

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: DRILL REENTER
b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

5. Lease Serial No.
UTU-01191
6. If Indian, Allottee or Tribe Name
7. If Unit or CA Agreement, Name and No.
UNIT #891008900A Natural Buttes
8. Lease Name and Well No.
NBU 1022-40-3
9. API Well No.
43-047-38489

2. Name of Operator
KERR MCGEE OIL & GAS ONSHORE LP

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

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

10. Field and Pool, or Exploratory
NATURAL BUTTES
11. Sec., T., R., M., or Blk. and Survey or Area

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **SWSE 25'FSL, 2081'FEL 633037X 39.970771**
At proposed prod. Zone **4425460Y -109.442170**

SEC. 4, T10S, R22E
12. County or Parish
UINTAH
13. State
UTAH

14. Distance in miles and direction from nearest town or post office*
37.3 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
25'

16. No. of Acres in lease
1041.78

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
REFER TO TOPO C

19. Proposed Depth
8860'

20. BLM/BIA Bond No. on file
BOND NO: WY-2357

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5190'UNGRADED GL

22. Approximate date work will start*

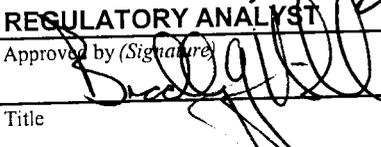
23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature  Name (Printed/Typed) **SHEILA UPCHEGO** Date **8/9/2006**

Approved by (Signature)  Name (Printed/Typed) **BRADLEY G. HILL** Date **08-28-06**
Title **REGULATORY ANALYST** Office **ENVIRONMENTAL MANAGER**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Federal Approval of this
Action is Necessary

RECEIVED
AUG 21 2006
DIV. OF OIL, GAS & MINING

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)

August 28, 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
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(Proposed PZ Wasatch/MesaVerde)

43-047-38486	NBU 1022-3C-2	Sec 03 T10S R22E 0094 FNL 1890 FWL
43-047-38488	NBU 1022-3K-4T	Sec 03 T10S R22E 1570 FSL 2044 FWL
43-047-38489	NBU 1022-4O-3	Sec 04 T10S R22E 0025 FSL 2081 FEL
43-047-38490	NBU 1022-5M-4T	Sec 05 T10S R22E 0526 FSL 1079 FWL
43-047-38491	NBU 1022-5H-4	Sec 05 T10S R22E 2563 FNL 0241 FEL
43-047-38487	NBU 1022-6K-3	Sec 06 T10S R22E 1844 FSL 1161 FWL
43-047-38492	NBU 1022-6O-3	Sec 06 T10S R22E 0038 FSL 2083 FEL
43-047-38493	NBU 1022-7J-2T	Sec 07 T10S R22E 2228 FSL 2207 FEL
43-047-38494	NBU 1022-9N-2T	Sec 09 T10S R22E 1086 FSL 1850 FWL
43-047-38485	NBU 922-34L-1	Sec 34 T09S R22E 2524 FSL 1094 FWL

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

/s/ Michael L. Coulthard

**NBU #1022-4O-3
SWSWSE SEC 4-T10S-R22E
UINTAH COUNTY, UTAH
UTU-01191**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1174'
Top of Birds Nest Water	1519'
Mahogany	2141'
Wasatch	4347'
Mesaverde	6801'
MVU2	7755'
MVL1	8316'
TD	8860'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1174'
	Top of Birds Nest Water	1519'
	Mahogany	2141'
Gas	Wasatch	4347'
Gas	Mesaverde	6801'
Gas	MVU2	7755'
Gas	MVL1	8316'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8860' TD, approximately equals 5493 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3544 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 see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.



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 2120	32.30	H-40	STC	0.66*****	1.38	4.24
PRODUCTION	4-1/2"	0 to 8860	11.60	I-80	LTC	2.26	1.18	201000

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 = 11.7 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 3441 psi

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

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
Option 2	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,840'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	420	60%	11.00	3.38
	TAIL	5,020'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1400	60%	14.30	1.31

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

FLOAT EQUIPMENT & CENTRALIZERS

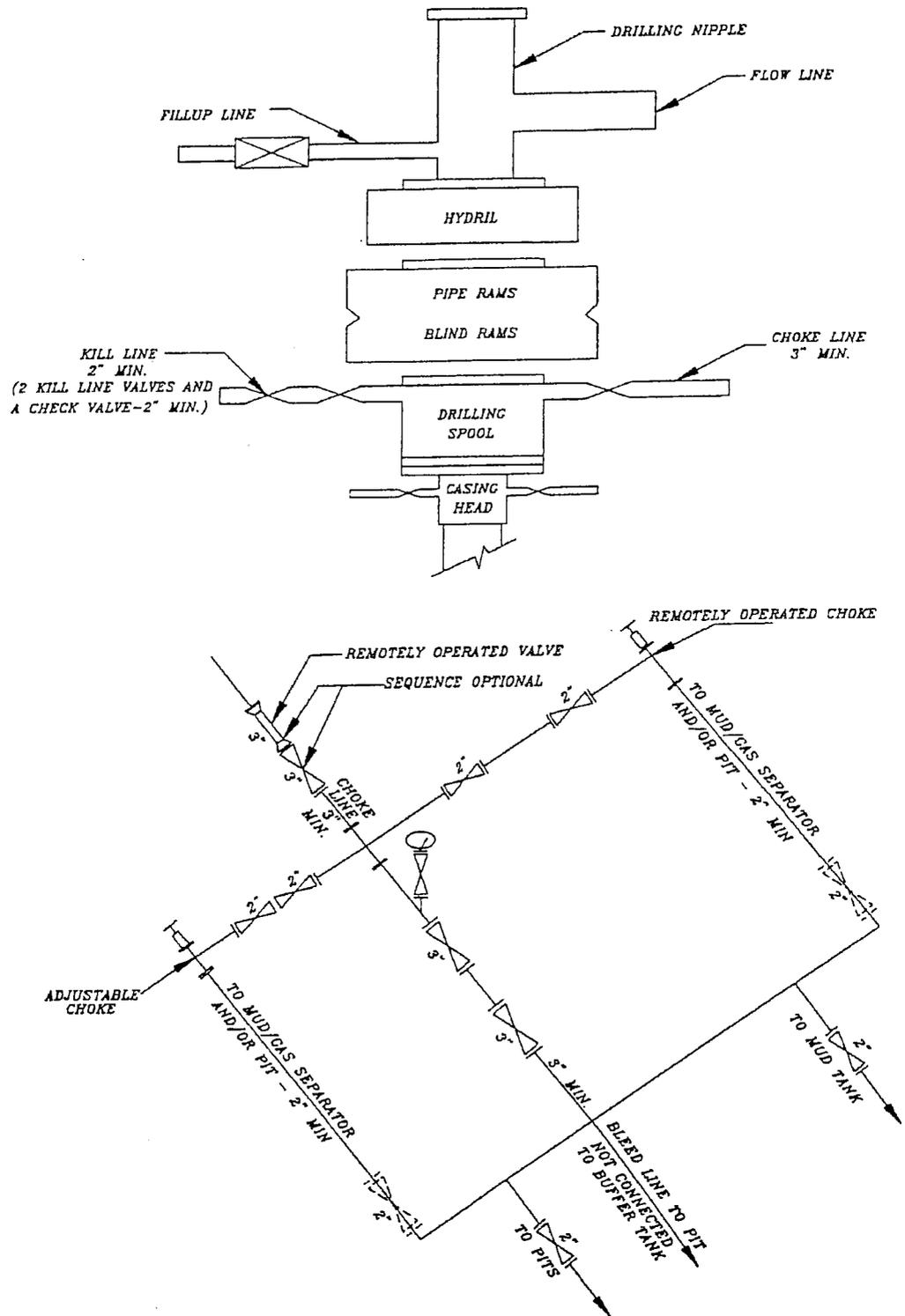
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

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

DRILLING ENGINEER: _____ DATE: _____
 Brad Laney
 DRILLING SUPERINTENDENT: _____ DATE: _____
 Randy Bayne

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU #1022-4O-3
SWSWSE SEC 4-T10S-R22E
UINTAH COUNTY, UTAH
UTU-01191**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to the attached location directions.

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

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Approximately 230' +/- of new access road is proposed. Please refer to the attached Topo Map B.

Ramp road where it crosses the pipeline. As discussed at the on-site inspection.

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Approximately 118' +/- of 4" pipeline is proposed. Refer to Topo Map D.

Variances to Best Management Practices (BMPs) Requested:

The pipeline shall be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

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 requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

5. Location and Type of Water Supply:

Please see the Natural Buttes SOP.

6. **Source of Construction Materials:**

Please see the Natural Buttes SOP.

7. **Methods of Handling Waste Materials:**

Please see the Natural Buttes SOP.

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 (*Request is in lieu of filing Form 3160-5, after initial production*).

8. **Ancillary Facilities:**

Please see the Natural Buttes SOP.

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.

A 20 mil reserve pit liner with felt will be used. As discussed at the on-site inspection.

Location size may change prior to the drilling of the well due to the 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 3160-5 will be submitted.

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

Please see the Natural Buttes SOP.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for ***drilled*** seed are:

Galleta Grass	20 lbs.
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Operator shall call the BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435)781-4400

12. Other Information:

A Class III archaeological survey has been performed and completed on June 1, 2006; The archaeological report No. 06-224 is attached. The paleontological survey have been performed and will be filed when received by our office

13. Lessee's or Operator's Representative & Certification:

Sheila Ucphego
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

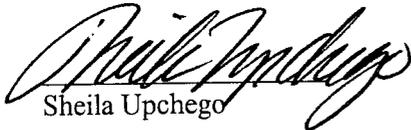
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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 the terms and conditions of the lease for the operations conducted upon leased lands.

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.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bond #WY-2357.

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

8/9/2006

Date

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-40-3
SECTION 4, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 230' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.5 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-40-3
LOCATED IN UINTAH COUNTY, UTAH
SECTION 4, T10S, R22E, S.L.B.&M.

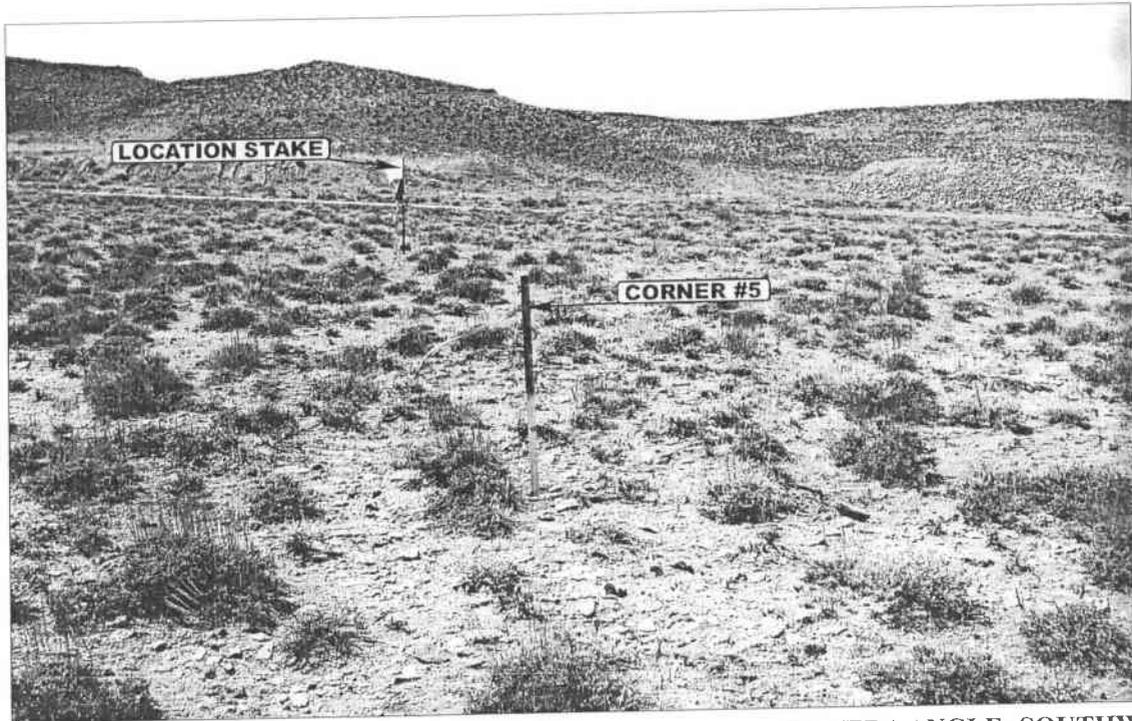


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

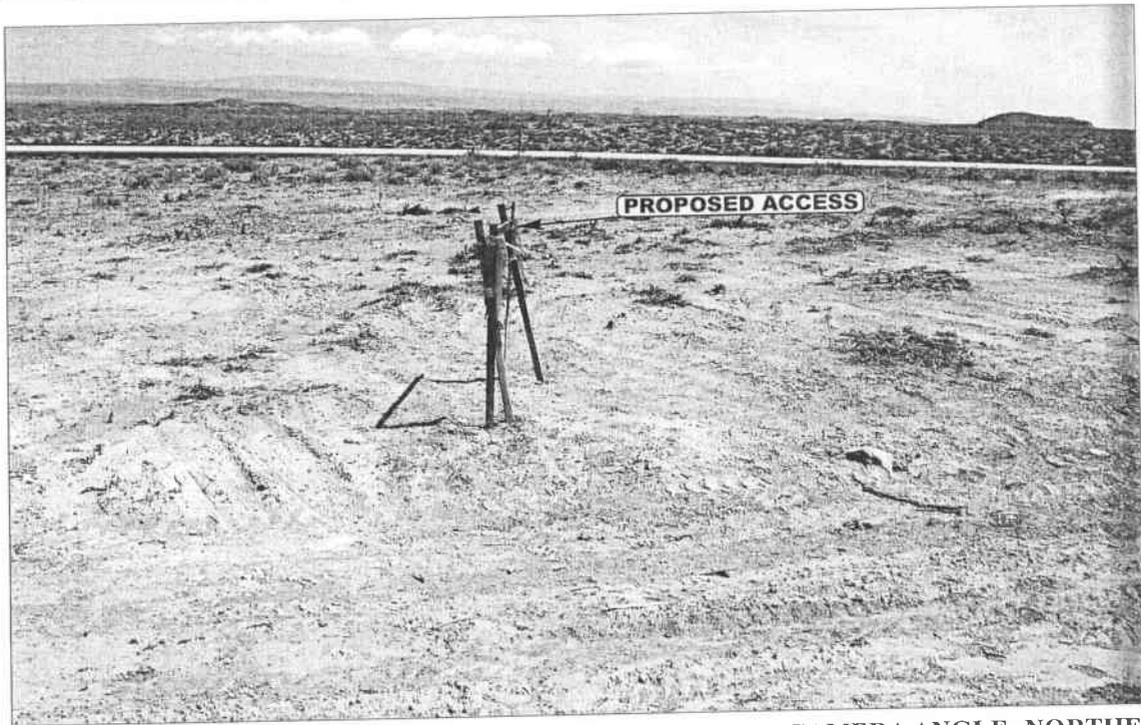


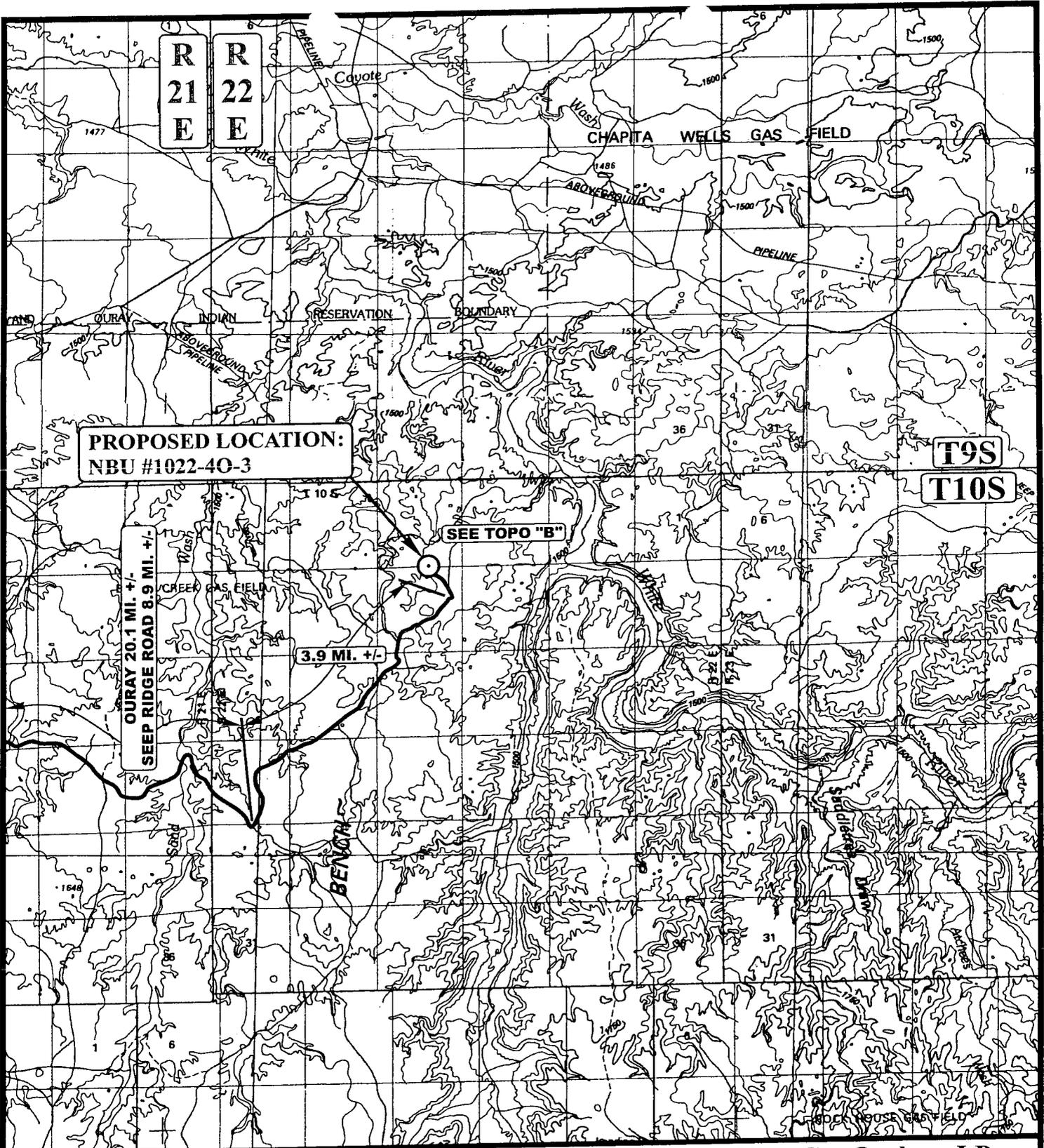
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



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

LOCATION PHOTOS	05	12	06	PHOTO
TAKEN BY: J.R.	MONTH	DAY	YEAR	
DRAWN BY: C.P.	REVISED: 00-00-00			



LEGEND:

○ PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

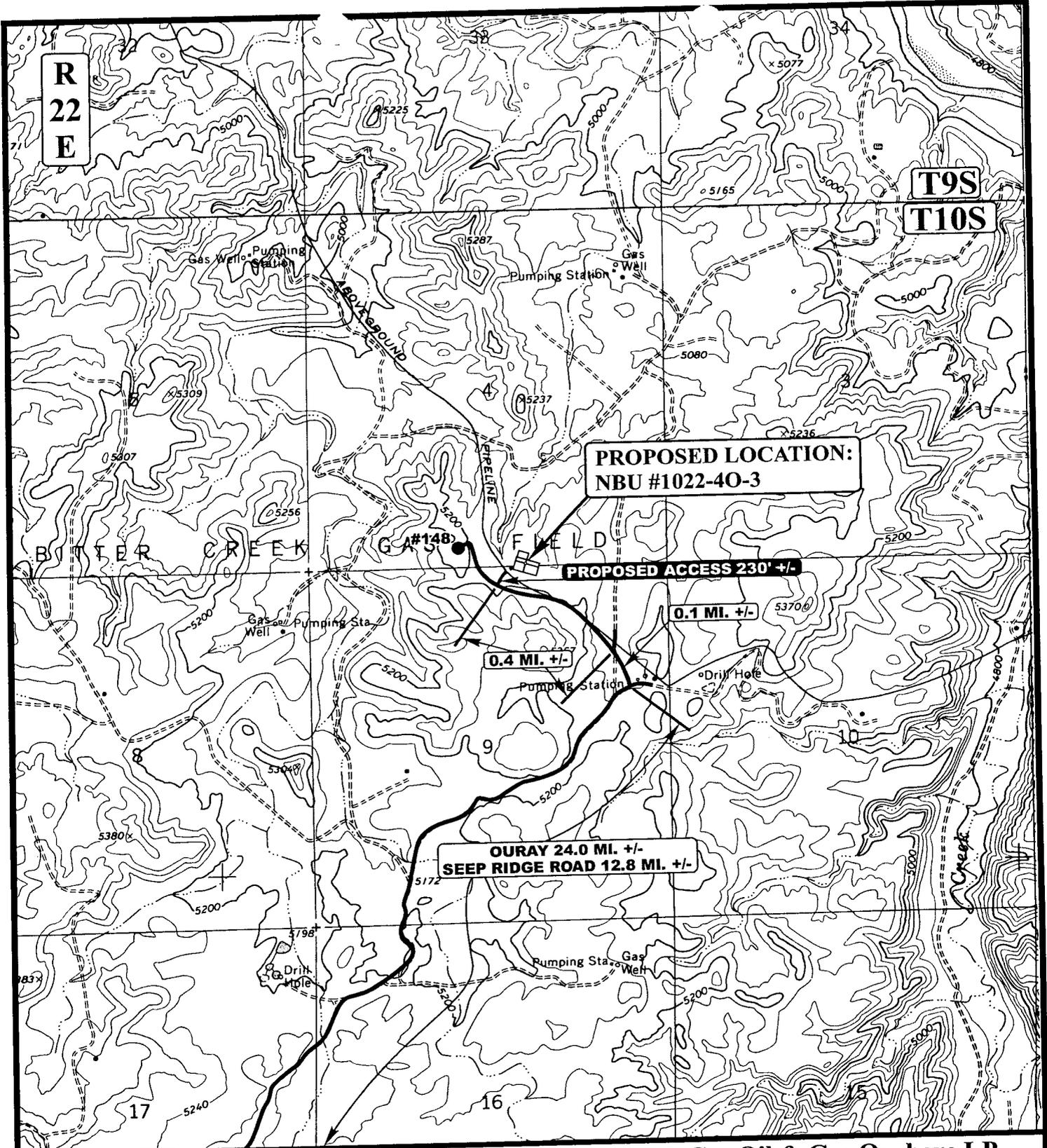
NBU #1022-40-3
SECTION 4, T10S, R22E, S.L.B.&M.
25' FSL 2081' FEL



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

TOPOGRAPHIC	05	12	06
MAP	MONTH	DAY	YEAR
SCALE: 1:100,000	DRAWN BY: C.P.		REVISED: 00-00-00





LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

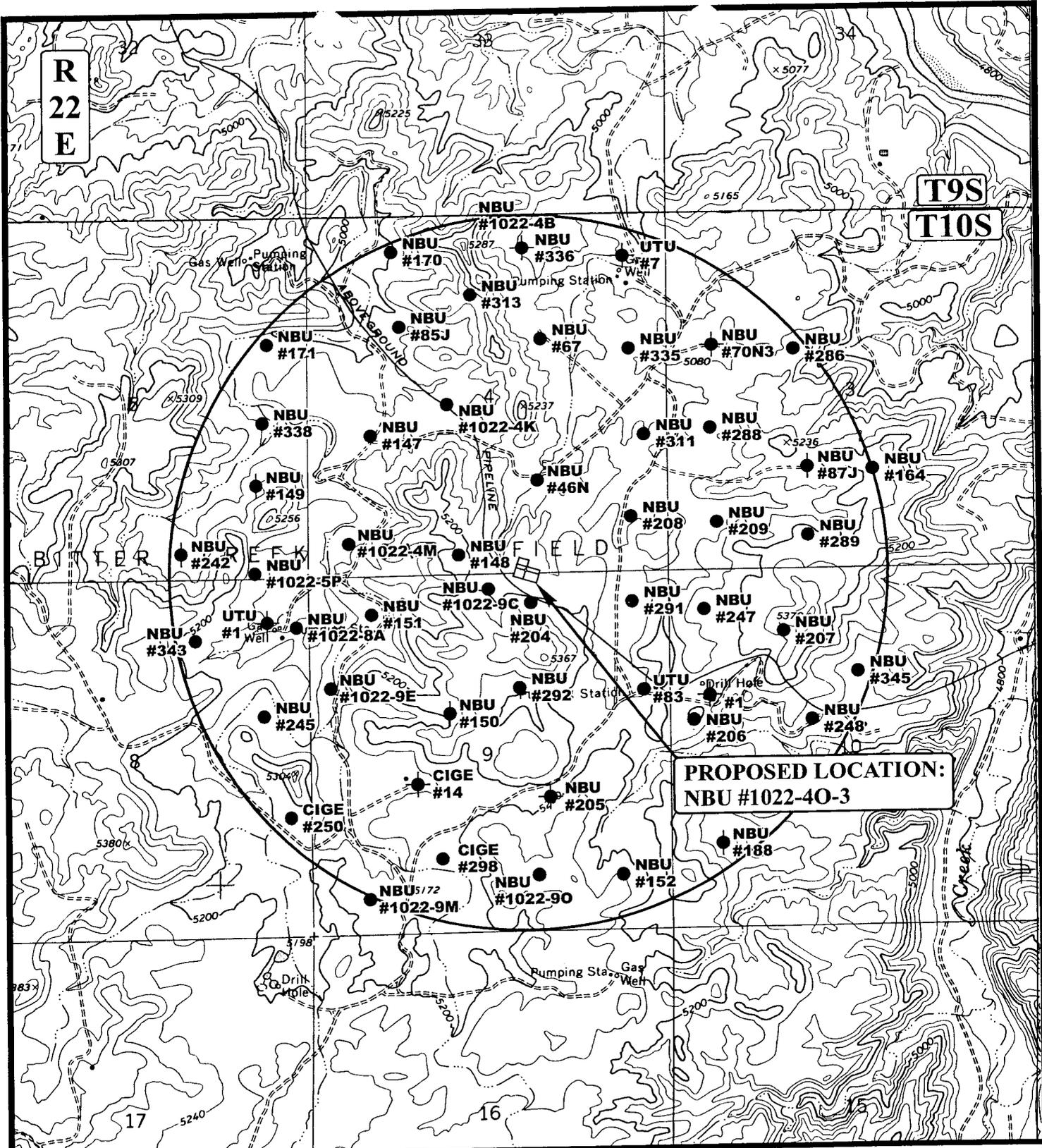
Kerr-McGee Oil & Gas Onshore LP

NBU #1022-40-3
 SECTION 4, T10S, R22E, S.L.B.&M.
 25' FSL 2081' FEL

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



TOPOGRAPHIC MAP	05	12	06	B TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: C.P.		REVISED: 00-00-00	



**PROPOSED LOCATION:
NBU #1022-40-3**

LEGEND:

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

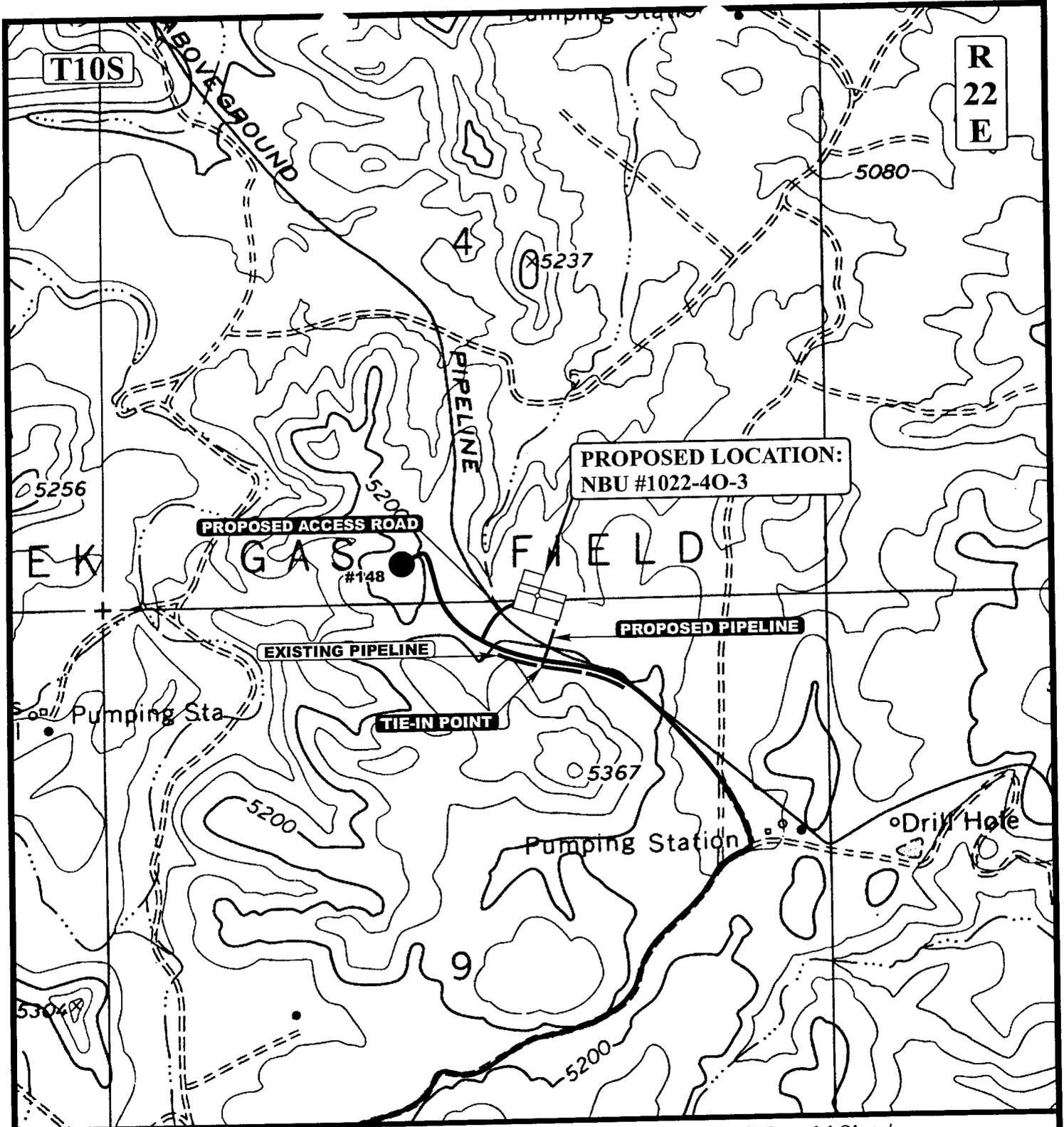
Kerr-McGee Oil & Gas Onshore LP

**NBU #1022-40-3
SECTION 4, T10S, R22E, S.L.B.&M.
25' FSL 2081' FEL**

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



TOPOGRAPHIC MAP 05 12 06
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 118' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-40-3
 SECTION 4, T10S, R22E, S.L.B.&M.
 25' FSL 2081' FEL

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

TOPOGRAPHIC	05	12	06	D TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 1000'	DRAWN BY: C.P.		REVISED: 00-00-00	

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-40-3

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 4, T10S, R22E, S.L.B.&M.

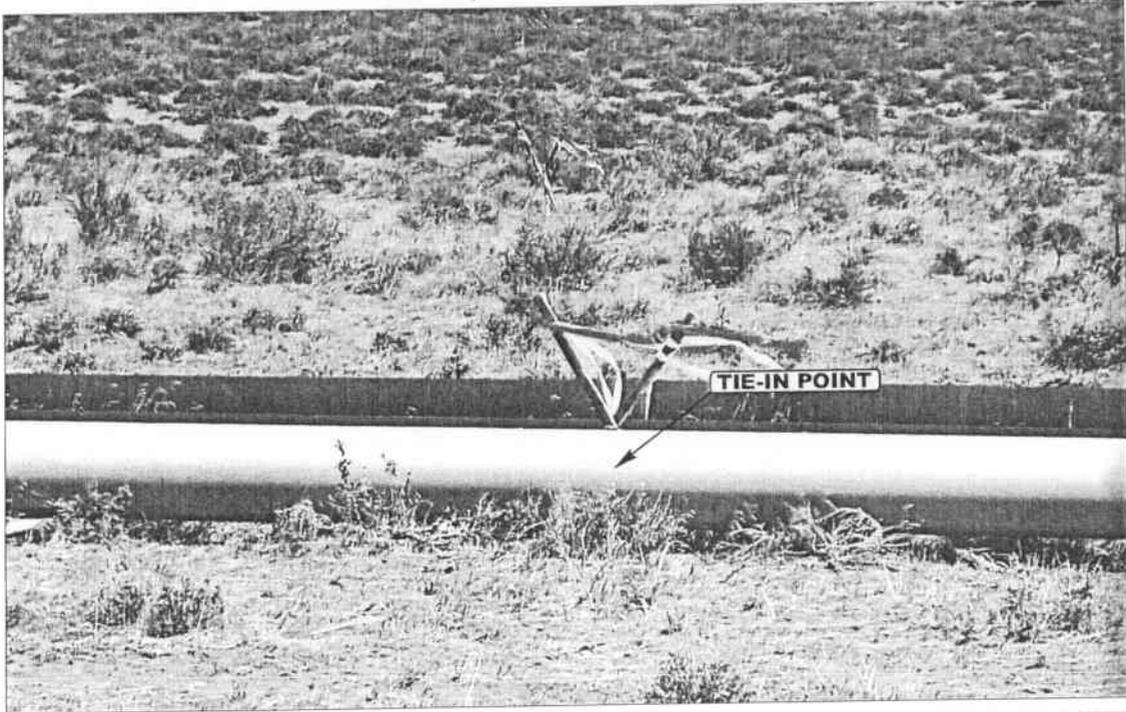


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY

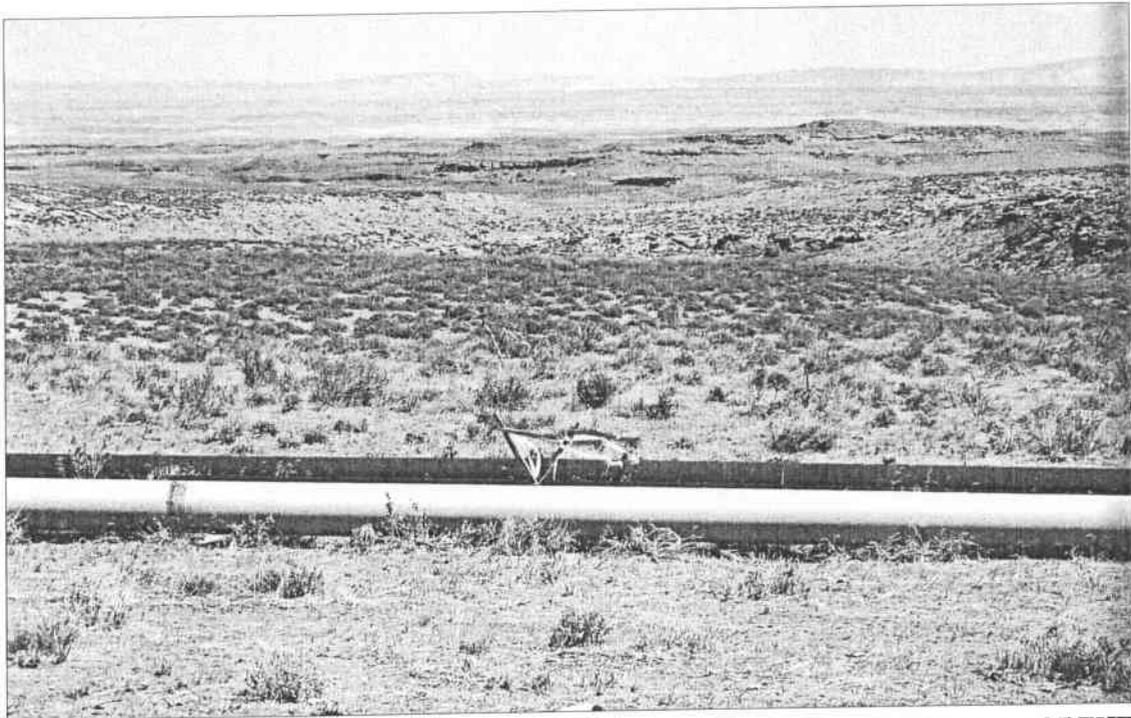


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

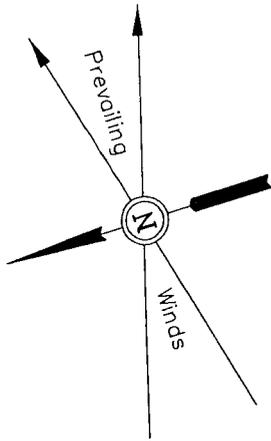
PIPELINE PHOTOS	05	12	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: J.R.	DRAWN BY: C.P.		REVISED: 00-00-00	

LOCATION LAYOUT FOR

NBU #1022-40-3
SECTION 4, T10S, R22E, S.L.B.&M.
25' FSL 2081' FEL

Approx.
Top of
Cut Slope

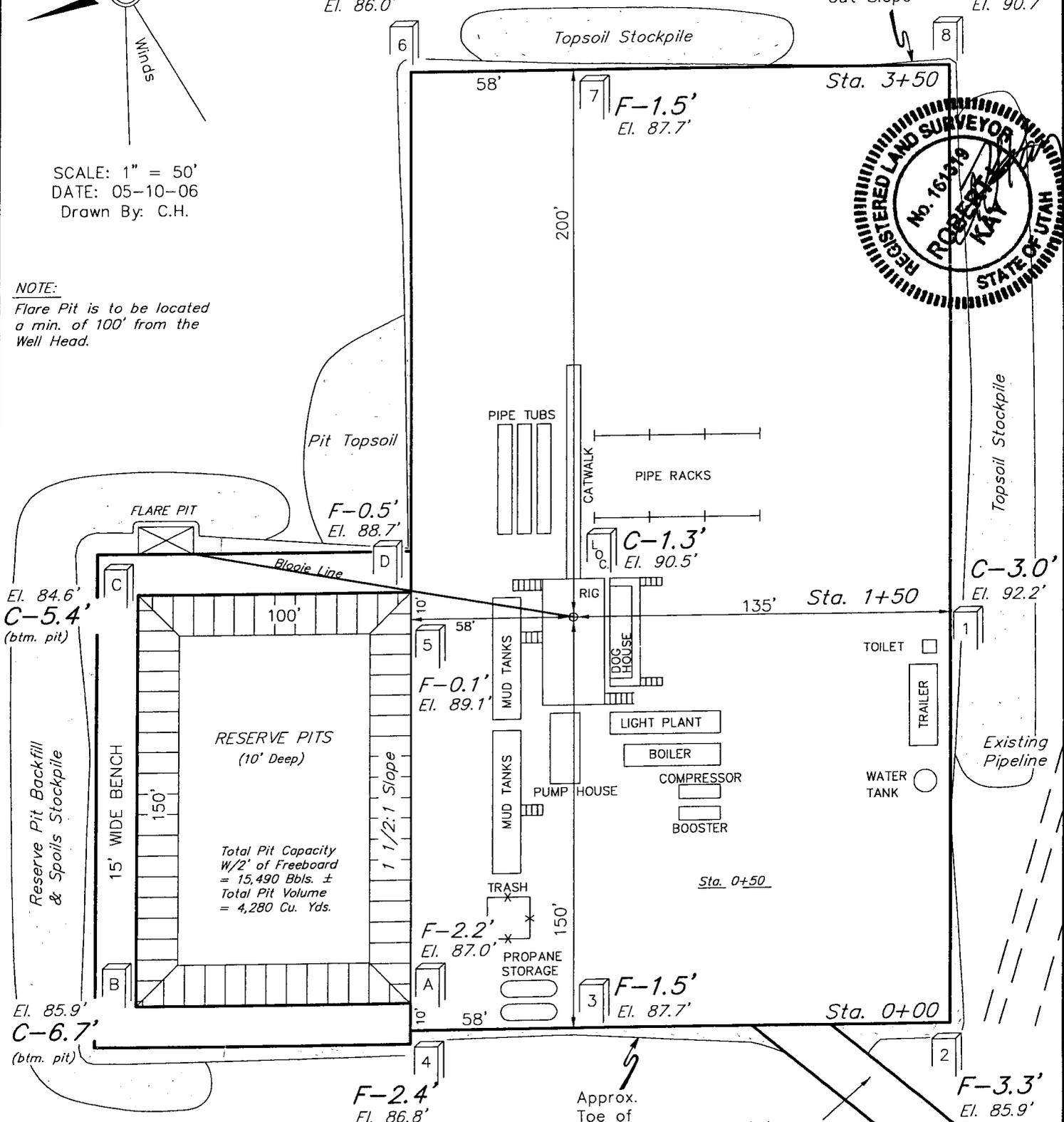
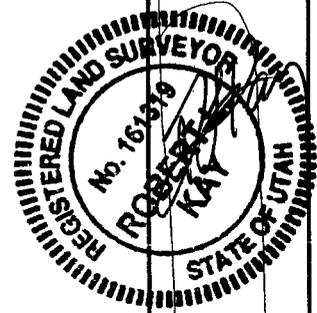
C-1.5'
El. 90.7'



SCALE: 1" = 50'
DATE: 05-10-06
Drawn By: C.H.

NOTE:

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



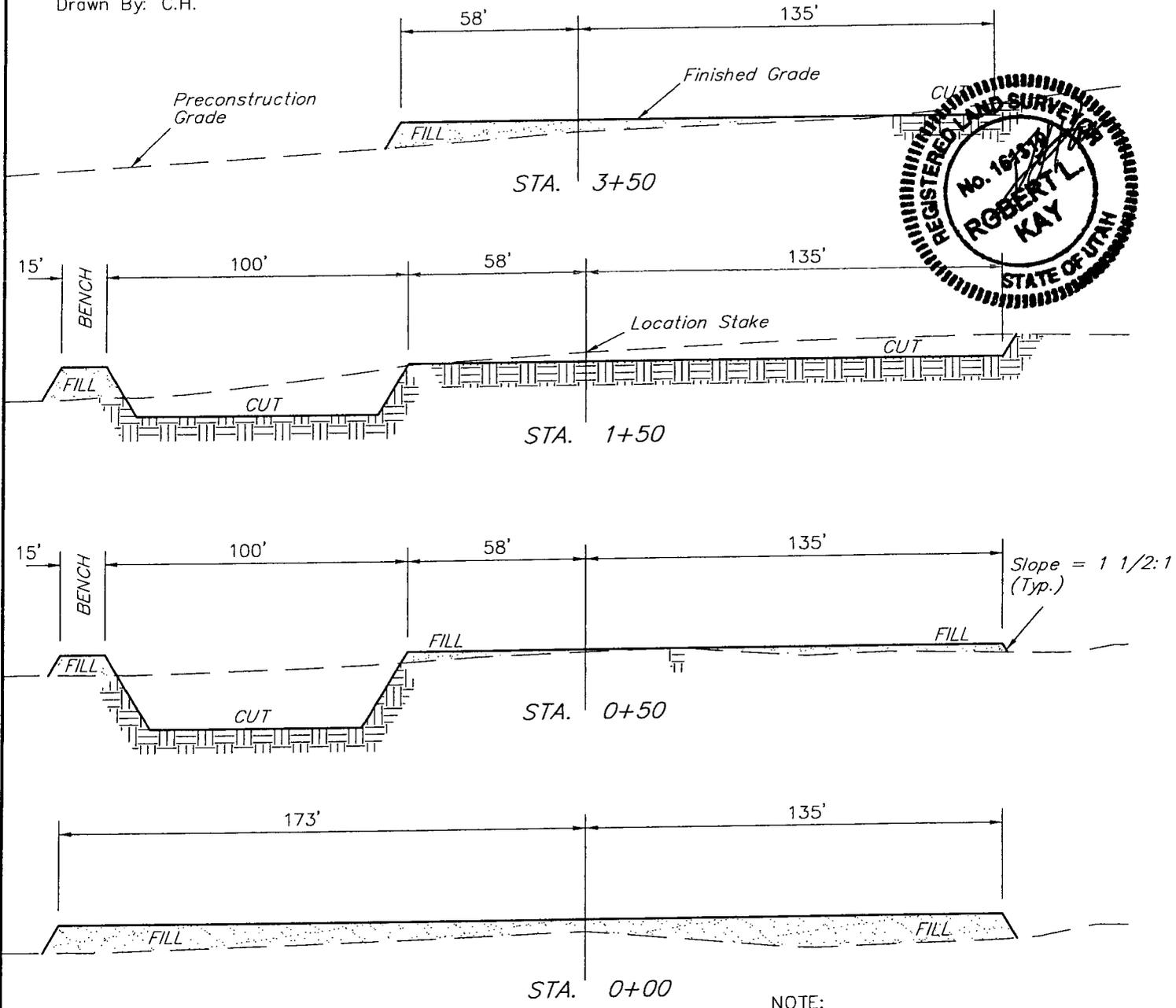
NOTES:

Elev. Ungraded Ground At Loc. Stake = 5190.5'
FINISHED GRADE ELEV. AT LOC. STAKE = 5189.2'

TYPICAL CROSS SECTIONS FOR
 NBU #1022-40-3
 SECTION 4, T10S, R22E, S.L.B.&M.
 25' FSL 2081' FEL

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

DATE: 05-10-06
 Drawn By: C.H.



* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,790 Cu. Yds.
Remaining Location	= 5,070 Cu. Yds.
TOTAL CUT	= 6,860 CU.YDS.
FILL	= 2,930 CU.YDS.

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

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/21/2006

API NO. ASSIGNED: 43-047-38489

WELL NAME: NBU 1022-40-3
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SWSE 04 100S 220E
 SURFACE: 0025 FSL 2081 FEL
 BOTTOM: 0025 FSL 2081 FEL
 COUNTY: UINTAH
 LATITUDE: 39.97072 LONGITUDE: -109.4422
 UTM SURF EASTINGS: 633039 NORTHINGS: 4425460
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-01191
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

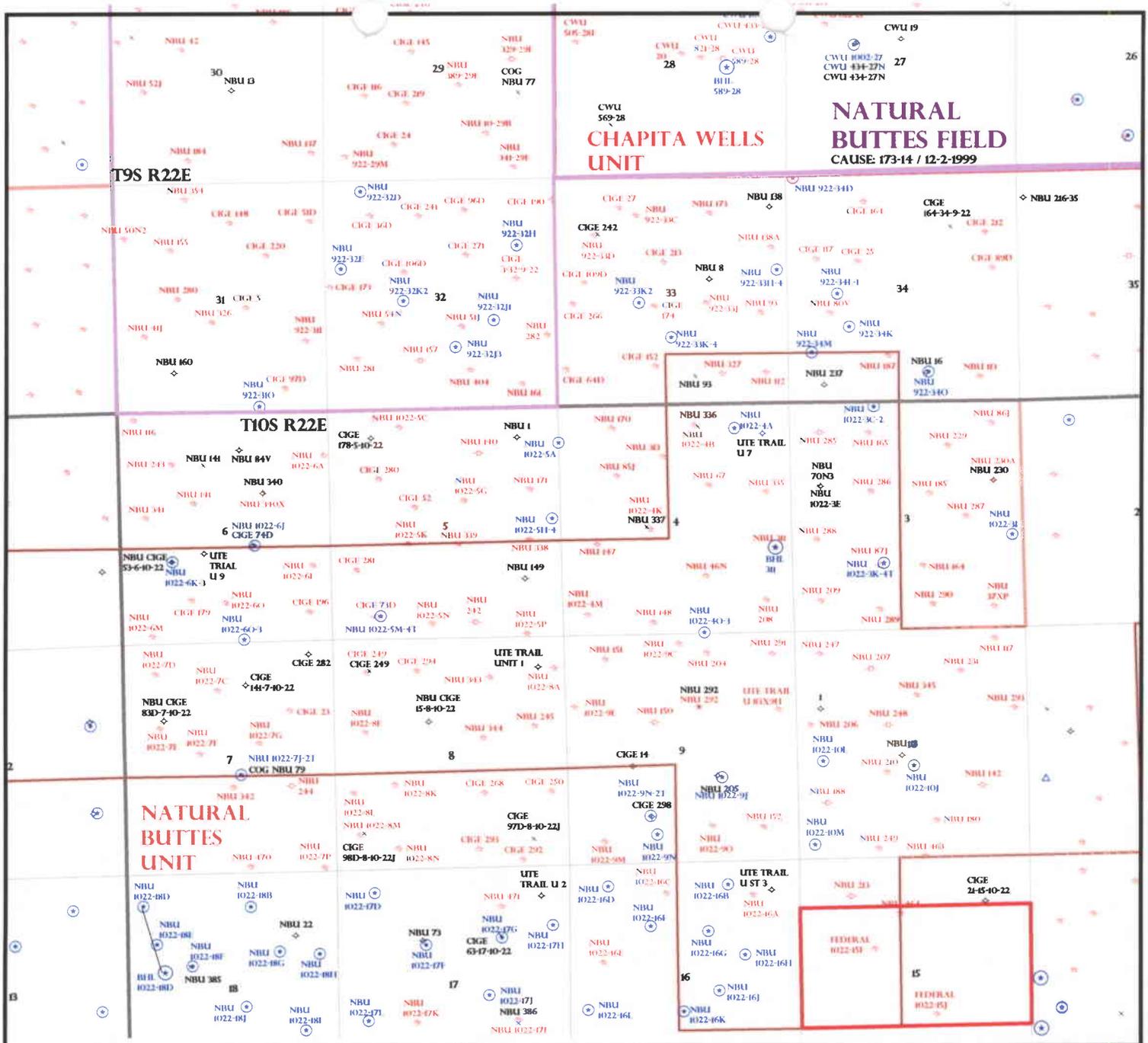
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WY-2357)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: 12-2-1999
Siting: 460' fr u barye uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS: Sep, Separate AW

STIPULATIONS: 1- Federal Approval
2- OIL SHALE



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 3,4,5,6,7,9 T.10S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

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

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

Wells Status

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



PREPARED BY: DIANA WHITNEY
DATE: 22-AUGUST-2006



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

August 28, 2006

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

Re: Natural Buttes Unit 1022-40-3 Well, 25' FSL, 2081' FEL, SW SE, Sec. 4,
T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38489.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr McGee Oil & Gas Onshore LP
Well Name & Number Natural Buttes Unit 1022-4O-3
API Number: 43-047-38489
Lease: UTU-01191

Location: SW SE **Sec.** 4 **T.** 10 South **R.** 22 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

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. 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.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
UTU-01191

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UNIT #8910089 00A

8. Well Name and No.
NBU 1022-40-3

9. API Well No.
4304738489

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
KERR MCGEE OIL AND GAS ONSHORE LP

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

3b. Phone No. (include area code)
(435)781-7003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**25' FSL, 2081' FEL
SWSE, SEC 4-T10S-R22E**

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

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

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON AUGUST 28, 2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-18-07
By: [Signature]

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

Name (Printed/Typed) RAMEY HOOPES	Title LAND SPECIALIST I
Signature <u>[Signature]</u>	Date July 5, 2007

THIS SPACE FOR FEDERAL OR STATE USE

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

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

7-20-07
RM

JUL 17 2007

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

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

API: 4304738489
Well Name: NBU 1022-40-3
Location: SWSE, SEC 4-T10S-R22E
Company Permit Issued to: KERR-MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 8/28/2006

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

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

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

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

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

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

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

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

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

Ramey Hoopes
Signature

7/5/2007
Date

Title: LAND SPECIALIST I

Representing: Kerr McGee Oil and Gas Onshore LP

RECEIVED
JUL 17 2007

DIV. OF OIL, GAS & MIN.

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: UTU-01191
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: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: 891008900A
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP		8. WELL NAME and NUMBER: NBU 1022-40-3
3. ADDRESS OF OPERATOR: P.O. Box 173779 CITY Denver STATE CO ZIP 80217-3779		9. API NUMBER: 4304738489
4. LOCATION OF WELL FOOTAGES AT SURFACE: 25' FSL & 2081' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 4 10S 22E		10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field
		COUNTY: Uintah STATE: UTAH

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

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

Kerr-McGee Oil & Gas Onshore, LP, respectfully requests an APD Extension for one year for this location, so that drilling operations may be completed. The original APD was approved by the Utah Division of Oil, Gas, and Mining on 8/28/2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-14-08
By: [Signature]

COPY SENT TO OPERATOR
Date: 7-15-2008
Initials: KS

NAME (PLEASE PRINT) <u>Kevin McIntyre</u>	TITLE <u>Regulatory Analyst I</u>
SIGNATURE <u>[Signature]</u>	DATE <u>7/9/2008</u>

(This space for State use only)

RECEIVED

JUL 11 2008

DIV. OF OIL, GAS & MINING

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

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

API: 4304738489
Well Name: NBU 1022-40-3
Location: SWSE, Sec. 4, T10S R22E
Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP
Date Original Permit Issued: 8/28/2006

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

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

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

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

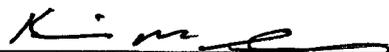
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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

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



Signature

7/9/2008

Date

Title: Regulatory Analyst I

Representing: Kerr-McGee Oil & Gas Onshore, LP

RECEIVED

JUL 11 2008

DIV. OF OIL, GAS & MINING

RECEIVED

AUG 10 2006

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-01191
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. UNIT #891008900A
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		8. Lease Name and Well No. NBU 1022-40-3
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43-047-38489
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSWE 25'FSL, 2081'FEL At proposed prod. Zone		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* 37.3 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk, and Survey or Area SEC. 4, T10S, R22E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 25'	16. No. of Acres in lease 1041.78	12. County or Parish UINTAH
17. Spacing Unit dedicated to this well 40.00	13. State UTAH	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8860'	20. BLM/BIA Bond No. on file BOND NO: WY-2357
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5190'UNGRADED GL	22. Approximate date work will start*	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office. | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 8/9/2006
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) JEROY KENICKA	Date AUG 25 2008
Title Area Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED

SEP 16 2008

DIV. OF OIL, GAS & MINING

UBOGM
NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED

06 08 1767A

NOV 5/2006



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Kerr-McGee Oil & Gas Onshore, LP	Location:	SWSE, Sec.3, T10S, R22E
Well No:	NBU 1022-40-3	Lease No:	UTU-01191
API No:	43-047-38489	Agreement:	Natural Buttes Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC CONDITIONS OF APPROVAL:

- During operations, if any vertebrate paleontological resources are discovered, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the preferred alternative/course of action will be rendered.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding should take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- Seeding shall occur in the fall (August 1st until snow or ground is frozen).

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of

each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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
4304740176	NBU 922-29NT		SESW	29	9 S	22 E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	10/22/2008		10/28/08		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSMVB</i> SPUD WELL LOCATION ON 10/22/2008 AT 0800 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738489	NBU 1022-40-3		SWSE	4	10 S	22 E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	10/22/2008		10/28/08		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSMVB</i> SPUD WELL LOCATION ON 10/22/2008 AT 1200 HRS.							

Well 3

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

ACTION CODES:

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

SHEILA UPCHEGO

Name (Please Print) Sheila Upchego
 Signature *Sheila Upchego*
 REGULATORY ANALYST 10/22/2008
 Title Date

(5/2000)

RECEIVED

OCT 23 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No.
UTU-01191

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UNIT #891008900A

8. Well Name and No.
NBU 1022-40-3

9. API Well No.
4304738489

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**25' FSL, 2081' FEL
SWSWSE, SEC.4, T10S-R22E**

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

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

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

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 10/22/2008 AT 1200 HRS.

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

Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature <i>Sheila Upchego</i>	Date October 22, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
-------------	-------	------

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

Office

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

(Instructions on reverse)

RECEIVED

OCT 27 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.*

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**25' FSL, 2081' FEL
 SW/SE, SEC.4, T10S-R22E**

5. Lease Serial No.
UTU-01191

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
891008900A

8. Well Name and No.
NBU 1022-40-3

9. API Well No.
4304738489

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

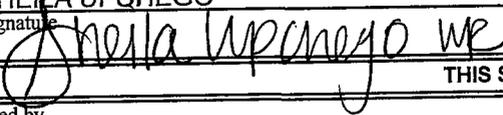
13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical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

MIRU PROPETRO AIR RIG ON 11/3/2008. DRILLED 12 1/4" SURFACE HOLE TO 2400'. RAN 9 5/8" 36# J-55 SURFACE CSG. CMT W/350 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT +/- 25 PSI LIFT TOP OUT W/100SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 2ND TOP OUT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT.

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

Name (Printed/Typed)
SHEILA UPCHEGO

Signature


Title
REGULATORY ANALYST

Date
November 4, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
-------------	-------	------

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

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

(Instructions on reverse)

RECEIVED

NOV 12 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No.
UTU-01191

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UNIT#891008900A

8. Well Name and No.
NBU 1022-40-3

9. API Well No.
4304738489

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**25' FSL, 2081' FEL
SWSWSE, SEC.4, T10S-R22E**

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

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

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

FINISHED DRILLING FROM 2400' TO 8915' ON 11/16/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/ 350 SX PREM LITE II @11.3 PPG 3.02 YIELD. TAILED CMT W/ 350 SX 50/50 POZ @ 14.3 PPG 1.31 YIELD. BUMP PLUG 4000 PSI OVER FLOATS HELD. 38 BBLs BACK TO PIT. LAND CSG TEST NIPPLE DOWN BOPE CLEAN TANKS.

RELEASED ENSIGN RIG 12 ON 11/16/2008 AT 1100 HRS

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

Name (Printed/Typed) SHEILA UPCHEGO	Title REGULATORY ANALYST
Signature <i>Sheila Upchego</i>	Date November 17, 2008

THIS SPACE FOR FEDERAL OR STATE USE

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

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

(Instructions on reverse)

RECEIVED
NOV 24 2008
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-01191

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE -- Other Instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

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

3b. Phone No. (include area code)
435.781.7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SW/SE SEC. 4, T10S, R22E 25FSL, 2081FEL

7. If Unit of CA/Agreement, Name and/or No.
UNIT #891008900A

8. Well Name and No.
NBU 1022-40-3

9. API Well No.
4304738489

10. Field and Pool or Exploratory Area
NATURAL BUTTES

11. Country or Parish, State
UINTAH COUNTY, UTAH

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

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

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

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 12/16/2008 AT 12:00 PM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
DEC 18 2008
DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)
SHEILA UPCHEGO

Title REGULATORY ANALYST

Signature 

Date 12/17/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Office

Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Wins No.: 95330

NBU 1022-40-3

Well Operations Summary Long

Operator KERR MCGEE OIL & GAS ONSHORE LP	FIELD NAME NATURAL BUTTES	SPUD DATE 10/30/2008	GL 5,189	KB 5203	ROUTE V25
API 4304738489	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES		
Long/Lat.: 39.97134 / -109.48460	Q-Q/Sec/Town/Range:	SWSE / 4 / 10S / 22E	Footages: 25.00' FSL 1,660.00' FWL		

Wellbore: NBU 1022-40-3

MTD 8,915	TVD 8,912	PBMD	PBTVD
EVENT INFORMATION:	EVENT ACTIVITY: DRILLING	START DATE: 10/30/2008	AFE NO.: 2025910
	OBJECTIVE: DEVELOPMENT	END DATE: 11/16/2008	
	OBJECTIVE 2: ORIGINAL	DATE WELL STARTED PROD.: 1	
	REASON: MV	Event End Status: SUSPENDED	

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
	10/30/2008	10/30/2008	10/30/2008	10/30/2008	11/02/2008	11/02/2008	11/02/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation	MD:
10/30/2008	SUPERVISOR: LEW WELDON							1,034
	7:00 - 12:00	5.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 0700 HR 10/30/08 DA AT REPORT TIME 450'	
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1020'	
10/31/2008	SUPERVISOR: LEW WELDON							1,664
	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1400'	
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD HIT TRONA WATER @ 1440' CIRCULATING WITH SKID PUMP 1650'	
11/1/2008	SUPERVISOR: LEW WELDON							2,024
	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD CIRCULATING WITH SKID PUMP NO RETURNS 1950'	
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD CIRCULATING WITH SKID PUMP NO RETURNS 2010'	
11/2/2008	SUPERVISOR: LEW WELDON							2,414
	0:00 - 12:00	13.00	DRLSUR	02		P	RIG T/D @ 2400' CONDITION HOLE 1 HR RUN SURVEY 1.2 DEG	
	12:00 - 15:00	3.00	DRLSUR	05		P	TRIP DP OUT OF HOLE	
	15:00 - 18:00	3.00	DRLSUR	11		P	RUN 2354' OF 9 5/8 CSG AND RIG DOWN AIR RIG	
	18:00 - 19:00	1.00	DRLSUR	15		P	CEMENT 1ST STAGE WITH 350 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK NO RETURNS TO PIT 250 PSI LIFT	
	19:00 - 19:30	0.50	DRLSUR	15		P	1ST TOP JOB 100 SKS DOWN BS WOC	
	19:30 - 21:30	2.00	DRLSUR	15		P	2ND TOP JOB 150 SKS DOWN BS WOC	
	21:30 - 23:30	2.00	DRLSUR	15		P	3RD TOP JOB 150 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE	
	23:30 - 23:30	0.00	DRLSUR				NO VISIBLE LEAKS PIT 50% FULL WORT	

RECEIVED

12/16/2008 9:25:41AM

DIV. OF OIL, GAS & MINING

1

Wins No.:	95330	NBU 1022-40-3	API No.:	4304738489
11/5/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS			<u>MD:</u> 2,414
	14:30 - 0:00	9.50	RDMO	01 E P RIG DOWN EQUIPMENT TO MOVE
11/6/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS			<u>MD:</u> 2,414
	0:00 - 7:00	7.00	RDMO	01 E P RIG DOWN EQUIPMENT
	7:00 - 19:00	12.00	MIRU	01 A P MOVE EQUIPMENT TO NEW LOCATION
	19:00 - 0:00	5.00	MIRU	01 B P RIG UP EQUIPMENT / 100% MOVED - 60% RIGGED UP
11/7/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS			<u>MD:</u> 2,414
	0:00 - 12:00	12.00	MIRU	01 B P RIG UP EQUIPMENT / RAISE DERRICK
	12:00 - 18:00	6.00	MAINT	07 A P CHANGE OUT ROTARY TABLE
	18:00 - 22:00	4.00	PRPSPD	13 A P NIPPLE UP B.O.P. EQUIPMENT / GAS BUSTER / FLARE LINES / FLARE STACK
	22:00 - 0:00	2.00	PRPSPD	13 C P PRESSURE TEST UPPER & LOWER KELLY VALVES, FLOOR VALVE & DART VALVE, BLIND RAMS & PIPE RAMS, INNER & OUTER BOP WING VALVES, KILL LINE & KILL LINE VALVES, CHOKE LINE + INNER & OUTER CHOKE MANIFOLD VALVES TO 250 PSI LOW @ 5 MINS & 5000 PSI @ 10 MINS HIGH / TEST ANNULAR TO 250 PSI LOW @ 5 MINS & 2500 PSI HIGH @ 10 MINS / TEST SURFACE CASING TO 1500 PSI @ 30 MINS / TEST SUPER CHOKE TO 500 PSI / MAKE REPAIRS AS NEEDED
11/8/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS			<u>MD:</u> 3,026
	0:00 - 2:00	2.00	PRPSPD	13 C P FINISH PRESSURE TESTING UPPER & LOWER KELLY VALVES, FLOOR VALVE & DART VALVE, BLIND RAMS & PIPE RAMS, INNER & OUTER BOP WING VALVES, KILL LINE & KILL LINE VALVES, CHOKE LINE + INNER & OUTER CHOKE MANIFOLD VALVES TO 250 PSI LOW @ 5 MINS & 5000 PSI @ 10 MINS HIGH / TEST ANNULAR TO 250 PSI LOW @ 5 MINS & 2500 PSI HIGH @ 10 MINS / TEST SURFACE CASING TO 1500 PSI @ 30 MINS / MAKE REPAIRS AS NEEDED
	2:00 - 2:30	0.50	PRPSPD	13 B P INSTALL WEAR BUSHING
	2:30 - 10:00	7.50	PRPSPD	05 A P SAFETY MEETING / M.I.R.U. WEATHERFORD EQUIPMENT / P.U.D.S. TO TAG CEMENT @ 2305'
	10:00 - 10:30	0.50	PRPSPD	13 B P INSTALL ROTATING RUBBER
	10:30 - 11:00	0.50	PRPSPD	08 E P PRE-SPUD INSPECTION
	11:00 - 13:00	2.00	PRPSPD	02 F P DRILL FLOAT TRACK
	13:00 - 16:30	3.50	DRLPRO	02 B P DRILL F/ 2414' - T/ 2524' (110' @ 31.42 fph) 42 vis - 8.9 ppg / 14k-17k wob - 39 rpm
	16:30 - 17:00	0.50	DRLPRO	06 A P SERVICE RIG & EQUIPMENT
	17:00 - 17:30	0.50	DRLPRO	09 A P WIRELINE SURVEY @ 2447' - 1.13*
	17:30 - 23:30	6.00	DRLPRO	02 B P DRILL F/ 2524' - T/ 3026' (502' @ 83.66 fph) 41 vis - 8.9 ppg / 16k-19k wob - 58 rpm
	23:30 - 0:00	0.50	DRLPRO	09 A P WIRELINE SURVEY @ 2956' - 1.17*
11/9/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS			<u>MD:</u> 4,749

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0:00 - 1:30	1.50	DRLPRO	02	B	P	DRILL F/ 3026' - T/ 3183' (157' @ 104.66 fph) 41 vis - 8.9 ppg / 14k-20k wob - 55-60 rpm
1:30 - 2:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
2:00 - 15:30	13.50	DRLPRO	02	B	P	DRILL F/ 3183' - T/ 4184' (1001' @ 74.14 fph) 42 vis - 9.3 ppg / 16k-19k wob - 53-59 rpm
15:30 - 16:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
16:00 - 0:00	8.00	DRLPRO	02	B	P	DRILL F/ 4184' - T/ 4749' (565' @ 70.62 fph) 43 vis - 9.4 ppg / 19k wob - 56 rpm

11/10/2008 SUPERVISOR: KENNETH GATHINGS MD: 6,069

0:00 - 2:00	2.00	DRLPRO	02	B	P	DRILL F/ 4749' - T/ 4875' (126' @ 63.0 fph) 43 vis - 9.4 ppg / 19K wob - 58 rpm
2:00 - 2:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
2:30 - 3:30	1.00	DRLPRO	02	B	P	DRILL F/ 4875' - T/ 4969' (94' @ 94 fph) 43 vis - 9.4 ppg / 19K wob - 58 rpm
3:30 - 4:00	0.50	DRLPRO	09	A	P	WIRELINE SURVEY @ 4926' - 1.19*
4:00 - 16:30	12.50	DRLPRO	02	B	P	DRILL F/ 4969' - T/ 5660 (691' @ 55.28 fph) 43 vis - 9.4 ppg / 19K wob - 58 rpm
16:30 - 17:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT / CHECK DRILLING HEAD LOCK & C.O.M.
17:00 - 0:00	7.00	DRLPRO	02	B	P	DRILL F/ 5660' - T/ 6069' (409' @ 58.42 fph) 45 vis - 10.1 ppg / 19k wob - 45 rpm

11/11/2008 SUPERVISOR: KENNETH GATHINGS MD: 6,821

0:00 - 3:00	3.00	DRLPRO	02	B	P	DRILL F/ 6069' - T/ 6195' (126' @ 42.0 fph) 45 vis - 10.1 ppg / 19k wob - 45 rpm
3:00 - 3:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT / WORK PIPE RAMS / CHECK C.O.M.
3:30 - 15:00	11.50	DRLPRO	02	B	P	DRILL F/ 6195' - T/ 6604' (409' @ 35.56 fph) 45 vis - 10.1 ppg / 22k wob - 44 rpm
15:00 - 15:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT
15:30 - 0:00	8.50	DRLPRO	02	B	P	DRILL F/ 6604' - T/ 6821' (217' @ 25.52 FPH) 45 VIS - 10.1 PPG / 20k-23k wob - 46-54 rpm

11/12/2008 SUPERVISOR: KENNETH GATHINGS MD: 7,304

0:00 - 5:30	5.50	DRLPRO	02	B	P	DRILL F/ 6821' - T/ 6970' (149' @ 27.09 fph) 45 VIS - 10.1 PPG / 20k-23k wob - 46-54 rpm
5:30 - 6:00	0.50	DRLPRO	04	C	P	CIRCULATE & CONDITION HOLE FOR BIT TRIP
6:00 - 11:30	5.50	DRLPRO	05	A	P	PUMP PILL / DROP SURVEY / P.O.O.H. FOR BIT #2 / TIGHT @ 5801', 5074' & 2948' - WORKED THROUGH TIGHT HOLE W/ NO PROBLEMS / LOWER STABILIZER WORE TO TAPER ON LOWER PORTION OF BLADES - TOP STILL IN GAUGE / LAY DOWN STABILIZERS & CHANGE OUT MUD MOTORS
11:30 - 12:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT / WORK BLIND RAMS
12:00 - 15:30	3.50	DRLPRO	05	A	P	MAKE UP BIT #2 - T.I.H. W/ NO PROBLEMS

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12:00 - 15:30	3.50	DRLPRO	05	A	P	MAKE UP BIT #2 - T.I.H. W/ NO PROBLEMS
15:30 - 16:00	0.50	DRLPRO	03	D	P	PRECAUTIONARY REAM F/ 6939' T/ 6970' W/ NO PROBLEMS & 4' OF FILL / CUT NEW BIT PATTERN
16:00 - 0:00	8.00	DRLPRO	02	B	P	DRILL F/ 6970' - T/ 7304' (334' @ 41.75 fph)

11/13/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						<u>MD:</u> 8,256
0:00 - 2:00	2.00	DRLPRO	02	B	P	DRILL F/ 7304' - T/ 7409' (105' @ 52.5 fph) 43 vis - 10.4 ppg / 15k-18k wob - 44-48 rpm	
2:00 - 2:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT	
2:30 - 16:00	13.50	DRLPRO	02	B	P	DRILL F/ 7409' - T/ 7974' (565' @ 41.85 fph) 48 vis - 11.0 ppg / 14k-18k wob - 31-45 rpm	
16:00 - 16:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT	
16:30 - 0:00	7.50	DRLPRO	02	B	P	DRILL F/ 7974' - T/ 8256' (282' @ 37.60 fph) 49 vis - 11.5 ppg / 15k-18k wob - 33-45 rpm	

11/14/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						<u>MD:</u> 8,915
0:00 - 1:30	1.50	DRLPRO	02	B	P	DRILL F/ 8256' - T/ 8314' (58' @ 38.66 fph) 49 vis - 11.5 ppg / 15k-18k wob - 33-45 rpm	
1:30 - 2:00	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT	
2:00 - 14:00	12.00	DRLPRO	02	B	P	DRILL F/ 8314' - 8758' (444' @ 37.0 fph) 51 vis - 11.9 ppg / 22k wob / 40 rpm	
14:00 - 14:30	0.50	DRLPRO	06	A	P	SERVICE RIG & EQUIPMENT	
14:30 - 18:30	4.00	DRLPRO	02	B	P	DRILL F/ 8758' - T/ 8915' (T.D.)(157' @ 39.25 fph) 48 vis - 12.2 ppg / 22k wob - 40 rpm	
18:30 - 20:00	1.50	EVALPR	04	C	P	CIRCULATE & CONDITION HOLE FOR SHORT TRIP	
20:00 - 22:00	2.00	EVALPR	05	E	P	SHORT TRIP 25 STANDS W/ 5' FILL - NO PROBLEMS	
22:00 - 0:00	2.00	EVALPR	04	C	P	CIRCULATE & CONDITION HOLE FOR L.D.D.S. & LOGS / SAFETY MEETING w/ WEATHERFORD / M.I.R.U. LAY DOWN EQUIPMENT / 10' FLARE W/ BOTTOMS UP	

11/15/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						<u>MD:</u> 8,915
0:00 - 8:30	8.50	EVALPR	05	B	P	L.D.D.P. / BREAK KELLY + RELATED TOOLS / L.D.B.H.A.	
8:30 - 9:00	0.50	EVALPR	13	B	P	PULL WEAR BUSHING	
9:00 - 16:00	7.00	EVALPR	08	A	P	SAFETY MEETING / M.I.R.U. HOWSCO / LOG F/ 8700' - T/ SURFACE W/ QUAD COMBO / HIT BRIDGE @ 8700' - PULLED 9K OVER TO GET LOOSE - LOG UP (MATT RITTER & JOHN HUYCKE NOTIFIED)	
16:00 - 17:00	1.00	CSG	11	A	P	SAFETY MEETING / M.I.R.U. CASING EQUIPMENT	
17:00 - 0:00	7.00	CSG	11	B	P	RUN 211 JTS 4.5 #11.6 I-80 LT&C CASING / TAG @ 8912'	

11/16/2008	<u>SUPERVISOR:</u> KENNETH GATHINGS						<u>MD:</u> 8,915
0:00 - 0:30	0.50	CSG	13	B	P	INSTALL MANDREL + ROTATING RUBBER / SET 101k ON MANDREL	

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DEC 10 2008

Wins No.: 95330

NBU 1022-40-3

API No.: 4304738489

0:30	-	2:00	1.50	CSG	04	E	P	CIRCULATE & CONDITION HOLE FOR CEMENT / R.D.M.O. WEATHERFORD EQUIPMENT / SAFETY MEETING / M.I.R.U. HOWSCO EQUIPMENT
2:00	-	5:00	3.00	CSG	15	A	P	TEST PUMPS & LINES TO 4000 PSI / PUMP 10 bbls H2O + 20 bbls MUD CLEAN + 10 bbls H2O + 20 sx SCAVENGER (PREM LITE II) @ 9.5 ppg + 405 sx LEAD (PREM LITE II) @ 11.8 ppg + 1200 sx TAIL (50/50 POZ) @ 14.3 ppg + 138 bbls H2O + ADDITIVES / PLUG DOWN @ 0430 HRS W/ 38 BBLs CEMENT TO PIT / FLOATS HELD W/ 1.5 bbls RETURNED TO INVENTORY / DID NOT HOLD PRESSURE ON CASING FOR 5 MINUTES DUE TO LEAK ON CEMENT HEAD AT END OF JOB / R.D.M.O. HALLIBURTON EQUIPMENT.
5:00	-	7:00	2.00	CSG	13	B	P	CLEAN BOP / REMOVE MANDREL SETTING TOOL / INSTALL PACKOFF IN WELL HEAD & TEST TO 5000 PSI
7:00	-	11:00	4.00	RDMO	13	A	P	NIPPLE DOWN BOP + RELATED EQUIPMENT / WASH & CLEAN PITS / RELEASE RIG @ 1100 HRS

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DEC 18 2008

Wins No.: 95330 NBU 1022-40-3 API No.: 4304738489

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 12/4/2008 AFE NO.: 2025910
 OBJECTIVE: DEVELOPMENT END DATE: 12/10/2008
 OBJECTIVE 2: RECOMPLETE DATE WELL STARTED PROD.:
 REASON: MV Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location
 MILES 3 / 3 12/05/2008 12/10/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
12/5/2008	SUPERVISOR: DOUG CHIVERS						MD:
	7:00 - 7:30	0.50	COMP	48		P	HSM. TRIPPING PIPE. PINCH POINTS
	7:30 - 16:00	8.50	COMP	31	H	P	MIRU RIG & SPOT EQUIPMENT. ND WELL HEAD NU BOP. PU 3 7/8" MILL & SUB, DRIFT & TALLEY 284 JTS OF 2 3/8" J-55 4.7# TBG. TAG PBD & 8,868' RU PUMP & CIRC WELL CLEAN W/ 2% KCL. POOH LD 52 JTS OF 2 3/8" TBG & STAND BACK 118 STANDS.
	16:00 - 19:00	3.00	COMP	41	A	P	MIRU CUTTERS TO RUN A CEMENT BOND LOG. RIH W/ CEMENT BOND LOGGING TOOL. LOG FROM 8,864' TO SURFACE. RDMO CUTTERS.
	19:00 - 20:00	1.00	COMP	33	C	P	MIRU B&C QUICK TEST. PRESSURE TEST CASING & BOTH FRAC VALVES TO 7,500 PSI. RDMO B&C QUICK TEST. SWI SDFWE
12/8/2008	SUPERVISOR: GARTH McCONKIE						MD:
	7:00 - 7:15	0.25	COMP	48		P	DAY 2 - JSA & SM #2
	7:15 - 8:15	1.00	COMP	37	B	P	WHP = 1241 PSI, RU CUTTERS WIRELINE. STG #1) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLES, 120 DEG PHSG. PERF M.V. @ 8753' - 60', 3 SPF, 8668' - 72', 3 SPF, 8651' - 54', 3 SPF, 42 HOLES.
	8:15 - 10:22	2.12	COMP	36	E	P	WHP = 1241 PSI, PT SURFACE EQUIP. TO 8500 PSI. STG #1) BRK DWN PERF 3.7 BPM @ 3381 PSI. ISIP 2585 PSI, FG 0.74. PMP 114 BBLs W/10/1000 SCALE INHIB. PMP 80 BBLs @ 50.7 BPM @ 4700 PSI. 42/42 PERFS OPEN - 100%. 3466 BBLs IN LOST ALL RATE. (PMP #5 WENT DWN - BLNDR TNR SHUT DWN). START BACK UP. 3550 BBLs IN SHARP INCR. IN PSI. 4424 BBLs IN CUT SND, ST FLUSH. (NO RESIGN COATED SND PMPD) 87% SND PLACED IN PERFS. MP 6509 PSI, MR 60.4 BPM, AP 4679 PSI, AR 54.3 BPM, ISIP = 2831 PSI, FG = 0.77. NPI = 246 PSI, PMPD 4384 BBLs SLK WTR, 154,897 LBS OTTOWA SND, 0 LBS TLC SND, 154,897 LBS TOTAL SND.
	10:22 - 11:05	0.72	COMP	37	B	P	STG #2) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLES, 120 DEG PHSG. SET BAKER 8K CBP @ 8617'. PERF M.V. @ 8580' - 87', 3 SPF, 8543' - 46', 3 SPF, 8450' - 54', 3 SPF, 42 HOLES.
	11:45 - 12:16	0.52	COMP	36	E	P	STG #2) WHP = 790 PSI. BRK DWN PERF 5.2 BPM @ 4005 PSI. ISIP 2749 PSI, FG 0.76. PMP 350 BBLs @ 53.1 BPM @ 5330 PSI. 42/42 PERFS OPEN - 100%. MP 6745 PSI, MR 54.4 BPM, AP 4994 PSI, AR 53.3 BPM, ISIP = 3108 PSI, FG = 0.81. NPI = 359 PSI, PMPD 2525 BBLs SLK WTR, 93,235 LBS OTTOWA SND, 4,029 LBS TLC SND, 97,262 LBS TOTAL SND.
	12:16 - 13:05	0.82	COMP	37	B	P	STG #3) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLES, 90 DEG PHSG. SET BAKER 8K CBP @ 8404'. PERF M.V. @ 8370' - 74', 4 SPF, 8304' - 10', 4 SPF, 40 HOLES.
	13:05 - 14:38	1.55	COMP	36	E	P	STG #3) WHP = 891 PSI. BRK DWN PERF 4.2 BPM @ 4021 PSI. ISIP 2688 PSI, FG 0.76. PMP 240 BBLs @ 50.7 BPM @ 4900 PSI. 40/40 PERFS OPEN - 100%. 2393 BBLs IN SCREENED OUT. 1 BBL FLUSH PMPD. PMPD 81,483 LBS OTTOWA SND, 5,000 LBS TLC SND. 73,383 LBS IN PERFS - 69%. 1.6 PPG @ PERFS. FLOW BOTTOMS UP. RE FLUSH WELL 11.4 BPM @ 4075 PSI. MP 7600 PSI, MR 58.2 BPM, AP 4941 PSI, AR 51.0 BPM, ISIP = 3420 PSI, FG = 0.85. NPI = 732 PSI, PMPD 2308 BBLs SLK WTR, 76,483 LBS OTTOWA SND, 5,000 LBS TLC SND, 81483 LBS TOTAL SND. 73,383 LBS OTTOWA SND IN PERFS - 69% OF SND, 0 LBS TLC IN PERFS.
	14:38 - 15:30	0.87	COMP	37	B	P	STG #4) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLES, 90 DEG PHSG. SET BAKER 8K CBP @ 8256'. PERF M.V. @ 8220' - 24', 4 SPF, 8162' - 66', 4 SPF, 32 HOLES.

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Wins No.:	NBU 1022-40-3							API No.:	4304738489
15:30 - 16:39	1.15	COMP	36	E	P	STG #4) WHP = 953 PSI. BRK DWN PERF 3.4 BPM @ 4326 PSI. ISIP 2650 PSI, FG 0.77. PMP 345 BBLS @ 55.0 BPM @ 5300 PSI. 32/32 PERFS OPEN - 100%. MP 6300 PSI, MR 55.8 BPM, AP 4993 PSI, AR 55.4 BPM, ISIP = 3212 PSI, FG = 0.83. NPI = 359 PSI, PMPD 2880 BBLS SLK WTR, 95,860 LBS OTTOWA SND, 6,922 LBS TLC SND, 102,782 LBS TOTAL SND.			
16:39 - 17:30	0.85	COMP	37	B	P	STG #5) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLES, 90 DEG PHSG. SET BAKER 8K CBP @ 7940'. PERF M.V. @ 7901' - 10', 3 SPF, 7746' - 52', 3 SPF, 45 HOLES. POOH W/TOOLS.			
17:30 - 17:30	0.00	COMP				17:30 - SWI - SDFN. PREP WELL TO FRAC STGS 5 - 7 IN AM. FREEZE PROTECT WELL HEAD.			
12/9/2008	<u>SUPERVISOR:</u> GARTH McCONKIE							<u>MD:</u>	
7:00 - 7:15	0.25	COMP	48		P	DAY 3 - JSA & SM #3			
7:15 - 8:15	1.00	COMP	46	F	Z	WAITING ON BJ TO GET READY TO PMP.			
8:15 - 10:27	2.20	COMP	36	E	P	STG #5) WHP = 1503 PSI. PT SURFACE EQUIP. TO 8500 PSI. BRK DWN PERFS 5.2 BPM @ 3756 PSI. ISIP 1788 PSI, FG 0.67. PMP 450 BBLS @ 60.5 BPM @ 5050 PSI. 45/45 PERFS OPEN - 100%. MP 5856 PSI, MR 61.5 BPM, AP 4281 PSI, AR 61.1 BPM, ISIP = 2586 PSI, FG = 0.77. NPI = 798 PSI, PMPD 5940 BBLS SLK WTR, 235,296 LBS OTTOWA SND, 6,596 LBS TLC SND, 241,892 LBS TOTAL SND.			
10:27 - 11:20	0.88	COMP	37	B	P	STG #6) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLES, 120 DEG PHSG. SET BAKER 8K CBP @ 7696'. PERF M.V. @ 7662' - 66', 4 SPF, 7634' - 38', 4 SPF, 7548' - 50', 4 SPF, 40 HOLES.			
11:20 - 12:15	0.92	COMP	36	E	P	STG #6) WHP = 423 PSI. BRK DWN PERFS 5.2 BPM @ 4206 PSI. ISIP 2466 PSI, FG 0.77. PMP 119 BBLS @ 50 BPM @ 4700 PSI. 40/40 PERFS OPEN - 100%. MP 4627 PSI, MR 50.9 BPM, AP 4000 PSI, AR 50.4 BPM, ISIP = 2514 PSI, FG = 0.77. NPI = 48 PSI, PMPD 1957 BBLS SLK WTR, 68,909 LBS OTTOWA SND, 3,284 LBS TLC SND, 72,193 LBS TOTAL SND.			
12:15 - 13:00	0.75	COMP	37	B	P	STG #7) RIH W/3 3/8" EXP GNS, 23 GRM, 0.36 HOLES, 120 DEG PHSG. SET BAKER 8K CBP @ 7513'. PERF M.V. @ 7476' - 83', 3 SPF, 7412' - 16', 3 SPF, 7369' - 72', 3 SPF, 42 HOLES.			
13:00 - 14:05	1.08	COMP	36	E	P	STG #7) WHP = 205 PSI. BRK DWN PERFS 4.8 BPM @ 5008 PSI. ISIP 2454 PSI, FG 0.77. PMP 160 BBLS @ 51 BPM @ 4500 PSI. 42/42 PERFS OPEN - 100%. MP 5437 PSI, MR 52 BPM, AP 3895 PSI, AR 51.6 BPM, ISIP = 2687 PSI, FG = 0.80. NPI = 233 PSI, PMPD 2506 BBLS SLK WTR, 94,426 LBS OTTOWA SND, 10,724 LBS TLC SND, 105,150 LBS TOTAL SND.			
14:05 - 14:50	0.75	COMP	34	I	P	KILL PLUG) RIH SET BAKER 8K CBP @ 7315'. POOH & L/D WIRELINE TOOLS. RDMO CUTTERS WIRELINE & BJ SERVICES.			
14:50 - 14:50	0.00	COMP	31	I	P	ND FRAC VALVES, NU BOP. PU 3 7/8" BIT, POBS & XN NIPPLE. RIH ON NEW 2 3/8" TBG. EOT @ 0000'. 17:00 SWI - SDFN. PREP WELL TO DRLG CBP's IN AM. FREEZE PROTECT WELL HEAD.			
12/10/2008	<u>SUPERVISOR:</u> GARTH McCONKIE							<u>MD:</u>	
7:00 - 7:15	0.25	COMP	48		P	DAY 1 - JSA & SM #1			

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DIV. OF OIL, GAS & MINING 7

7:15 - 15:30 8.25 COMP 31 I P WHP = 0 PSI, EOT @ 5330'.
 CONT. TO RIH W/3 7/8" BIT, POBS & XN NIPPLE. TAG CBP @ 7315'. R/U PWR SWVL & PMP. EST. CIRC. W/2% KCL WTR. P/T BOP TO 3000 PSI.

CBP #1) DRLG OUT BAKER 8K CBP @ 7315' IN 8 MIN. 1000 PSI DIFF. RIH TAG FILL @ 7473'. C/O 30' OF SND. FCP = 200 PSI.

CBP #2) DRLG OUT BAKER 8K CBP @ 7513' IN 8 MIN. 200 PSI DIFF. RIH TAG FILL @ 7666'. C/O 30' OF SND. FCP = 200 PSI.

CBP #3) DRLG OUT BAKER 8K CBP @ 7696' IN 7 MIN. 300 PSI DIFF. RIH TAG FILL @ 7920'. C/O 20' OF SND. FCP = 200 PSI.

CBP #4) DRLG OUT BAKER 8K CBP @ 7940' IN 8 MIN. 200 PSI DIFF. RIH TAG FILL @ 8226'. C/O 30' OF SND. FCP = 300 PSI.

CBP #5) DRLG OUT BAKER 8K CBP @ 8256' IN 18 MIN. 200 PSI DIFF. RIH TAG FILL @ 8384'. C/O 20' OF SND. FCP = 350 PSI.

CBP #6) DRLG OUT BAKER 8K CBP @ 8404' IN 10 MIN. 100 PSI DIFF. RIH TAG FILL @ 8587'. C/O 30' OF SND. FCP = 350 PSI.

CBP #7) DRLG OUT BAKER 8K CBP @ 8617' IN 8 MIN. 200 PSI DIFF. RIH TAG FILL @ 8768'. C/O 100' OF SND. PBTD @ 8868'. FCP = 350 PSI. CIRC WELL CLEAN W/2% KCL WTR.

R/D PWR SWVL. R/U TBG EQUIP. POOH & L/D 15 JTS ON FLOAT. (21 JTS TOTAL ON FLOAT - 1 BAD ON GRND).

LND TBG ON HANGER W/269 JTS NEW 2 3/8" 4.7# J55 TBG. EOT @ 8423.20'. POBS & XN NIPPLE @ 8421.0'.

R/D FLOOR & TBG EQUIP. ND BOP, DROP BALL, NUWH. PMP OFF BIT @ 2500 PSI. WAIT 30 MIN FOR BIT TO FALL TO BTM. OPEN WELL TO F.B.T. ON 20 CHOKE.

13:30 TURN WELL TO F.B.C.
 LTR = 21010 BBLS

RIG DWN SERVICE UNIT. ROAD RIG TO NBU 922-29NT.

15:30 SDFD

12/11/2008 SUPERVISOR: GARTH McCONKIE MD:
 7:00 - 33 A 7 AM FLBK REPORT: CP 1800#, TP 1700#, 20/64" CK, 53 BWPB, LIGHT SAND, MEDIUM GAS
 TTL BBLS RECOVERED: 2772
 BBLS LEFT TO RECOVER: 20128

12/12/2008 SUPERVISOR: BRAD KERN MD:
 7:00 - 33 A 7 AM FLBK REPORT: CP 1700#, TP 2225#, 18/64" CK, 50 BWPB, trace SAND, medium GAS
 TTL BBLS RECOVERED: 4069
 BBLS LEFT TO RECOVER: 18831

12/13/2008 SUPERVISOR: BRAD KERN MD:
 7:00 - 33 A 7 AM FLBK REPORT: CP 1625#, TP 2400#, 18/64" CK, 52 BWPB, TRACE SAND, MEDIUM GAS
 TTL BBLS RECOVERED: 5359
 BBLS LEFT TO RECOVER: 17541

12/14/2008 SUPERVISOR: BRAD KERN MD:
 7:00 - 33 A 7 AM FLBK REPORT: CP 2225#, TP 2400#, 20/64" CK, 60 BWPB, TRACE SAND, MEDIUM GAS
 TTL BBLS RECOVERED: 6918
 BBLS LEFT TO RECOVER: 15982

12/15/2008 SUPERVISOR: BRAD KERN MD:
 7:00 - 33 A 7 AM FLBK REPORT: CP 2700#, TP 2600#, 20/64" CK, 50 BWPB, TRACE SAND, MEDIUM GAS
 TTL BBLS RECOVERED: 8224
 BBLS LEFT TO RECOVER: 14676

12/16/2008 SUPERVISOR: BRAD KERN MD:
 RECEIVED
 DEC 16 2008

Wins No.: 95330 NBU 1022-40-3 API No.: 4304738489

7:00 - 33 A 7 AM FLBK REPORT: CP 3600#, TP 2650#, 20/64" CK, 37 BWPH,
TRACE SAND, MEDIUM GAS
TTL BBLs RECOVERED: 9196
BBLs LEFT TO RECOVER: 13704

EVENT INFORMATION: EVENT ACTIVITY: COMPLETION START DATE: 12/8/2008 AFE NO.: 2025910
OBJECTIVE: CONSTRUCTION END DATE: 12/8/2008
OBJECTIVE 2: ORIGINAL DATE WELL STARTED PROD.:
REASON: SURFACE FAC Event End Status: COMPLETE

RIG OPERATIONS: Begin Mobilization Rig On Location Rig Charges Rig Operation Start Finish Drilling Rig Release Rig Off Location

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
12/8/2008	SUPERVISOR: HAL BLANCHARD						MD:

RECEIVED
DEC 16 2008
DIV. OF OIL, GAS & MINERAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU01191

a. Type of Well Oil Well Gas Well Dry Other
b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
Other _____

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
UNIT #891008900A

2. Name of Operator
KERR-MCGEE OIL & GAS ONSHORE Mail: sheila.upcheho@anadarko.com

Contact: SHEILA UPCHEGO
Mail: sheila.upcheho@anadarko.com

8. Lease Name and Well No.
NBU 1022-40-3

3. Address 1368 SOUTH 1200 EAST
VERNAL, UT 84078

3a. Phone No. (include area code)
Ph: 435-781-7024

9. API Well No.
43-047-38489

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface SWSE 25FSL 2081FEL
At top prod interval reported below SWSE 25FSL 2081FEL
At total depth SWSE 25FSL 2081FEL

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey
or Area Sec 4 T10S R22E Mer SLB

12. County or Parish
UINTAH

13. State
UT

14. Date Spudded
10/22/2008

15. Date T.D. Reached
11/14/2008

16. Date Completed
 D & A Ready to Prod.
12/16/2008

17. Elevations (DF, KB, RT, GL)*
5190 GL

18. Total Depth: MD 8915
TVD

19. Plug Back T.D.: MD 8868
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR ; SD, DSN, ACTR, BCS

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit analysis)
Directional Survey? No Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STEEL	36.7		40		28			
12.250	9.625 J-55	36.0		2400		750			
7.875	4.500 I-80	11.6		8915		1605			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	8423							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) MESAVERDE	7369	8760	7369 TO 8760	0.360	283	OPEN
B) WSMVD						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
7369 TO 8760	PMP 22,640 BBLs SLICK H2O & 855,859# 30/50 OTTOWA SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/16/2008	01/06/2009	24	→	0.0	2647.0	350.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Cvg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
18/64	220	2679.0	→	0	2647	350		PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Cvg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on reverse slide)

ELECTRONIC SUBMISSION #66244 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED

RECEIVED

JAN 20 2009

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production ▶	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate ▶	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production ▶	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate ▶	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
SOLD

30. 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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
GREEN RIVER	1199				
MAHOGANY	2017				
WASATCH	4360	6549			
MESAVERDE	6746	8808			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

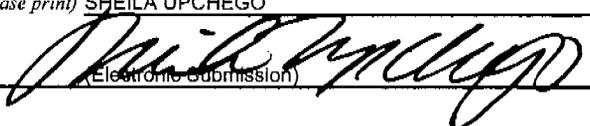
- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #66244 Verified by the BLM Well Information System.
For KERR-MCGEE OIL & GAS ONSHORE I., sent to the Vernal

Name (please print) SHEILA UPCHEGO

Title OPERATIONS

Signature  (Electronic Submission)

Date 01/12/2009

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-40-3
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047384890000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6104
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0025 FSL 2081 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 04 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/7/2014 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

The operator requests authorization to Temporarily Abandon or Shut-In the subject well to accommodate recompletion drilling operations for the referenced well location. Please see the attached procedure. This is a courtesy copy for the referenced Federal Well with lease #UTU01191.
 Thank you.

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

Date: March 11, 2014

By: *Derek Quist*

NAME (PLEASE PRINT) Matthew P Wold	PHONE NUMBER 720 929-6993	TITLE Regulatory Analyst I
SIGNATURE N/A	DATE 3/7/2014	

Well Name: **NBU 1022-40-3**
 Surface Location: SWSE Sec. 4, T10S, R22E
 Uintah County, UT

2/27/14

Recommended action for disposition of well bore:

This well will be temporarily abandoned to accommodate drilling operations in one of 2 ways. We will either plug the wellbore as outlined in the attached procedure or Shut-In in the following manner: a) Kill well, pull EOT to above top set of perms, install tubing hanger with internal threads and set VR plug, install a flange over the tbg hanger, removal of master valve, set VR plugs in casing head at surface, and removal of casing wing valves, replaced with blind flanges.

API: 4304738489 LEASE#: U-01191
 ELEVATIONS: 5189' GL 5203' KB
 TOTAL DEPTH: 8906' PBDT: 8869'
 SURFACE CASING: 9 5/8", 36# J-55 @ 2369'
 PRODUCTION CASING: 4 1/2", 11.6# I-80 @ 8906'
 Estimated TOC @ Surface per CBL
 PRODUCTION TUBING: 2 3/8" J-55 TBG @ 7700' (workover rpt 8/19/10)
 PERFORATIONS: MESAVERDE 7369' - 8760'

Tubular/Borehole	Drift inches	Collapse psi	Burst psi	Capacities		
				Gal./ft.	Cuft/ft.	Bbl./ft.
2.375" 4.7# J-55 tbg.	1.901	8100	7700	0.1624	0.02171	0.00387
4.5" 11.6# I-80	3.875	6350	7780	0.6528	0.0872	0.0155
9.625" 36# J-55	8.921	2020	3520	3.247	0.434	0.0773
Annular Capacities						
2.375" tbg. X 4 1/2" 11.6# csg				0.4227	0.0565	0.01

GEOLOGICAL TOPS:
 4360' Wasatch
 6746' Mesaverde

NBU 1022-40-3 TEMPORARY ABANDONMENT PROCEDURE

GENERAL

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

PROCEDURE

Note: An estimated 24 sx of cement needed to perform procedure.

1. MIRU. KILL WELL AS NEEDED. ND WH, NU AND TEST BOPE. PULL TUBING.
2. RU WIRELINE. ENSURE WELLBORE IS CLEAN. **A GPS READING WILL NEED TO BE TAKEN AT THE WELL SITE AND RECORDED IN OPENWELLS. PLEASE TAKE IT TO THE 6TH DECIMAL PLACE.**
3. RUN GYRO SURVEY.
4. **PLUG #1, ISOLATE MV PERFORATIONS (7369'- 8760')**: RIH W/ 4 ½" CBP. SET @ ~7315'. RELEASE CBP, PUH 10', BRK CIRC W/ FRESH WATER. PRESSURE TEST CASING TO 500 PSI. INFORM ENGINEERING IF IT DOESN'T TEST. DISPLACE A MINIMUM OF **8 SX / 1.6 BBL / 9.2 CUFT**. ON TOP OF PLUG. PUH ABOVE TOC (~7215'). REVERSE CIRCULATE W/ TREATED FRESH WATER.
5. **PLUG #2, PROTECT TOP OF WASATCH (4360')**: PUH TO ~4465'. BRK CIRC W/ FRESH WATER. DISPLACE A MINIMUM OF **16 SX / 3.3 BBL / 18.3 CUFT** AND BALANCE PLUG W/ TOC @ ~4255' (210' COVERAGE). PUH ABOVE TOC. REVERSE CIRCULATE W/ TREATED FRESH WATER.
6. LOWER WELLHEAD TO GROUND LEVEL TO ACCOMMODATE DRILLING OPS AND INSTALL MARKER PER UDOGM GUIDELINES.
7. RDMO. TURN OVER TO DRILLING OPERATIONS.

HMP 2/27/14

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	8. WELL NAME and NUMBER: NBU 1022-4O-3
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0025 FSL 2081 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 04 Township: 10.0S Range: 22.0E Meridian: S	9. API NUMBER: 43047384890000
10. PHONE NUMBER: 720 929-6111	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: Uintah	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/19/2014	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input checked="" type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

The operator has concluded the temporary abandonment operations on the subject well location on 3/19/2014. This well was plugged in order to expand and drill the NBU 1022-4O Pad wells. Please see the attached chronological well history for details. Thank you.

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 April 24, 2014**

NAME (PLEASE PRINT) Teena Paulo	PHONE NUMBER 720 929-6236	TITLE Staff Regulatory Specialist
SIGNATURE N/A	DATE 4/24/2014	

US ROCKIES REGION
Operation Summary Report

Well: NBU 1022-4O-3		Spud Conductor: 10/22/2008		Spud Date: 10/30/2008				
Project: UTAH-UINTAH			Site: NBU 1022-4O PAD			Rig Name No: MILES 2/2		
Event: ABANDONMENT			Start Date: 3/17/2014			End Date: 3/19/2014		
Active Datum: RKB @5,203.00usft (above Mean Sea Level)				UWI: NBU 1022-4O-3				
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
3/17/2014	7:00 - 10:00	3.00		35		P		PULLED PLUNGER. PULLED SHEAR MASTER. SPRING IS BROKEN.
3/18/2014	7:00 - 7:15	0.25	ABANDT	48		P		HSM, SLIPS, TRIPS & FALLS, RIGGING UP, SCANNING TBG
	7:15 - 12:30	5.25	ABANDT	45	A	P		ROAD & SPOT RIG & EQUIP (3/17/14) TO WINDY TO RU 2 HRS, RU, CONTROL WELL W/ TMAC, ND WH, NU BOP, RU FLOOR, UNLAND TBG, MIRU SCAN TECH, SCANNED 243 JTS, 210 JTS YELLOW, 20 JTS BLUE, 13 JTS RED, JTS #1 TO 243 LITE TO MED EXTERNAL SCALE, JTS # 36 TO 50 LITE INTERNAL SCALE, RDMO SCAN TECH.
	12:30 - 14:30	2.00	ABANDT	34	I	P		MIRU CASEDHOLE, RIH W/ 3.70" G/R TO 7350' POOH, PU & RIH W/ 4 1/2" HAL 8K CBP & SET @ 7315' POOH, RDMO CASEDHOLE
	14:30 - 15:00	0.50	ABANDT	31	I	P		RIH W/ TBG TO 7315', FILL & CIRC HOLE W/ TMAC, SWI, SDFN.
								LAT 39.97081, LONG 109.44279, GYRO RAN IN AUG. 2009
3/19/2014	7:00 - 7:15	0.25	ABANDT	48		P		HSM, SLIPS, TRIPS & FALLS, L/D TBG, CMT PLUGS, RD
	7:15 - 14:00	6.75	ABANDT	51	D	P		P/T CSG TO 500 PSI, MIRU PROPETRO, 1ST BALANCE PLUG @ 7300', 2.6 BBLS FRESH, 8 SX CMT / 1.6 BBLS, DISPLACE W/ 1BBL FRESH, 26 BBLS TMAC EST TOC @ 7194', L/D 5 JTS REV CIRC, LD 85 JTS TO 4465', 2ND BALANCE PLUG @ 4465', 2.6 BBLS FRESH, 16 SX CMT / 3.2 BBLS, 1 BBL FRESH, 15 BBLS TMAC EST TOC @ 4253', LD REMAINING TBG, RD FLOOR & TBG EQUIP, ND BOP, REMOVE WH FOR DRLG OPERATIONS, RDMO TO NBU 1022-8E.
3/20/2014	7:00 -		ABANDT					REMOVE PRODUCTION FACILITIES TO PREPARE LOCATION FOR PAD DRILLING

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: UTU-01191
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:
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1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-4O-3	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047384890000	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6100	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0025 FSL 2081 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 04 Township: 10.0S Range: 22.0E Meridian: S	COUNTY: UINTAH	
	STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/17/2015 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The NBU 1022-4O-3 well was returned to production on 3/17/2015 following a temporary abandonment. Please see the attached operations summary report for details. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 19, 2015		
NAME (PLEASE PRINT) Kristina Geno	PHONE NUMBER 720 929-6824	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 3/19/2015	

