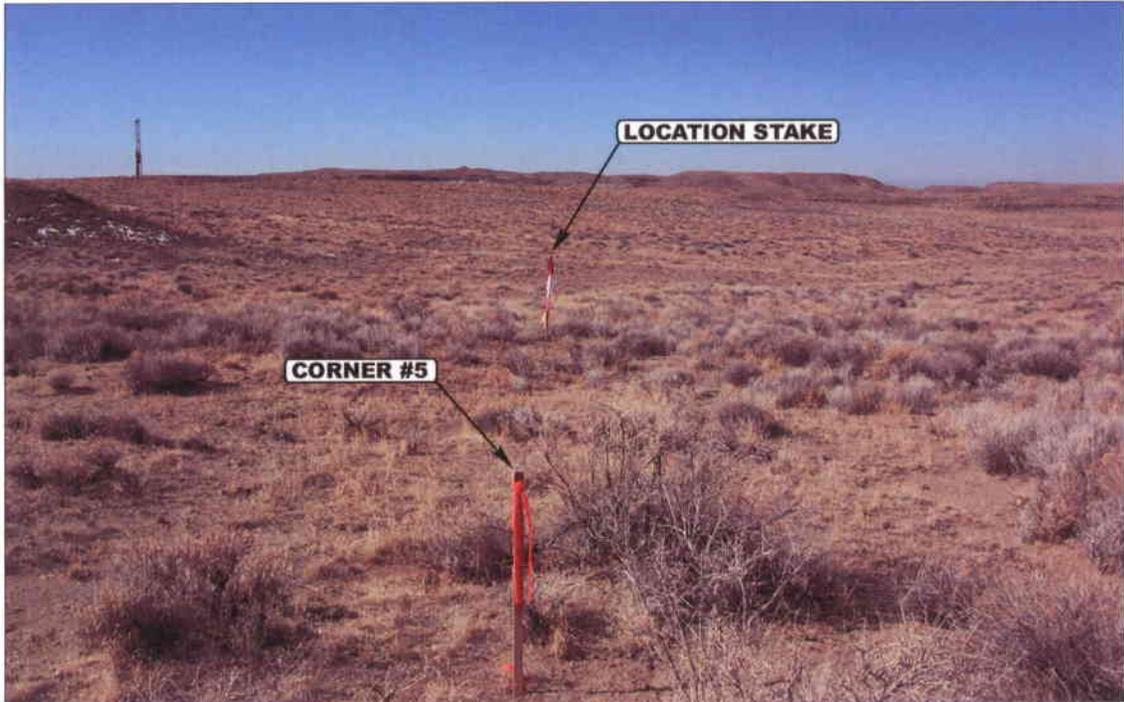


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



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

LOCATION PHOTOS

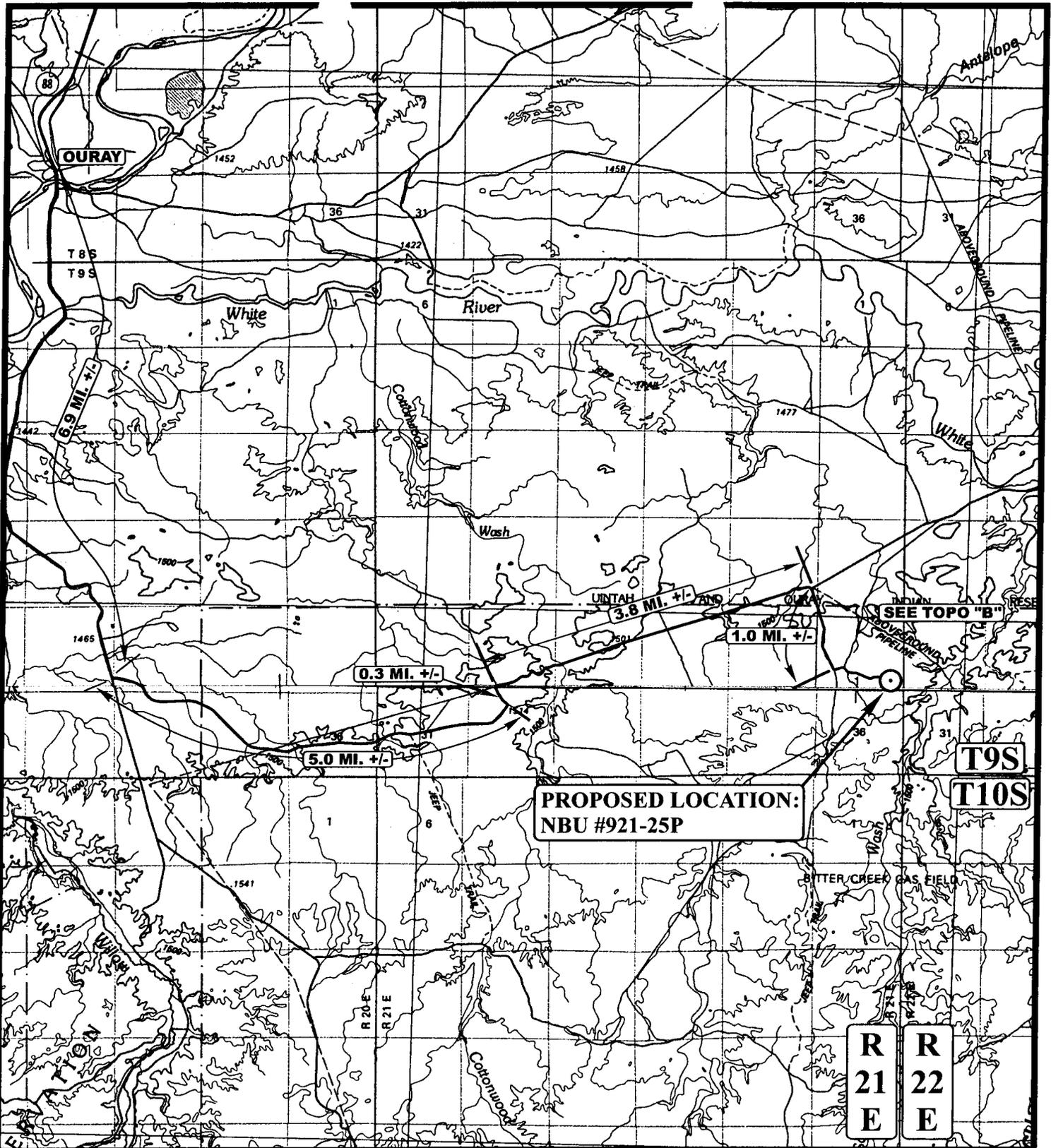
03 30 06
MONTH DAY YEAR

PHOTO

TAKEN BY: A.F.

DRAWN BY: LDK

REVISED: 00-00-00



LEGEND:

○ PROPOSED LOCATION



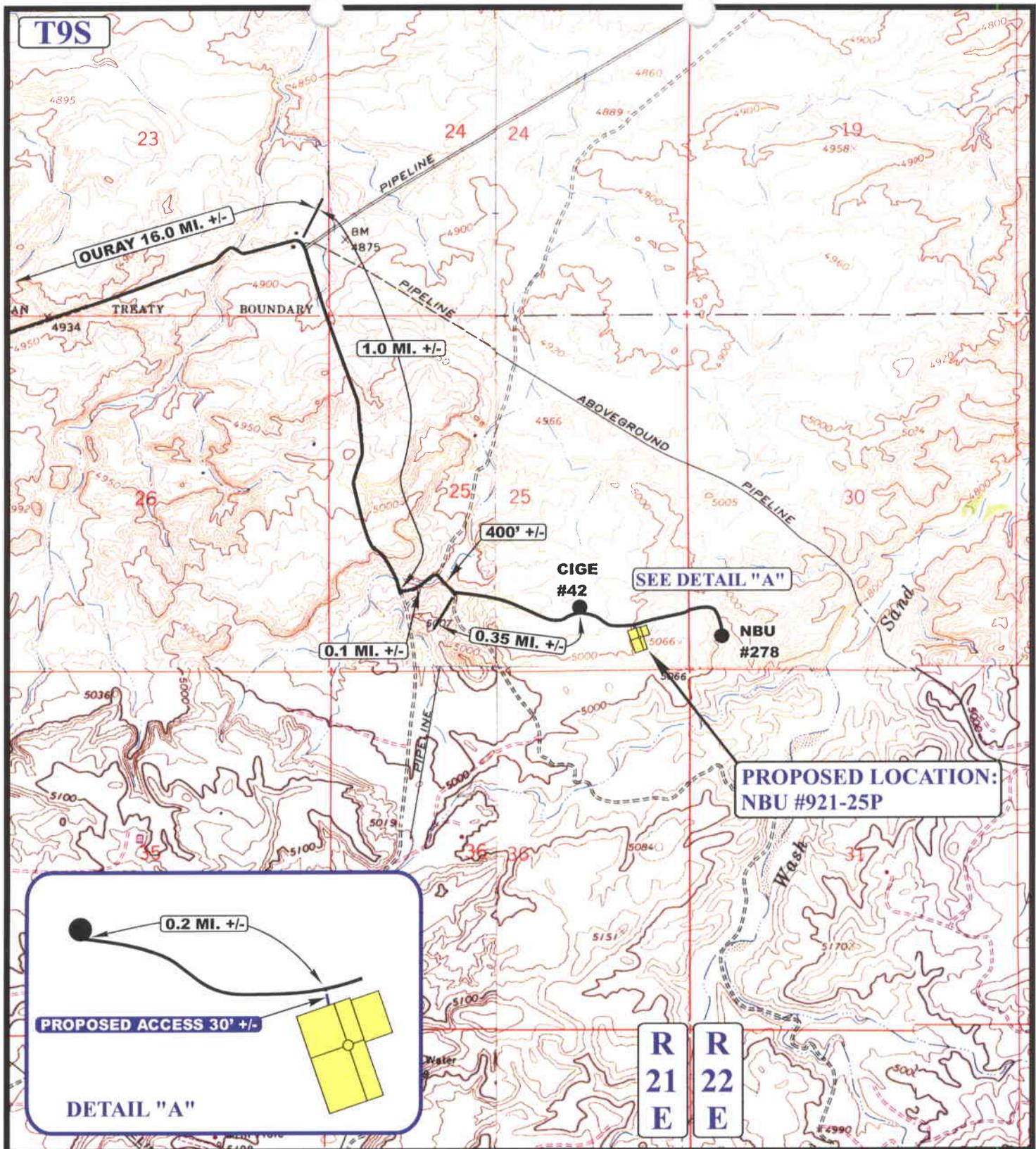
Kerr-McGee Oil & Gas Onshore LP

NBU #921-25P
SECTION 25, T9S, R21E, S.L.B.&M.
475' FSL 742' FEL

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

TOPOGRAPHIC **03 30 06**
MAP **MONTH DAY YEAR**
SCALE: 1:100,000 **DRAWN BY: LDK** **REVISED: 00-00-00**





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

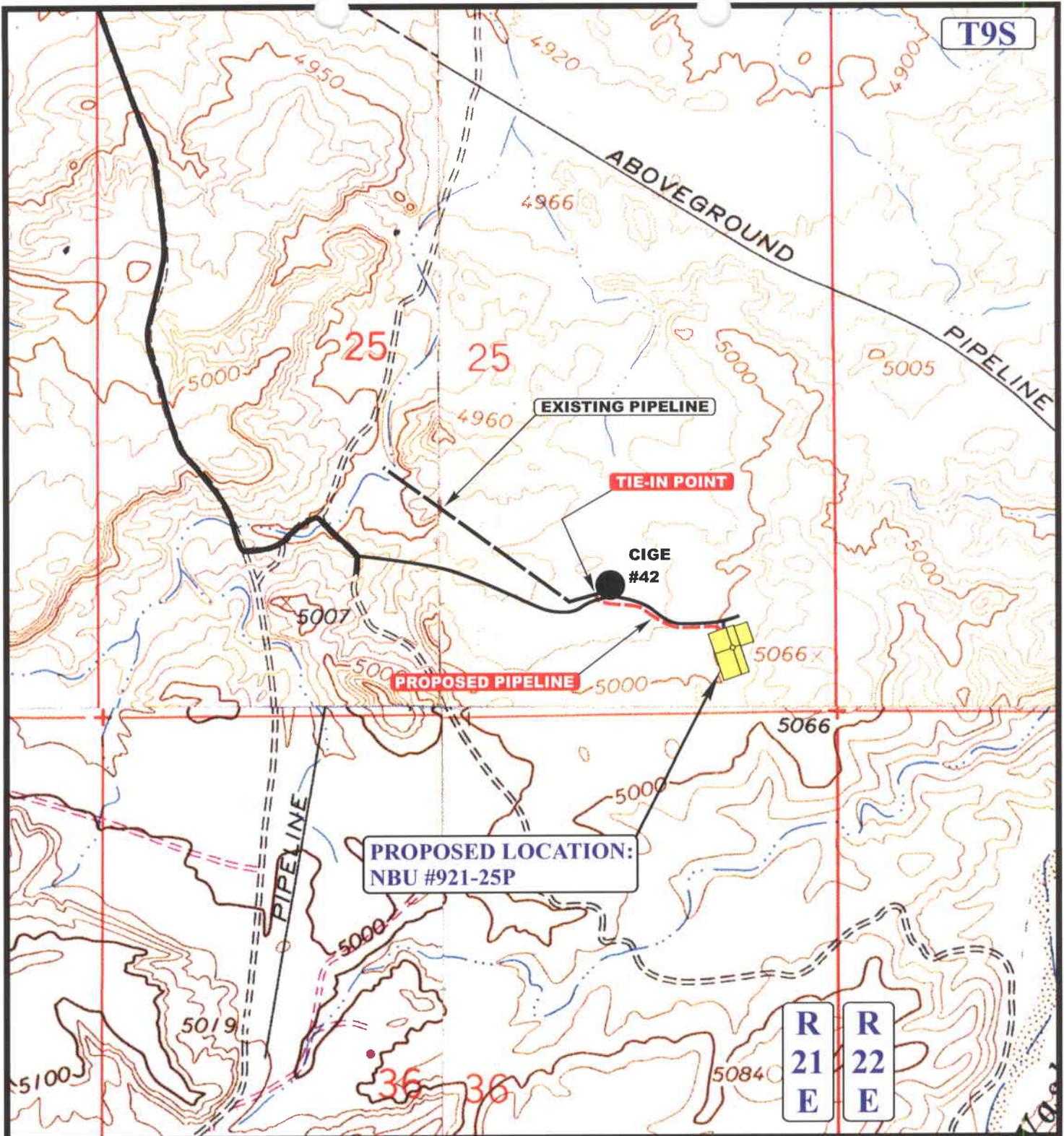


Kerr-McGee Oil & Gas Onshore LP

NBU #921-25P
 SECTION 25, T9S, R21E, S.L.B.&M.
 475' FSL 742' FEL

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

TOPOGRAPHIC MAP 03 30 06
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: LDK REVISED: 00-00-00 **TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 970' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



Kerr-McGee Oil & Gas Onshore LP

NBU #921-25P
SECTION 25, T9S, R21E, S.L.B.&M.
475' FSL 742' FEL



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

TOPOGRAPHIC
MAP

03	30	06
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: LDK REVISED: 00-00-00

D
TOPO

Kerr-McGee Oil & Gas Onshore LP

NBU #921-25P

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 25, T9S, R21E, S.L.B.&M.



PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHEASTERLY



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

PIPELINE PHOTOS	03	30	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: A.F.	DRAWN BY: LDK		REVISED: 00-00-00	

Kerr-McGee Oil & Gas Onshore LP

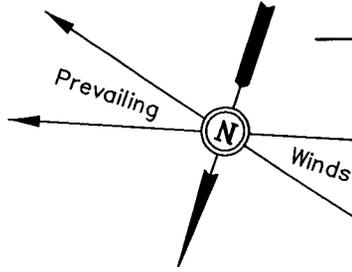
FIGURE #1

LOCATION LAYOUT FOR

NBU #921-25P
SECTION 25, T9S, R21E, S.L.B.&M.

475' FSL 742' FEL

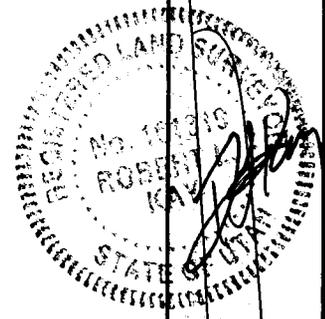
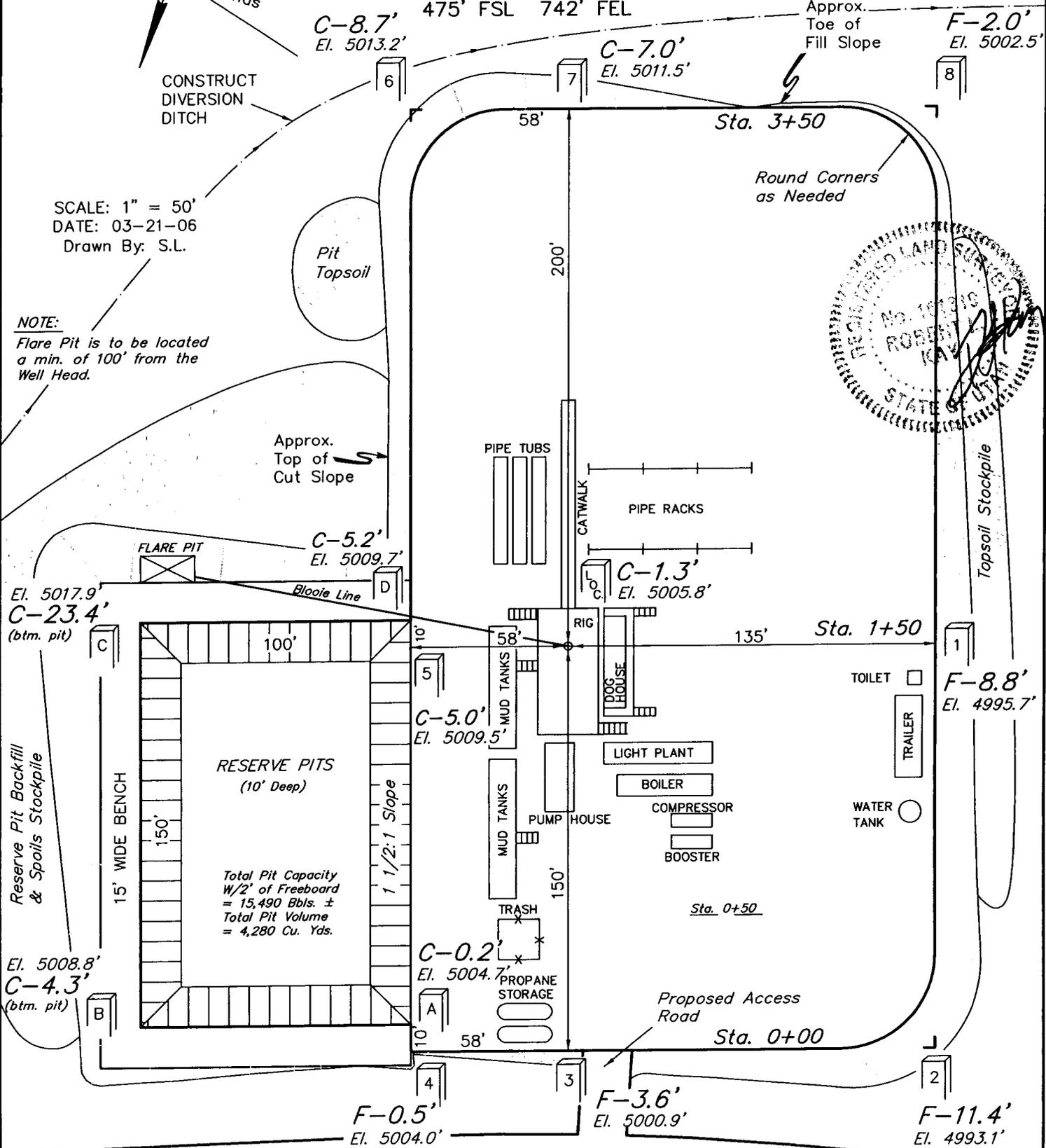
Approx. Toe of Fill Slope



CONSTRUCT DIVERSION DITCH

SCALE: 1" = 50'
DATE: 03-21-06
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 = 5005.8'
FINISHED GRADE ELEV. AT LOC. STAKE = 5004.5'

EXISTING ROAD

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

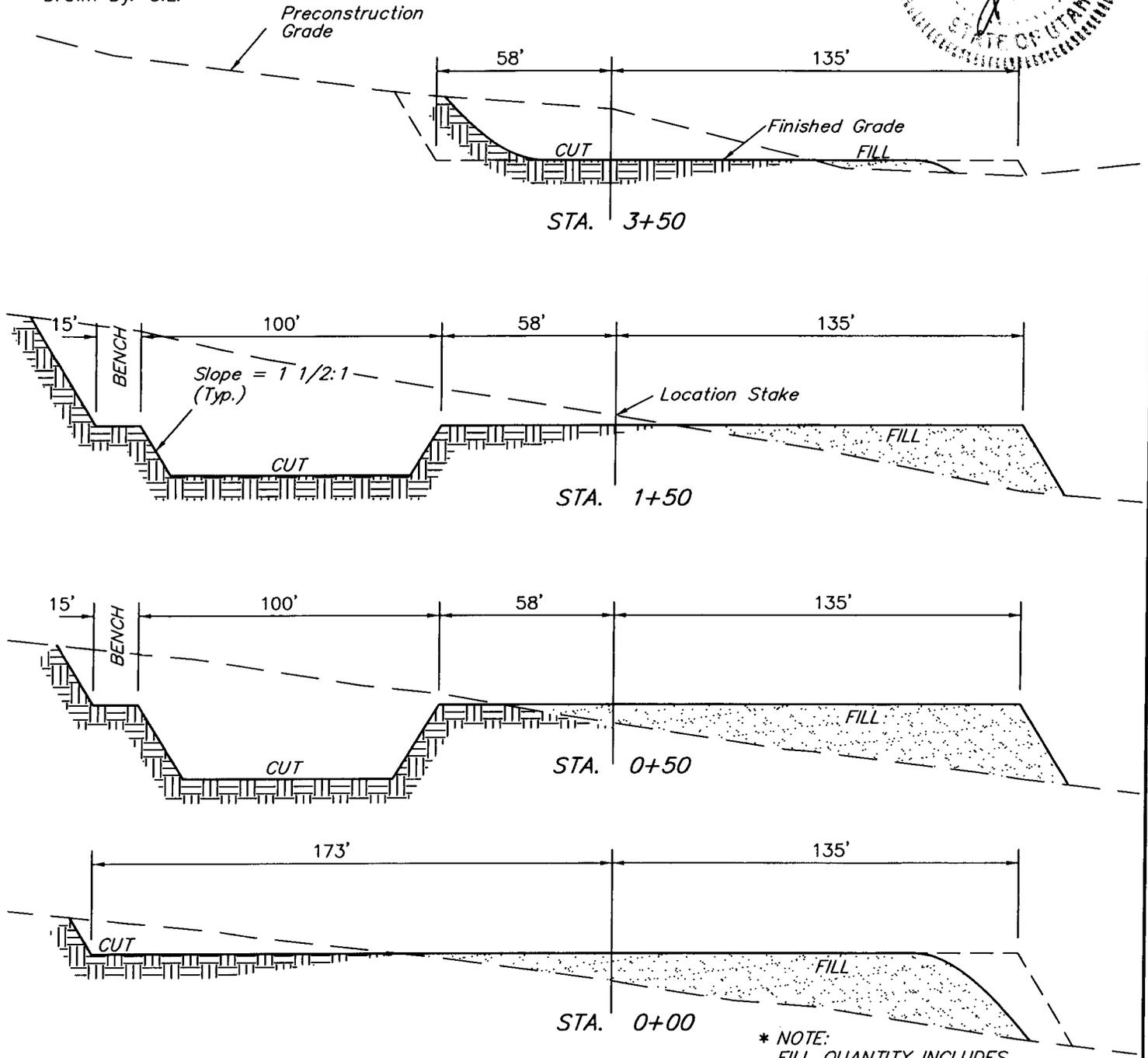
NBU #921-25P

SECTION 25, T9S, R21E, S.L.B.&M.

475' FSL 742' FEL

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

DATE: 03-21-06
Drawn By: S.L.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,950 Cu. Yds.
Remaining Location	= 11,600 Cu. Yds.
TOTAL CUT	= 13,550 CU.YDS.
FILL	= 8,770 CU.YDS.

EXCESS MATERIAL	= 4,780 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,090 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 690 Cu. Yds.

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/15/2006

API NO. ASSIGNED: 43-047-38092

WELL NAME: NBU 921-25P
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:
 SESE 25 090S 210E
 SURFACE: 0475 FSL 0742 FEL
 BOTTOM: 0475 FSL 0742 FEL
 COUNTY: UINTAH
 LATITUDE: 40.00116 LONGITUDE: -109.4925
 UTM SURF EASTINGS: 628683 NORTHINGS: 4428765
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dueg	6/22/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: STUO-0868-ST
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

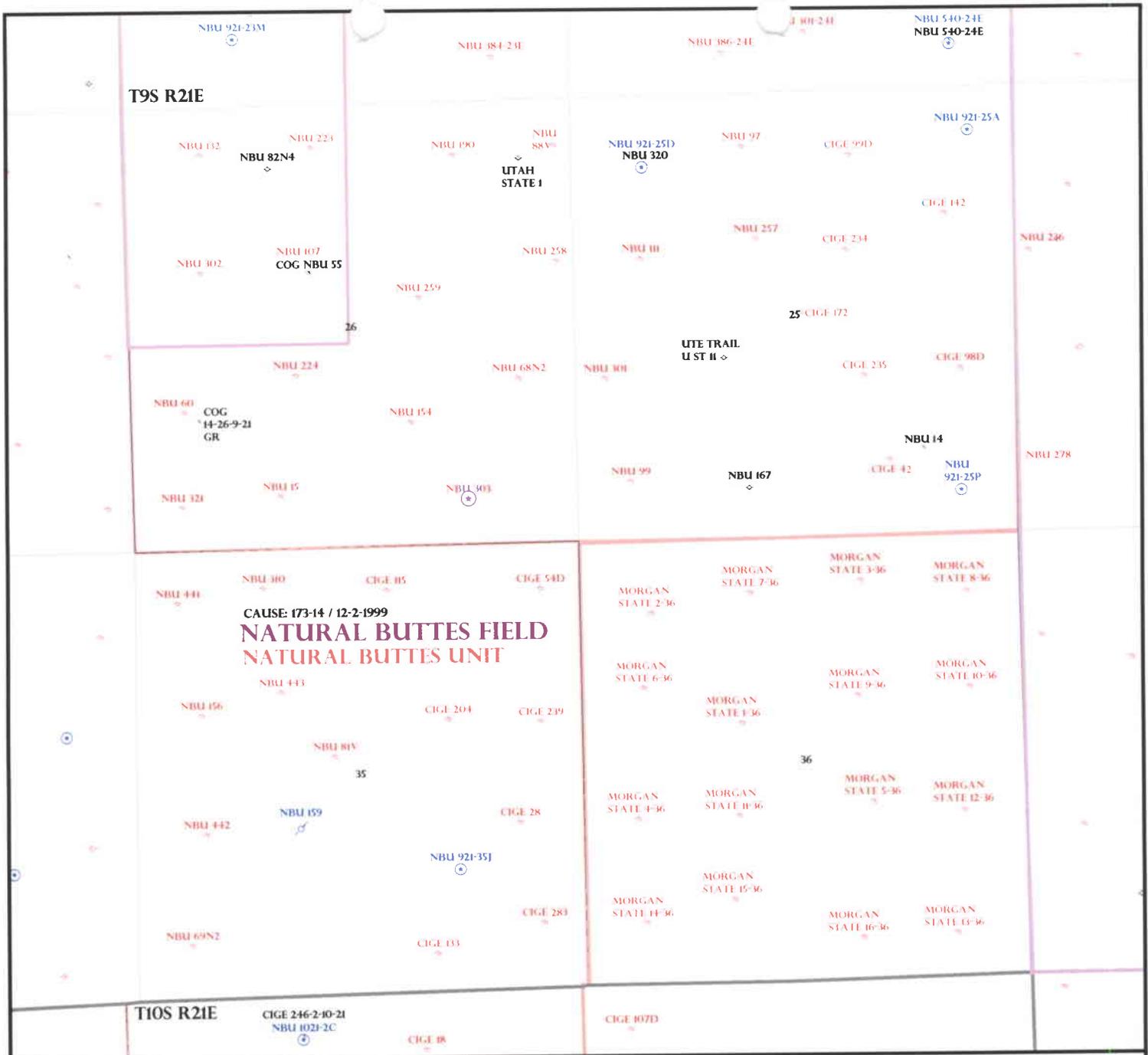
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0005236)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

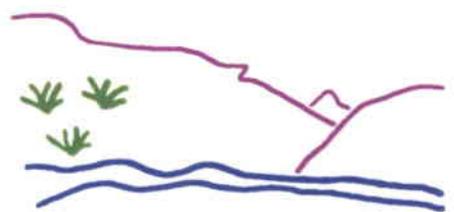
COMMENTS: Needs Op to (05-31-06)

STIPULATIONS: 1 - OIL SHALE
2 - STATEMENT OF BASIS
3 - Surface Log Cont St.p



CAUSE: 173-14 / 12-2-1999
NATURAL BUTTES FIELD
NATURAL BUTTES UNIT

OPERATOR: KERR-MCGEE O&G (N2995)
 SEC: 25,35 T. 9S R. 21E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH
 CAUSE: 173-14 / 12-2-1999



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
 DATE: 19-MAY-2006

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

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

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

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

OPERATOR: KERR McGEE OIL & GAS
WELL NAME & NUMBER: NBU 921-25P
API NUMBER: 43-047-38100
LOCATION: 1/4,1/4 SESE Sec: 25 TWP: 9S RNG: 21E 475' FSL 742' FEL

Geology/Ground Water:

Kerr McGee proposes to set 2,220' 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 2,000'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 25. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The proposed surface casing and cement should adequately protect ground water in this area.

Reviewer: Brad Hill Date: 06/07/06

Surface:

The pre-site investigation of the surface was performed on 05/31/2006. This site is on State surface, and appears to be a good site for a well in this drilling window. Ed Bonner of SITLA was invited to attend this surface inspection but was not present. Ben Williams from DWR stated that this site is classified as critical yearlong pronghorn habitat, but made no requests and had no concerns with drilling on this location.

Reviewer: Richard Powell Date: 05/31/2006

Conditions of Approval/Application for Permit to Drill:

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

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

OPERATOR: KERR MCGEE OIL & GAS OIL ONSHORE LP
WELL NAME & NUMBER: NBU 921-25P
API NUMBER: 43-047-38092
LEASE: STUO-0868-ST **FIELD/UNIT:** NATURAL BUTTES
LOCATION: 1/4,1/4 SESE Sec: 25 TWP: 9S RNG: 21E 475' FSL 742' FEL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): 0628676 4428753 **SURFACE OWNER:** SITLA.

PARTICIPANTS

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

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Location is set in a sort of small bowl surrounded by exposed rock ledges and low lying hills on the north, east and south and draining to the west. Scattered hills and valleys typify the general area, with exposed rock outcroppings along the ridges. The slopes in this area are generally fairly gradual. Ouray is approximately 17 miles northwest.

SURFACE USE PLAN

CURRENT SURFACE USE: Livestock and Wildlife Grazing.

PROPOSED SURFACE DISTURBANCE: Location as proposed will be 350' by 308'. Proposed new access road approximately 30'.

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

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

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

ANCILLARY FACILITIES: None required.

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

WASTE MANAGEMENT PLAN:

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

in trash baskets and disposed of at an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

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

SOIL TYPE AND CHARACTERISTICS: Brown sandy clay soil with rocks scattered on surface.

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

PALEONTOLOGICAL POTENTIAL: Per Carroll Estes study has been done.

RESERVE PIT

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

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

SURFACE RESTORATION/RECLAMATION PLAN

As per SITLA

SURFACE AGREEMENT: As per SITLA

CULTURAL RESOURCES/ARCHAEOLOGY: Per Carroll Estes a study has been done.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

RICHARD POWELL
DOG M REPRESENTATIVE

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

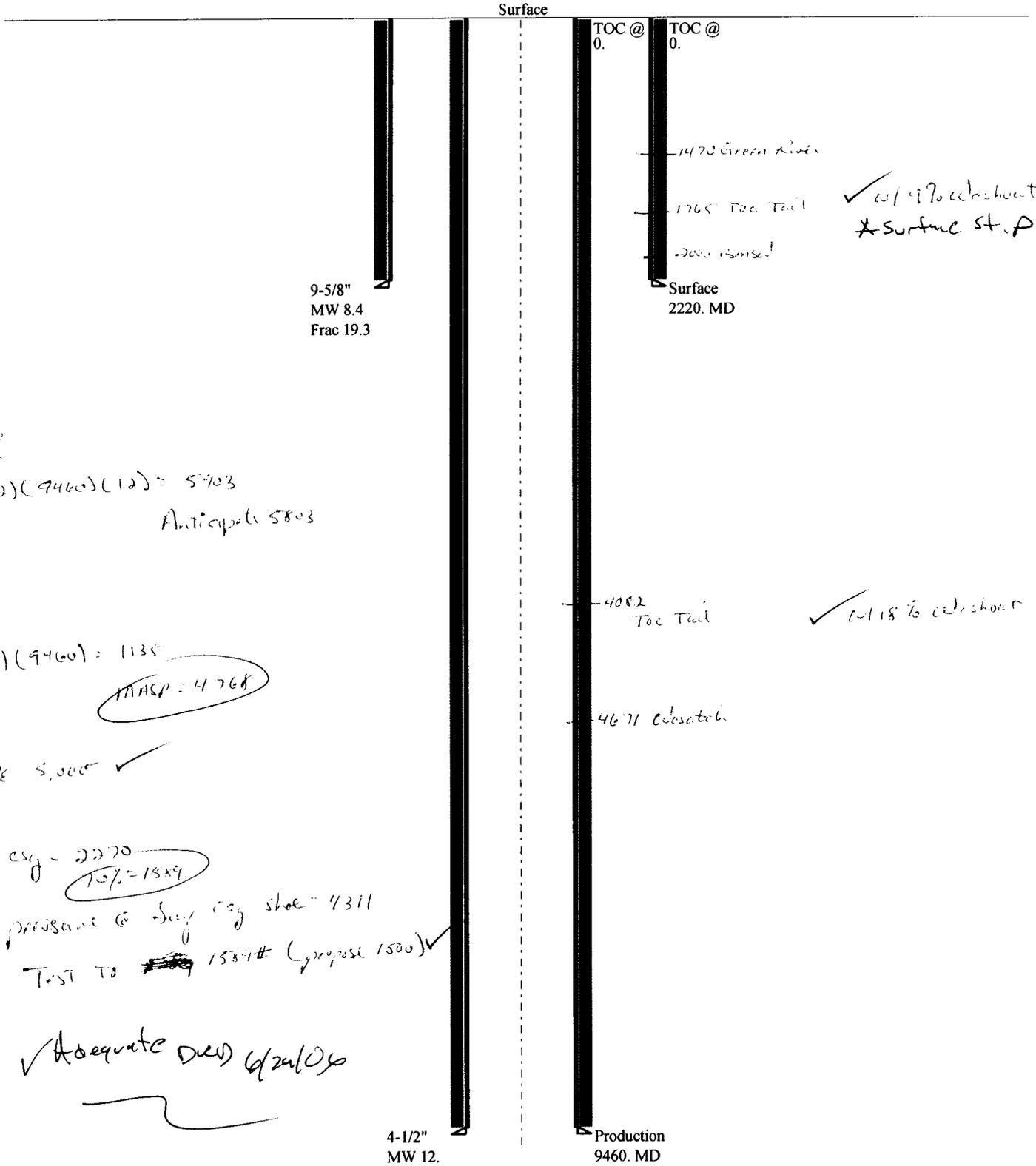
**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</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 II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.

06-06 Kerr McGee NBU 9 1/2" -25P Casing Schematic



BHWP
 $(0.052)(9460)(12) = 5903$
 Anticipate 5803

G12
 $(0.12)(9460) = 1135$
 MASP = 4768

Bore 5.000 ✓

S12 est - 2270
 $10\% = 1589$
 Max pressure @ S12 est shoe = 4311
 Test to ~~1589~~ 1589# (propose 1500) ✓

✓ Adequate DWD (d2u/O)

Well name:	06-06 Kerr McGee NBU 921-25P	
Operator:	Kerr McGee Oil & Gas	Project ID:
String type:	Surface	43-047-38092
Location:	Uintah County	

Design parameters:

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

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 96 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Burst

Max anticipated surface pressure: 1,228 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 2,220 psi

Burst:
Design factor 1.00

Cement top: Surface

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.

Re subsequent strings:
Next setting depth: 9,460 ft
Next mud weight: 12.000 ppg
Next setting BHP: 5,897 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,220 ft
Injection pressure 2,220 psi

Tension is based on air weight.
Neutral point: 1,969 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)
2	1800	9.625	32.30	H-40	ST&C	1800	1800	8.876	114.1
1	420	9.625	36.00	J-55	ST&C	2220	2220	8.796	29.9

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
2	785	1355	1.725	2032	2270	1.12	73	254	3.47 J
1	969	2020	2.085	2220	3520	1.59	15	394	26.06 J

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

Phone: 801-538-5280

Date: June 8,2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 2220 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name:	06-06 Kerr McGee NBU 921-25P	
Operator:	Kerr McGee Oil & Gas	Project ID:
String type:	Production	43-047-38092
Location:	Uintah County	

Design parameters:

Collapse
Mud weight: 12.000 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 197 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Burst

Max anticipated surface pressure: 1,671 psi
Internal gradient: 0.447 psi/ft
Calculated BHP 5,897 psi

Burst:
Design factor 1.00

Cement top: Surface

No backup mud specified.

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

Non-directional string.

Tension is based on air weight.
Neutral point: 7,763 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	9460	4.5	11.60	N-80	LT&C	9460	9460	3.875	219.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5897	6350	1.077	5897	7780	1.32	110	223	2.03 J

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

Phone: 801-538-5280

Date: June 8,2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 9460 ft, a mud weight of 12 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 29, 2006

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

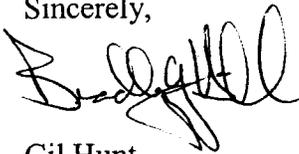
Re: Natural Buttes Unit 921-25P Well, 475' FSL, 742' FEL, SE SE, Sec. 25,
T. 9 South, R. 21 East, Uintah County, Utah

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 43-047-38092.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number Natural Buttes Unit 921-25P
API Number: 43-047-38092
Lease: STUO-0860-ST

Location: SE SE **Sec.** 25 **T.** 9 South **R.** 21 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

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

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: STUO-0868-ST	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS OIL ONSHORE LP			9. WELL NAME and NUMBER: NBU 921-25P	
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: 475'FSL, 742'FEL AT PROPOSED PRODUCING ZONE: _____			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 25 9S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 17.65 MILES SOUTHEAST OF OURAY, UTAH			12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 475'	16. NUMBER OF ACRES IN LEASE: 80.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 9,460	20. BOND DESCRIPTION: RLB0005238		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5006'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#	2,220	315 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2"	I-80	11.6#	9,460	1940 SX 50/50 POZ	1.31 YIELD	14.3 PPG

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 5/8/2006

(This space for State use only)

API NUMBER ASSIGNED: 4304738092

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

**RECEIVED
MAY 15 2006**

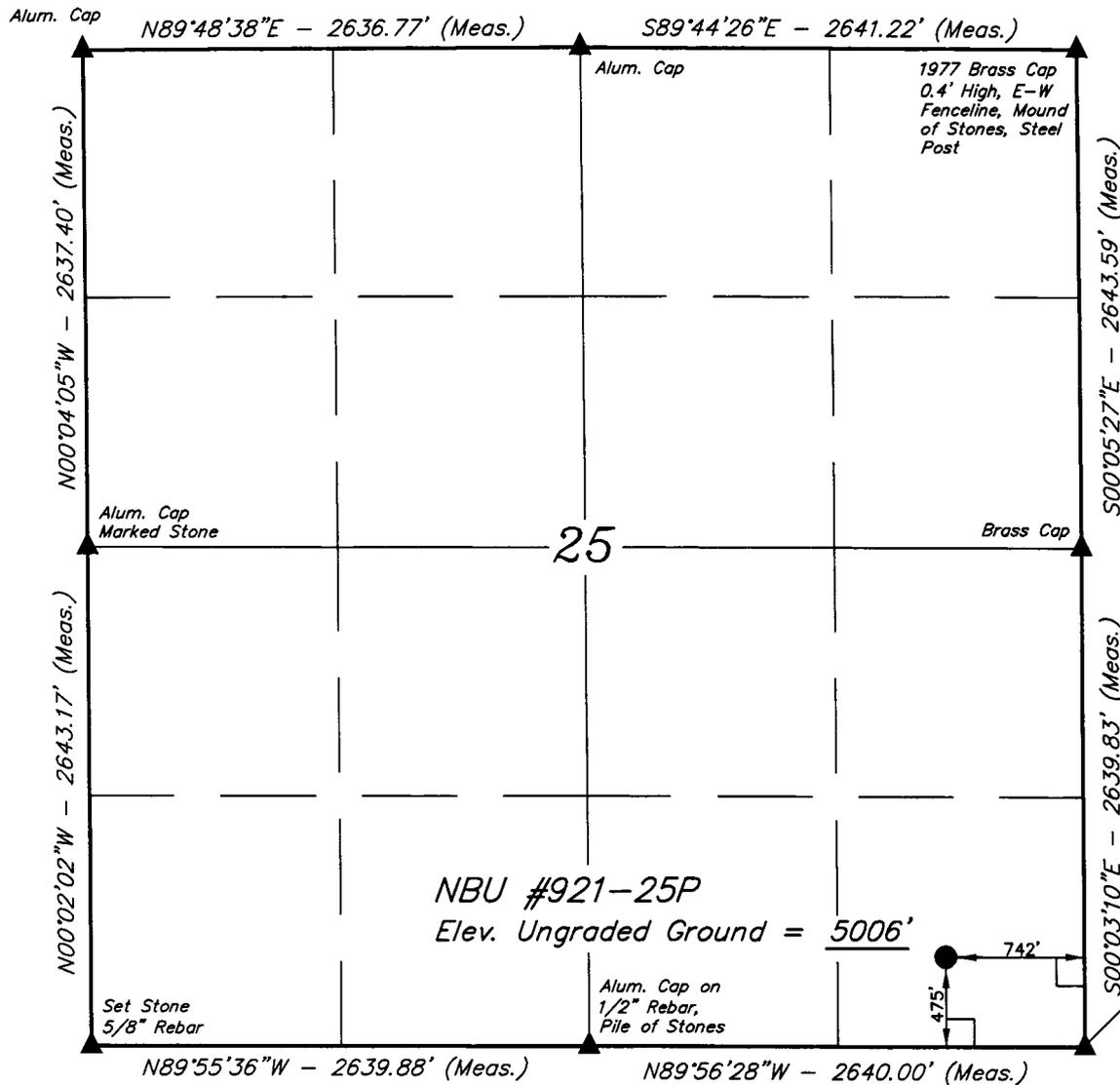
Date: 06-29-06

DIV. OF OIL, GAS & MINING

T9S, R21E, S.L.B.&M.

Kerr McGee Oil & Gas Onshore LP

Well location, NBU #921-25P, located as shown in the SE 1/4 SE 1/4 of Section 25, T9S, R21E, S.L.B.&M. Uintah County, Utah.

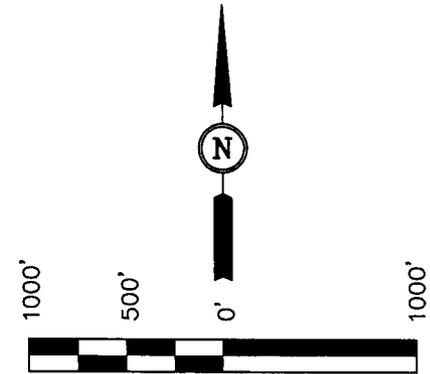


BASIS OF ELEVATION

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

BASIS OF BEARINGS

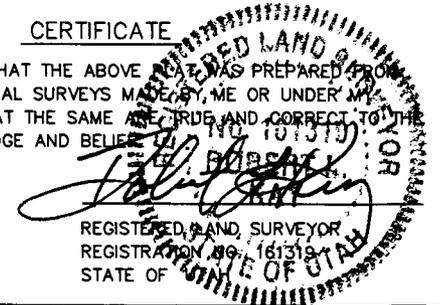
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



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.



REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

NBU #921-25P
Elev. Ungraded Ground = 5006'

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

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

LEGEND:

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

(NAD 83)
LATITUDE = 40°00'03.74" (40.001039)
LONGITUDE = 109°29'35.86" (109.493294)
(NAD 27)
LATITUDE = 40°00'03.87" (40.001075)
LONGITUDE = 109°29'33.39" (109.492608)

SCALE 1" = 1000'	DATE SURVEYED: 02-24-06	DATE DRAWN: 03-21-06
PARTY A.F. L.G. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr McGee Oil & Gas Onshore LP	

From: Ed Bonner
To: Whitney, Diana
Date: 6/27/2006 10:17:58 AM
Subject: Well Clearance

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

Dominion E&P, Inc
LCU 1-2H

Enduring Resources, LLC
Rock House 10-23-23-32
Rock House 11-23-11-2

EOG Resources, Inc
Big Spring 3-36 GR
East Chapita 30-16

The Houston Exploration Company
North Horseshoe 1-16-6-21
North Horseshoe 13-16-6-21
North Horseshoe 13-2-6-21
North Horseshoe 15-2-6-21

Kerr McGee Oil & Gas Onshore LP
NBU 921-25A
NBU 921-25P
NBU 921-35J
NBU 922-32K2

Questar Exploration & Production
HR 2MU-2-12-23
HR 3MU-2-12-23
HR 6MU-2-12-23 (Cleared provided operator follows arch consultants recommendation to move location avoiding significant site)
HR 10MU-2-12-23
HR 12MU-2-12-23
HR 14MU-2-12-23
HR 16MU-2-12-23

Stone Energy Corporation
Stone Rush 44-32-8-17

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

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

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

May 19, 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)

43-047-38100	NBU 921-25A	Sec 25 T09 R21E 0493 FNL 0557 FEL
43-047-38092	NBU 921-25P	Sec 25 T09 R21E 0475 FSL 0742 FEL
43-047-38105	NBU 921-35J	Sec 35 T09 R21E 1454 FSL 1481 FEL
43-047-38108	NBU 921-30E	Sec 30 T09 R21E 2251 FNL 0798 FWL
43-047-38107	NBU 921-30C	Sec 30 T09 R21E 0629 FNL 2189 FWL
43-047-38109	NBU 1021-10P	Sec 10 T10 R21E 0377 FSL 0559 FEL
43-047-38106	NBU 922-32K2	Sec 32 T09 R22E 2508 FSL 1724 FWL

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

/s/ Michael L. Coulthard

bcc: File – Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

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

Well Name: NBU 921-25P

Api No: 43-047-38092 Lease Type: STATE

Section 25 Township 09S Range 21E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # 1

SPUDDED:

Date 12/11/06

Time 10:00 AM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 12/12/2006 Signed CHD

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

FORM 8

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
4304737100	NBU 1022-4A		NENE	4	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	12/9/2006		12/13/06		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSTMVD</u> SPUD WELL LOCATION ON 12/09/2006 AT 1000 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738092	NBU 921-25P		SESE	25	9S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	12/11/2006		12/13/06		
Comments: MIRU ROCKY MTN BUCKET RIG. <u>WSTMVD</u> SPUD WELL LOCATION ON 12/11/2006 AT 1000 HRS.							

Well 3

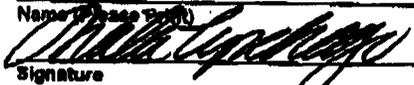
API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

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
 (5/2000) Co./Dept. UTDOGMI Co. KMG
 Phone # (801) 532-5330 Phone # (435) 781-7024
 Fax # (801) 351-3940 Fax # (435) 781-7094

SHEILA UPCHEGO

Name (Last, First)

 Signature
 SENIOR LAND SPECIALIST 12/12/2006
 Title Date

RECEIVED
 DEC 12 2006

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
STUO-0868-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

8. WELL NAME and NUMBER:
NBU 921-25P

9. API NUMBER:
43-049-38092

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

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

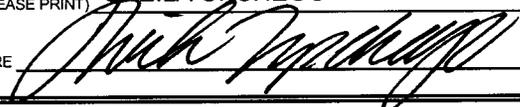
3. ADDRESS OF OPERATOR: PHONE NUMBER:
1368 SOUTH 1200 EAST VERNAL UT 84078 (435) 781-7024

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **475'FSL, 742'FEL** COUNTY: **UINTAH**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 25 9S 21E** 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 checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input 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: WELL SPUD
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
MIRU ROCKY MTN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX CMT.
SPUD WELL LOCATION ON 12/11/2006 AT 1000 HRS.

NAME (PLEASE PRINT) **SHEILA UPCHEGO** TITLE **REGULATORY ANALYST**
SIGNATURE  DATE **12/12/2006**

(This space for State use only)

RECEIVED
DEC 18 2006

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
STUO-0868-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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.

8. WELL NAME and NUMBER:
NBU 921-25P

9. API NUMBER:
43-047-38092

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

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

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

4. LOCATION OF WELL COUNTY: **UINTAH**
FOOTAGES AT SURFACE: **475'FSL, 742'FEL**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 25 9S 21E** 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 checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>SET SURFACE CSG.</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

MIRU BILL MARTIN AIR RIG ON 12/15/2006. DRILLED 12 1/4' SURFACE HOLE TO 2370'. RAN 9 5/8" 48 JTS OF 32.3# H-40 AND 10 JTS OF 36# J-55 SURFACE CSG. CMT W/300 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT TAILED CMT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. TOP OUT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE NO CMT TO SURFACE. 2ND TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE NO CMT TO SURFACE. 3RD TOP OUT W/125 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE 20' +/- DOWN BACKSIDE TOP OFF WELL WITH 28 SX READY MIX CMT TO SURFACE HOLE STAYED FULL.

WORT.

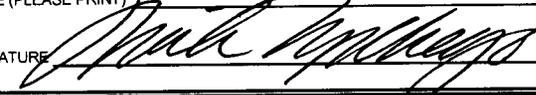
RECEIVED

DEC 26 2006

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) **SHEILA UPCHEGO**

TITLE **SENIOR LAND ADMIN SPECIALIST**

SIGNATURE 

DATE **12/19/2006**

(This space for State use only)

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: STUO-0868-ST
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 921-25P
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304738092
4. LOCATION OF WELL FOOTAGES AT SURFACE: 475'FSL, 742'FEL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 25 9S 21E		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 checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input 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: 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 2370' TO 9375' ON 02/11/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/580 SX PREM LITE II @12.0 PPG 2.38 YIELD. TAILED CMT W/1226 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACED W/145 BBLS TREATED WATER PLUG DN 5 BBLS RETURNS FLOAT HELD. N/D BOP INSTALL CAP. CLEAN PITS.

RELEASED PIONEER RIG 52 ON 02/12/2007 AT 1700 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE 2/12/2007

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: STUO-0868-ST
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 921-25P
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		9. API NUMBER: 4304738092
4. LOCATION OF WELL FOOTAGES AT SURFACE: 475'FSL, 742'FEL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 25 9S 21E		COUNTY: UINTAH
		STATE: UTAH

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 03/04/2007 AT 12:15 PM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE 3/9/2007

(This space for State use only)

RECEIVED
MAR 14 2007

DIV. OF OIL, GAS & MINING



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

CHRONOLOGICAL WELL HISTORY

NBU 921-25P

SESE, SEC. 25, T9S, R21E
 UINTAH COUNTY, UT

DATE	Activity	Status
11/20/06	LOCATION STARTED	Pioneer 52
12/11/06	LOCATION COMPLETE SET CONDUCTOR	Pioneer 52 P/L IN, WOBR
12/15/06	AIR RIG SPUD, DRLG	Pioneer 52
12/15/06	9 5/8" @ 2332'	Pioneer 52 DRLG, WORT
01/19/07	TD: 2370' Csg. 9 5/8" @ 2355' MW: 8.4 Continue move from NBU 921-25A. 100% moved 25% rigged up @ report time.	SD: 1/XX/07 DSS: 0
01/22/07	TD: 2370' Csg. 9 5/8" @ 2355' MW: 8.4 Work on Crown Section. Raise sub and derrick. Work on boiler and thaw rig,	SD: 1/XX/07 DSS: 0
01/23/07	TD: 2370' Csg. 9 5/8" @ 2355' MW: 8.4 Thaw out rig. NU BOPE and work on rig.	SD: 1/XX/07 DSS: 0
01/24/07	TD: 2370' Csg. 9 5/8" @ 2355' MW: 8.4 NU and test BOPE. C/O blind rams.	SD: 1/XX/07 DSS: 0
01/25/07	TD: 2370' Csg. 9 5/8" @ 2355' MW: 8.4 C/O blind rams and test BOPE. PU BHA and DP and tag cement @ 2217'. Drill cement @ report time.	SD: 1/25/07 DSS: 0
01/26/07	TD: 3400' Csg. 9 5/8" @ 2355' MW: 8.9 Drill cement and FE. Rotary spud @ 0730 hrs 1/25/07. Drill from 2370'-3400'. DA @ report time.	SD: 1/25/07 DSS: 1
01/29/07	TD: 5765' Csg. 9 5/8" @ 2355' MW: 10.0 Drill from 3400'- 4040'. Trip for dropping bit. Drill to 5765'. DA @ report time.	SD: 1/25/07 DSS: 4
01/30/07	TD: 6180' Csg. 9 5/8" @ 2355' MW: 10.4 Drill from 5765'-6118'. Build volume and pump LCM sweeps. Lost 400 BBLs mud to formation. Drill to 6180' @ report time.	SD: 1/25/07 DSS: 5
01/31/07	TD: 6305' Csg. 9 5/8" @ 2355' MW: 10.4 TFNB and MM. Wash through bridge at 4535'. FIH. Drill from 6180'-6305'. DA @ report time.	SD: 1/25/07 DSS: 6
02/01/07	TD: 6975' Csg. 9 5/8" @ 2355' MW: 10.7 Drill from 6305'-6912'. Lost full returns. Pump LCM sweeps and build volume. Regain circulation. Drill to 6975'. DA @ report time.	SD: 1/25/07 DSS: 7

02/02/07 TD: 7485' Csg. 9 5/8" @ 2355' MW: 11.4 SD: 1/25/07 DSS: 8
Drill 6975'-7395' lost returns. Mix sweeps and establish returns, lost 200 bbl. Drill 7395'-7485'
DA @ report time.

02/05/07 TD: 8690' Csg. 9 5/8" @ 2355' MW: 12.4 SD: 1/25/07 DSS: 11
Drill 7485'-7790' Pump slug, TFNB, Drill 7790'-8369' Rotary out rig repair with welder 8hr. drill
from 8369'-8690' DA @ report time.

02/06/07 TD: 8866' Csg. 9 5/8" @ 2355' MW: 12.2 SD: 1/25/07 DSS: 12
Drill from 8690'-8703'. TFNB. Drill to 8866'. DA @ report time.

02/07/07 TD: 9022' Csg. 9 5/8" @ 2355' MW: 12.4 SD: 1/25/07 DSS: 13
Drill from 8866'-9022'. Lost 365 bbls w/ 25% LCM. Prep for bit trip @ report time.

02/08/07 TD: 9022' Csg. 9 5/8" @ 2355' MW: 12.4 SD: 1/25/07 DSS: 14
Pump slug and TFNB. TIH to 4500' and attempt to circ but pipe plugged. TOOH wet. LD MM
and clean out bottom collar. Pick up new MM. TIH @ report time.

02/09/07 TD: 9022' Csg. 9 5/8" @ 2355' MW: 12.5 SD: 1/25/07 DSS: 15
TIH to 6056'. W&R f/ 6056'-9022'. Pump blowers quit and #3 gen down. Wait on electrician.
Rig on repair @ report time.

02/12/07 TD: 9375' Csg. 9 5/8" @ 2355' MW: 12.5 SD: 1/25/07 DSS: 18
Finish rig repair. Drill f/ 9022'- 9375' (TD). Short trip and CCH. LDDP and BHA. Run and cmt
4.5" prod Csg. Set slips and ND. Rls rig @ 0600 hrs on 2/12/07. RDRT @ report time.

02/13/07 TD: 9375' Csg. 9 5/8" @ 2355' MW: 12.5 SD: 1/25/07 DSS: 18
RDRT. SDFN.

02/14/07 TD: 9375' Csg. 9 5/8" @ 2355' MW: 12.5 SD: 1/25/07 DSS: 18
RDRT. Will move to NBU 921-35J this am.

02/22/07 **MIRU**
Days On Completion: 1
Remarks: ATTEMPT TO RR FROM NBU 921-25A TO NBU 142. BITTER CREEK RD BLOCKED
BY CMNT TRUCK FOR 5 HRS. CHNG DESTINATION TO NBU 921-25P FOR COMPLETION
WORK. MIRU RIG, SPOT EQUIP. ND WH, NU BOP. PREP TO PU TBG. SDFN.

02/23/07 **WORK ON RIG**
Days On Completion: 2
Remarks: MAINT WORK ON RIG.

02/26/07 **PU TBG**
Days On Completion: 5
Remarks: HSM. PU 3-7/8" BIT. TALLY & PU TBG. RIH W/BIT & TBG TO 8438'. SWI. SDFN.

02/27/07 **POOH W/TBG & TEST**
Days On Completion: 6
Remarks: HSM. CONT TO RIH W/BIT & TBG. TAG PBTD @ 9298'. CIRC HOLE CLN. POOH,
STAND BACK TBG, LD BIT & SUB. RD FLR, ND BOP, NU FRAC VALVES. MIRU B&C QUICK
TEST. PRES TEST VLVS & CSG TO 7500 PSI. RDMO B&C. MIRU WFT. SWI, PREP TO
PERFORATE IN MORING. SDFN.

02/28/07 **FRAC**
Days On Completion: 7
Remarks: MIRU CUTTERS WIRELINE SERVICE (CWLS) & WEATHERFORD FRACTURING

TECH (WFT). ALL STAGES WILL USE NALCO DVE-005 SCALE INHIBITOR (3 GPT IN PAD THRU HALF OF THE 1ST RAMP OF SAND & 10 GPT IN FLUSH); PERF GUNS WILL BE 3-3/8" EXPENDABLE (23 GM CHG, 40" PENE, 0.36" HOLE, 3 OR 4 SPF-120 OR 90 DEGREE PHASING RESPECTIVELY); 30/50 OTTAWA SAND; RECYCLED SLICK WATER FROM THE GOAT PASTURE (24%) WATER FROM NBU 47N2 (56%) FRESH WATER (20%); CBPs ARE HALLIBURTON 5K 4.5".

STAGE 1: PU PERF GUN. RIH, PERF: 9253-54', 9048-51', 8926-28', 8884-88' & 8848-50'. 4, 4, 4, 4 & 3 SPF EA RESPECTIVELY. TOT OF 46 HOLES. POOH, LD WL TLS. MU WFT. HSM. PRES TEST SURF LINES TO 8500 PSI. OW: 700 PSI, BRK: 3276 PSI, ISIP: 2800 PSI, FG: 0.74. ER: 51 BPM @ 4400 PSI. POC: 74% (34/46). FRAC STG W/SW. TOT SND: 95,000 LBS, TOT FL: 2826 BBL. ISIP: 3089 PSI, FG: 0.78. MP: 7214 PSI, MR: 57.7 BPM, AP: 4649 PSI, AR: 52.9 BPM. MU CWLS.

STAGE 2: PU CBP & PERF GUN. RIH SET CBP @ 8745', PU, PERF: 8711-15', 8668-74' & 8590-93'. 3, 4 & 3 SPF EA RESPECTIVELY, TOT OF 45 HOLES. POOH, LD WL TLS. OW: 1250 PSI, BRK: 2937 PSI, ISIP: 2507 PSI, FG: 0.73. ER: 51.3 BPM @ 4600 PSI. POC: 60% (27/45). FRAC STG W/SW. TOT SND: 102,900 LBS, TOT FL: 3672 BBL. ISIP: 2598 PSI, FG: 0.74. MP: 5049 PSI, MR: 58.7 BPM, AP: 3967 PSI, AR: 57.5 BPM. MU CWLS.

STAGE 3: PU CBP & PERF GUN. RIH, SET CBP @ 8266'. PU, PERF: 8221-31', 4 SPF, TOT OF 40 HOLES. POOH, LD WL TLS. MU WFT. OW: 300 PSI, BRK: 3894', ISIP: 2280 PSI, FG: 0.71. ER: 50.5 BPM @ 4600 PSI. POC: 60% (24/40). FRAC STG W/SW. TOT SND: 21,980 LBS, TOT FL: 687 BBL. ISIP: 2513 PSI, FG: 0.74. MP: 5179 PSI, MR: 59.3 BPM, AP: 4426 PSI, AR: 57.4 BPM. MU CWLS.

STAGE 4: PU CBP & PERF GUN. RIH, CCL MALFUNCTION. POOH, RE-HEAD. RIH, SET CBP @ 7892'. PU, PERF: 7852-62', 4 SPF, TOT OF 40 HOLES. POOH. MU WFT. OW: 290 PSI, BRK: 3074 PSI, ISIP: 2364 PSI, FG: 0.74. ER: 57.5 BPM @ 4350 PSI. POC: 78% (31/40). FRAC STG W/SW. TOT SND: 20,850 LBS, TOT FL: 657 BBL. ISIP: 2772 PSI, FG: 0.79. MP: 5218 PSI, MR: 61.1 BPM, AP: 4354 PSI, AR: 57.5 BPM. MU CWLS.

STAGE 5: PU CBP & PERF GUN. RIH, SET CBP @ 6824'. PU, PERF GUN FAILED. POOH, RE-DRESS GUN. RIH W/PERF GUN, PERF: 6790-94', PU, PERF: 6689-94', PU, PERF: 6617-20'. 4, 4 & 3 SPF EA RESPECTIVELY, TOT OF 45 HOLES. POOH, LD WL TLS. OW: 240PSI, BRK: 2536 PSI, ISIP: 1664 PSI, FG: 0.68. ER: 55.1 BPM @ 3500 PSI. POC: 64% (29/45). FRAC STG W/SW. TOT SND: 47,030 LBS, TOT FL: 1252 BBL. ISIP: 1990 PSI, FG: 0.73. MP: 4806 PSI, MR: 55.5 BPM, AP: 3233 PSI, AR: 54.9 BPM. MU CWLS. PU HALLIBURTON KILL PLUG. RIH, SET PLUG @ 6600'. POOH, LD WL TLS. RDMO CWLS & WFT. SWI, SDFN.

03/01/07

D/O PLUGS

Days On Completion: 8

Remarks: HSM. PU 3-7/8" BIT, FE POBS. RIH W/BIT, SUB & TBG TO KILL PLUG @ 6600'. RD TGB EQUIP, RU PWR SWVL. RU PMP TO SWVL. EST CIRC, D/O CBPs AS FOLLOWS:

CBP #	FILL DPTH	CBP DPTH	D/O TIME	PSI INCR
1	6600'	6600'	20 MIN	400
2	6795'	6824'	25	900
3	7860'	7892'	25	800
4	8230'	8266'	35	400
5	8715'	8745'	15	300

CONT TO C/O TO PBTD @ 9298, CIRC HOLE. POOH, LD 33 JTS TBG ON FLT. PU HNGR, LAND TBG W/266 JTS IN HOLE (8283.43') EOT @ 8311.46'. ND BOP, NU WH, MU FLOW LINE TO PIT, RU PMP TO TBG, DROP BALL. PMP OFF BIT & SUB. OPEN WELL TO PIT. TURN WELL OVER TO DELSCO FBC (BRUCE).

FLOW BACK REPORT: CP: 2750#, TP: 2300#, 60 BWPH, 20/64 CHK, TTL BBLs FLWD: 820
TODAYS LTR: -820 BBLs, TTL LOAD RECD TO DATE: 820 BBLs

03/02/07 **FLOW BACK REPORT:** CP: 3250#, TP: 2350#, 35 BWPH, 20/64 CHK, TTL BBLs FLWD: 1075
TODAYS LTR: 3665 BBLs, TTL LOAD RECD TO DATE: 1895 BBLs

03/03/07 **FLOW BACK REPORT:** CP: 2875#, TP: 2125#, 20 BWPH, 20/64 CHK, TTL BBLs FLWD: 615
TODAYS LTR: 3050 BBLs, TTL LOAD RECD TO DATE: 2510 BBLs

03/04/07 **WELL WENT ON SALES:** @ 12:15 PM, 2.2 MCF, TBG 1775/2725, CSG 2725, 12/64 CK, 20
BBWH
FLOW BACK REPORT: CP: 2950#, TP: 2250#, 15 BWPH, 12/64 CHK, TTL BBLs FLWD: 415
TODAYS LTR: 2635 BBLs, TTL LOAD RECD TO DATE: 2925 BBLs
ON SALES: 965 MCF, 0 BC, 300 BW, TP: 400#, CP: 1000#, 12/64 CHK, 20 HRS, LP: 85#.

03/05/07 **FLOW BACK REPORT:** CP: 2650#, TP: 1850#, 15 BWPH, 20/64 CHK, TTL BBLs FLWD: 410
TODAYS LTR: 2225 BBLs, TTL LOAD RECD TO DATE: 3335 BBLs
ON SALES: 362 MCF, 0 BC, 300 BW, TP: 169#, CP: 2000#, 12/64 CHK, 20 HRS, LP: 66#.

03/06/07 **ON SALES:** 1171 MCF, 0 BC, 300 BW, TP: 2056#, CP: #, 12/64 CHK, 24 HRS, LP: 177#.

03/07/07 **ON SALES:** 2981 MCF, 0 BC, 300 BW, TP: 1892#, CP: 2305#, 16/64 CHK, 24 HRS, LP: 164#.

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
STUO-0868-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
UNIT #891008900A

8. WELL NAME and NUMBER:
NBU 921-25P

9. API NUMBER:
4304738092

10. FIELD AND POOL, OR WILDCAT
NATURAL BUTTES

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SESE 25 9S 21E

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 VERNAL UT 84078** PHONE NUMBER: **(435) 781-7024**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **475'FSL, 742'FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

14. DATE SPUDDED: **12/11/2006** 15. DATE T.D. REACHED: **2/11/2007** 16. DATE COMPLETED: **3/4/2007** ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKB, RT, GL): **5006'GL**

18. TOTAL DEPTH: MD **9,375** TVD _____ 19. PLUG BACK T.D.: MD **9,298** TVD _____ 20. IF MULTIPLE COMPLETIONS, HOW MANY? * _____ 21. DEPTH BRIDGE MD _____ PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
CBL-CCL-GR

23. WAS WELL CORED? NO 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# 36#		2,370		928			
7 7/8"	4 1/2 I-80	11.6#		9,375		1806			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	8,311							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) WASATCH	6,617	6,794			6,617 6,794	0.36	45	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) MESAVERDE	7,852	9,254			7,852 9,254	0.36	171	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
6617'-6794'	PMP 1252 BBLs SLICK H2O & 47,030# 30/50 SD
7852'-9254'	PMP 6842 BBLs SLICK H2O & 240,730# 30/50 SD

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

30. WELL STATUS:
PROD

APR 09 2007
DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 3/4/2007		TEST DATE: 3/8/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 3,026	WATER - BBL: 300	PROD. METHOD: FLOWING
CHOKE SIZE: 16/64	TBG. PRESS. 1,915	CSG. PRESS. 2,257	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 3,026	WATER - BBL: 300	INTERVAL STATUS: PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 3/4/2007		TEST DATE: 3/8/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 3,026	WATER - BBL: 300	PROD. METHOD: FLOWING
CHOKE SIZE: 16/64	TBG. PRESS. 1,915	CSG. PRESS. 2,257	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 3,026	WATER - BBL: 300	INTERVAL STATUS: PROD

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

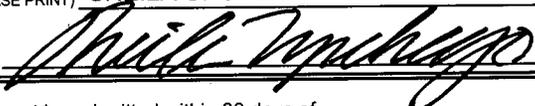
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,684 7,351	7,351			

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
 SIGNATURE  DATE 4/4/2007

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 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.		5. LEASE DESIGNATION AND SERIAL NUMBER: STUO-0868-ST
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		8. WELL NAME and NUMBER: NBU 921-25P
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		9. API NUMBER: 43047380920000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0475 FSL 0742 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 25 Township: 09.0S Range: 21.0E 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: 1/10/2012	<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"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

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 921-25P3 pad, which consists of the following wells: NBU 922-31D1BS, NBU 922-31D4BS and NBU 922-31D4CS. Please see the attached procedure. Thank you.

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

Date: January 12, 2012

By: *D. K. Duff*

NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 1/10/2012	

Well Name: **NBU 921-25P** 1/9/12
 Surface Location: SESE Sec. 25, T9S, R21E
 Uintah County, UT

API: 43043738092 LEASE#: STUO-0868-ST

ELEVATIONS: 5006' GL 5030' KB

TOTAL DEPTH: 9375' PBDT: 9298'

SURFACE CASING: 9 5/8", 36# & 32.3# H-40 @ 2370'

PRODUCTION CASING: 4 1/2", 11.6# I-80 @ 9375'

PERFORATIONS: WASATCH 6617' - 6794'
 MESAVERDE 7852' - 9254'

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	0.02171	0.00387
4.5" 11.6# I-80	3.875	6350	7780	0.6528	0.0872	0.0155
9.625" 36# J-55	8.765	2020	3520	3.247	0.434	0.0773
Annular Capacities						
2.375" tbg. X 4 1/2" 11.6# csg				0.4227	0.0565	0.01
4.5" csg X 9 5/8" 36# csg				2.227	0.2977	0.053
4.5" csg X 7.875 borehole				1.704	0.2278	0.0406
9.625" csg X 12 1/4" borehole				2.3428	0.3132	0.0558

GEOLOGICAL TOPS:
 4684' Wasatch
 7351' Mesaverde

Recommended future action for disposition of well bore:

Temporarily abandon the wellbore during the drilling and completion operations of the **NBU 921-25P** pad wells. Return to production as soon as possible once completions are done.

NBU 921-25P 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 24 sx Class "G" cement needed for procedure

1. MIRU. KILL WELL AS NEEDED. ND WH, NU AND TEST BOPE.
2. RU WIRELINE. ENSURE WELLBORE IS CLEAN. **A GPS READING WILL NEED TO BE TAKEN AT THE WELL SITE AND RECORDED IN OPENWELLS. PLEASE TAKE IT TO THE 6TH DECIMAL PLACE.**
3. **PLUG #1, ISOLATE MV/WAS PERFORATIONS (6617' - 9254')**: RIH W/ 4 ½" CBP. SET @ ~6560'. 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 **8 SX/ 1.6 BBL/ 8.7 CUFT**. ON TOP OF PLUG. PUH ABOVE TOC (~6460'). REVERSE CIRCULATE W/ TREATED FRESH WATER.
4. **PLUG #2, PROTECT TOP OF WASATCH (4684')**: PUH TO ~4790'. BRK CIRC W/ FRESH WATER. DISPLACE A MINIMUM OF **16 SX / 3.3 BBL / 18.3 CUFT** AND BALANCE PLUG W/ TOC @ ~4580' (210' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED FRESH WATER.
5. LOWER WELLHEAD TO GROUND LEVEL TO ACCOMMODATE DRILLING OPS AND INSTALL MARKER PER UDOGM GUIDELINES.
6. RDMO. TURN OVER TO DRILLING OPERATIONS.

ALM 1/9/12

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: STUO-0868-ST
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 921-25P	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047380920000	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6511	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0475 FSL 0742 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 25 Township: 09.0S Range: 21.0E Meridian: S	COUNTY: UINTAH	
	STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 2/17/2012 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>The operator has concluded the temporary abandonment operations on the subject well location on 2/17/2012. This well was plugged in order to expand and drill the NBU 921-25P3 Pad wells. Please see the attached chronological well history for details. Thank you.</p>		
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY June 11, 2012</p>		
NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/10/2012	

US ROCKIES REGION
Operation Summary Report

Well: NBU 921-25P		Spud Date: 1/25/2007	
Project: UTAH-UINTAH		Site: NBU 921-25P3 PAD	Rig Name No: MILES 2/2
Event: ABANDONMENT		Start Date: 2/16/2012	End Date: 2/17/2012
Active Datum: RKB @5,029.99usft (above Mean Sea Level)		UWI: NBU 921-25P	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
2/16/2012	7:00 - 7:30	0.50	ABAND	48		P		MOVING
	7:30 - 7:30	0.00	ABAND	45		P		MIRU, BLOW DWN WELL, KILL WELL WITH 00 BBLS, T-MAC, NDWH, NU BOP'S, TEST BOP'S, UNLAND TBG, RU PRS, SCAN TBG OUT OF HOLE. STD BACK 104 STDS, LAY DWN 64 JTS ON TLR, 263 YELLOW BAND, 9 RED BAND, RD PRS, SWIFN N 39 DEGREES 59' 33.4" W 109 DEGREES 23' 15.8" ELEV 5010'
2/17/2012	7:00 - 7:30	0.50	ABAND	48		P		RU CUTTERS
	7:30 - 19:00	11.50	ABAND	51		P		KILL WELL, 00 BBLS CSG, RU CUTTERS, TIH GAUGE RING TO 7500', POOH LAY DWN GAUGE RING, PU 8K CBP, TIH TO 6559', SET CBP, RD CUTTERS, TIH TBG TO 6559', BREAK CIRC, TEST CSG 500# 5 MIN, RU SUPERIOR, ALL CEMENT IS CLASS G, YIELD 1.145, 4.9 GW/SX, 15.8 DENISTY, PUMP 1 BBL FRESH WTR, 10 SX, 2 BBLS, CEMENT, DISPLACE WITH 2.5 BBLS FRESH, 22.4 BBLS TMAC, POOH LAY DWN 57 JTS TO 4805', PUMP 2.5 BBLS FRESH, 20 SX, 4 BBLS, CEMENT, DISPLACE WITH 5 BBLS FRESH 12.6 BBLS T-MAC, POOH LAY DWN TBG ON TLR, CALLED FMC TO PULL WH, RDMO TO BON 6-2 LAT/LONG: 40.00124/-109.49254 ELEV 5010'