

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-22649	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS OIL ONSHORE LP			9. WELL NAME and NUMBER: NBU 922-32K2	
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: 2508'FSL, 1724'FWL AT PROPOSED PRODUCING ZONE:			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 32 9S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 23.6 MILES SOUTHEAST OF OURAY, UTAH			12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1724'	16. NUMBER OF ACRES IN LEASE: 640.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 20.00		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 9,230	20. BOND DESCRIPTION: RLB0005238		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5025'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#	2,110	265 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2"	I-80	11.6#	9,230	1900 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 *Sheila Upchego* DATE 5/8/2006

(This space for State use only)

API NUMBER ASSIGNED: 43047-38106

RECEIVED
MAY 15 2006

DIV. OF OIL, GAS & MINING

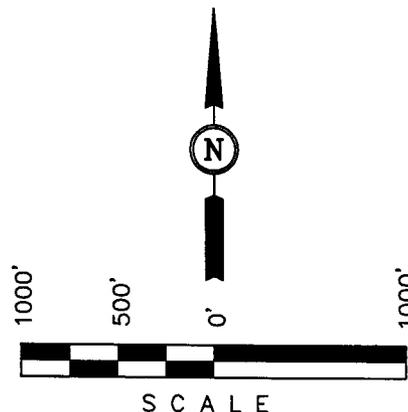
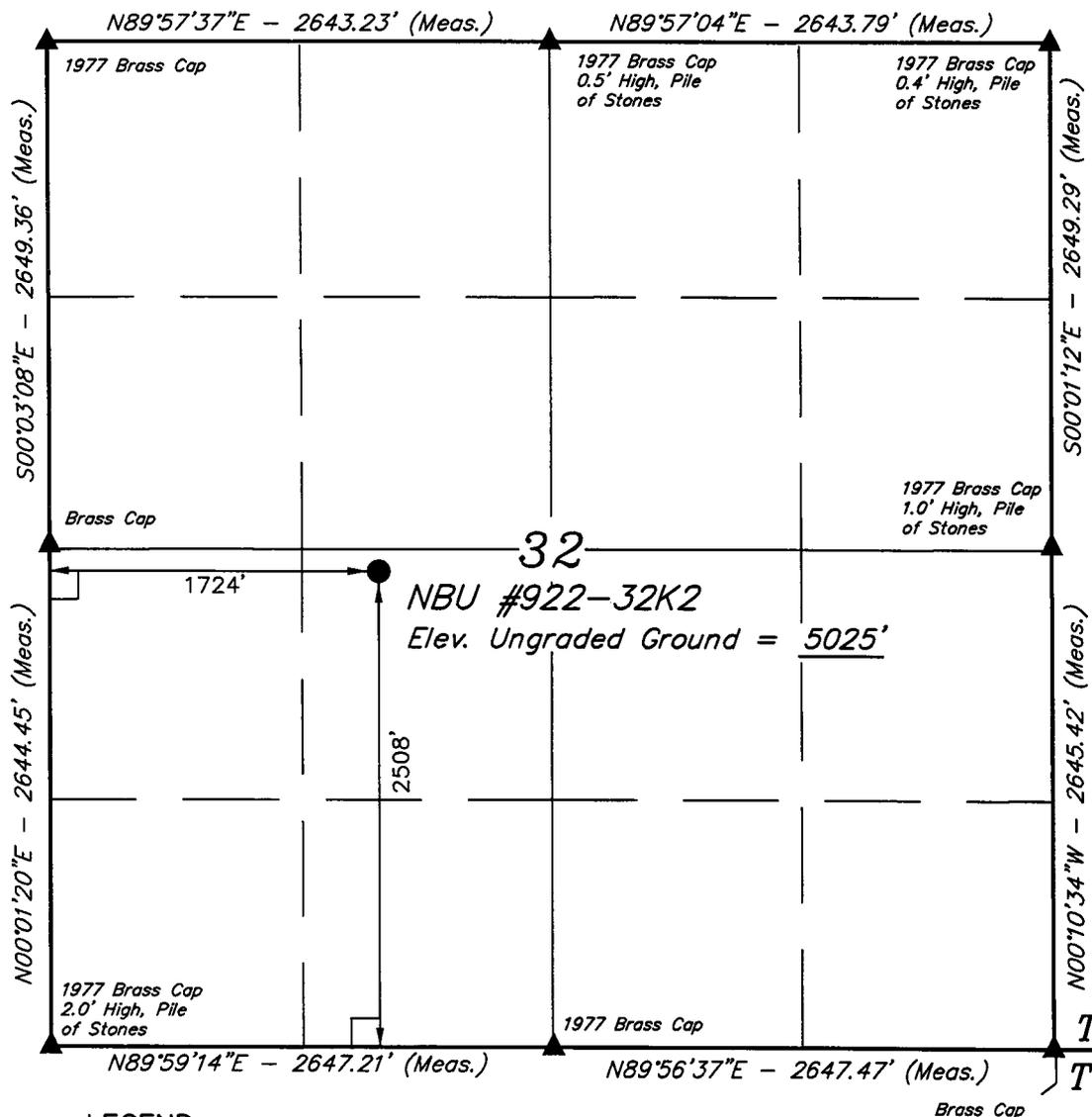
T9S, R22E, S.L.B.&M.

KERR McGEE OIL & GAS ONSHORE LP

Well location, NBU #922-32K2, located as shown in the NE 1/4 SW 1/4 of Section 32, T9S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A RIDGE TOP NEAR THE WEST 1/4 CORNER OF SECTION 9, T10S, R22E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5304 FEET.



CERTIFICATE

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

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

LEGEND:

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

(NAD 83)
 LATITUDE = 39°59'31.68" (39.992133)
 LONGITUDE = 109°28'01.66" (109.467128)
 (NAD 27)
 LATITUDE = 39°59'31.81" (39.992169)
 LONGITUDE = 109°27'59.19" (109.466442)

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

SCALE 1" = 1000'	DATE SURVEYED: 01-23-06	DATE DRAWN: 02-03-06
PARTY P.J. N.F. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE KERR MCGEE OIL & GAS ONSHORE LP	

**NBU 922-32K2
NWNESW SEC 32-T9S-R22E
UINTAH COUNTY, UTAH
ML-22649**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1339'
Top of Birds Nest Water	1609'
Mahogany	2259'
Wasatch	4515'
Mesaverde	7059'
MVU2	7944'
MVL1	8497'
TD	9230'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1339'
	Top of Birds Nest Water	1609'
	Mahogany	2259'
Gas	Wasatch	4515'
	Mesaverde	7059'
Gas	MVU2	7944'
Gas	MVL1	8497'
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 9230' TD, approximately equals 5723 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3692 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

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE May 8, 2006
 WELL NAME NBU 922-32K2 TD 9,230' MD/TVD _____
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,025' GL KB 5,040'
 SURFACE LOCATION NWNESW SECTION 32, T9S, R22E 2508'FSL, 1724'FWL BHL Straight Hole
 Latitude: 39.992133 Longitude: 109.467128
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: DOGM (SURF & MINERALS), BLM, Tri-County Health Dept.

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to <div style="margin-left: 100px;"> Green River @ 1,339' Top of Birds Nest Water @ 1609' Preset fl GL @ 2,110' MD </div>					
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
	Mahogany @	2,259'			Water/Fresh Water Mud
Mud logging program TBD Open hole logging program fl TD - surf csg			7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	8.3-11.5 ppg
	Wasatch @	4,515'			
	Mverde @	7,059'			
	MVU2 @	7,944'			
	MVL1 @	8,497'			
	TD @	9,230'			Max anticipated Mud required 11.5 ppg



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

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 2110	32.30	H-40	STC	0.65*****	1.39	4.26
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 9230	11.60	I-80	LTC	2.23	1.15	2.15

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 3489 psi

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

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
NOTE: If well will circulate water to surface, option 2 will be utilized							
SURFACE Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,010'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	440	60%	11.00	3.38
	TAIL	5,220'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1460	60%	14.30	1.31

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

FLOAT EQUIPMENT & CENTRALIZERS

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

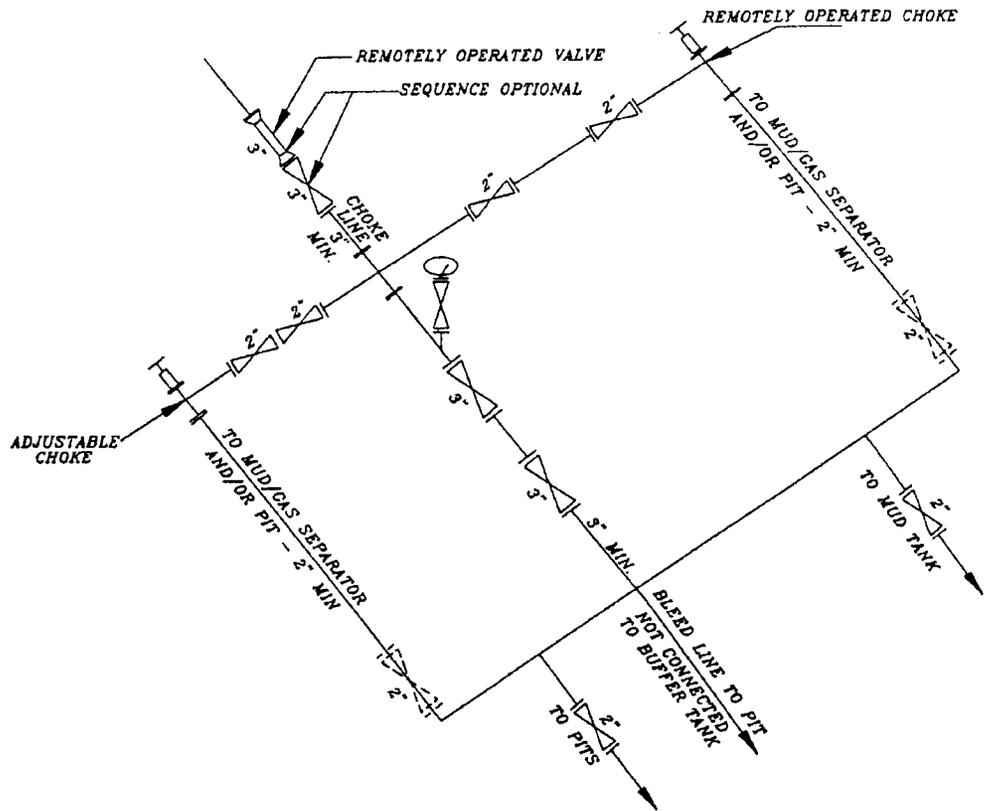
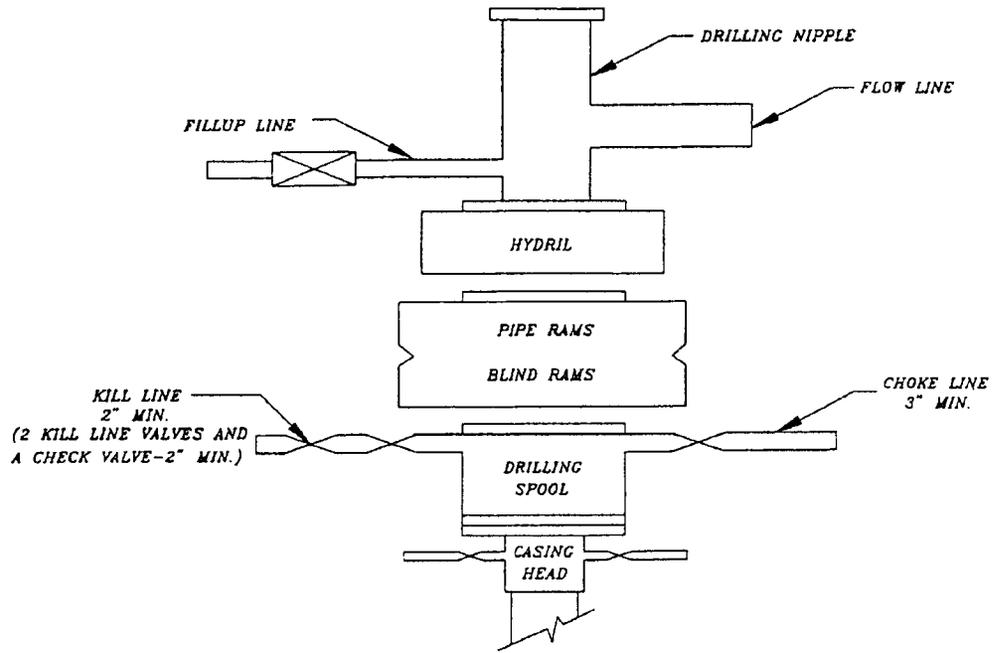
ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
 BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.
 Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: _____
 Brad Laney
DRILLING SUPERINTENDENT: _____
 Randy Bayne NBU922-32K2_I80_APD.xls

DATE: _____
DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 922-32K2
NWNESW SEC 35-T9S-R22E
Uintah County, UT
ML-22649**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

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

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

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

2. Planned Access Roads:

Approximately 210' +/- 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 250' of High Pressure and Approximately 1150' +/- of Low Pressure pipelines 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 04/24/2006, Archaeological Report No. 06-59.

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 #922-32K2
SECTION 32, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 210' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.6 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #922-32K2

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



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

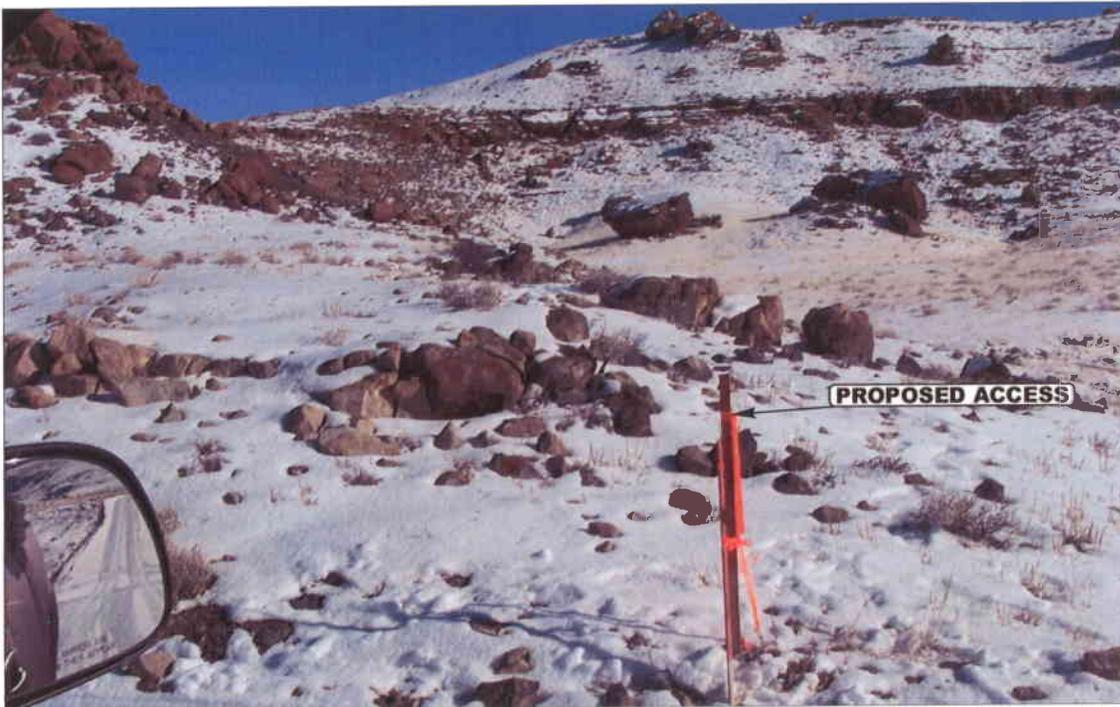


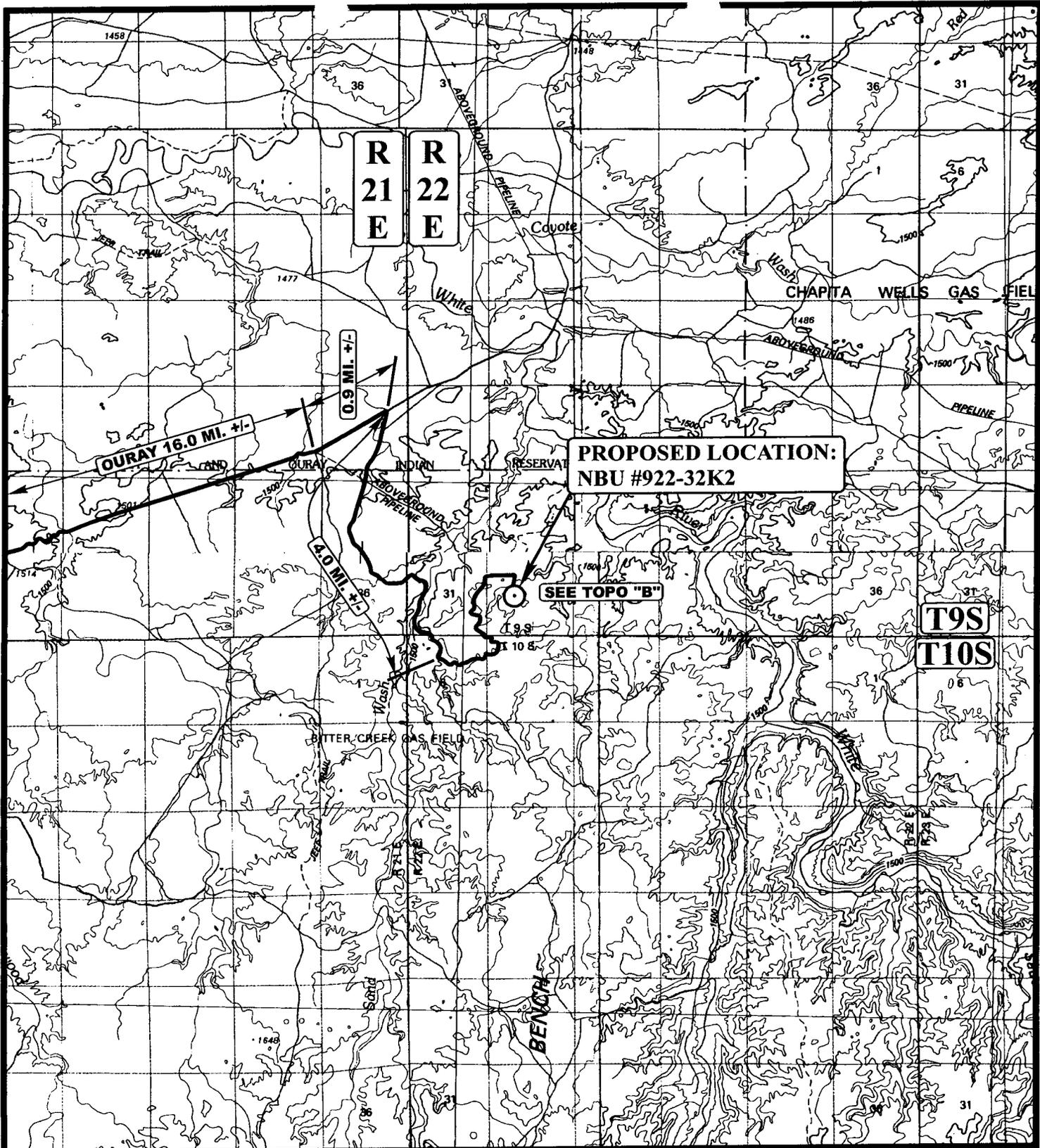
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



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

LOCATION PHOTOS	02	07	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: C.P.		REVISED: 00-00-00	



LEGEND:

⊙ PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

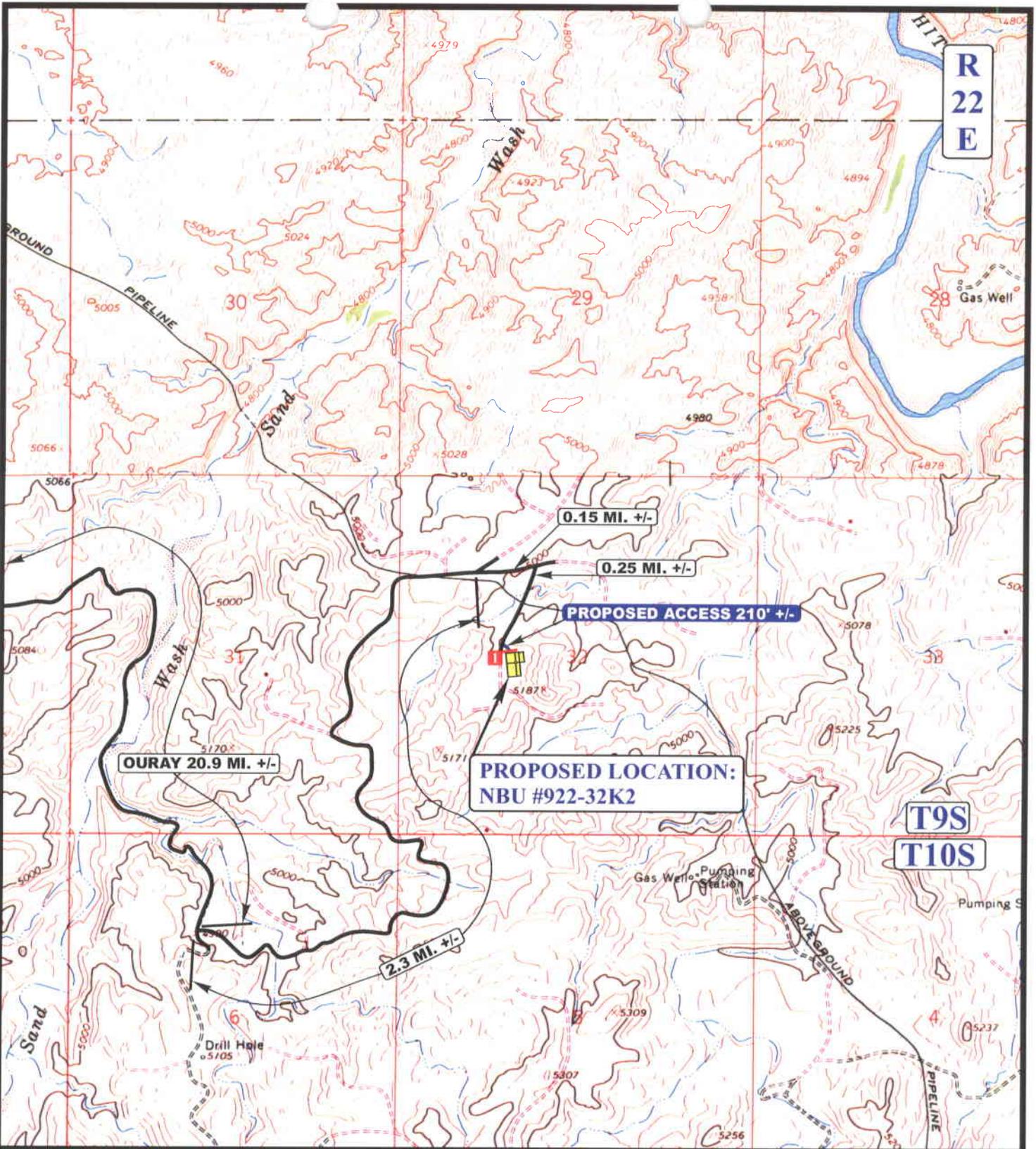
NBU #922-32K2

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

2508' FSL 1724' FWL

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

TOPOGRAPHIC MAP 02 07 06
 MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00 **TOPO**



LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  18" CMP REQUIRED

Kerr-McGee Oil & Gas Onshore LP

NBU #922-32K2
 SECTION 32, T9S, R22E, S.L.B.&M.
 2508' FSL 1724' FWL



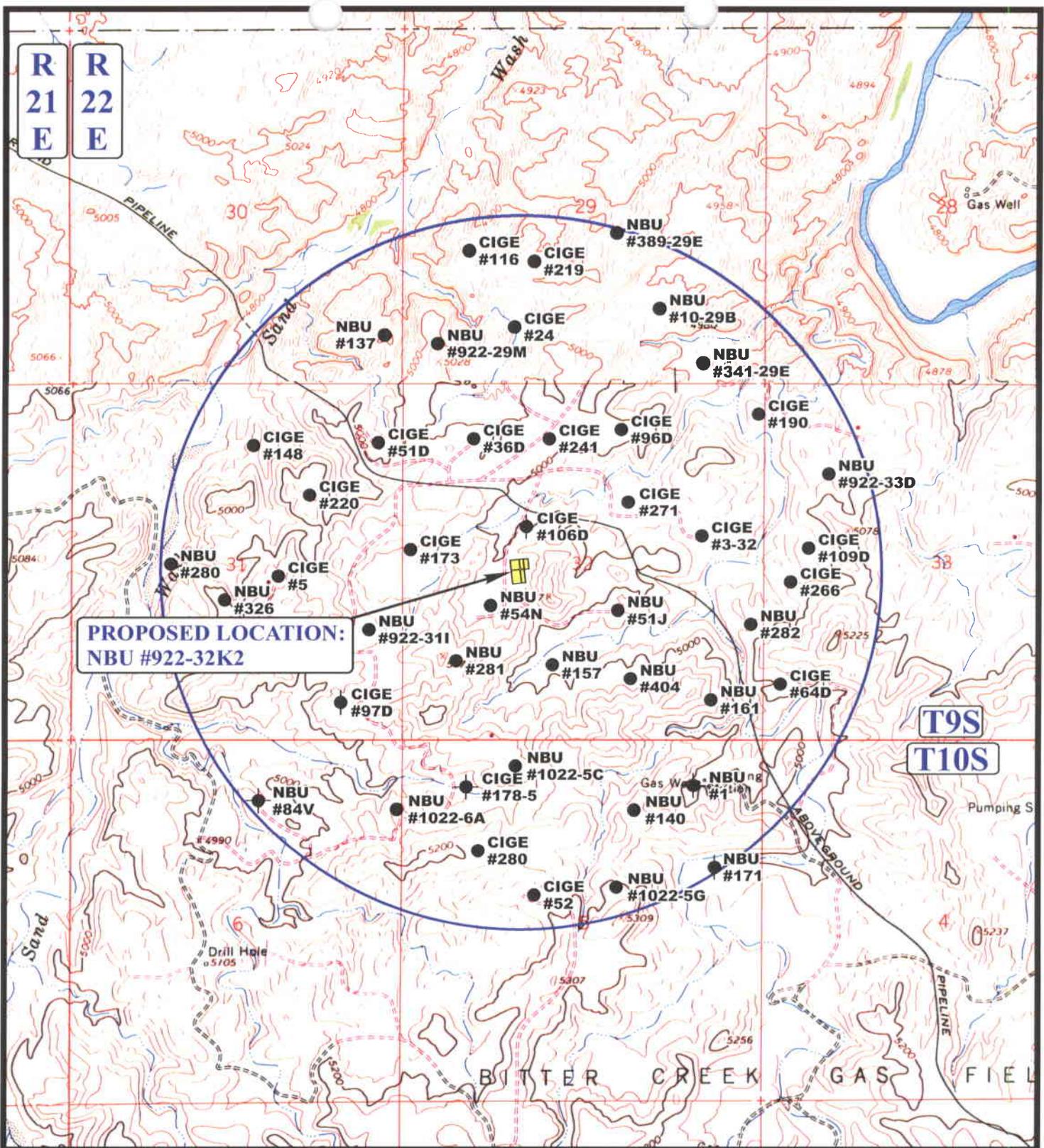
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
 MAP**

02 07 06
 MONTH DAY YEAR

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





**PROPOSED LOCATION:
NBU #922-32K2**

LEGEND:

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

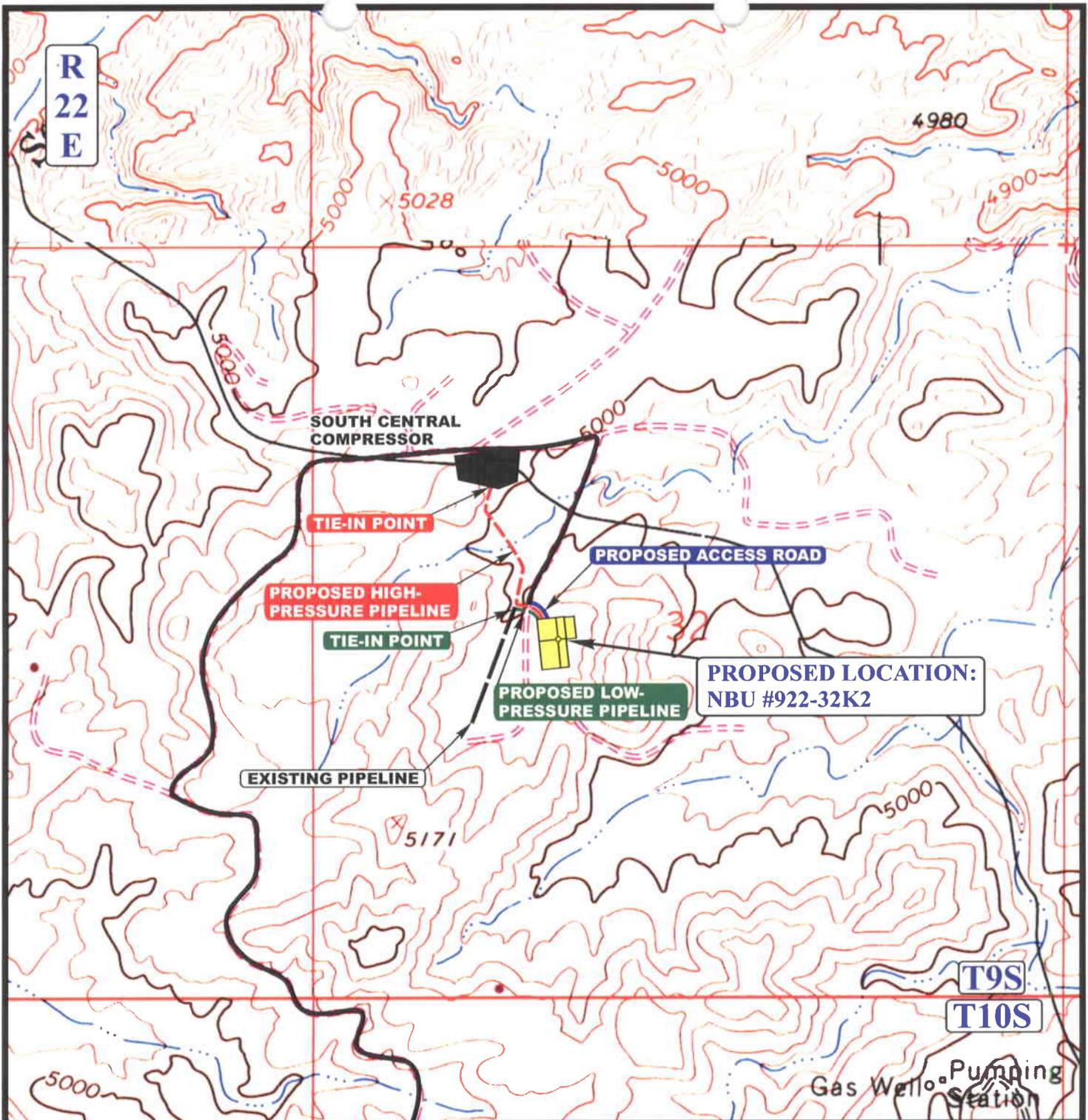
Kerr-McGee Oil & Gas Onshore LP

NBU #922-32K2
SECTION 32, T9S, R22E, S.L.B.&M.
2508' FSL 1724' FWL

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

TOPOGRAPHIC MAP **02 07 06**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **TOPO**





APPROXIMATE TOTAL LOW-PRESSURE PIPELINE DISTANCE = 250' +/-

APPROXIMATE TOTAL HIGH-PRESSURE PIPELINE DISTANCE = 1,150' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED HIGH-PRESSURE PIPELINE
-  PROPOSED LOW-PRESSURE PIPELINE

Kerr-McGee Oil & Gas Onshore LP

NBU #922-32K2
 SECTION 32, T9S, R22E, S.L.B.&M.
 2508' FSL 1724' FWL



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



TOPOGRAPHIC MAP 02 07 06
 MONTH DAY YEAR

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



Kerr-McGee Oil & Gas Onshore LP

NBU #922-32K2

PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH

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



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: WESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: EASTERLY



- Since 1964 -

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

PIPELINE PHOTOS

02 07 06
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: C.P.

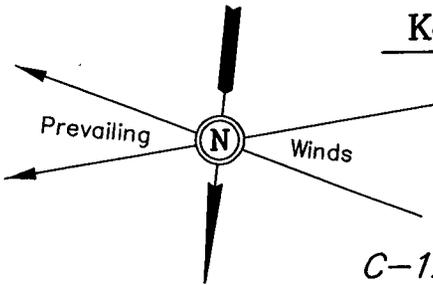
REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

NBU #922-32K2
SECTION 32, T9S, R22E, S.L.B.&M.
2508' FSL 1724' FWL

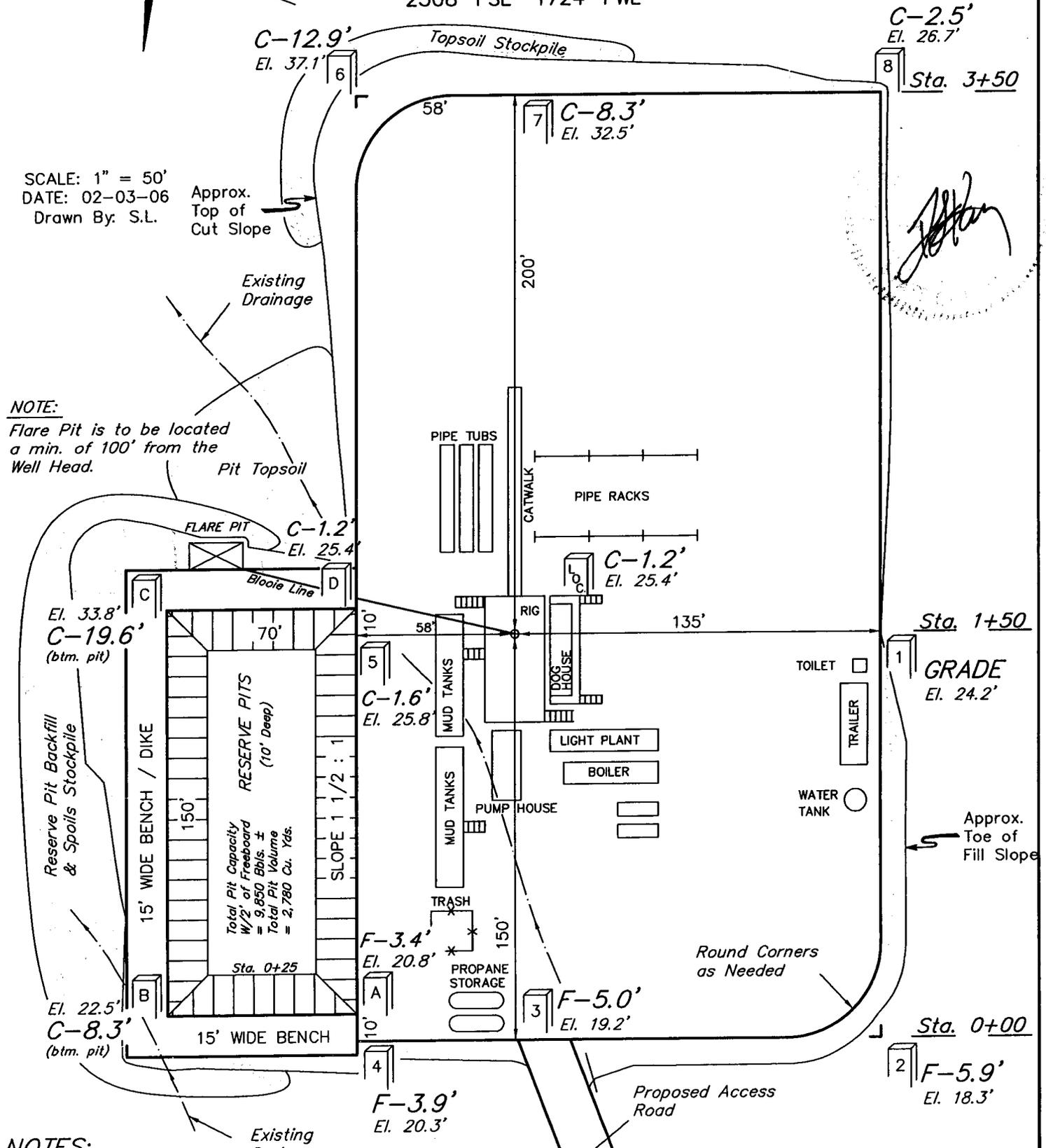


SCALE: 1" = 50'
DATE: 02-03-06
Drawn By: S.L.

Approx. Top of Cut Slope

NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5025.4'
FINISHED GRADE ELEV. AT LOC. STAKE = 5024.2'

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

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

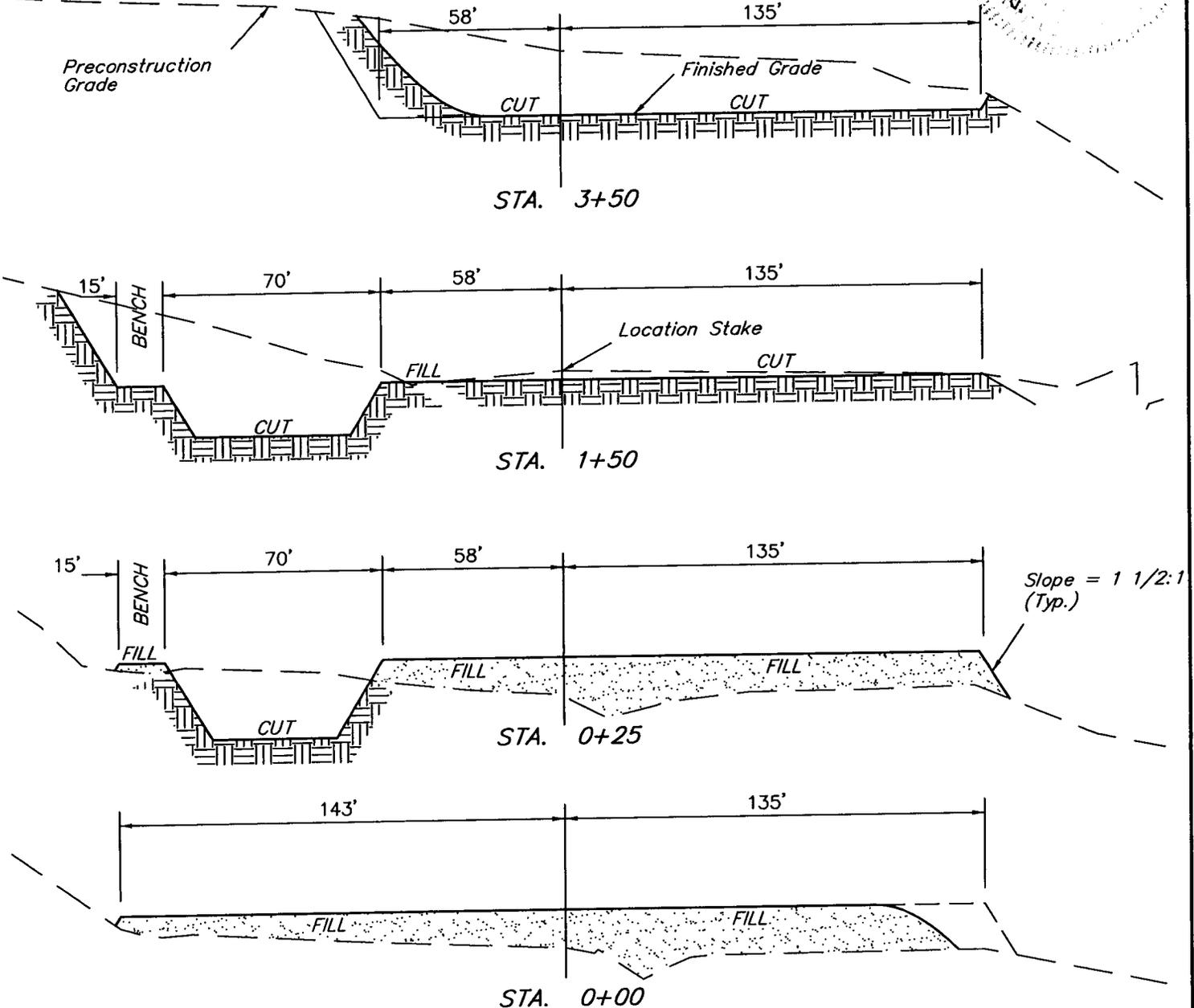
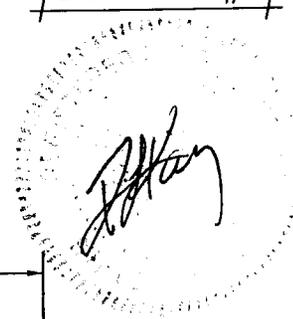
NBU #922-32K2

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

2508' FSL 1724' FWL

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

DATE: 02-03-06
Drawn By: S.L.



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,780 Cu. Yds.
Remaining Location	= 10,060 Cu. Yds.
TOTAL CUT	= 11,840 CU.YDS.
FILL	= 4,240 CU.YDS.

EXCESS MATERIAL	= 7,600 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,170 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 4,430 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: 43-047-38106

WELL NAME: NBU 922-32K2
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NESW 32 090S 220E
 SURFACE: 2508 FSL 1724 FWL
 BOTTOM: 2508 FSL 1724 FWL
 COUNTY: UINTAH
 LATITUDE: 39.99216 LONGITUDE: -109.4663
 UTM SURF EASTINGS: 630934 NORTHINGS: 4427803
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKW	6/29/06
Geology		
Surface		

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

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

- R649-2-3.
- Unit: NATURAL BUTTES
- R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-99
Siting: 400' fr ubdry & uncomm. trees
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (05-31-06)

STIPULATIONS:

- 1 - OIL SHALE
- 2 - STATEMENT OF BASIS
- 3 - Surface Csg cut st. A



OPERATOR: KERR-MCGEE O&G (N2995)

SEC: 32 T. 9S R. 22E

FIELD: NATURAL BUTTES (630)

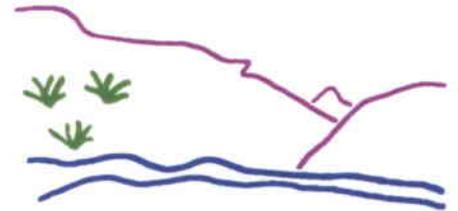
COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

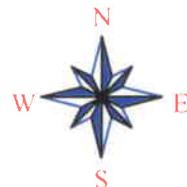
- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED

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

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



Utah Oil Gas and Mining



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

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

OPERATOR: _____ KERR McGEE OIL & GAS ONSHORE LP _____
WELL NAME & NUMBER: _____ NBU 922-32K2 _____
API NUMBER: _____ 43-047-38106 _____
LOCATION: 1/4,1/4 NESW Sec: 32 TWP: 9S RNG: 22E 2508' FSL 1724' FWL

Geology/Ground Water:

Kerr McGee proposes to set 2,110' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,500'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 32. 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 ONSHORE LP
WELL NAME & NUMBER: NBU 922-32K2
API NUMBER: 43-047-38106
LEASE: ML-22649 **FIELD/UNIT:** NATURAL BUTTES
LOCATION: 1/4,1/4 NESW Sec: 32 TWP: 9S RNG: 22E 2508' FSL 1724' FWL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): 0630926 4427811 **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

The area of this location is quite flat but does slope gently to the west. There is a large rocky ridge, which runs along the north and east of the location. There is a small drainage, which runs across the proposed location from north to south, diversion does not appear necessary.

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 210'.

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, greasewood, sparse grasses, salt brush, halogeton, rabbit brush and prickly pear. Wildlife found in this area may include: Rodents, Raptors, Coyote, Pronghorn, Prairie Dogs and Rabbits.

SOIL TYPE AND CHARACTERISTICS: Brown silty clay soil with rock fragments 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 by IPC Paleontological consultants.

RESERVE PIT

CHARACTERISTICS: 150' by 70' and ten feet deep. Reserve pit to be placed in cut.

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

SURFACE RESTORATION/RECLAMATION PLAN

As per SITLA

SURFACE AGREEMENT: As per SITLA

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

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

RICHARD POWELL
DOGM REPRESENTATIVE

05/31/2006 11:05 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Scale
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 922-32K2

Casing Schematic

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
0.

TOC @
0.

1331 Green River
1688
TOC Tail

✓ w/ 11% colashout

Surface
2110. MD

BHP

$$(0.652)(9230)(12) = 5754$$

Anticipate - 5723

GCO

$$(0.12)(9230) = 1107$$

MAASP - 4652

BUPE - 5,000 ✓

Silly Csg - 2270

70% - 1584

Max pressure @ Silly Csg shoe - 4143

Test to 1584 (proposed 1500) ✓

✓ Adequate DUD 6/29/06

3500 1371502

3925
TOC Tail

4515 415026

✓ w/ 18% colashout

7095 1175000

4-1/2"
MW 12.

Production
9230. MD

Well name:	06-06 Kerr McGee NBU 922-32K2		
Operator:	Kerr McGee Oil & Gas	Project ID:	43-047-38106
String type:	Surface		
Location:	Uintah County		

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 8.400 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 95 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 185 ft
	<u>Burst:</u>	Cement top: Surface
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 1,167 psi		Non-directional string.
Internal gradient: 0.447 psi/ft	<u>Tension:</u>	
Calculated BHP 2,110 psi	8 Round STC: 1.80 (J)	
No backup mud specified.	8 Round LTC: 1.80 (J)	
	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	Re subsequent strings:
	Tension is based on air weight.	Next setting depth: 9,230 ft
	Neutral point: 1,850 ft	Next mud weight: 12,000 ppg
		Next setting BHP: 5,754 psi
		Fracture mud wt: 19,250 ppg
		Fracture depth: 2,110 ft
		Injection pressure 2,110 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2110	9.625	32.30	H-40	ST&C	2110	2110	8.876	133.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	921	1370	1.488	2110	2270	1.08	68	254	3.73 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 2110 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

Well name:	06-06 Kerr McGee NBU 922-32K2		
Operator:	Kerr McGee Oil & Gas	Project ID:	43-047-38106
String type:	Production		
Location:	Uintah County		

<p>Design parameters:</p> <p>Collapse Mud weight: 12.000 ppg Design is based on evacuated pipe.</p> <p>Burst Max anticipated surface pressure: 1,630 psi Internal gradient: 0.447 psi/ft Calculated BHP: 5,754 psi</p> <p>No backup mud specified.</p>	<p>Minimum design factors:</p> <p>Collapse: Design factor: 1.125</p> <p>Burst: Design factor: 1.00</p> <p>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)</p> <p>Tension is based on air weight. Neutral point: 7,574 ft</p>	<p>Environment: H2S considered? No Surface temperature: 65 °F Bottom hole temperature: 194 °F Temperature gradient: 1.40 °F/100ft Minimum section length: 368 ft</p> <p>Cement top: Surface</p> <p>Non-directional string.</p>
--	---	--

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	9230	4.5	11.60	N-80	LT&C	9230	9230	3.875	214

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	5754	6350	1.104	5754	7780	1.35	107	223	2.08 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 9230 ft, a mud weight of 12 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

June 29, 2006

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

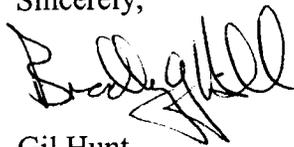
Re: Natural Buttes Unit 922-32K2 Well, 2508' FSL, 1724' FWL, NE SW, Sec. 32,
T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38106.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number Natural Buttes Unit 922-32K2
API Number: 43-047-38106
Lease: ML-22649

Location: NE SW Sec. 32 T. 9 South R. 22 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

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: ML-22649	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS OIL ONSHORE LP		9. WELL NAME and NUMBER: NBU 922-32K2	
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: 2508'FSL, 1724'FWL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 32 9S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 23.6 MILES SOUTHEAST OF OURAY, UTAH		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1724'	16. NUMBER OF ACRES IN LEASE: 640.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 20.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 9,230	20. BOND DESCRIPTION: RLB0005238	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5025'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#	2,110	265 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2"	I-80	11.6#	9,230	1900 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 *Sheila Upchego* DATE 5/8/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38104

RECEIVED
Approved by the
Utah Division of
Oil, Gas and Mining
MAY 15 2006

Date: 06-29-06 DIV OF OIL, GAS & MINING
By: *[Signature]*

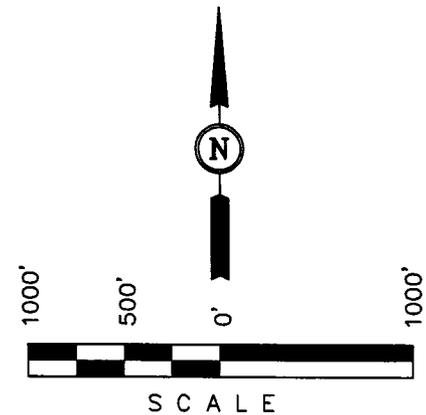
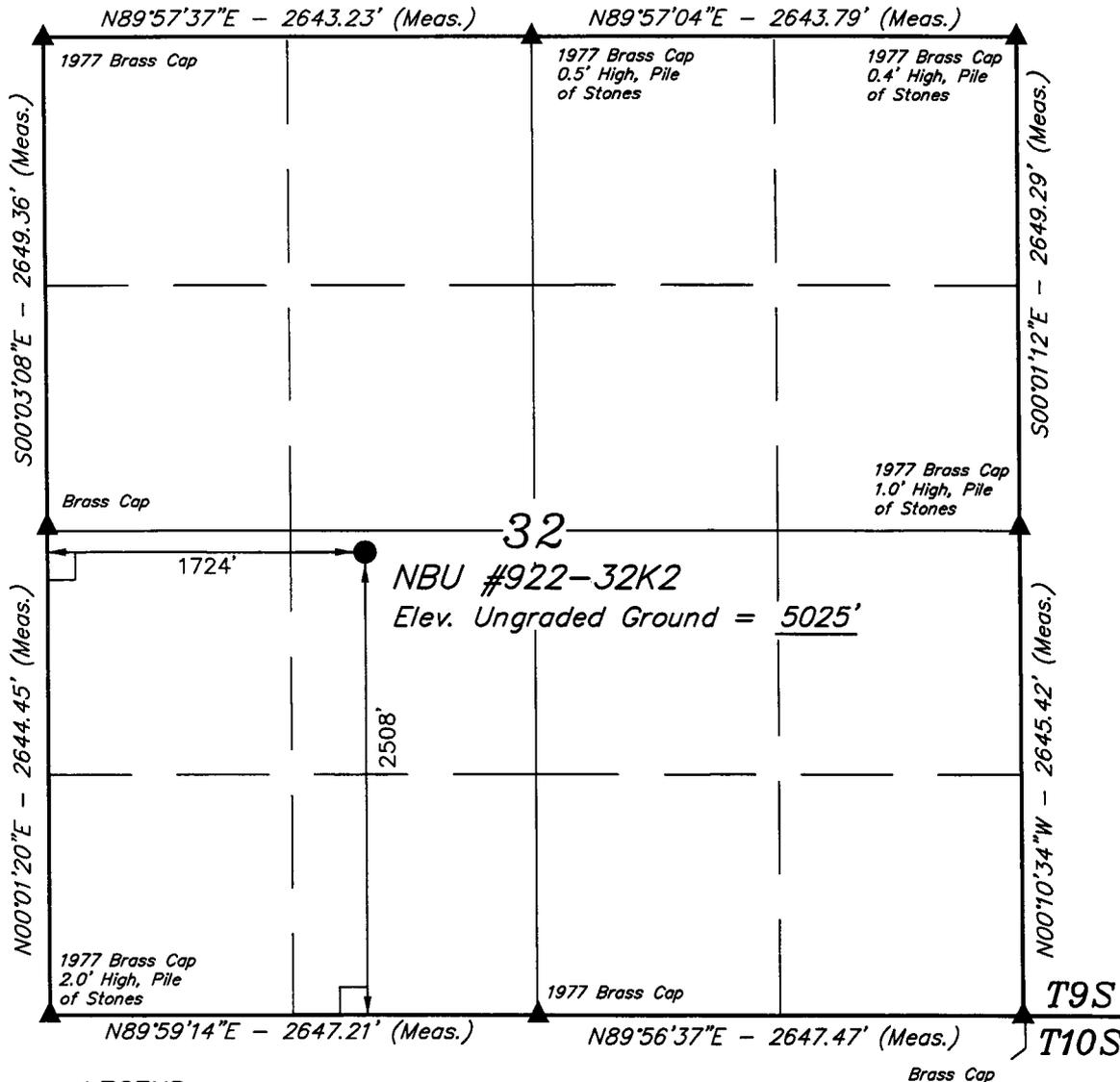
T9S, R22E, S.L.B.&M.

KERR McGEE OIL & GAS ONSHORE LP

Well location, NBU #922-32K2, located as shown in the NE 1/4 SW 1/4 of Section 32, T9S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A RIDGE TOP NEAR THE WEST 1/4 CORNER OF SECTION 9, T10S, R22E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5304 FEET.



CERTIFICATE

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

[Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

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

(NAD 83)
 LATITUDE = 39°59'31.68" (39.992133)
 LONGITUDE = 109°28'01.66" (109.467128)
 (NAD 27)
 LATITUDE = 39°59'31.81" (39.992169)
 LONGITUDE = 109°27'59.19" (109.466442)

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

SCALE 1" = 1000'	DATE SURVEYED: 01-23-06	DATE DRAWN: 02-03-06
PARTY P.J. N.F. S.L.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE KERR McGEE OIL & GAS ONSHORE LP	

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

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304735843	NBU 1022-35K		NESW	35	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>B</i>	99999	<i>2900</i>	9/5/2006		9/7/06		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 09/05/2006 AT 1300 HRS.							CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738106	NBU 922-32K2		NESW	32	9S,	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>B</i>	99999	<i>2900</i>	9/2/2006		9/7/06		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 9/2/2006 AT 1200 HRS							—

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736413	STATE 1021-360		SWSE	36	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	99999	<i>15619</i>	9/1/2006		9/7/06		
Comments: MIRU ROCKY MTN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 09/01/2006 AT 1300 HRS							—

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
 Co./Dept: UTDOGIM Co: KMG
 Phone: (801) 538-5330 Phone #: (435) 781-7024
 Fax #: (801) 359-3940 Fax #: (435) 781-7094

SHEILA UPCHEGO

Name (Please Print) _____
 Signature *[Handwritten Signature]*
 REGULATORY ANALYST 9/6/2006

Title **RECEIVED**

SEP 06 2006
 DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-22649

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
NBU 922-32K2

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

9. API NUMBER:
4304738106

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

PHONE NUMBER:
(435) 781-7024

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2508'FSL, 1724'FWL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESW 32 9S 22E**

STATE: **UTAH**

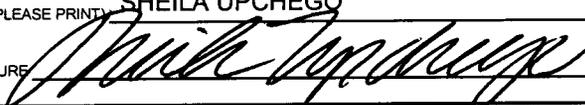
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: 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 PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 09/02/2006 AT 1200 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST
SIGNATURE  DATE 9/6/2006

(This space for State use only)

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: NBU 922-32K2		9. API NUMBER: 4304738106
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2508'FSL, 1724'FWL		COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 32 9S 22E		STATE: UTAH	

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

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

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

MIRU BILL MARTIN JR'S AIR RIG ON 09/10/2006. DRILLED 12 1/4" SURFACE HOLE TO 2550'. RAN 9 5/8" 52 JTS OF 32.3# H-40 AND 10 JTS OF 36# J-55. LEAD CMT W/350 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT. TOP OUT W/100 SX CLASS G @15.8 PPG 1.15 YIELD DOWN BACKSIDE. 2ND TOP OUT W/225 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE NO CMT TO SURFACE. 3RD TOP OUT W/225 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE NO CMT TO SURFACE. 4TH TOP OUT W/225 SX CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE CMT TO SURFACE HOLE STAYED FULL.

WORT

RECEIVED
SEP 18 2006
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE	DATE 9/14/2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
		8. WELL NAME and NUMBER: NBU 922-32K2
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	9. API NUMBER: 4304738106	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-7024	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2508'FSL, 1724'FWL	COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 32 9S 22E	STATE: UTAH	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: 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 2550' TO 9110' ON 10/28/2006. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG.
LEAD CMT W/345 SX PREM LITE II @11.0 PPG 3.38 YIELD. TAILED CMT W/1120 SX 50/50 POZ @14.3 PPG 1.31 YIELD.
CLEAN MUD TANKS.

RELEASED PIONEER RIG 52 ON 10/28/2006 AT 1530 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE REGULATORY ANALYST
SIGNATURE 	DATE 10/30/2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: NBU 922-32K2	
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		9. API NUMBER: 4304738106
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2508'FSL, 1724'FWL		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 32 9S 22E		STATE: UTAH

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

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 01/15/2007 @1:00 PM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE	DATE <u>1/17/2007</u>

(This space for State use only)

RECEIVED
JAN 27 2007
DIV. OF OIL, GAS & MINING



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

CHRONOLOGICAL WELL HISTORY

NBU 922-32K2

NWNESW SEC. 32, T9S, R222
 UINTAH COUNTY, UT

DATE	Activity		Status
08/15/06	Building Location, 10% Complete	Pioneer 52	
08/16/06	Building Location, 20% Complete	Pioneer 52	
08/17/06	Building Location, 30% Complete	Pioneer 52	
08/18/06	Building Location, 40% Complete	Pioneer 52	
08/21/06	Building Location, 40% Complete	Pioneer 52	
08/22/06	Building Location, 50% Complete	Pioneer 52	
08/23/06	Building Location, 55% Complete	Pioneer 52	
08/24/06	Building Location, 60% Complete	Pioneer 52	
08/25/06	Building Location, 65% Complete	Pioneer 52	
08/28/06	Building Location, 65% Complete	Pioneer 52	DRLG
08/29/06	Building Location, 65% Complete	Pioneer 52	DRLG
08/30/06	Building Location, 65% Complete	Pioneer 52	
08/31/06	Building Location, 70% Complete	Pioneer 52	
09/01/06	Building Location, 80% Complete	Pioneer 52	
09/02/06	SET CONDUCTOR	Pioneer 52	WOAR
09/05/06	Location Complete 100 P/L IN	Pioneer 52	P/L IN
09/10/06	AIR RIG SPUD	Pioneer 52	DRLG
09/15/06	2535' @ 9 5/8	Pioneer 52	WORT
10/16/06	TD: 2550' Csg. 9 5/8" @ 2534' MW: 8.4 Move to NBU 922-32K-2. Spot rig and RURT. NU and test BOPE. PU BHA and DP. W/O oil pump for generator @ report time.	SD: 10/XX/06	DSS: 0
10/17/06	TD: 2550' Csg. 9 5/8" @ 2534' MW: 8.4 W/O #1 and #2 generator motors.	SD: 10/XX/06	DSS: 0

10/18/06 TD: 2785' Csg. 9 5/8" @ 2534' MW: 8.4 SD: 10/17/06 DSS: 1
W/O #1 and #2 generator motors. Drill cement and FE. Drill formation from 2550'-2785'. DA @ report time.

10/19/06 TD: 4101' Csg. 9 5/8" @ 2534' MW: 8.5 SD: 10/17/06 DSS: 2
Drill from 2785'-4101'. DA @ report time.

10/20/06 TD: 5155' Csg. 9 5/8" @ 2534' MW: 9.0 SD: 10/18/06 DSS: 2
Drill from 4101'-5155'. DA @ report time.

10/23/06 TD: 7287' Csg. 9 5/8" @ 2534' MW: 9.4 SD: 10/18/06 DSS: 5
Drill from 5155'-5456'. Lost returns. Mix and pump LCM pill. Drill from 5456'-7287'. DA @ report time.

10/24/06 TD: 7535' Csg. 9 5/8" @ 2534' MW: 9.6 SD: 10/18/06 DSS: 6
Drill from 7287'-7535'. TFNB and MM. TIH @ report time.

10/25/06 TD: 7535' Csg. 9 5/8" @ 2534' MW: 9.9 SD: 10/18/06 DSS: 7
Wash to BTM. Lost 100 bbl. Circ and cond hole. Drill from 7535'-8246'.

10/26/06 TD: 8654' Csg. 9 5/8" @ 2534' MW: 9.9 SD: 10/18/06 DSS: 8
Drill from 8246' – 8654'. Bit stopped @ 8654'. Change bit. TIH. Pipe plugged. POOH wet.

10/27/06 TD: 9057' Csg. 9 5/8" @ 2534' MW: 10.7 SD: 10/18/06 DSS: 10
FPOOH. Change out mud motor and TIH. Drill from 8654'-9057'. DA @ report time.

10/30/06 TD: 9110' Csg. 9 5/8" @ 2534' MW: 11.0 SD: 10/18/06 DSS: 13
Drill f/ 9057'-9110'. CCH and short trip. POOH and run logs to TD. TIH and LDDS. Run and cmt 4.5" csg. While displacing cmt and reciprocating pipe, driller pulled 220K and popped casing threads at ±320'. Circ hole clean and attempted to screw in w/ no success. Slips set w/ no weight. Cmt top estimated at 750'. Released rig at 1530 on 10/29/06. RDRT @ report time.

10/31/06 TD: 9110' Csg. 9 5/8" @ 2534' MW: 11.0 SD: 10/18/06 DSS: 13
RDRT. Moving rig to NBU 922-32D @ report time.

11/03/06 **MOVE IN**
Days On Completion: 1
Remarks :12:00 PM, MOVE RIG FROM THE NBU 1021-15I TO THE NBU 922-32K2. WAIT ONBLADE TO FINISH CLEANING UP LOCATION. MIRU. SPOT EQUIP 4:00 PM, SDFW.

11/06/06 **CASING PATCH**
Days On Completion: 4
Remarks :DAY #2, 7:00 HSM REVIEW JSA #6-9. WEST ROC WELDER TACKED SLIPS TO 4-1/2 CSG. N/U BOPS. P/U 3-7/8 SPEAR, X OVER, 2-7/8 PUP JNT, SPEAR CSG POOH W/ SLIPS & 5' PIECE OF 4-1/2 CSG. REMOVED SLIPS, LAID DN 5' PIECE. POOH W/ 6 JNTS 4-1/2" CSG [258.26'] W/ COLLAR ON BOTTOM. FOUND CSG PARTED @ BOTTOM OF THREADS BELOW COLLAR [VERY CLEAN BREAK]. P/U 4-3/4 MILL ON 2-3/8 TBG TO VERIFY CSG TOP, CSG TOP IS @ 259.10'. POOH L/D 2-3/8 TBG W/ MILL. HAD A 7K 4-1/2 CSG PATCH, DECIDED BE BETTER TO RUN 10K PATCH SWI. WAIT ON GUIDE SHOE TO GET BUILT FOR CSG PATCH. 3:00

11/07/06 **WAITING ON CASING PATCH**
Days On Completion: 5
WAITING ON 10K 4 1/2" EXTERNAL CASING PATCH

11/08/06

CASING PATCH

Days On Completion: 6

Remarks : DAY 3, 7:00 HSM REVIEW JSA #9,

MIRU WEST STATES CSG, P/U 4-1/2 10K CSG PATCH W/ GIUDE, 6 JTS 4-1/2, 11.6#, P-110, TAG FISH TOP @ 259.01' NOT ENOUGH WEIGHT TO PUSH PATCH OVER CSG TOP, P/U 8" DRL COLLAR, PUSHED PATCH DN OVER CSG TOP, PULLED 80,000#, R/D WEST STATES CSG. L/D 8" COLLAR HOOKED UP PUMP LINES TO CSG & PRESSURE TESTED TO 5,000#, HELD FOR 10 MIN W/NO PSI LOSS.

N/D BOPS SET CSG SLIPS W/ 105,000 PULLED INTO CSG, WELDER CUT OFF & DRESSED CSG TOP, N/U VETCO GRAY CSG VALVE FLANGE, TESTED TO 8,000#.

N/U BOPS, RIG UP FLOW BACK LINE TO PIT, P/U & RIH W/ 3-7/8 MILL, X-OVER WATERMELLON MILL, 9 JTS 2-3/8 N-80 TBG DID NOT SEE ANYTHING @ CSG PATCH. CONTINUE TO RIH W/ 84 TOTAL JTS EOT @ 2691' POOH W/ TBG L/D BHA SWIFN READY TO RUN MUD MOTOR IN A.M. 5:00

11/09/06

CASING PATCH

DAYS ON COMPLETION: 7

7:00 HSM REVIEW JSA # 8&9

7:00 P/U RIH W/3 7/8" PDC MILL, 2 7/8" SMITH MUD MOTOR CROSSOVER, 84 JTS 2 3/8" TUBING FROM DERRICK. FOUND 1 JT PLUGGED W/LCM, CLEANED OUT, CONTINUE TO P/U & RIH W 115 JTS 2 3/8" TBG. 199 JTS TBG @ 6301' P/U POWER SWIVEL & CIRCULATE EQUIPMENT, PUMPED 2 BBLs PRESSURED UP TO 1500# PLUGGED MUD MOTOR RD POWER SWIVEL POOH W/ WET STRING LD MUD MOTOR AND PLUGGED MILL

11/10/06

DRILL CEMENT

Days On Completion: 8

DAY #5, 7:00 HSM REVIEW JSA #8-9. P/U 3-7/8 PDC MILL, 6 JNTS 3-1/8 D/C, RIH W/ TBG TAG @ 6301'. P/U PWR SWVL BRK CONV. CIRC, CIRC LOTS LCM OUT OF HOLE. COULDN'T GET GOOD ROTATION PWR SWVL KEEPS STALLING OUT WHEN WE QUIT MOVING STRING. TRIED REV. CIRC DIDN'T CHANGE ANY THING. SAT DN ON CEMENT TOP COULDN'T GET ENOUGH ROTATION TO DRL CEMENT. HANG PWR SWVL BACK. POOH W/ 20 JNTS, P/U PWR SWVL STILL CAN'T GET GOOD ROTATION. HANG PWR SWVL BACK START OUT OF HOLE. DRAIN EQUIP SWIFN

11/13/06

DRILL CEMENT

Days On Completion: 11

Remarks : DAY # 6, 7:00 HSM REVIEW JSA #5-7

FINISH POOH W/2-3/8 & 6 JNTS DRL COLLARS. P/U PDC MILL W/ SMITH 2-7/8" MUDD MOTOR. RIH W/ 2-3/8 TBG TAG @ 6346'. P/U PWR SWVL BRK CONV. CIRC W/ RIG PUMP. CIRC 1 BPM TOOK 2 HRS TO DRL THROUGH FLOAT SHOE. CONTINUE TO DRL CEMENT PUMPING @ 1.5 BPM W/ 900# AVG 45 MIN A JNT, C/O CEMENT FROM 6345' TO 6508'. CIRC HOLE CLEAN, PULL KELLEY SWIFN. DRAIN EQUIP. 6:00 6 HRS ON MUDD MOTOR

11/14/06

DRILL CEMENT

Days On Completion: 12

Remarks : DAY #7, HSM REVIEW JSA #8-5

OPEN WELL UP TAG @ 6508', MAKE CONECTION C/O CEMENT FROM 6508' TO 6825' CIRC HOLE CLEAN PULL HIGH KELLEY SWIFN. DRAIN EQUIP. 5:00 C/O 10 JNTS 317' TODAY, 480' TO DATE 10 HRS ON MUDD MOTOR, 16 HRS TOTAL ON MUDD MOTOR

11/15/06

DRILL CEMENT

Days On Completion: 13

Remarks : DAY #8, 7:00 HSM REVIEW JSA # 8-5,

MAKE CONNECTION, BRK CONV CIRC. START DRILLING @ 6857', PUMPING 1-1/2 BBLS PER MIN @ 850#. DRL OUT CEMENT FROM 6857' TO 6921'. FUEL FILTERS ON RIG PUMP STARTING TO PLUG OFF. CIRC HOLE CLEAN & PULL HIGH KELLEY. SHUT DN FOR 2 HRS WAITING ON FILTERS. CLEANED OUT FLAT TANK. REALIZED TAILINGS WERE GETTING INTO SUCTION SIDE OF TANK. CLOSED VALVE FIXED PARTITION BETWEEN TANKS & FIXED FUEL FILTER PROBLEM. MADE CONNECTION, STARTED DRILLING AVG 30 MIN/JNT. MADE 8 CONECTIONS FOR A TOTAL OF 254' . CIRC HOLE CLEAN DRAINED EQUIP. PULLED HIGH KELLEY. SWIFN 5:30. FOOTAGE TODATE 733'24 HRS ON MUDD MOTOR.

11/16/06

DRILL CEMENT

Days On Completion: 14

Remarks : DAY # 9, 7:00 HSM REVIEW JSA #8-5

MAKE CONECTION, BRK CONV CIRC. TAG & START DRLG @ 7111.80', BRK CONV CIRC 800# @ 1.7 BPM. C/O CEMENT FROM 7111' TO 7492' , AVG 30 MIN A JNT. CIRC HOLE CLEAN PULL HIGH KELLEY. SWIFN DRAIN EQUIP. 5:00 MADE 12 CONECTIONS FOR A TOTAL OF 381'

1146 TOTAL FOOTAGE MADE TODATE

1573' LEFT TO DRL

10 HRS ON MUD MOTOR TODAY

34 HRS TOTAL ON MUD MOTOR

11/17/06

DRILL CEMENT

Days On Completion: 15

DAY #10 , HSM REVIEW JSA #5-8. OPEN WELL UP. MAKE CONNECTION. START DRLG CEMENT @ 7492"; C/O TO 7810' (PUMPING @ 1.7 BPM @ 900#). CIRC HOLE W/ CLEAN KCL. HANG PWR SWVL BACK POOH W/ 10 JNTS. DRAIN EQUIP SWIFN. CLEAN OUT FLAT TANK. 5:00 MADE 10 CONECTIONS FOR A TOTAL OF 318'. 1464' TOTAL FOOTAGE TO DATE. 1255' TOTAL LEFT TO DRL. 9 HRS ON MUDD MOTOR, 43 HRS TOTAL ON MUDD MOTOR.

11/20/06

DRILL CEMENT

Days On Completion:18

DAY 11, 7:00 HSM REVIEW JSA #5-8. OPEN WELL RIH TAG CEMENT @ 7810' P/U PWR SWVL BRK CONV CIRC C/O CEMENT FROM 7810' TO 8157', PUMPING 1.8 BPM @ 1100#, CIRC HOLE CLEAN W/ 112 BBLS PULL HIGH KELLEY, STING WEIGHT PULLING UP 72,000# @ 8157' SWIFN. 5:30. MADE 11 CONECTIONS FOR 347' MADE TODAY, 1811' TOTAL FOOTAGE MADE TO DATE, 908' LEFT TO DRL. 9 HRS ON MUDD MOTOR, 52 HRS TOTAL ON MUDD MOTOR TO DATE.

11/21/06

DRILL CEMENT

Days On Completion: 19

Remarks : DAY #12, HSM REVIEW JSA #5-8

OPEN WELL UP MKE CONECTION BEGIN DRLG @ 8156' C/O CEMENT TO 8410' MADE 8 CONECTIONS AVG 1 HR A JNT. CIRC HOLE CLEAN PULL HIGH KELLEY. 5:00

MADE 8 CONECTIONS FOR 253'

1181' TOTAL FOOTAGE TODATE

655' LEFT TO DRL

10 HRS ON MUD MOTOR

62 HRS ON MUD MOTOR TODATE

11/22/06

DRILL CEMENT

Days On Completion: 20

DAY #13, 7:00 HSM REVIEW JSA #5-8. OPEN UP WELL MAKE CONNECTION BRK CIRC CONV. START DRLG @ 8410' PUMPING 1.7 BPM @ 1100# C/O CEMENT TO 8632', MADE 228', PUMPING @ 1100# @ 1.7 BPM, AVG 1.15 HRS PER JNT CIRC HOLE CLEAN, HANG

PWR SWVL BACK POOH W/ 10 JNTS, SWIFN. EMPTY'D FLAT TANK & CLEANED OUT. READY FOR MON. [MADE 7 CONN. FOR 222', 2286' TOTAL FOOTAGE TODATE, 433' LEFT TO DRL. 9 HRS ON MUD PUMP, 71 HRS TOTAL ON MUD PUMP.]

11/27/06

DRILL CEMENT

Days On Completion: 25

Remarks : DAY #14, HSM REVIEW JSA #5-8. OPEN WELL, RIH W/ 10 JNTS TAG @ 8632'. P/U PWR SWVL BRK CONV CIRC. DRL OUT CEMENT FROM 8632' TO 8917', PUMPING 1.8 BPM @ 1100#. PULLING OFF BOTTOM, 95,000# STRING WEIGHT. DRAINED EQUIP PULLED HIGH KELLEY, SWIFN. 5:00.MADE 9 CONN. FOR 285', 2571' TOTAL FOOTAGE TODATE, 148' LEFT TO DRL. 8 HRS ON MUD MOTOR, 79 HRS TOTAL ON MUD MOTOR.

11/28/06

DRILL CEMENT

Days On Completion: 26

Remarks : DAY # 15, 7:00, HSM REVIEW JSA #5-8-7. OPEN WELL UP HOOK UP PUMP LINES MAKE CONNECTION, TAG @ 8917' BRK CONV CIRC DRL POT CEMENT FROM 8917' TO 9065' PUMPING 1.8 BPM @ 1100# CIRC HOLE CLEAN W/ 150 BBLS HANG PWR SWVL BACK POOH W/ 286 JNTS 2-3/8 N-80 TBG & MUDD MOTOR & MILL. DRAINED EQUIP SWIFN. 5:00.MADE 5 CONN, 148', 2719' TOTAL FOOTAGE, 9065' PBT. 6 HRS ON MUDD MOTOR, 85 HRS TOTAL ON MUDD MOTOR

11/29/06

LOG

Days On Completion: 1

Remarks: DAY #1, 7:00 HSM REVIEW JSA #3-6 MIRU CUTTERS WIRE LINE SERVICE, COULD NOT GET BOND TOOLS TO WORK. REHEAD ON LINE STILL NO WORKING. WENT AHEAD & P/U 3-3/8 EXP. DUMMY GUN [10' W/ BAKER SETTING TOOL ON BOTTOM]. RIH TO 9065'. THERE WERE A FEW TIGHT SPOTS WHERE THE TOOL SAT DN BEFORE FALLING THROUGH, BUT EVERYTHING WENT OK. POOH W/ NO PROBLEMS, R/D CUTTERS SWIFN. 3:00

11/30/06

LOG

Days On Completion: 2

Remarks: DAY #2, HSM REVIEW JSA # 5, 7:00 MIRU CUTTERS WIRE LINE. WHILE TRYING TO LOG COMPUTER IN WIRE LINE TRUCK WENT DN HAD TO WAIT ON HOTSHOT. GOT PARTS GOT WELL LOGGED. TAGGED PBT @ 9065', CEMENT TOP @ 900', R/D WIRE LINE. MIRU TESTERS TO PRESSURE TEST CSG, PRESSURED UP TO 5000# SURFACE FLANGE STARTED LEAKING, TIGHTEN'D BOLTS TRIED TO PRESSURE TEST GOT TO 6,000# BEFORE STARTED TO LEAK, RELEASED TESTERS CALLED VETCO GRAY TO COME FIX.RIH W/ 3 STNDS 3-1/8 COLLARS POOH LAYING DN ON HOT SHOT TRUCK, SENT BACK TO R.B.S. SWIFN 5:00

12/01/06

CSG TEST

DAY #4, HSM REVIEW JSA # 10-11-12

7:00 VETCO GRAY REENERGIZED WELL HEAD FLANGE TESTED TO 10,000# HELD, MIRU B & C QUICK TEST PRESSURED CSG TO 7,500# HELD FOR 15 MIN GOOD TEST BLED WELL OFF R/D TESTERS,

P/U RIH W/ 1.78 R NIPPLE 284 JNTS 2-3/8 N-80 TBG FROM DERRICK, POOH L/D 84 JNTS ON FLOAT [100 JNTS TOTAL ON FLOAT] LANDED ON HANGER W/ 200 JNTS EOT @ 6348' , R/D TBG EQUIP, N/D BOPS, N/U WELL HEAD SWI. R/D DOUBLE HOOK. 5:00

NOTE 300 JNTS TOTAL ON LOC. 200 JNTS IN WELL 100 JNTS ON FLOAT.

12/15/06

POOH

Days On Completion: 17

Remarks: ROAD RIG TO LOC RIG UP NIPPLE UP BOP POOH & LAY DOWN 200 JTS 2,3/8 NIPPLE DOWN BOP NIPPLE UP FRAC VALVES SDFN

12/16/2006

PERF

Days On Completion: 18

Remarks: TEST FRAC VALVES & CSG TO 7500# GOOD TEST MIRU CUTTERS RIH PERF @ 8966'-8971' 4 SPF 3,3/8 23 GM .36 HOLES MIRU DELSCO RIH W/ HSC DOWN HOLE GAUGES TO DFIT TEST MIRU SCHLUMBERGER PUMP TRK BRK PERF @ 4400# PUMP 24 BBL INJ RT 5 BPM INJ PSI 2800# ISIP 2400# FG .70 SWISDFWE

12/17/06

Perf & Frac

Days On Completion: 20

Remarks : 7:00 a.m. HSM. POOH W/ DELSCO W.L. & BOMBS. W.H. FROZE. THAW OUT W.H. (2 HRS). PULL BOMBS. RDMO DELSCO. MIRU SCHLUMBERGER PMP SVC. MIRU CUTTERS. PRIME PMP'S, PSI TST LINES TO 8500# (HELD). PREP TO FRAC.

NOTE: ALL MESA VERDE PERF'S SHOT W/ 3 3/8" EXP PERF GUNS LOADED W/ 23 GM CHARGES. 4 SPF, 90 DEG PHASING. TOP WASATCH STAGE SHOT W/ 3 1/8" HSC PERF GUN LOADED W/ 12 GM CHARGES. 4 SPF, 90 DEG PHASING. ALL ZONES TREATED W/ NALCO DVE-005 SCALE INHIB. 3 GAL PER K IN PAD & 1/2 RAMP. 10 GALS PER K IN FLUSH. ALL ZONES TRACED W/ CFT 1400, CHEM FRAC TRACER.

STG 1: STG 1 WAS BROKE DWN @ 4400#, ISIP 2400#, FG .70. EST INJ RT @ 6000# @ 35 BPM. TREAT STG 1 W/ 50,800# 20/40 SAND W/ YF122ST+ GEL. TOT CL FL 653 BBLs. ISIP 2851#, NPI 451#, FG .75.

STG 2: P/U 3 3/8" EXP PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8756', P/U SHOOT 24 HOLES F/ 8720' - 26', P/U SHOOT 16 HOLES F/ 8615' - 19'. POOH. BRK DWN PERF'S @ 3102#, EST INJ RT @ 45 BPM @ 6350#, ISIP 2330#, FG .70, TREAT STG 2 W/ 270,600# SAND W/ YF122ST+ GEL. TOT CL FL 2174 BBLs. ISIP 4409#, NPI 2079#, FG .94.

STG 3: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8505', P/U 12 HOLES F/ 8472' - 75', P/U SHOOT 24 HOLES F/ 8427' - 33', P/U SHOOT 12 HOLES F/ 8329' - 32', POOH. BRK DWN PERF'S @ 2745#, EST INJ RT @ 50.4 BPM @ 6200#, ISIP 2171#, FG .69. TREAT STG 3 W/ 351,300# SAND W/ YF120ST+ GEL. TOT CL FL 2572#. ISIP 3326#, NPI 1155#, FG .83.

STG 4: D-FIT TST. P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8139'. P/U SHOOT 20 HOLES F/ 8044' - 49'. POOH. P/U HALLIBURTON PSI BOMBS ON SLK LINE & RIH. LET HANG @ 8034'. BRK DWN PERF'S @ 3408#, PMP 24 BBLs @ 4.8 BPM @ 2830#, ISIP 2580#, FG .75. WRAP W.H. & WINTERIZE. SD FOR DFIT TST (12 HRS).

12/18/06

Perf & Frac

Days On Completion: 21

Remarks: 11:00 a.m. HSM. WAIT FOR SCHLUMBERGER. (DOT 10 HOUR LAW). POOH W/ PSI BOMBS. RD DELSCO. NU FRAC HEAD & LINES. PSI TST LINES TO 8500# (HELD). CONT TO FRAC. SCHLUMBERGER PCM BROKE DWN. WORK ON PCM UNTILL 2:00 P.M. W/O SUCCESS. CALL FOR MECHANICS. WINTERIZE W.H. SDFD

12/20/06

DFIT

Days On Completion: 22

Remarks : 7:00 A.M. HSM. DIESEL GELLED UP IN 3 UNITS. THAW DIESEL. START UNITS. CONT TO FRAC.

STG 4: WELL WAS BRK DWN @ 3408#, ISIP 2580#, FG .75, EST INJ RT @ 35 BPM @ 5400#, TREAT STG 4 W/ 36700# 20/40 SAND. SCREENED OFF W/ 14800# IN FORMATION. FLOW WELL BACK TO PIT TILL CLEAN. X-O RE-FLUSH W/ 123.4 BBLs. ISIP AFTER RE-FLUSH 2725#, NPI 145#, FG .80.

STG 5: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & ATTEMPT TO RIH. COULD NOT GO DWN. WORK ON LINE AND ATTEMPT TO THAW LUB. STILL COULD NOT GO DWN. L/D PERF GUNS & LUBE. DISASSEMBLE & MAKE REPAIRS. P/U LUBE & GUNS & RIH. STACK OUT @ 2860' BECAME STUCK. ATTEMPT TO WORK TOOL'S FREE W/O SUCCESS. R/U SCHLUMBERGER. BEGIN PMP @ 2 BPM & STEADILY INCREASE TO 8 BPM PMP GUNS FREE. GUNS PARTED. POOH. SWI. RDMO SCHLUMBERGER. RDMO CUTTERS. RDMO DELSCO.

12/21/06

FISH PERF GUN

Days On Completion: 23

Remarks: 7:00 HSM

MOVED RIG FROM NBU 381 TO NBU 922-32K2 & SPOTTED RIG & EQUIP [12/20/2006]

RIGGED UP DOUBLE HOOK

WELL FLOWING APROX. 1/2 BPM, FOUND VALVE PARTIALLY CLOSED, OPENED VALVE WELL DIED, N/D FRC VALVES, N/U BOPS, R/U TBG EQUIP, [WELL WOULD COME AROUND FOR 5 OR 10 MIN AND LOAD UP AN LAY DEAD FOR ABOUT 30 MIN]

P/U OVER SHOT W/ 3-1/8 GRAPPLE IN, BUMPER SUB & JARS, X-O W/ 6' SUB W/ RETRIEVEABLE STRING FLOAT, & RIH W/ 93 JNT TAG @ 2,943', LATCHED ON TO FISH TOP WORKED UP & DN TRYING TO GET FREE, WOULDN'T COME SET DN ON PULLED UP TO 30,000# SET JARS OFF FISH CAME FREE, POOH W/ CABLE HEAD, COLLAR LOCATER, PERF GUN, NO PLUG ON BOTTOM. L/D FISH.

P/U 3-7/8 ROCK BIT X-O, STRING FLOAT & RIH W/ 92 JTS, P/U PWR SWVL PUMP'D 20 BBLs 10# BRINE CONTINUE IN HOLE DID NOT FIND PLUG WHERE IT WAS LEFT, RIH TO 3,054' HUNG PWR SWVL BACK SWIFN. DRAINED EQUIP. 6:30

12/22/06

CO CBP

Days On Completion: 24

Remarks: 7:00 HSM REVIEW JSA # ,

CHECK PRESSURES 1,500# SICP, 1,000# SITP, BLOW WELL DN, P/U 1 JNT TAGGED @ 3,087', P/U PWR SWVL PUMP'D 12 BBLs RIH PLUG WAS GONE, HUNG PWR SWVL BACK RIH TAGGED @ 4,123', P/U PWR SWVL PUMP'D 5 BBLs DRL THROUGH PLUG, HUNG PWR SWVL BACK CONTINUE TO CHASE TO BOTTM, TAGGED UP @ 8,068' JNT # 255. POOH L/D 2-3/8 TBG W/ BIT SUB & BIT. [PUMP'D 20 BBLs 10# BRINE TO KEEP WELL DEAD, R/D TBG EQUIP, N/D BOPS, N/U FRAC VALVES SWI. RACKED UP PUMP LINES R/D DOUBLE HOOK MOVED OFF LOC. 7:00

12/27/06

RU CUTTERS & PERF. SCHLUMBERGER BROKE DOWN. SD ALL DAY, WO SCHLUMBERGER. PREP TO FRAC IN AM.

12/28/06

FRAC

Days On Completion: 30

Remarks : FRAC STEGE # 5 BRK PERF @4450# INJ RT 50.6 BPM INJ PSI 4600# ISIP 2650# FG .79 FRAC W/ 164976# 20/40 SAND + 1371 BBL OF YF118ST+ FLUID MP 5999# MR 50.8 BPM AP 4295# AR, 46.4 BPM ISIP 2550# FG .78 NPI -100# TAG FRAC W/CHEMICAL TRACERS & SCALE INHIBITOR.

STAGE #6 RIH SET 8K CBP @7268' PERF @ 7039'-43' 4 SPF 7164'-67' B4 SPF 7234'-38' 4 SPF . BRK PERF @ 2108 INJ RT 45.5 BPM INJ PSI 4200# ISIP 1300# FG .62 FRAC W/ 225674# 20/40 SAND + 1665 BBL OF YF118ST+ FLUID MP 5360# MR 45.6 BPM AP 4021# AR 44.4 BPM ISIP 2700# FG .81 NPI 1400# .

STAGE # 7 RIH SET 8K CBP @6193' PERF @ 6158'-63' 4 SPF POOH RIG UP DELSCO RIH W/ HSC TOOLS F/ DFIT TEST HANG OFF @6148' BRK PERF @ 5700# ISIP 1400# PUMP 24 BBL @ 5.5 BPM, AP 2160#. SDFN.

12/29/06

FRAC

Days On Completion: 31

Remarks: POOH W/ DFIT TOOLS RIH W/ W/ 2,3/8 GUNS PERF @6038'-40' 4 SPF 6120'-22' 4 SPF BRK PERF @ 5700# INJ RT 41.3 BPM INJ PSI 3100# ISIP 1400# FG .66 FRAC W/ 52864# 20/40 SAND + 498 BBL OF YF118ST+ FLUID MP 3539# MR 41.6 BPM AP 2628# AR 37 BPM ISIP 1550# FG .69 NPI 150#

STAGE #8 RIH SET 8K CBP @ 5482' PERF @ 5447'-52' 4 SPF RIG UP DELSCO RIH W/ HSC TOOLS HANG OFF GAUGES @ 5437'F/DFIT TEST BRK PERF @ 866# PUMP 24 BBL 6 BPM @ 870#. ISIP 550#, FG 0.52. SWI, SDFN.

12/30/06

FRAC

Days On Completion: 32

Remarks: POOH W/ DFIT TOOLS FRAC STAGE #8 BRK PERF @ 866# INJ RT 35 BPM INJ PSI 2700# ISIP 550# FG .52 FRAC W/ 53100# 20/40 SAND + 527 BBL FO YF118ST+ FLUID MP 2774# MR 35 BPM AP 1911# AR 33.9 BPM ISIP 800# FG .58 NPI 250# RIH SET 8K CBP @ 5403' RIG DOWN CUTTERS & SCHLUMBERGER SDFWE.PUMPED IN ALL STAGE SCALE INHIBITOR & CHEMICAL TRACERS AS PROCEDURE

01/03/07

RUN TUBING

Days On Completion: 36

Remarks:7:00 A.M. HSM. ROAD RIG & EQUIP F/ NBU 1022-1F TO LOC. MIRU B&G CRANE. R/U BOP STACK. R/U SNUBBING JACK'S. P/U 3 7/8" WEATHERFORD MILL, STRING FLOAT, 2 7/8" MUD MOTORS. PREP & TALLY TBG & ROLL ONTO PIPE RACKS. BEG TO RIH P/U 45 JTS 2 3/8" L-80 8RD TBG OFF RACKS. EOT @ 1426'. SWI. SDFN

01/04/07

CO CBP

Days on Completion: 37

Remarks: 7:00 AM, (DAY#2) HELD JSA. ON SLIPS TRIPS AND FALLS. EOT @ 1500'. FINISH RIH, TAG @ 5403'. ESTABLISH CIRCULATION W/ 2% KCL WTR. (DRLG CBP#1) FOR 1 HR, LOST CIRC. PMP 110 BBLs RESTABLISH CIRC. FINISH DRILL CIRCULATE WELL CLEAN. POOH W/ 90'. POOH W/ 3 JTS 94' EOT @ 5333'. DRAIN PMP AND LINES. 6:00 PM, SWI SDFN. TOTAL 2% KCL WTR USED FOR THE DAY 540 BBLs.

01/05/07

D/O CBP

Days On Completion: 38

Remarks: 7:00 AM, (DAY#3) HELD JSA. SICP 0#. RIH TAG @ 5427'. WOULD NOT GO PAST THAT POINT. ESTABLISH CIRCULATION W/100 BBLs 2% KCL WTR. (USING FOMER AND RIG PMP). C/O TO 5490. (DRLG CBP#2) @ 5490'. DRILL OUT BKR 8K IN 35 MIN. 0# DIFF, RIH TAG SD @ 6180', C/O 30' SD. (DRLG CBP#3) @6210'. DRILL OUT BKR 8K IN 40 MIN. 0# DIFF. (LITTLE FL BACK). RIH TO 6500' CIRC WELL CLEAN. DRAIN PMP AND LINES. 5:30 PM, SWI SDFW. WE USED 660 BBLs 2% FOR THE DAY. 1200 BBLs TOTAL. WE RECOVERD 600 BBLs FOR THE DAY AND 800 BBLs TOTAL.

01/08/07

CO CPB

Days On Completion: 41

Remarks: 7:00 AM, (DAY#4) HELD JSA. SICP 1800#.

BLED DN PRESS. DEICE SNUBBING UINTS STACK. RIH TAG SD @ 7228'. C/O 40' SD.

(DRLG CBP#4) @ 7268'. DRILL OUT BKR 8K CBP IN 40 MINS. 0# DIFF. RIH, TAG SD @ 7555'. C/O 50' SD.

(DRLG CBP#5) @ 7605'. DRILL OUT BKR 8K CBP IN 50 MINS. 100# DIFF. RIH TAG SD @ 8026'. C/O 60' SD.

(DRLG CBP#6) @ 8086'. DRILL OUT BKR 8K CBP IN 60 MINS. LOST CIRCULATION. PMP 100 BBL NO RETURNS. POOH W/ 17 JTS (537') EOT @ 7549'. 6:00 PM, SWI SDFN.

DRAIN PMP AND LINES. WE USED 660 BBL 2% FOR THE DAY. 1860 BBL TOTAL. WE RECOV, 462 BBL AND 1060 TOTAL.

01/09/07

C/O CBP

Days On Completion: 42

Remarks: 7:00 AM, (DAY#5) HELD JSA. SICP 2000#. BLED DN PRESS. RIH W/ 17 JTS TAG @ 8066'. PU KELLY START CIRCULATING W/2% KCL WTR. C/O 15' SD RIH TAG @ 8100'.

C/O 50' SD.

(DRLG CBP#7) @ 8150'. DRILL OUT BKR 8K IN 2 HRS 900# DIFF. RIH TAG SD @ 8465' C/O 40' SD.

(DRLG CBP#8) @ 8505'. DRILL OUT BKR 8K IN 2 HRS. 200# DIFF. RIH TAG SD @ 8726' C/O 30' SD.

(DRLG CBP#9) DRILLED ON 9TH, PLUG FOR 40 MINS. RIG PMP BROKE DN. POOH W/ 10 JTS, (316') EOT @ 8440'. 5:00 PM, SWI SDFN. WE USED 550 BBL 2% KCL WTR FOR THE DAY. 2410 BBL TOTAL. WE RECOV, 1500 BBL FOR THE DAY. 2562 BBL TOTAL.

01/10/07

C/O CBP

Days On Completion: 43

Remarks: 7:00 AM, (DAY#6) HELD JSA. SICP 3000#. OPEN WELL ON 40 X 64" CHOKE, LET PRESS BLED DN. RIH TAG @ 8756'. PU KELLY START CIRCULATING W/ 2% KCL WTR.

FINISH C/O 9TH CBP 0# DIFF. RIH TAG @ 8968'. PU KELLY C/O TO 9000'. PMP 50 BBL SWEEP POOH W/ 210 JTS IN 6 HRS. EOT @ 2340'. 5:30 PM, SWI SDFN. WE USED 200

BBL 2% KCL WTR FOR THE DAY. 2610 BBL TOTAL. WE RECOV, 1000 BBL FOR THE DAY. 3562 BBL TOTAL.

01/11/07

PULL TBG

Days On Completion: 44

Remarks: 7:00 AM, (DAY#7) HELD JSA. SICP 2700#. OPEN WELL ON 40 X 64" CHOCK BLED DN PRESS. FINISH POOH W/72 JTS AND MUD MOTOR. PU X-N NIPPLE W/XN PLUG. PU 167 JTS TBG PREP TO LAND. LAND TBG @ 5316'. 5:30 PM, SWI SDFN. RD SUBBING UINT

IN THE AM.

01/12/07

POOH W/TBG PLUG

Days On Completion: 45

Remarks: 7:00 AM, (DAY#8) HELD JSA. SICP: 2250. RD SNUBBING UINT. ND FRAC VALVES NU W/H. RU HOT OILER, FILL TBG W/22 BBL. RU FL, LINE & DELSCO WIRE LINE SERV.

MADE 3 ATTEMPTS TO PULL TBG PLUG. 5:30 PM, SWI SDFN.

01/13/07

CUT OFF TBG

Days On Completion: 46

Remarks: 7:00 AM, (DAY#9) HELD JSA. SICP: 3000#. RU, HOT OILER, THROW OUT LUB. POOH W/SLICK LINE TOOLS. RD, SLICKLINE. CALL OUT CASEHOLE SOLUTIONS. RU, WIRELINE W/LUB. RIH W/1-13/16" JET CUTTER & CUT TBG OFF @ 5305'. POOH

W/WIRELINE. TURN WL OVER TO DELSCO FLW TESTERS.

01/14/07 **FLOW BACK REPORT:** CP: 1925#, TP: 1500#, 10 BWPH, 20/64 CHK, TTL BBLs FLWD: 3670, TODAY'S LTR: 9676 BBLs, TTL LOAD RECD TO DATE: 3670 BBLs.

01/15/07 **FLOW BACK REPORT:** CP: 1750#, TP: 1475#, 10 BWPH, 20/64 CHK, TTL BBLs FLWD: 240, TODAY'S LTR: 6006 BBLs, TTL LOAD RECD TO DATE: 3910 BBLs.
WELL WENT ON SALES: @ 1:00 PM, TBG: 1392/1390#, CSG: 1700#, 20/64 CHK, 2.5 MILLION MCF, 10 BWPH.

01/16/07 **FLOW BACK REPORT:** CP: 1600#, TP: 1300#, 10 BWPH, 20/64 CHK, TTL BBLs FLWD: 240, TODAY'S LTR: 5526 BBLs, TTL LOAD RECD TO DATE: 650 BBLs.

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-22649

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
UNIT #891008900A

8. WELL NAME and NUMBER:
NBU 922-32K2

9. API NUMBER:
4304738106

10. FIELD AND POOL, OR WILDCAT
NATURAL BUTTES

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

12. COUNTY
UINTAH

13. STATE
UTAH

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

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

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

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

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **2508'FSL, 1724'FWL**
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

14. DATE SPUNDED: **9/2/2006** 15. DATE T.D. REACHED: **10/28/2006** 16. DATE COMPLETED: **1/15/2007** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
5025'GL

18. TOTAL DEPTH: MD **9,110** TVD _____ 19. PLUG BACK T.D.: MD **9,065** 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#		2,550		1125			
7 7/8"	4 1/2 I-80	11.6#		9,110		1465			

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"	5.305							

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	5,447	6,158			5,447 6,158	0.36	56	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) MESAVERDE	7,039	8,971			7,039 8,971	0.36	226	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
5447'-6158'	PMP 1025 BBLS YF118ST & 105.964# 20/40 SD
7039'-8971'	PMP 8508 BBLS YF122ST, YF120ST & 1,100,050# 20/40 SD

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY

SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
PROD

RECEIVED
FEB 20 2007

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 1/15/2007		TEST DATE: 1/16/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 2,561	WATER - BBL: 240	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 1,284	CSG. PRESS. 1,580	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,561	WATER - BBL: 240	INTERVAL STATUS: PROD	

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED: 1/15/2007		TEST DATE: 1/16/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 2,561	WATER - BBL: 240	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 1,284	CSG. PRESS. 1,580	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,561	WATER - BBL: 240	INTERVAL STATUS: PROD	

INTERVAL C (As shown in Item #26)

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

INTERVAL D (As shown in Item #26)

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

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

SOLD

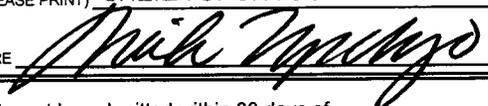
33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,530 7,030	7,030			

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 2/12/2007

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

RECEIVED

FEB 20 2007

DIV. OF OIL, GAS & MINING