

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

5. Lease Serial No.
UTU-8348

6. If Indian, Allottee or Tribe Name

1a. Type of Work: DRILL REENTER

b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

7. If Unit or CA Agreement, Name and No.
UTU-63065X LOVE UNIT

8. Lease Name and Well No.
LOVE UNIT 1122-18J

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

9. API Well No.
43-047-38825

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

10. Field and Pool, or Exploratory
UNDESIGNATED Love

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

4. Location of Well (Report location clearly and in accordance with any State requirements*)
At surface **NWSE 2353'FSL, 2255'FEL 628679X 39.859859**
At proposed prod. Zone **4413076Y -104.495654**

11. Sec., T., R., M., or Blk, and Survey or Area
SEC. 18, T11S, R22E

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

12. County or Parish
UINTAH

13. State
UTAH

| | | |
|---|---|---|
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2255' | 16. No. of Acres in lease 1089.18 | 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 8340' | 20. BLM/BIA Bond No. on file BOND NO: WY-2357 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5774' 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:

- | | |
|---|--|
| <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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 10/12/2006 |
| Title REGULATORY ANALYST | | |
| Approved by (Signature) | Name (Printed/Typed) BRADLEY G. HILL | Date 12-13-06 |
| Title 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)

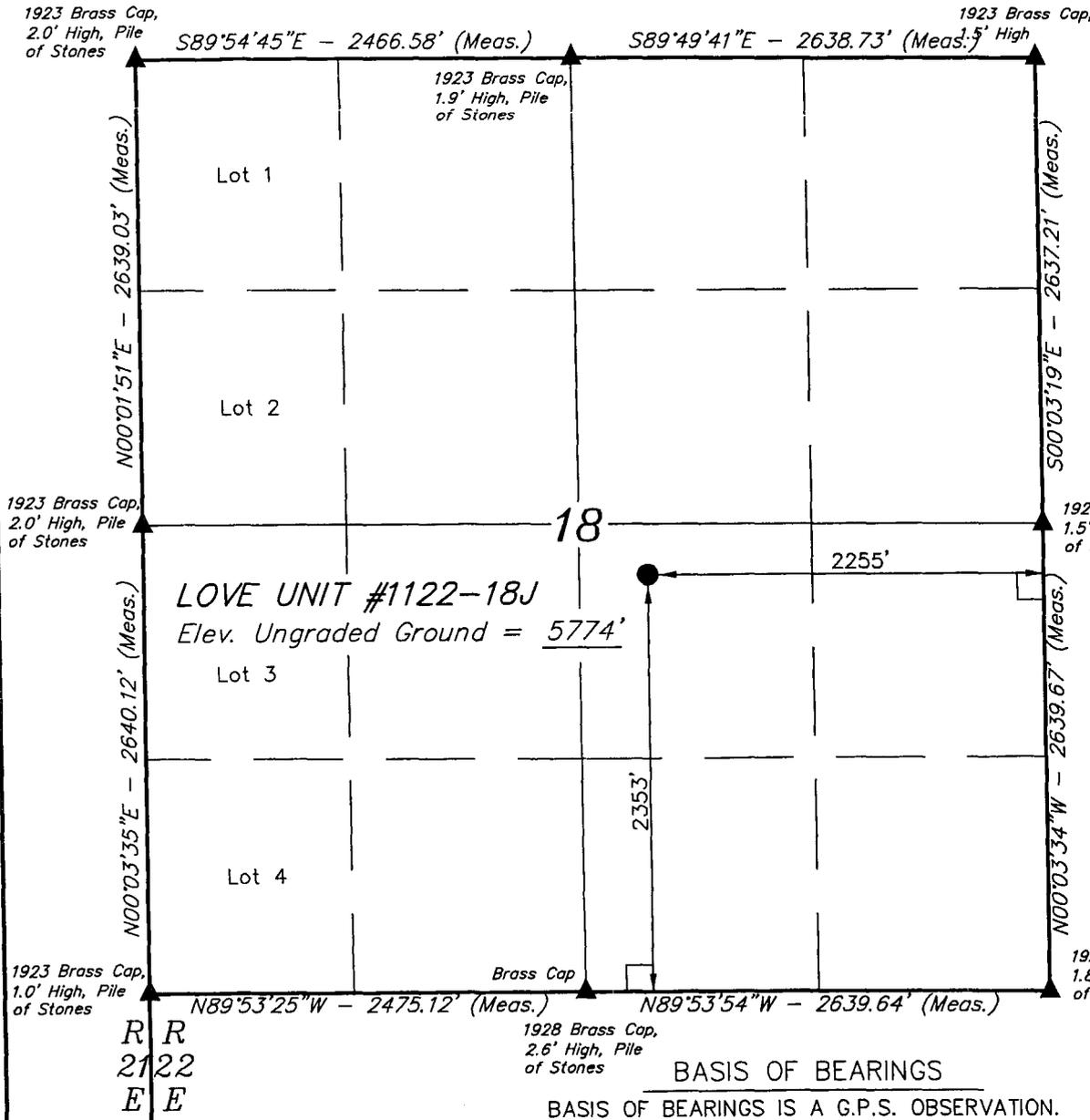
Federal Approval of this
Action is Necessary

RECEIVED
NOV 01 2006
DIV. OF OIL, GAS & MINING

T11S, R22E, S.L.B.&M.

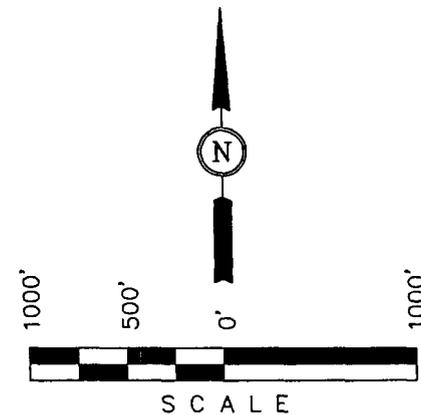
Kerr McGee Oil & Gas Onshore LP

Well location, LOVE UNIT #1122-18J, located as shown in the NW 1/4 SE 1/4 of Section 18, T11S, R22E, S.L.B.&M., Uintah County, Utah.



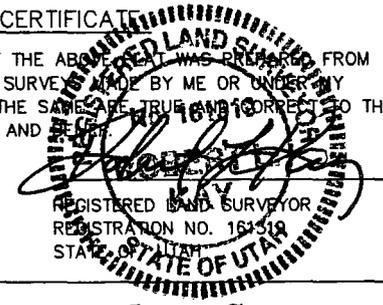
BASIS OF ELEVATION

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



CERTIFICATE

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



REGISTERED LAND SURVEYOR
REGISTRATION NO. 164319
STATE OF UTAH

BASIS OF BEARINGS

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

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°51'35.39" (39.859831)
LONGITUDE = 109°29'47.01" (109.496392)
(NAD 27)
LATITUDE = 39°51'35.51" (39.859864)
LONGITUDE = 109°29'44.54" (109.495706)

REV: 09-27-06

| | | |
|--|---|-------------------------|
| UINTAH ENGINEERING & LAND SURVEYING | | |
| 85 SOUTH 200 EAST - VERNAL, UTAH 84078 | | |
| (435) 789-1017 | | |
| SCALE 1" = 1000' | DATE SURVEYED: 04-14-06 | DATE DRAWN: 04-25-06 |
| PARTY J.R. L.M. C.H. | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE Kerr McGee Oil & Gas Onshore LP | |

**LOVE UNIT 1122-18J
NW/SE SEC. 18, T11S, R22E
UINTAH COUNTY, UTAH
UTU-8348**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

| <u>Formation</u> | <u>Depth</u> |
|-------------------------|--------------|
| Uinta | 0- Surface |
| Green River | 917' |
| Top of Birds Nest Water | 1138' |
| Wasatch | 3852' |
| Mesaverde | 6325' |
| MVU2 | 7281' |
| MVL1 | 7864' |
| TD | 8340' |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|-------------------------|--------------|
| | Green River | 917' |
| Water | Top of Birds Nest Water | 1138' |
| Gas | Wasatch | 3852' |
| Gas | Mesaverde | 6325' |
| Gas | MVU2 | 7281' |
| Gas | MVL1 | 7864' |
| Water | N/A | |
| Other Minerals | N/A | |

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8340' TD, approximately equals 5171 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3336 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.

KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|------------|--------|-----------|-------|------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 2270 | 1370 | 254000 |
| SURFACE | 9-5/8" | 0 to 1640 | 32.30 | H-40 | STC | 0.77* | 1.78 | 5.48 |
| PRODUCTION | 4-1/2" | 0 to 8340 | 11.60 | I-80 | LTC | 2.65 | 1.33 | 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 = 11.0 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy Fact. of water)
- MASP 2936 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 | | NOTE: If well will circulate water to surface, option 2 will be utilized | | | | | |
| Option 2 | LEAD | 1500 | Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOc | 170 | 35% | 11.00 | 3.82 |
| | TAIL | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 180 | 35% | 15.60 | 1.18 |
| | TOP OUT CMT | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| PRODUCTION | LEAD | 3,350' | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 370 | 60% | 11.00 | 3.38 |
| | TAIL | 4,990' | 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

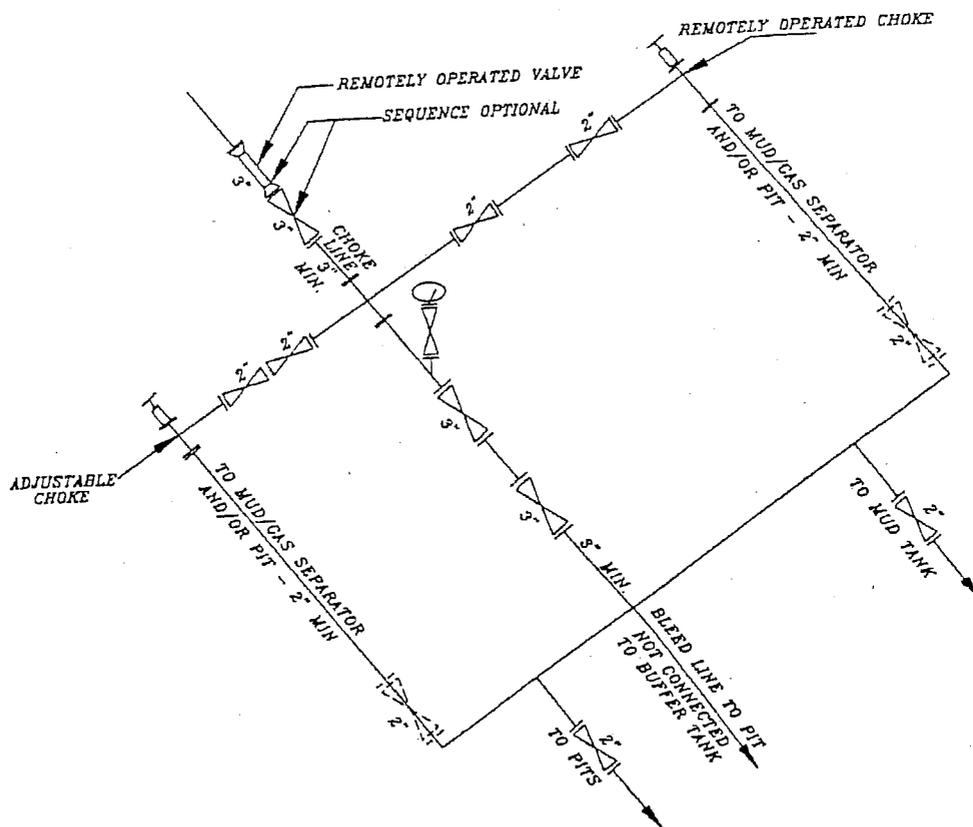
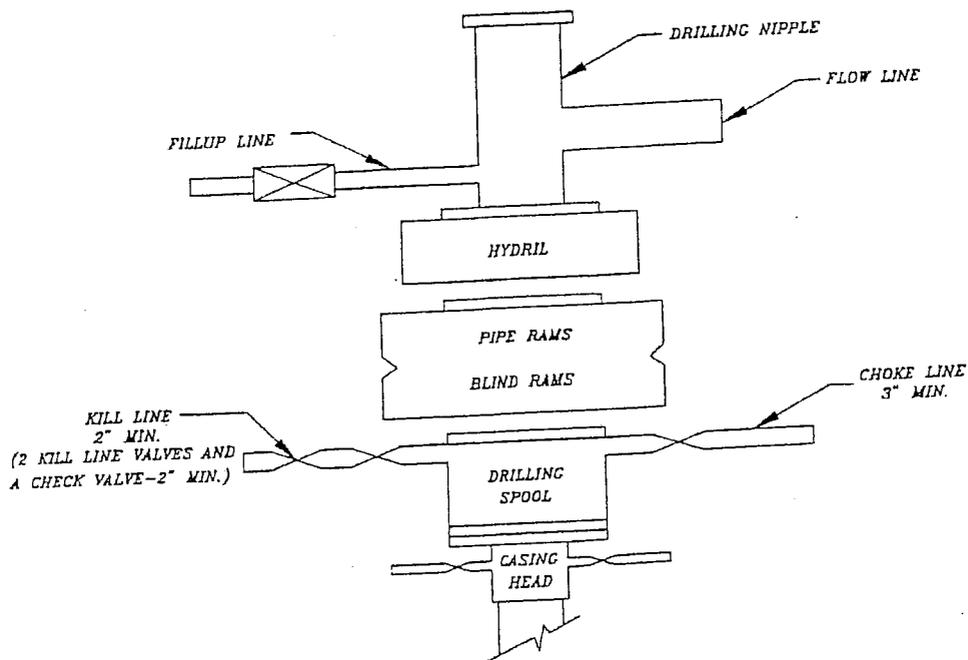
*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

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

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**LOVE UNIT 1122-18J
NW/SE SEC. 18, T11S, R22E
UINTAH COUNTY, UTAH
UTU-8348**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

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

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

2. Planned Access Roads:

Approximately 0.1 +/- miles of access road is proposed. Refer to Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities & Pipelines:

The following guidelines will apply if the well is productive.

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

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

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

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

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

Variances to Best Management Practices (BMP) Requests:

Approximately 541' +/- of 4" steel pipeline is proposed from the location to tie-in to an existing pipeline. Please refer to the Topo Map D. The pipeline will be butt-welded together.

The pipeline shall be installed on surface within 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.

5. Location and Type of Water Supply:

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

Water will be hauled to location over the roads marked on Maps A and B.
No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

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

Any gravel will be obtained from a commercial source.

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

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

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

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

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

The operator will re-route the drainage ditch behind the pit. As discussed at the on-site inspection.

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

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

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

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

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

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

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. **Ancillary Facilities:**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

Producing Location:

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

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

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

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

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

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

Dry Hole/Abandoned Location:

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

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

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 seeds are:

| | |
|---------------|---------|
| Galleta Grass | 20 lbs. |
|---------------|---------|

The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

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

13. Other Information:

WILDLIFE STIPULATIONS:

ANTELOPE: No construction or Drilling May 15th – June 20th.

A Class III archaeological survey has been performed and completed on May 2, 2006, the Archaeological Report No. 06-182.

A Paleontological survey has been performed and completed on August 26, 2005, the Paleontological Report No. 06-142. This report are submitted along with the Application for Permit to Drill (APD).

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. **Lessee's or Operators's Representative & Certification:**

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

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

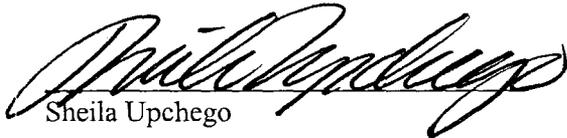
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

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

I hereby certify that the proposed drill site and access route has been inspected and 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

October 12, 2006

Date

Kerr-McGee Oil & Gas Onshore LP
LOVE UNIT #1122-18J
SECTION 18, T11S, 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 10.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 5.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 58.4 MILES.

Kerr-McGee Oil & Gas Onshore LP

LOVE UNIT #1122-18J
LOCATED IN UTAH COUNTY, UTAH
SECTION 18, T11S, R22E, S.L.B.&M.

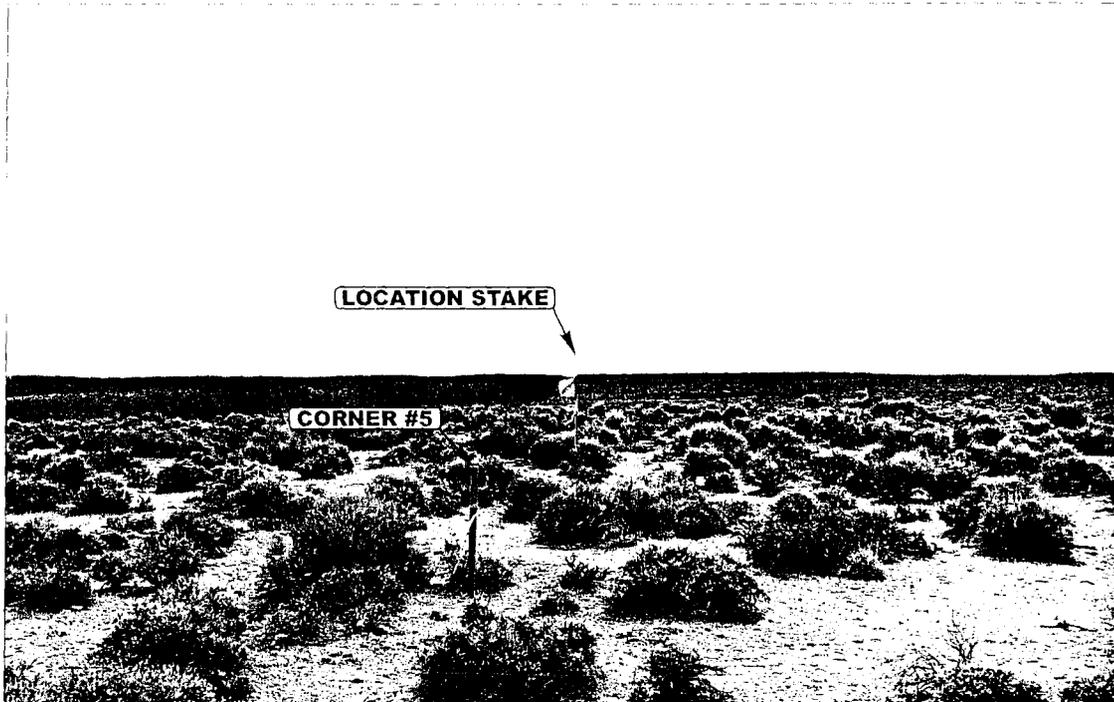


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

**E
L
S**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

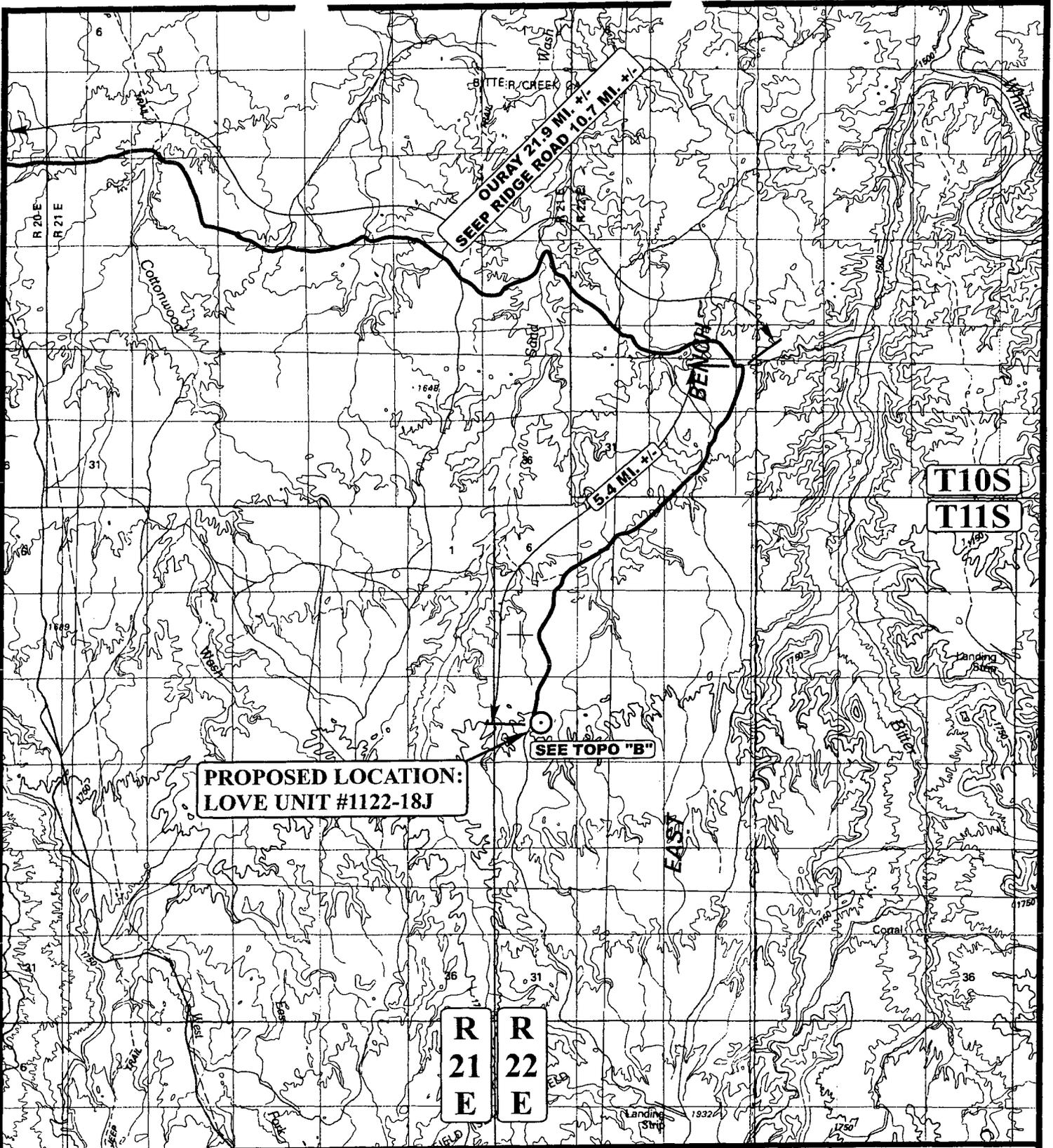
04 25 06
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.P.

REV: 09-27-06 C.H.



**PROPOSED LOCATION:
LOVE UNIT #1122-18J**

SEE TOPO "B"

**R
21
E** **R
22
E**

T10S

T11S

LEGEND:

○ PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

**LOVE UNIT #1122-18J
SECTION 18, T11S, R22E, S.L.B.&M.
2353' FSL 2255' FEL**



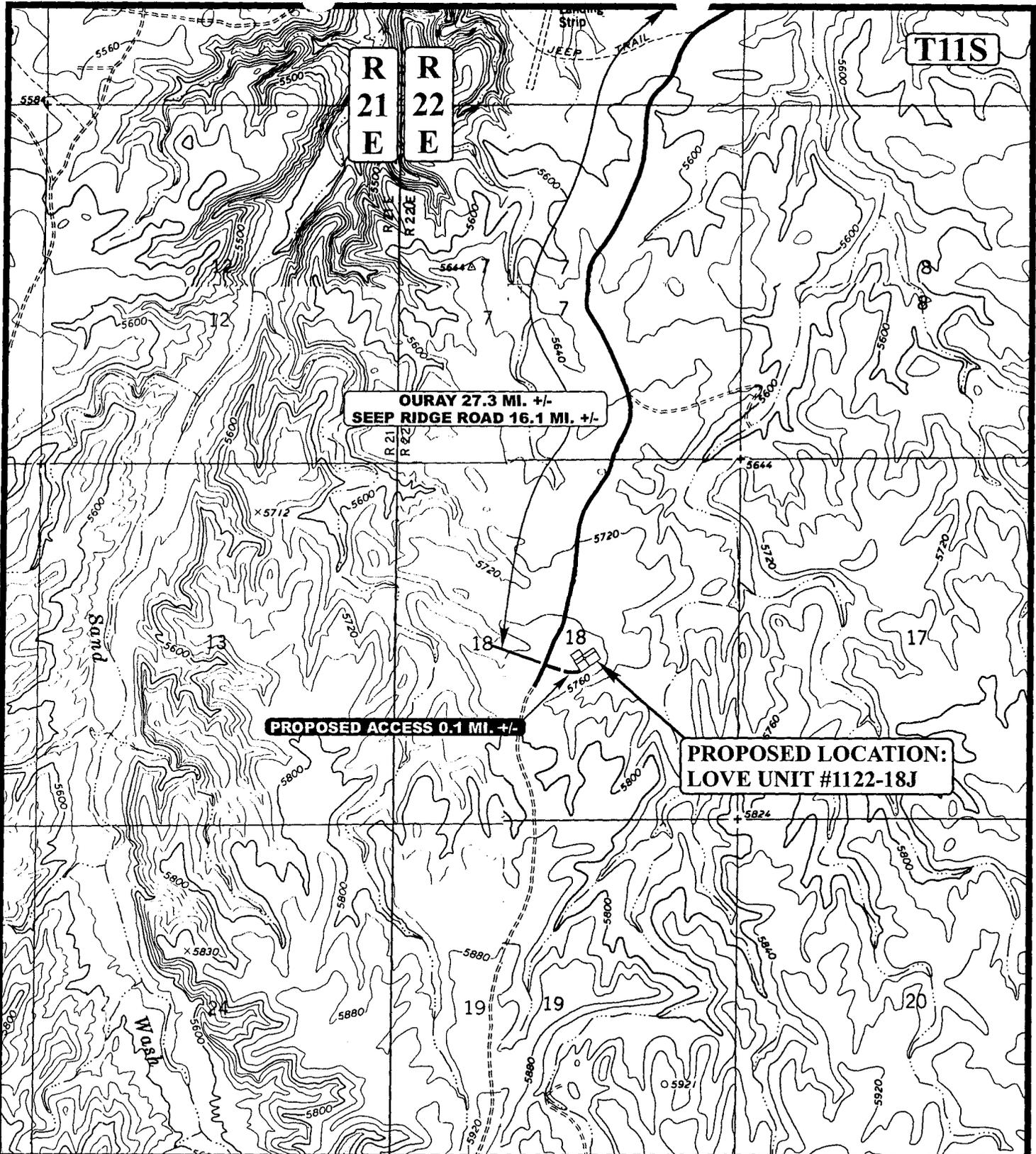
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 04 25 06
MAP MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REV: 09-27-06 C.H.





LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

LOVE UNIT #1122-18J
SECTION 18, T11S, R22E, S.L.B.&M.
2353' FSL 2255' FEL

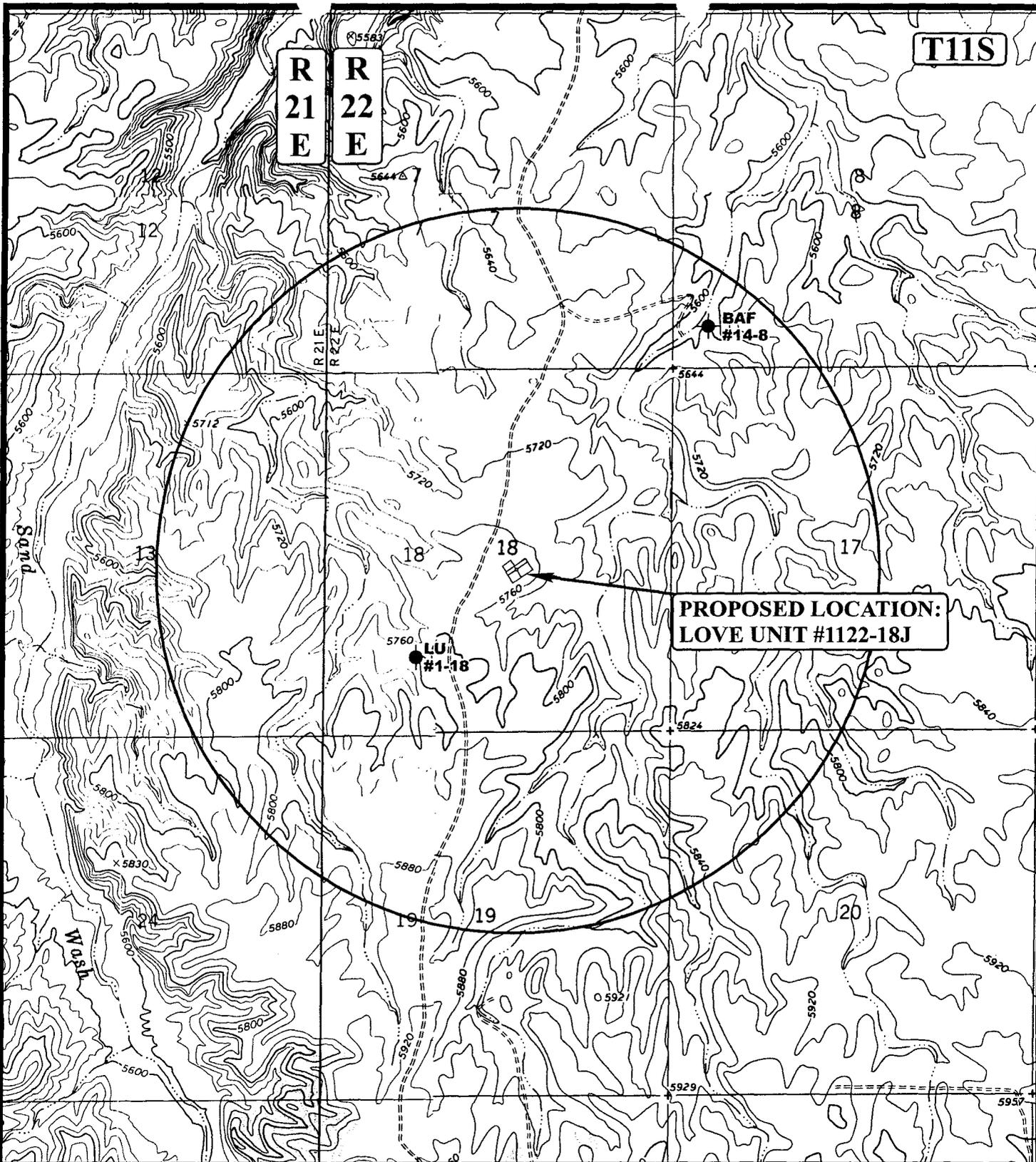


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 04 25 06
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REV: 09-27-06 C.H.





LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

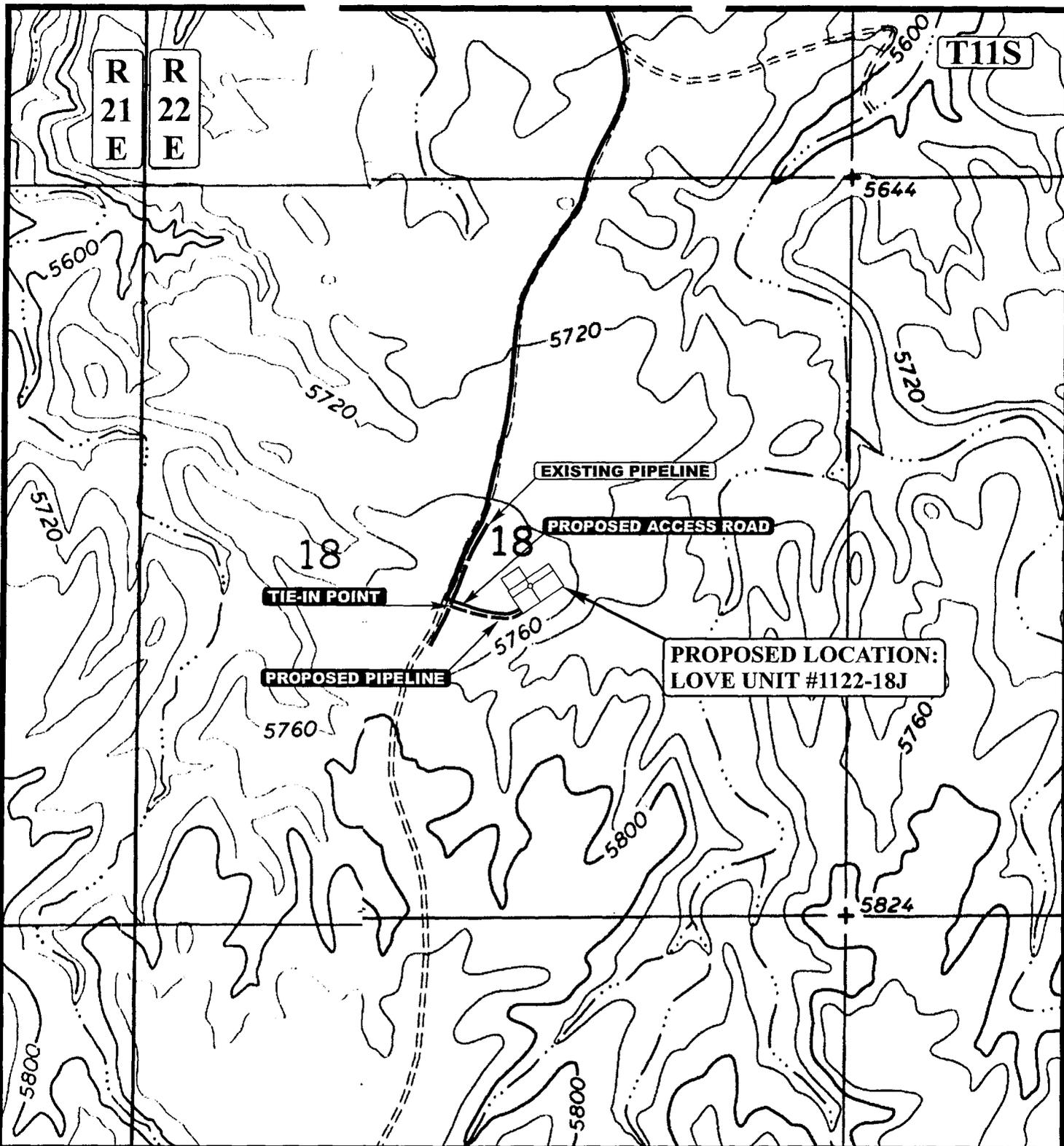
LOVE UNIT #1122-18J
SECTION 18, T11S, R22E, S.L.B.&M.
2353' FSL 2255' FEL



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

TOPOGRAPHIC 04 25 06
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REV: 09-27-06 C.H.





APPROXIMATE TOTAL PIPELINE DISTANCE = 541' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

Kerr-McGee Oil & Gas Onshore LP

LOVE UNIT #1122-18J
 SECTION 18, T11S, R22E, S.L.B.&M.
 2353' FSL 2255' FEL



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

TOPOGRAPHIC MAP
 04 25 06
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: C.P. REV: 09-27-06 C.H.



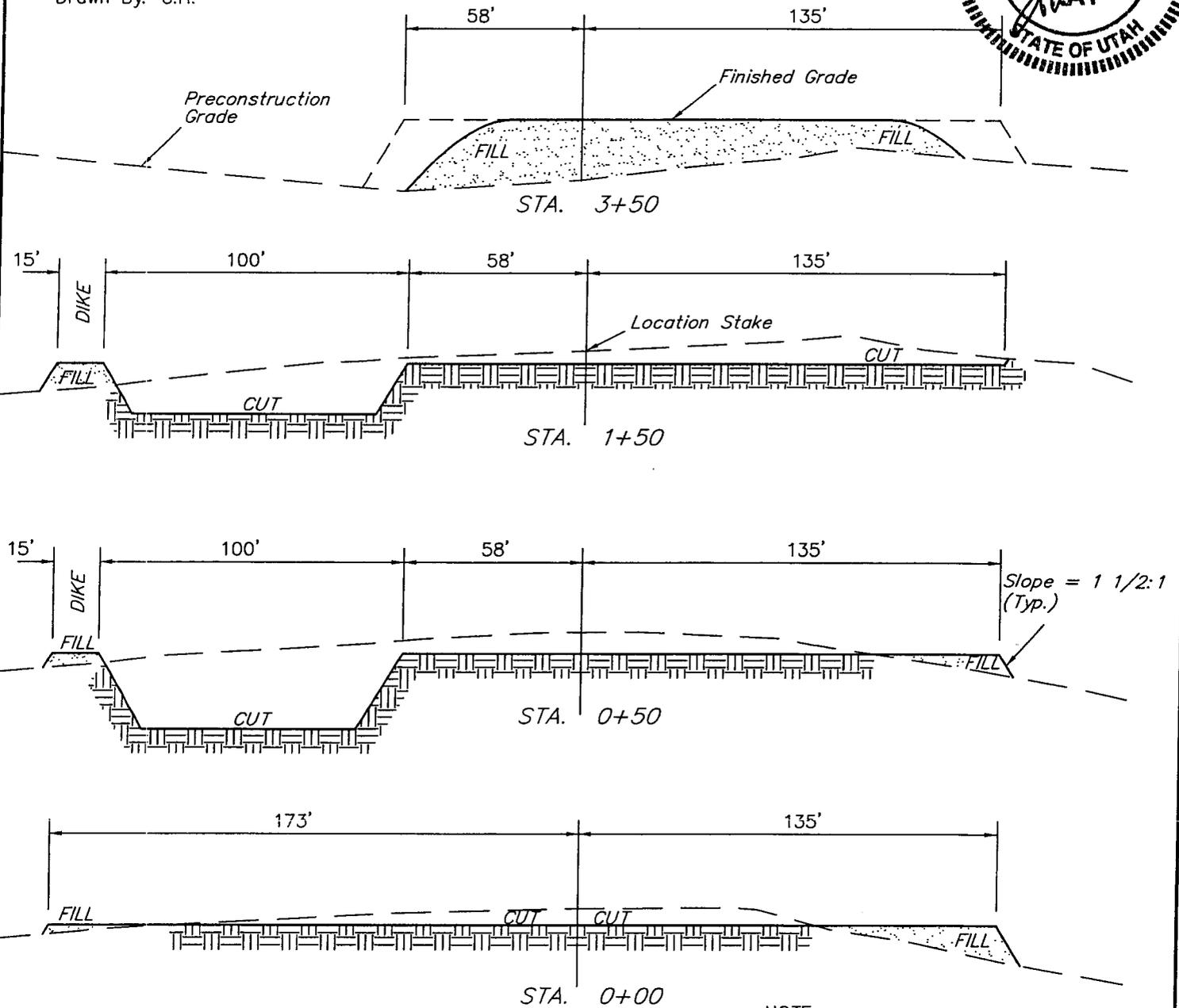
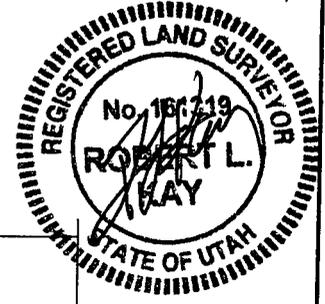
Kear-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 LOVE UNIT #1122-18J
 SECTION 18, T11S, R22E, S.L.B.&M.
 2353' FSL 2255' FEL

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

DATE: 09-27-06
 Drawn By: C.H.



* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

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

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,800 Cu. Yds. |
| Remaining Location | = 6,320 Cu. Yds. |
| TOTAL CUT | = 8,120 CU.YDS. |
| FILL | = 4,180 CU.YDS. |

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,940 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,940 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/01/2006

API NO. ASSIGNED: 43-047-38825

WELL NAME: LOVE U 1122-18J

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NWSE 18 110S 220E
 SURFACE: 2353 FSL 2255 FEL
 BOTTOM: 2353 FSL 2255 FEL
 COUNTY: UINTAH
 LATITUDE: 39.85986 LONGITUDE: -109.4957
 UTM SURF EASTINGS: 628679 NORTHINGS: 4413076
 FIELD NAME: LOVE (622)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-8348
 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: LOVE
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Lease Approval

2- Spacing Sp

BROKEN
ARROW FED 14-8

T11S R21E T11S R22E

LOVE U
H22-18C

LOVE U
H22-18F

LOVE UNIT
H22-18G

18
LOVE U
H22-18J

LOVE U
H22-18K

LOVE UNIT
A1-18

LOVE FIELD
LOVE UNIT

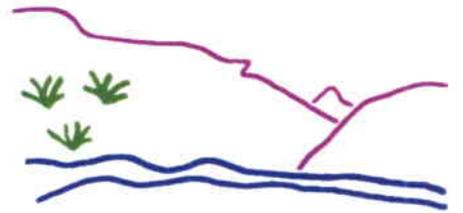
OPERATOR: KERR MCGEE O&G (N2995)

SEC: 18 T.11S R. 22E

FIELD: LOVE (622)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 6-NOVEMBER-2006

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

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

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

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)

November 6, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2006 Plan of Development Love 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 Love Unit, Uintah County, Utah.

| API# | WELL NAME | LOCATION |
|---------------------------------|--|----------|
| (Proposed PZ Wasatch/MesaVerde) | | |
| 43-047-38825 | Love U 1122-18J Sec 18 T11S R22E 2353 FSL 2255 FEL | |
| 43-047-38823 | Love U 1122-18F Sec 18 T11S R22E 2001 FNL 1774 FWL | |
| 43-047-38824 | Love U 1122-18C Sec 18 T11S R22E 0842 FNL 1734 FWL | |
| 43-047-38826 | Love U 1122-18K Sec 18 T11S R22E 2082 FSL 1974 FWL | |

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:11-6-06



Kerr-McGee Oil & Gas OnShore LP
1999 Broadway, Suite 3700, Denver, Colorado 80202
303-296-3600 • Fax 303-296-3601

December 6, 2006

Ms. Diana Mason
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

RE: Approved Request for Consent to Exception Well Location
Love Unit 1122-18J Well
Township 11 South, Range 22 East
Section 18: NWSE
2,353' FSL, 2,255' FEL
Uintah County, Utah
Love Unit

Dear Ms. Mason:

Please find a copy of the approved Request for Consent to Exception Well Location for the above captioned well.

If you have any questions or require any additional information, please do not hesitate to call Chris Latimer at 720-264-2618.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jodi Dollard', written in a cursive style.

Jodi Dollard
Land Administrative Assistant

RECEIVED

DEC 12 2006

DIV. OF OIL, GAS & MINING



November 7, 2006

Kerr-McGee Oil & Gas OnShore LP
1999 Broadway, Suite 3700, Denver, Colorado 80202
303-296-3600 • Fax 303-296-3601

EOG Resources, Inc.
Mrs. Toni Lci Miller
600 17th Street, Suite 1000N
Denver, CO 80202

Re: Revised Request for Consent to Exception Well Location
Love Unit 1122-18J Well
Township 11 South, Range 22 East
Section 18: NWSE
2,353' FSL, 2,255' FEL
Uintah County, Utah
Love Unit

Dear Mrs. Miller:

By letter dated May 31, 2006 Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee) requested consent to Exception Well Location for the subject well. EOG consented to this original request on June 8, 2006. This well has since been re-staked and Kerr-McGee proposes to drill the Love Unit 1122-18J well, a 8,475' Wasatch/Mesaverde formation test, located 2,353' FSL, 2,255' FEL (NWSE) of Section 18-T11S-R22E, SLM, Uintah County, Utah. Enclosed is a copy of the survey plat along with a copy of a topo map depicting the proposed location of the subject well.

The State of Utah Board of Oil, Gas and Mining's Order in State Wide 649-3-2 established 40-acre drilling units for the development and production of gas and associated hydrocarbons from the Wasatch/Mesaverde formation and prescribes that the location of the permitted well in each drilling unit shall not be less than 460' from the exterior boundary of such drilling unit.

Since the location of the subject well is not in compliance with this spacing order, Kerr-McGee Oil & Gas Onshore LP will request the State of Utah Division of Oil, Gas and Mining's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. This rule requires Kerr-McGee Oil & Gas Onshore LP to obtain written consent from all owners of directly or diagonally offsetting drilling units.

If EOG Resources, Inc. has no objections to Kerr-McGee Oil & Gas Onshore LP's drilling the subject well at the above-described exception location, Kerr-McGee Oil

RECEIVED

DEC 12 2006

DIV. OF OIL, GAS & MINING

& Gas Onshore LP respectfully requests you indicate your approval by executing in the space provided below and returning two (2) originally executed copies to my attention.

If you have any questions or require any additional information, please do not hesitate to call the undersigned at 720-264-2618.

Sincerely,

Kerr-McGee Oil & Gas Onshore LP



W. Chris Latimer, CPL
Landman Specialist

EOG Resources, Inc. consents to the above described exception location this

5th day of December, 2006.

By: 

Name: Ken Boedeker

Title: Engineering Manager



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

December 13, 2006

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

Re: Love Unit 1122-18J Well, 2353' FSL, 2255' FEL, NW SE, Sec. 18,
T. 11 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-38825.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal District Office

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number Love Unit 1122-18J
API Number: 43-047-38825
Lease: UTU-8348

Location: NW SE Sec. 18 T. 11 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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

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-8348

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
LOVE UNIT

8. Well Name and No.
LOVE UNIT 1122-18J

9. API Well No.
43-047-38825

10. Field and Pool, or Exploratory Area
LOVE

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 & GAS ONSHORE LP

3a. Address
1999 BROADWAY, STE 3700, DENVER, CO 80202

3b. Phone No. (include area code)
720-929-6666

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2353' FSL, 2255' FEL
NWSE, SECTION 18, T11S, R22E SLB&M**

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 | DOGM |
| | <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 T THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON DECEMBER 13, 2006.

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 12/15/2007
Initials: [Signature]

Date: 12-04-07
By: [Signature]

RECEIVED
DEC 03 2007
DIV. OF OIL, GAS & MINING

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

| | |
|---|--|
| Name (Printed/Typed) RALEEN WHITE | Title SR. REGULATORY ANALYST |
| Signature <i>Raleen White</i> | Date November 26, 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.

RESET

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

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

API: 4304738825
Well Name: LOVE UNIT 1122-18J
Location: NWSE, SECTION 18, T11S, R22E, SLB&M
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE LP
Date Original Permit Issued: 12/13/2006

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

Raleen White
Signature

11/26/07
Date

Title: Sr. Regulatory Analyst

Representing: Kerr-McGee Oil & Gas Onshore LP

RECEIVED

DEC 03 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

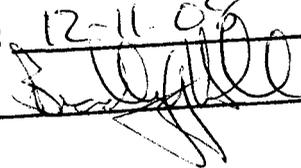
| | | |
|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-8348 |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A |
| | | 7. UNIT or CA AGREEMENT NAME: 891018090A |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 8. WELL NAME and NUMBER: Love 1122-18J |
| 2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP | | 9. API NUMBER: 4304738825 |
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 | CITY Denver STATE CO ZIP 80217-3779 | 10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2353' FSL & 2255' FEL | | COUNTY: Uintah |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 18 11S 22E | | STATE: UTAH |

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

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

Kerr-McGee Oil & Gas Onshore, LP, respectfully requests a one year extension for this APD in order to complete drilling operations. The Utah Division of Oil, Gas, and Mining initially approved this APD on 12/13/2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-11-08
By: 

| | |
|---|---------------------------------|
| NAME (PLEASE PRINT) <u>Kevin McIntyre</u> | TITLE <u>Regulatory Analyst</u> |
| SIGNATURE  | DATE <u>12/10/2008</u> |

(This space for State use only)

COPY SENT TO OPERATOR

Date: 12-16-2008

Initials: KS

(See Instructions on Reverse Side)

RECEIVED

DEC 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: 4304738825
Well Name: Love 1122-18J
Location: NWSE 2353' FSL & 2255' FEL, Sec. 18, T11S R22E
Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP
Date Original Permit Issued: 12/13/2006

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

12/10/2008

Date

Title: Regulatory Analyst

Representing: Kerr-McGee Oil & Gas Onshore, LP

RECEIVED
DEC 11 2008
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2009

Raleen White
Anadarko Petroleum Corp.
PO Box 173779
Denver, CO 80217-3779

43 047 38825
Love Unit 1122-18J
11S 22E 18

Re: APDs Rescinded at the request of Anadarko Petroleum Corp.

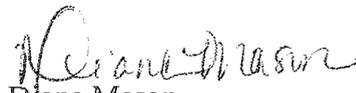
Dear Ms. White:

Enclosed find the list of APDs that you requested to be rescinded to Anadarko Petroleum Corp. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective February 20, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal
SITLA, Ed Bonner

| | | | | | |
|----------------|-------------------------|-----|-----|----|------|
| 43047395730000 | FEDERAL 1021-23P | 10S | 21E | 23 | SESE |
| 43047395770000 | FEDERAL 1021-25I | 10S | 21E | 25 | NESE |
| 43047395760000 | FEDERAL 1021-25M | 10S | 21E | 25 | SWSW |
| 43047397930000 | Federal 1021-25N | 10S | 21E | 25 | SESW |
| 43047395810000 | FEDERAL 1021-34K | 10S | 21E | 34 | NESW |
| 43047395520000 | FEDERAL 1021-34M | 10S | 21E | 34 | SWSW |
| 43047395560000 | FEDERAL 1021-34P | 10S | 21E | 34 | SESE |
| 43047389890000 | FEDERAL 1021-35F | 10S | 21E | 35 | SENW |
| 43047389760000 | FEDERAL 1021-35G | 10S | 21E | 35 | SWNE |
| 43047389380000 | FEDERAL 1021-35H | 10S | 21E | 35 | SENE |
| 43047389350000 | FEDERAL 1021-35I | 10S | 21E | 35 | NESE |
| 43047389330000 | FEDERAL 1021-35P | 10S | 21E | 35 | SESE |
| 43047389370000 | FEDERAL 1021-35A | 10S | 21E | 35 | NENE |
| 43047365050000 | LOVE 1121-2B | 11S | 21E | 02 | NWNE |
| 43047394050000 | LOVE UNIT 1121-10NT | 11S | 21E | 10 | SESW |
| 43047393910000 | LOVE UNIT 1121-3NT | 11S | 21E | 03 | SWSW |
| 43047388240000 | LOVE UNIT 1122-18C | 11S | 22E | 18 | NENW |
| 43047388250000 | LOVE UNIT 1122-18J | 11S | 22E | 18 | NWSE |
| 43047388260000 | LOVE UNIT 1122-18K | 11S | 22E | 18 | NESW |
| 43047396050000 | LOVE UNIT 1122-18L | 11S | 22E | 18 | NWSW |
| 43047396030000 | LOVE UNIT 1122-19C | 11S | 22E | 19 | NENW |
| 43047386310000 | MULLIGAN 823-23H | 08S | 23E | 23 | SENE |
| 43047387130000 | MULLIGAN 823-24O | 08S | 23E | 24 | SWSE |
| 43047393730000 | NBU 1020-1KT | 10S | 20E | 01 | NESW |
| 43047393740000 | NBU 1020-24BT | 10S | 20E | 24 | NWNE |
| 43047393760000 | NBU 1021-11I | 10S | 21E | 11 | NESE |
| 43047393800000 | NBU 1021-11M | 10S | 21E | 11 | SWSW |
| 43047393790000 | NBU 1021-11P | 10S | 21E | 11 | SESE |
| 4304739383 | NBU 1021-12A | 10S | 21E | 12 | NENE |
| 43047393860000 | NBU 1021-12L - STATE | 10S | 21E | 12 | NWSW |
| 43047393840000 | NBU 1021-12N | 10S | 21E | 12 | SESW |
| 43047395470000 | NBU 1021-15F | 10S | 21E | 15 | SENW |
| 43047395460000 | NBU 1021-15L | 10S | 21E | 15 | NWSW |
| 43047395630000 | NBU 1021-15P | 10S | 21E | 15 | SESE |
| 43047395260000 | NBU 1021-20G STATE/FED | 10S | 21E | 20 | SWNE |
| 43047395340000 | NBU 1021-20J STATE/FED | 10S | 21E | 20 | NWSE |
| 43047395330000 | NBU 1021-20K STATE/FED | 10S | 21E | 20 | NESW |
| 43047395320000 | NBU 1021-20L STATE/FED | 10S | 21E | 20 | NWSW |
| 43047395310000 | NBU 1021-20O STATE/FED | 10S | 21E | 20 | SWSE |
| 43047375280000 | NBU 1021-21C (FKA C275) | 10S | 21E | 21 | NENW |
| 43047367020000 | NBU 1021-21H | 10S | 21E | 21 | SENE |
| 43047395500000 | NBU 1021-22A | 10S | 21E | 22 | NENE |
| 43047394030000 | NBU 1021-23FT | 10S | 22E | 23 | SENW |
| 43047395600000 | NBU 1021-23L | 10S | 21E | 23 | NWSW |
| 43047395780000 | NBU 1021-25F | 10S | 21E | 25 | SENW |
| 43047395750000 | NBU 1021-25J | 10S | 21E | 25 | NWSE |
| 43047395610000 | NBU 1021-25K | 10S | 21E | 25 | NESW |

| | | | | | |
|----------------|------------------|-----|-----|----|------------|
| 4304739580000 | NBU 1021-26D | 10S | 21E | 26 | NWNW |
| 43047395790000 | NBU 1021-26E | 10S | 21E | 26 | SWNW |
| 43047379680000 | NBU 1021-6C | 10S | 21E | 06 | NENW LOT 3 |
| 43047379670000 | NBU 1021-6D | 10S | 21E | 06 | NWNW LOT 4 |
| 43047379410000 | NBU 1021-7B | 10S | 21E | 07 | NWNE |
| 43047401850000 | NBU 921-31BT | 09S | 21E | 31 | NWNE |
| 43047363950000 | NBU 921-33K | 09S | 21E | 33 | NESW |
| 4304740038 | HATCH 923-13A | 09S | 23E | 13 | NENE |
| 4304740060 | HATCH 923-13ED | 09S | 23E | 13 | SWNW |
| 4304740059 | HATCH 923-13O | 09S | 23E | 13 | SWSE |
| 4304740061 | HATCH 923-14M | 09S | 23E | 14 | SWSW |
| 4304740143 | HATCH 923-14O | 09S | 23E | 14 | SWSE |
| 4304740064 | HATCH 923-15B | 09S | 23E | 15 | NWNE |
| 4304740062 | HATCH 923-15L | 09S | 23E | 15 | NWSW |
| 4304740063 | HATCH 923-15P | 09S | 23E | 15 | SESE |
| 4304740065 | HATCH 923-24O | 09S | 23E | 24 | SWSE |
| 4304740069 | HATCH 923-25A | 09S | 23E | 25 | NENE |
| 4304740068 | HATCH 923-25I | 09S | 23E | 25 | NESE |
| 4304740070 | HATCH 923-25O | 09S | 23E | 25 | SWSE |
| 43047388010000 | FEDERAL 1022-15H | 10S | 22E | 15 | SENE |
| 4304739388 | FEDERAL 1022-15K | 10S | 22E | 15 | NESW |
| 43047389240000 | FEDERAL 1022-15L | 10S | 22E | 15 | NWSW |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www/blm.gov/ut/st/en/fo/vernal/html>



IN REPLY REFER TO:

3160

LLUTG01100

March 2, 2009

43-047-38825

Raleen White
Kerr McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779

Re: Return Unapproved APD
Well No. Love Unit 1122-18J
NWSE, Sec. 18, T11S, R22E
Uintah County, Utah
Lease No. UTU-8348
Love Unit

Dear Ms. White:

The Application for Permit to Drill (APD) for the above referenced well received October 24, 2006, is being returned unapproved per your request to this office in an email message on February 20, 2009. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

Enclosures

cc: UDOGM

RECEIVED

MAR 10 2009

DIV. OF OIL, GAS & MINING