

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-47060	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.		9. WELL NAME and NUMBER: STATE 1021-36F	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2055'FNL, 1827'FWL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 10S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 23.5 MILES SOUTH OF OURAY, UTAH		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1827'	16. NUMBER OF ACRES IN LEASE: 640.00	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 8,580	20. BOND DESCRIPTION: RLB0005237	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5280'GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8 H-40 32.3#	1,800	265 SX CLASS G 1.18 YIELD 15.6 PPG
7 7/8"	4 1/2 I-80 11.6#	8,580	1820 SX 50/50 POZ 1.31 YIELD 14.3 PPG

ATTACHMENTS

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

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE *Sheila Upchego* DATE 11/7/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38847

Approved by the
Utah Division of
Oil, Gas and Mining

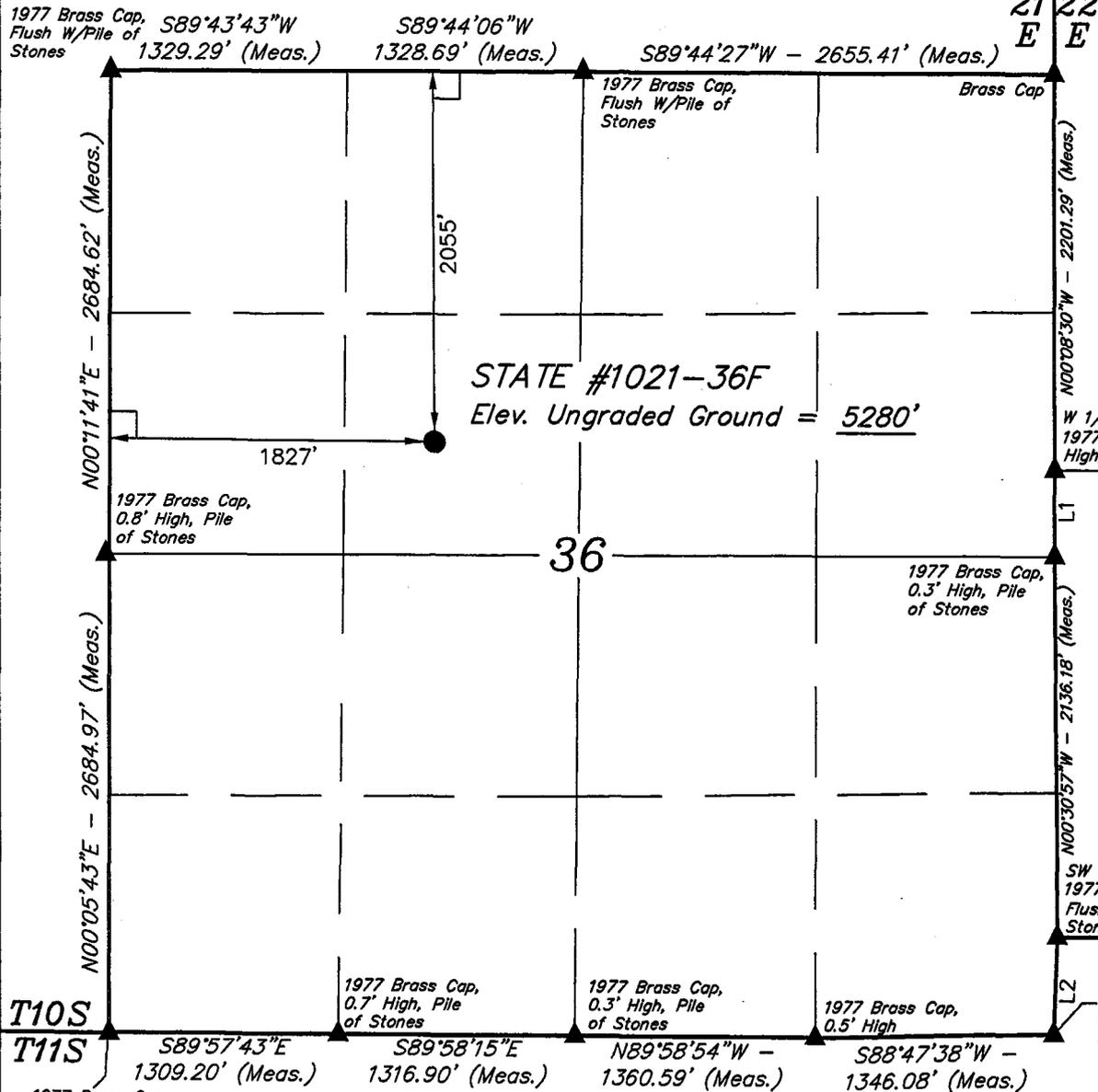
APPROVAL:

Date: 02-14-07
By: *[Signature]*

RECEIVED
NOV 13 2006

DIV. OF OIL, GAS & MINING

T10S, R21E, S.L.B.&M.



Kerr McGee Oil & Gas Onshore LP

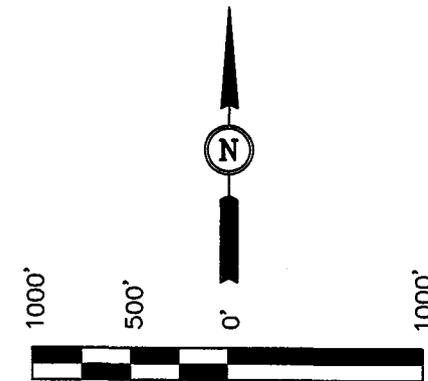
Well location, STATE 1021-36F, located as shown in the SE 1/4 NW 1/4 of Section 36, T10S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

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

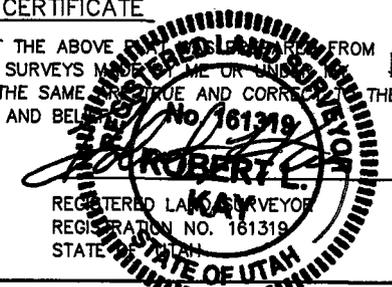
BASIS OF BEARINGS

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



SCALE
CERTIFICATE

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



T10S
T11S
S89°57'43"E 1309.20' (Meas.)
S89°58'15"E 1316.90' (Meas.)
NB9°58'54"W - 1360.59' (Meas.)
S88°47'38"W - 1346.08' (Meas.)

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N00°13'23"W	484.64'
L2	N02°12'25"E	546.05'

(NAD 83)
LATITUDE = 39°54'20.66" (39.905739)
LONGITUDE = 109°30'08.73" (109.502425)
(NAD 27)
LATITUDE = 39°54'20.78" (39.905772)
LONGITUDE = 109°30'06.27" (109.501742)

LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 10-05-06	DATE DRAWN: 10-09-06
PARTY B.H. F.Y. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr McGee Oil & Gas Onshore LP	

STATE 1021-36F
SENW SEC 36, T10S, R21E
UINTAH COUNTY, UTAH
ML-47060

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	794'
Top of Birds Nest Water	1086'
Mahogany	1597'
Wasatch	3912'
Mesaverde	6509'
MVU2	7463'
MVL1	8100'
TD	8580'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	794'
	Top of Birds Nest Water	1086'
	Mahogany	1597'
Gas	Wasatch	3912'
Gas	Mesaverde	6509'
Gas	MVU2	7463'
Gas	MVL1	8100'
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 8580' TD, approximately equals 5320 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3432 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 1800	32.30	H-40	STC	0.72*****	1.63	4.99
PRODUCTION	4-1/2"	0 to 8580	11.60	I-80	LTC	7780	6350	201000
						2.47	1.26	2.31

- 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 = 11.3 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 3154 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	3,410'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	5,170'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1450	60%	14.30	1.31

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

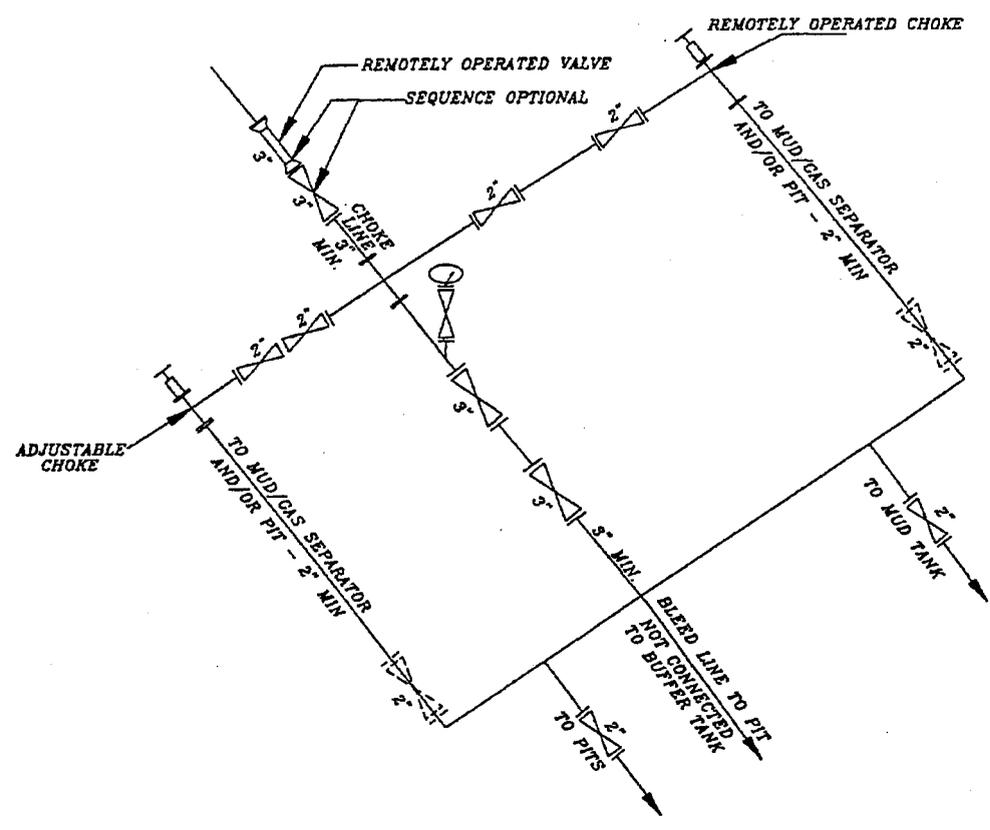
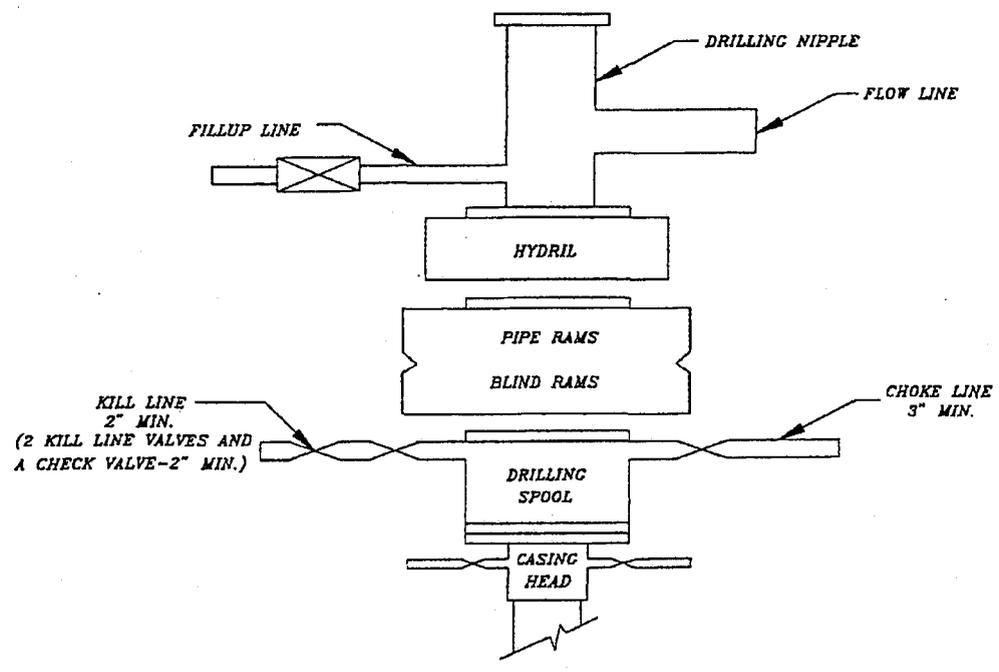
DRILLING ENGINEER: _____
Brad Laney

DATE: _____

DRILLING SUPERINTENDENT: _____
Randy Bayne STATE1021-36F DHD.xls

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



STATE 1021-36F
SEnw SEC 36, T10S, R21E
Uintah County, UT
ML-47060

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

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

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

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

2. **Planned Access Roads:**

Approximately 0.5 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

The following guidelines will apply if the well is productive.

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

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

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

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

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

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

Approximately 2339' +/- of 4" pipeline is proposed from the location to an tie-in point. Refer to Topo Map D.

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

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

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

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

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

be disposed of in the pit.

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

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

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

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

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

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

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

8. Ancillary Facilities:

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

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

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

Producing Location:

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

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

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

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

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

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

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

Dry Hole/Abandoned Location:

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

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

11. **Surface Ownership:**

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

12. **Other Information:**

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

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

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

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

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

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

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

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

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

11/8/2006
Date

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36F

SECTION 36, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY 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 6.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 3.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-36N TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE PROPOSED #1021-36N AND THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.5 MILES.

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36F

LOCATED IN UINTAH COUNTY, UTAH
SECTION 36, T10S, R21E, S.L.B.&M.

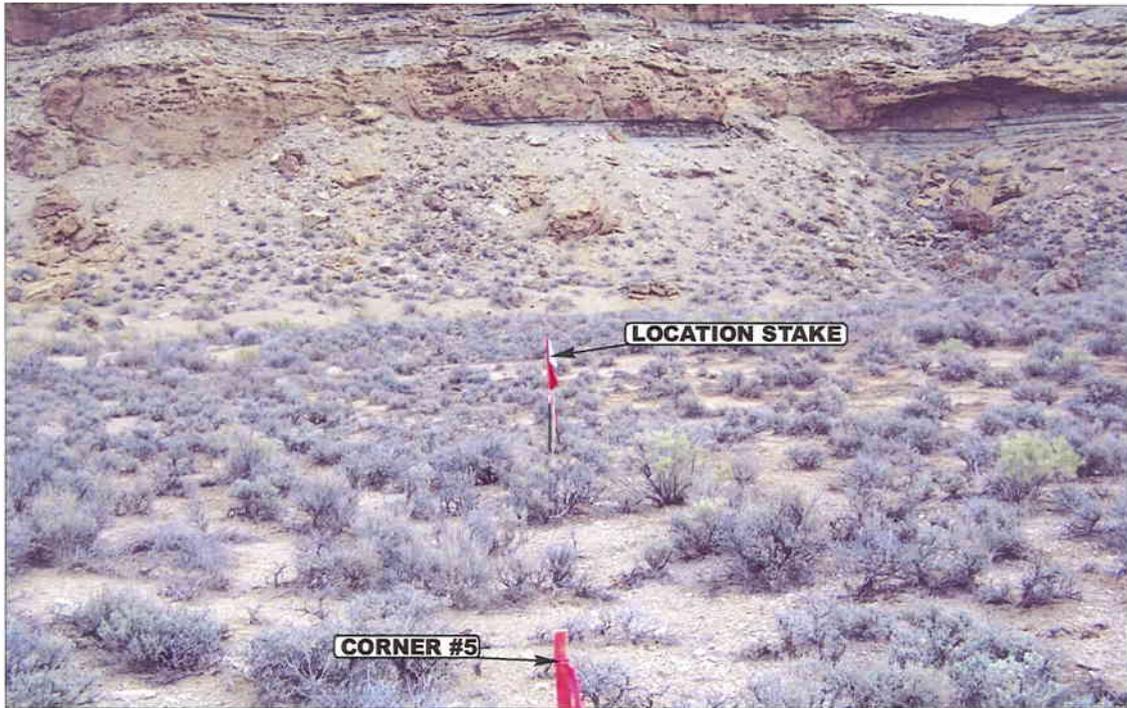


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

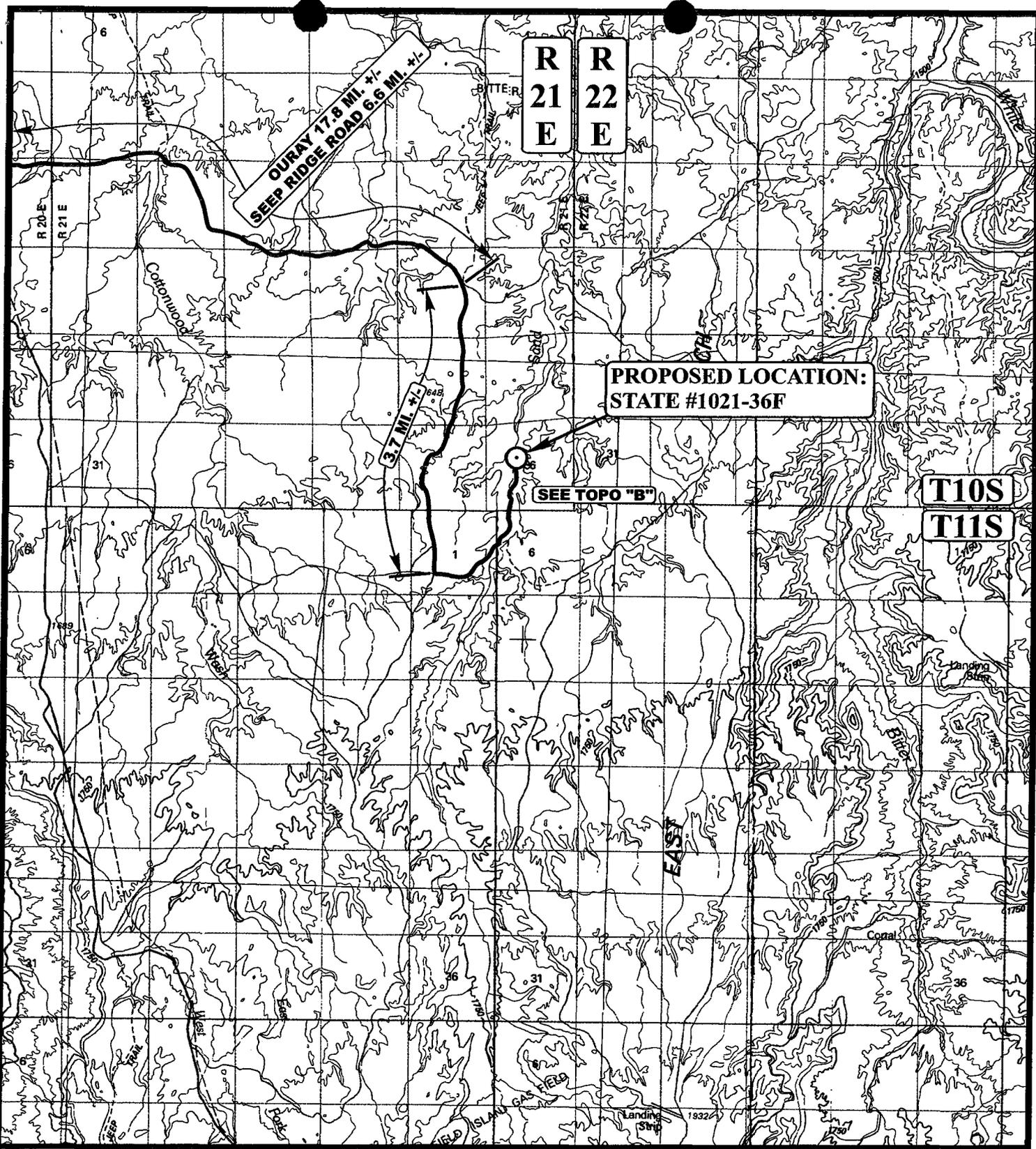
CAMERA ANGLE: NORTHWESTERLY



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

- Since 1964 -

LOCATION PHOTOS			10	06	06	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: B.H.	DRAWN BY: C.P.	REVISED: 00-00-00				



LEGEND:

○ PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36F

SECTION 36, T10S, R21E, S.L.B.&M.

2055' FNL 1827' FWL



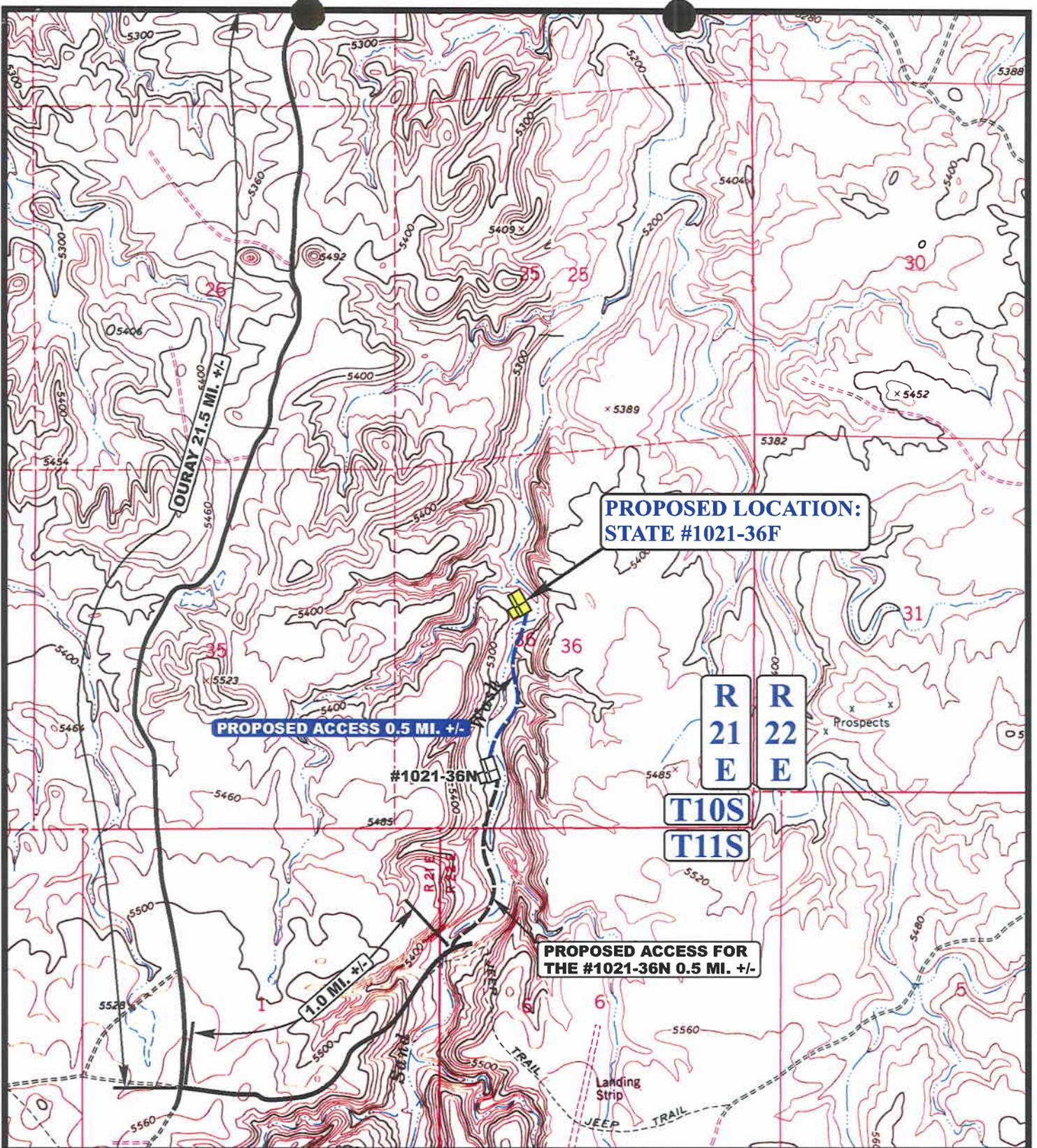
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

10 06 06
 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

STATE #1021-36F
SECTION 36, T10S, R21E, S.L.B.&M.
2055' FNL 1827' FWL

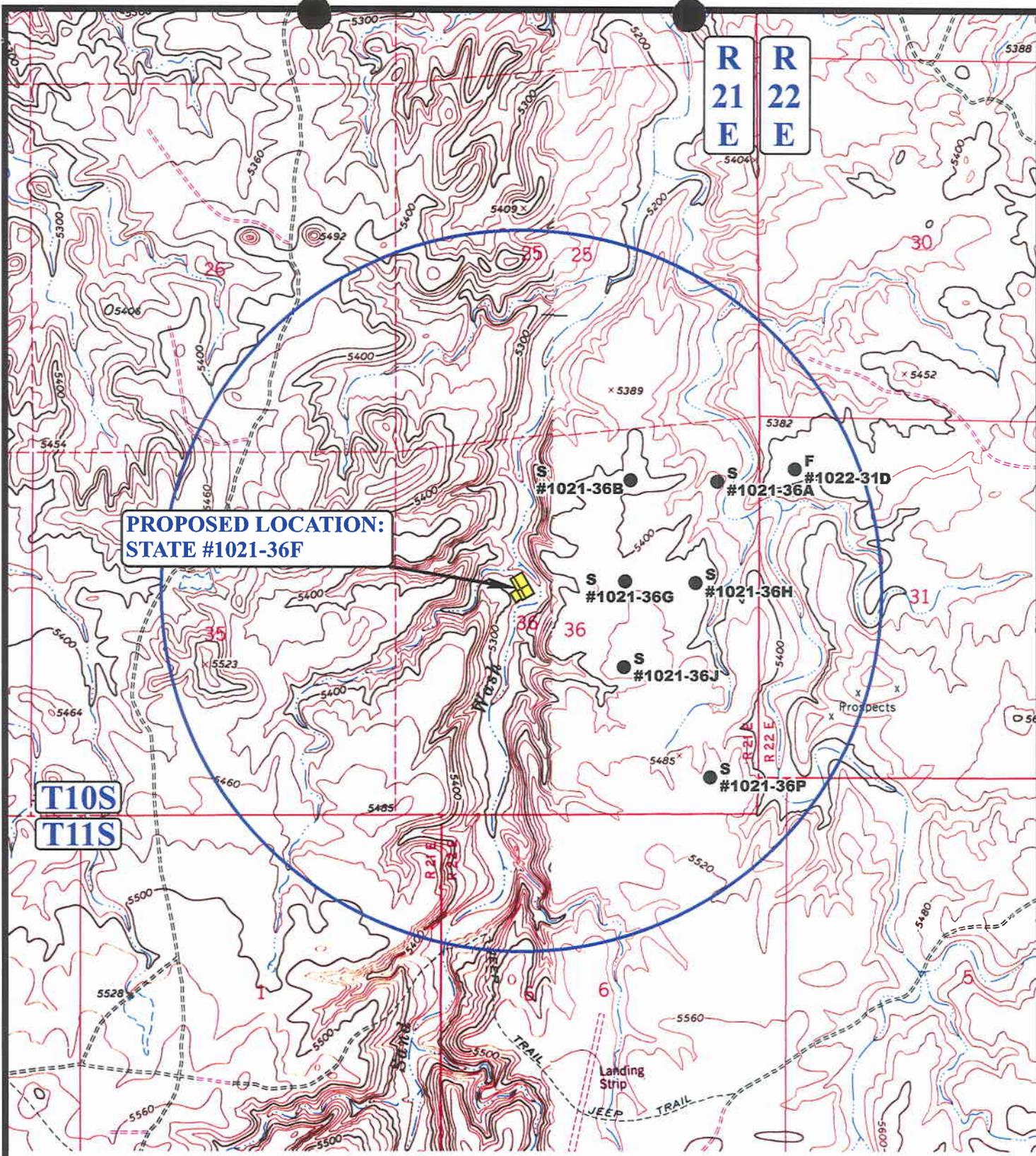


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 10 06 06
MAP MONTH DAY YEAR

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





**PROPOSED LOCATION:
STATE #1021-36F**

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

**T10S
T11S**

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP

**STATE #1021-36F
SECTION 36, T10S, R21E, S.L.B.&M.
2055' FNL 1827' FWL**



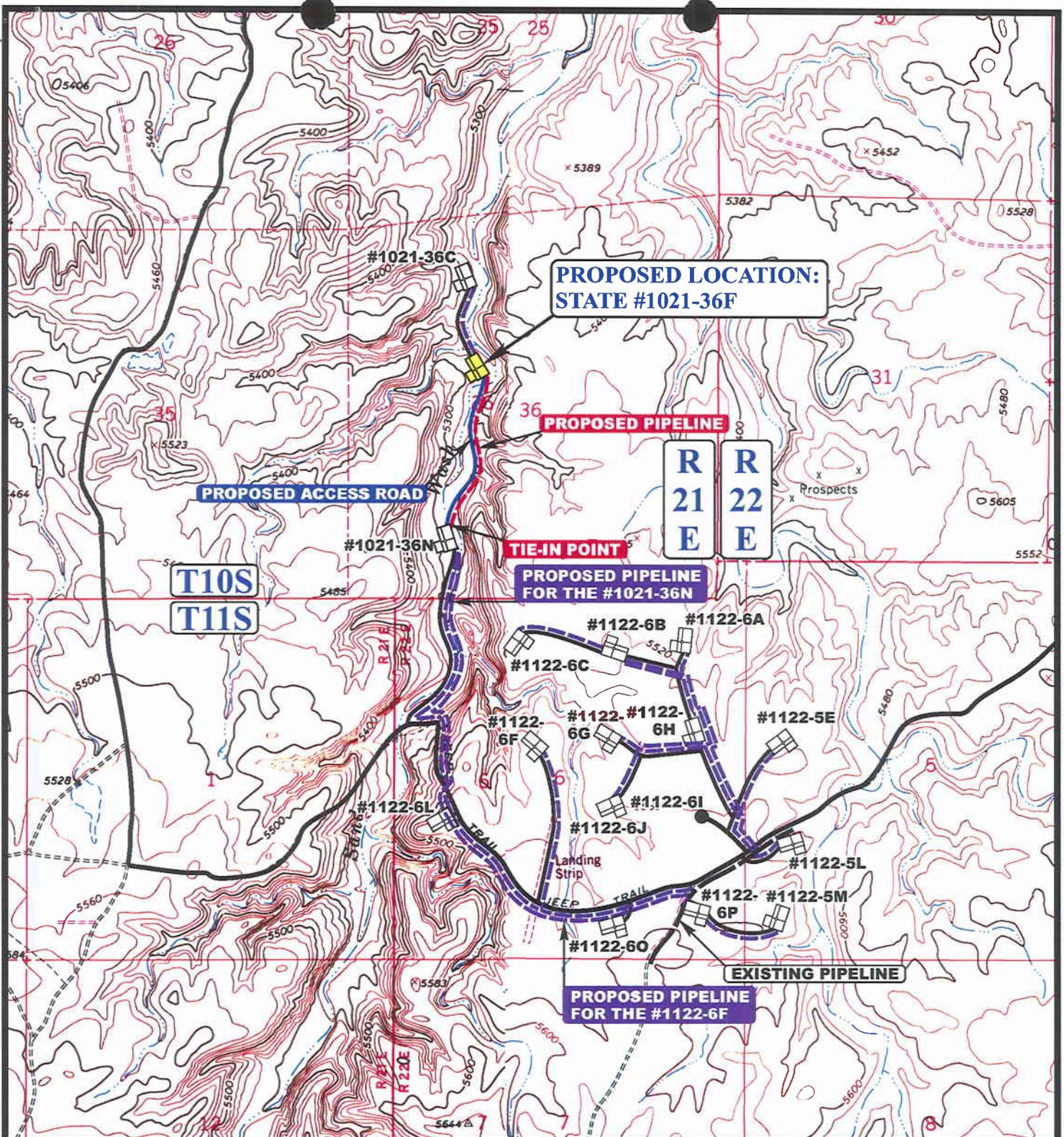
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10 06 06
MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,339' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - PROPOSED PIPELINE
- - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36F
SECTION 36, T10S, R21E, S.L.B.&M.
2055' FNL 1827' FWL

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

TOPOGRAPHIC 10 06 06
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00

D
TOPO

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36F

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 36, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

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

PIPELINE PHOTOS

10 06 06
MONTH DAY YEAR

PHOTO

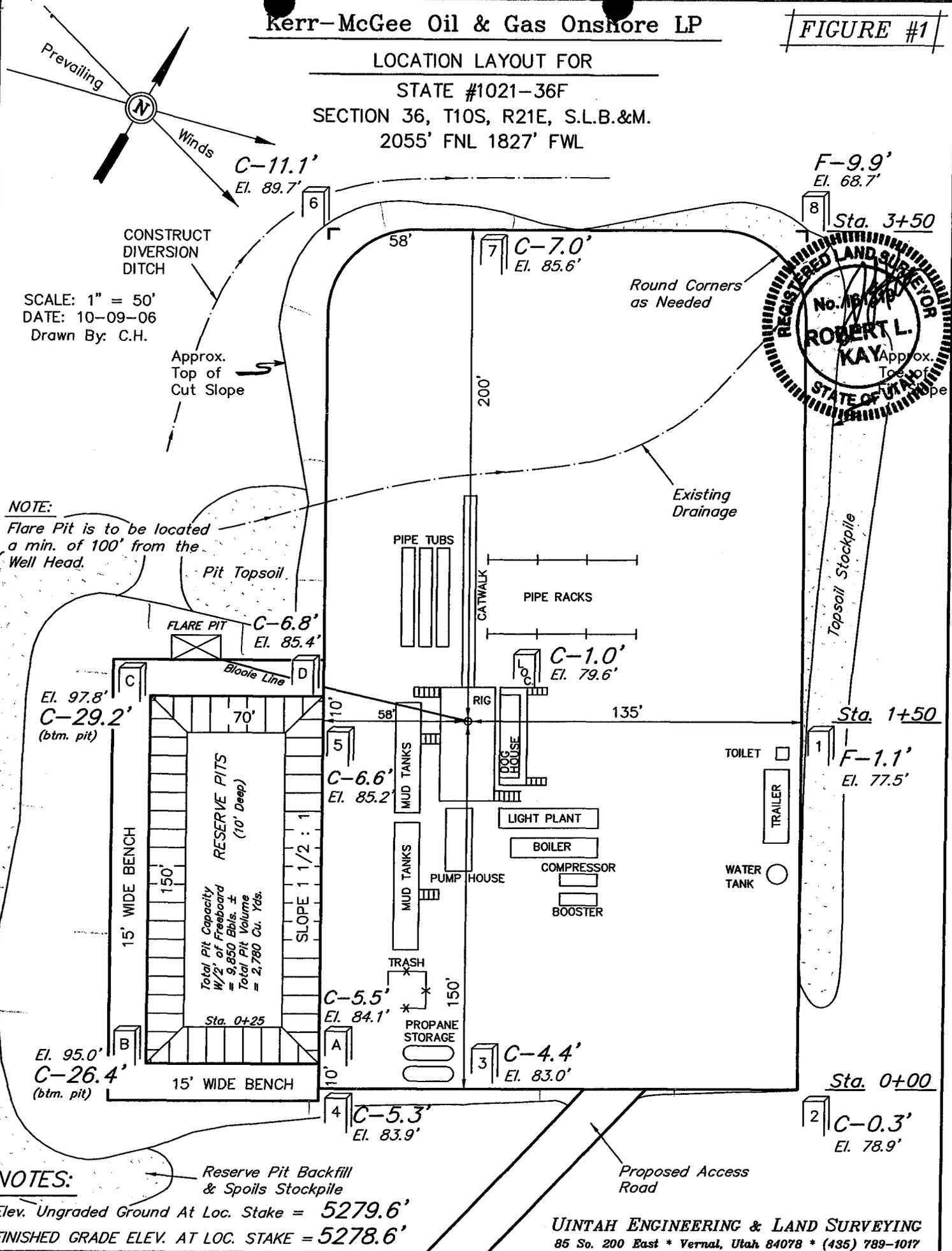
TAKEN BY: B.H.

DRAWN BY: C.P.

REVISED: 00-00-00

LOCATION LAYOUT FOR

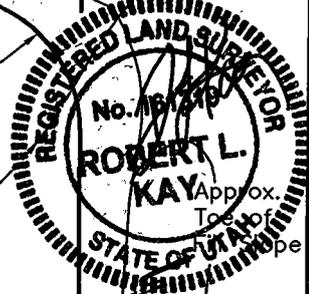
STATE #1021-36F
SECTION 36, T10S, R21E, S.L.B.&M.
2055' FNL 1827' FWL



SCALE: 1" = 50'
DATE: 10-09-06
Drawn By: C.H.

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

Pit Topsoil



NOTES:
Reserve Pit Backfill
& Spoils Stockpile
Elev. Ungraded Ground At Loc. Stake = 5279.6'
FINISHED GRADE ELEV. AT LOC. STAKE = 5278.6'

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

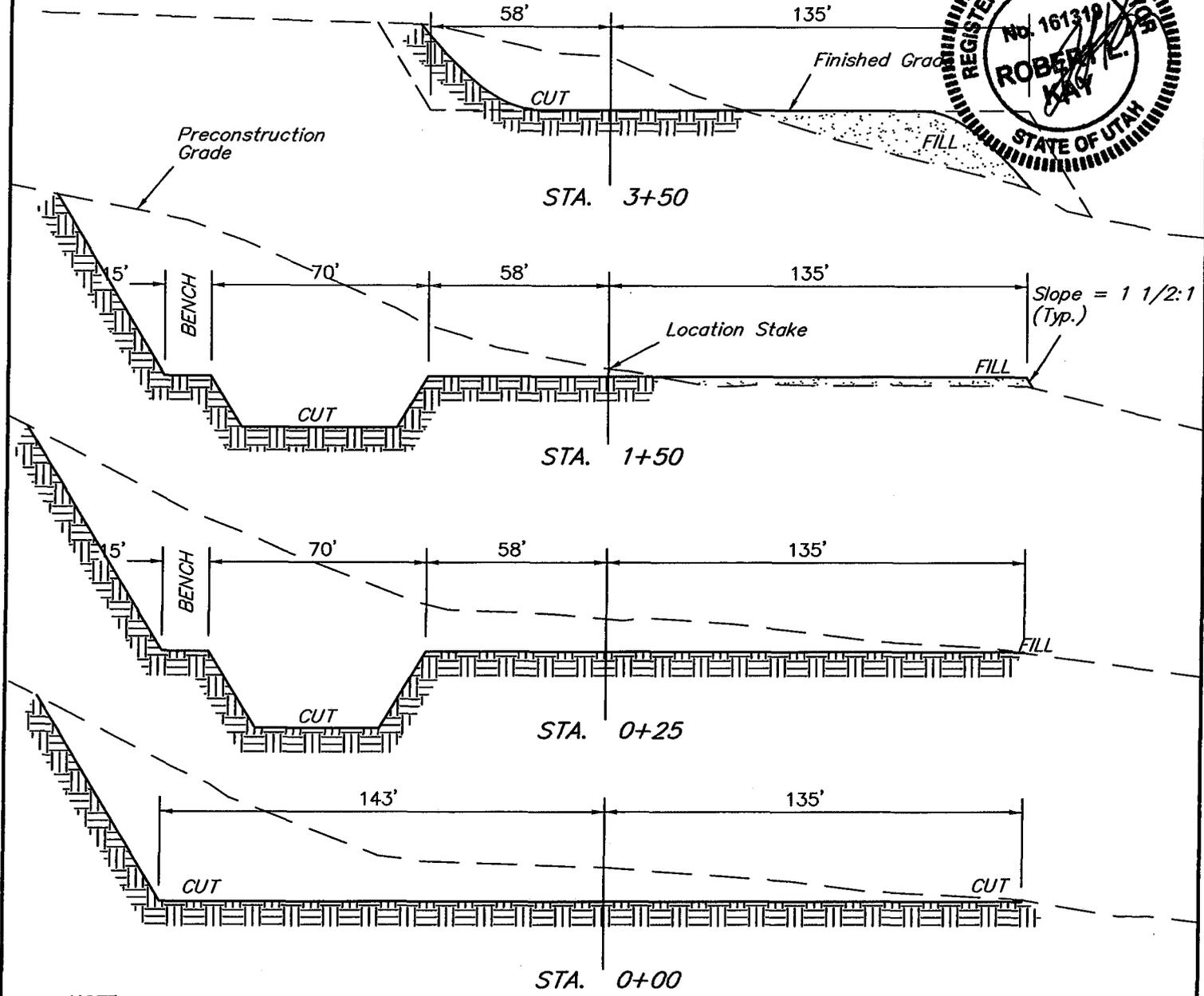
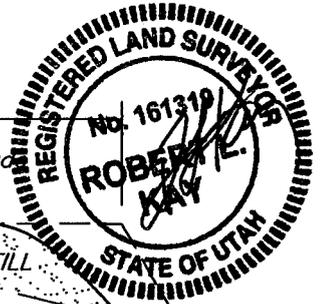
Herr-McGee Oil & Gas Onshore LP

FIGURE #2

**TYPICAL CROSS SECTIONS FOR
STATE #1021-36F
SECTION 36, T10S, R21E, S.L.B.&M.
2055' FNL 1827' FWL**

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

DATE: 10-09-06
Drawn By: C.H.



NOTE:

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

*** NOTE:**

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1940 Cu. Yds.
Remaining Location	= 18,930 Cu. Yds.
TOTAL CUT	= 20,870 CU.YDS.
FILL	= 3,810 CU.YDS.

EXCESS MATERIAL	= 17,060 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,330 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 13,730 Cu. Yds.

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

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/13/2006

API NO. ASSIGNED: 43-047-38847

WELL NAME: STATE 1021-36F
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SENW 36 100S 210E
 SURFACE: 2055 FNL 1827 FWL
 BOTTOM: 2055 FNL 1827 FWL
 COUNTY: UINTAH
 LATITUDE: 39.90572 LONGITUDE: -109.5017
 UTM SURF EASTINGS: 628078 NORTHINGS: 4418157
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DUCD	12/13/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-47060
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

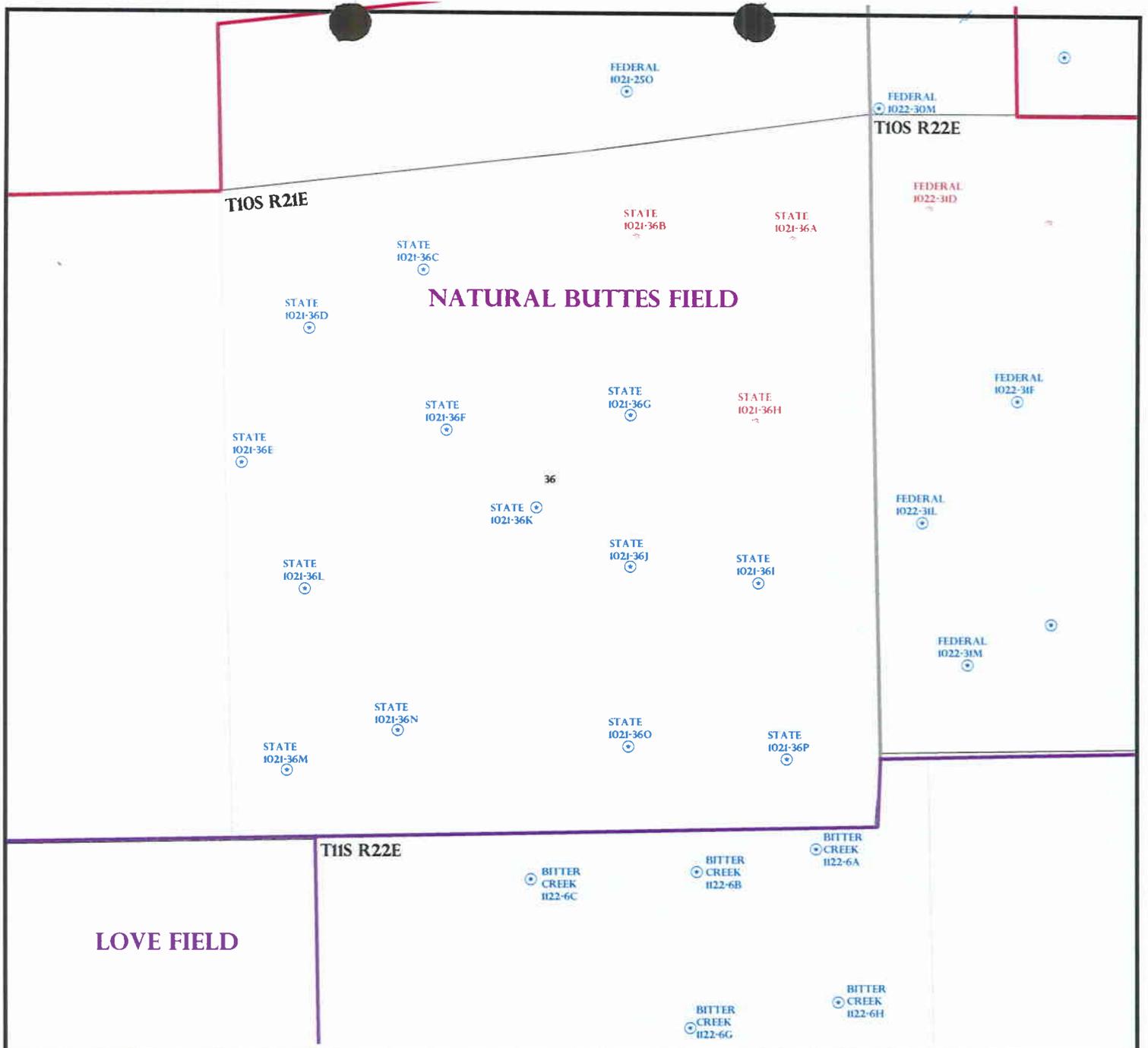
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- ___ R649-2-3.
- Unit: _____
- 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: Needs Permit (11-28-06)

STIPULATIONS: 1- Spacing slip
2- OIL SHALE
3- STATEMENT OF BASIS
4- surf. csg. - cont. slip.



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 36 T.10S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: Uintah

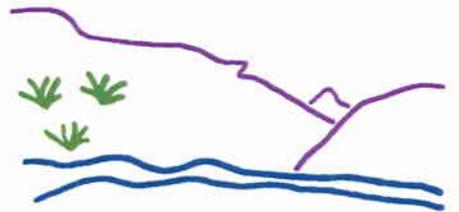
SPACING: R649-3-2 / GENERAL SITING

Field Status	
	ABANDONED
	ACTIVE
	COMBINED
	INACTIVE
	PROPOSED
	STORAGE
	TERMINATED

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

Wells Status

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 16-NOVEMBER-2006

Application for Permit to Drill

Statement of Basis

12/4/2006

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
166	43-047-38847-00-00		GW	S	No
Operator	ENDURING RESOURCES, LLC	Surface Owner-APD			
Well Name	STATE 1021-36F	Unit			
Field	UNDESIGNATED	Type of Work			
Location	SENW 36 10S 21E S 0 FL 0 FL GPS Coord (UTM) 628078E 4418157N				

Geologic Statement of Basis

Kerr McGee proposes to set 1,800' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,300'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 36. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

12/4/2006
Date / Time

Surface Statement of Basis

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 51 miles from Vernal, UT.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 3 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This location is in the bottom of Sand Wash on a northwest slope of a sidehill which extends from a higher ridge to the west. Sand Wash is running to the southeast. The location and Sand Wash are rimmed with high hills with sandstone ledges on the east and west. 0.5 miles of new road will be required extending from the road planned to the State 1021-36N well.

The surface and minerals of the site are both owned by SITLA. Mr Jim Davis of SITLA was invited to the Presite but bad weather prevented him from attending. The location appears to be suitable site for drilling and operating a well.

Ben Williams represented the Utah Division of Wildlife Resources. He stated that no wildlife values would be significantly affected by drilling a well at this location. He provided Mr. Estes with a summary of his wildlife evaluations and a UDWR recommended seed mix to use when revegetating the site.

Floyd Bartlett
Onsite Evaluator

11/28/2006
Date / Time

Application for Permit to Drill

Statement of Basis

12/4/2006

Utah Division of Oil, Gas and Mining

Page 2

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator ENDURING RESOURCES, LLC
Well Name STATE 1021-36F
API Number 43-047-38847-0 **APD No** 166 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SENW **Sec** 36 **Tw** 10S **Rng** 21E 0 FL 0 FL
GPS Coord (UTM) 628071 4418166 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Ben Williams (Utah Division of Wildlife Resources), Carroll Estes (Kerr McGee), David Kay (UELS).

Regional/Local Setting & Topography

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 51 miles from Vernal, UT.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 3 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

This location is in the bottom of Sand Wash on the northwest slope of a sidehill which extends from a higher ridge to the west. Sand Wash is running to the southeast. The location and Sand Wash are rimmed with high hills with sandstone ledges on the east and west. 0.5 miles of new road will be required extending from the road planned in the drainage.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.5	Width 278 Length 350	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Good stand of sagebrush with Russian thistle, annual mustard.

Deer, antelope, coyote, rabbits and small mammals and birds. Sheep graze during the winter.

Soil Type and Characteristics

Deep sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Cultural Resources?

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
	Final Score	25 1 Sensitivity Level

Characteristics / Requirements

150' by 70' and 10' deep. The reserve pit is all within cut on the south east side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

A pit liner is required. Kerr McGee lines all pits with a 20 mil liner and a felt sub-liner.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? Y

Other Observations / Comments

The surface and minerals of the site are both owned by SITLA. Mr Jim Davis of SITLA was invited to the Presite but bad weather prevented him from attending. The location appears to be suitable site for drilling and operating a well.

Ben Williams represented the Utah Division of Wildlife Resources. He stated that no wildlife values would be significantly affected by drilling a well at this location. He provided Mr. Estes with a summary of his wildlife evaluations and a UDWR recommended seed mix to use when revegetating the site.

Floyd Bartlett
Evaluator

11/28/2006
Date / Time

Casing Schematic

Surface

BHP
 $0.052(8580)11.3 = \boxed{5042 \text{ psi}}$
 max. anticipate 3432 psi at surf.

Gas
 $.12(8580) = 1030$
 $5042 - 1030 = \boxed{4012 \text{ psi}}$
 MASP

9-5/8"
 MW 8.4
 Frac 19.3

BOPE - 5M ✓

Burst 2270 psi
 70% 1589 psi

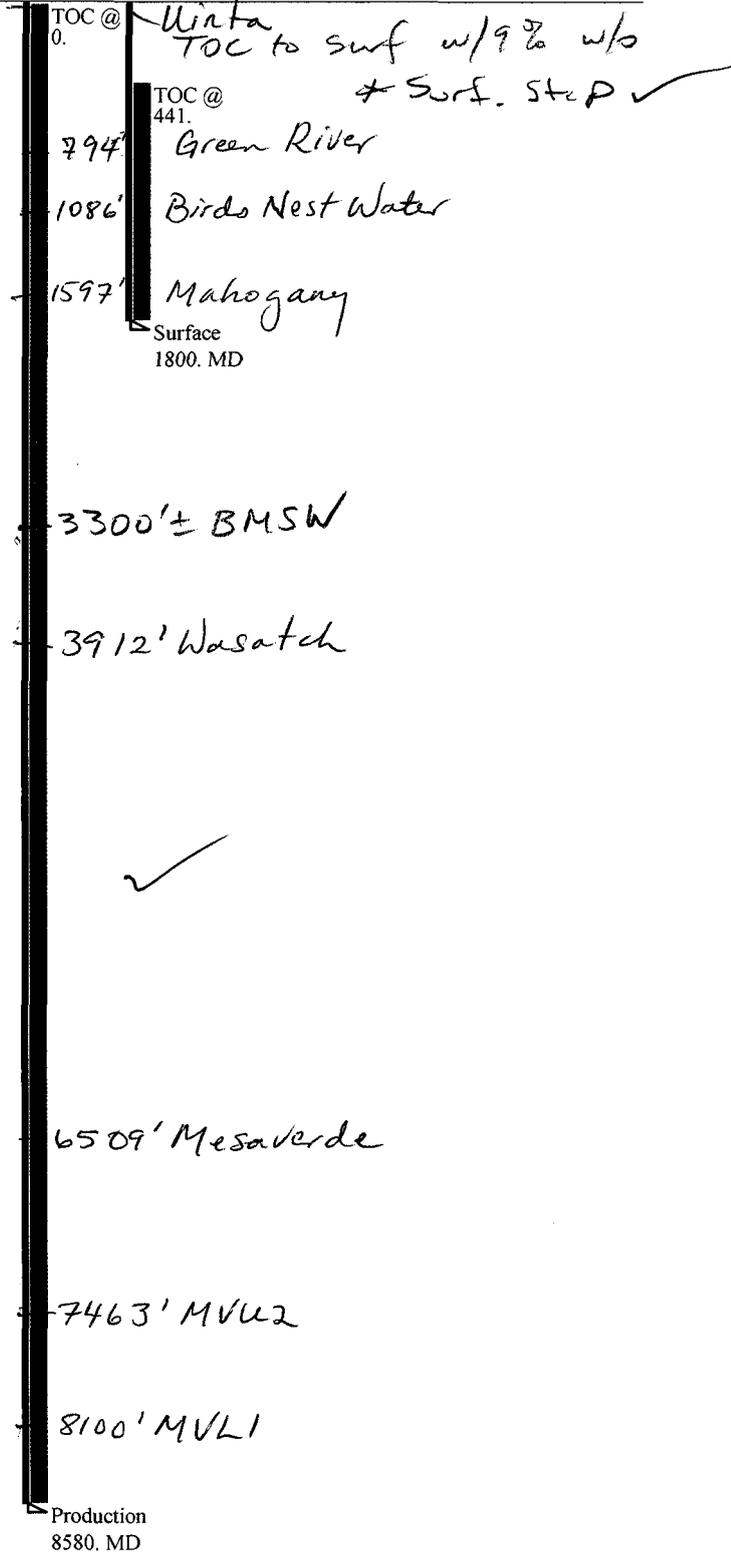
Max P@ surf. shoe
 $.22(6780) = 1492$
 $5042 - 1492 = \boxed{3550 \text{ psi}}$
 test to 1589 psi ✓
 Stip → surf amt. ✓

✓ Adequate PWD 12/13/06



4-1/2"
 MW 11.3

12 1/2"
 18 1/2"



TOC @ 0. Winta TOC to surf w/9% w/o * Surf. step ✓
 TOC @ 441.
 794' Green River
 1086' Birds Nest Water
 1597' Mahogany
 Surface 1800. MD
 3300' ± BMSW
 3912' Wasatch
 6509' Mesaverde
 7463' MVU2
 8100' MVL1
 Production 8580. MD

Well name:	2006-12 Kerr McGee State 1021-36F		
Operator:	Kerr McGee Oil & Gas Onshore, LP		
String type:	Surface	Project ID:	43-047-38847
Location:	Uintah County, Utah		

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 8.400 ppg	Design factor 1.125	Surface temperature: 75 °F
Design is based on evacuated pipe.		Bottom hole temperature: 100 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 1,490 ft
	<u>Burst:</u>	Cement top: 441 ft
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 1,584 psi	<u>Tension:</u>	Non-directional string.
Internal gradient: 0.120 psi/ft	8 Round STC: 1.80 (J)	
Calculated BHP 1,800 psi	8 Round LTC: 1.80 (J)	
No backup mud specified.	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	Re subsequent strings:
	Body yield: 1.50 (B)	Next setting depth: 8,580 ft
	Tension is based on buoyed weight.	Next mud weight: 11.300 ppg
	Neutral point: 1,578 ft	Next setting BHP: 5,037 psi
		Fracture mud wt: 19.250 ppg
		Fracture depth: 1,800 ft
		Injection pressure: 1,800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1800	9.625	32.30	H-40	ST&C	1800	1800	8.876	795.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	785	1370	1.744	1800	2270	1.26	51	254	4.98 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: December 11, 2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 1800 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	2006-12 Kerr McGee State 1021-36F		
Operator:	Kerr McGee Oil & Gas Onshore, LP		
String type:	Production	Project ID:	43-047-38847
Location:	Uintah County, Utah		

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 11.300 ppg	Design factor 1.125	Surface temperature: 75 °F
Design is based on evacuated pipe.		Bottom hole temperature: 195 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 1,500 ft
	<u>Burst:</u>	Cement top: Surface
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 3,149 psi	<u>Tension:</u>	Non-directional string.
Internal gradient: 0.220 psi/ft	8 Round STC: 1.80 (J)	
Calculated BHP 5,037 psi	8 Round LTC: 1.80 (J)	
No backup mud specified.	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	
	Tension is based on buoyed weight.	
	Neutral point: 7,131 ft	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8580	4.5	11.60	I-80	LT&C	8580	8580	3.875	748.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5037	6360	1.263	5037	7780	1.54	83	212	2.56 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: December 11, 2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 8580 ft, a mud weight of 11.3 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

From: Ed Bonner
To: Mason, Diana
Date: 2/14/2007 9:50 AM
Subject: The following wells have been given cultural resource clearance by the Trust Lands Cultural Resource

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil; sheila.upchego...
The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Kerr McGee Oil & Gas Onshore LP
NBU 1022-7H-4 (API 43 047 38570)
NBU 1021-2E (API 43 047 38838)
NBU 1021-2F (API 43 047 38839)
NBU 1021-2M (API 43 047 38841)
NBU 1021-2K (API 43 047 38842)
NBU 1021-2L (API 43 047 38843)
NBU 1021-2J (API 43 047 38844)
NBU 1021-36D (API 43 047 38845)
NBU 1021-36E (API 43 047 38846)
NBU 1021-36F (API 43 047 38847)
NBU 1021-36N (API 43 047 38848)
NBU 1021-36K (API 43 047 38849)
NBU 1021-36C (API 43 047 38850)
NBU 1021-1G (API 43 047 39001)
NBU 1021-1O (API 43 047 39002)
NBU 1021-1P (API 43 047 39003)
NBU 1021-30I (API 43 047 39020)
NBU 1021-30J (API 43 047 39021)
NBU 1021-30K (API 43 047 39022)
NBU 1021-30L (API 43 047 39023)
NBU 1021-30M (API 43 047 39024)
NBU 1021-30N (API 43 047 39025)

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



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

February 14, 2007

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

Re: State 1021-36F Well, 2055' FNL, 1827' FWL, SE NW, Sec. 36, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38847.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
SITLA

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
7. Surface casing shall be cemented to the surface.
8. 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.

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738847	STATE 1021-36F		SENW	36	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>C</i> A	99999	16394	10/2/2007			10/17/07	
Comments: MIRU PETE MARTING DRILLING. SPUD WELL 10/02/2007 @ 0930 HRS. WSMVD							

Well 2

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

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

SENIOR LAND SPECIALIST

Title

Date

10-3-2007

RECEIVED

OCT 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

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47060
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: STATE 1021-36F
2. NAME OF OPERATOR: KERR MCGEE OIL AND GAS ONSHORE LP		9. API NUMBER: 4304738847
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2055'FNL-187'FWL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 10S 21E		COUNTY: UINTAH
		STATE: UTAH

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

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

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

MIRU BILL MARTIN AIR RIG ON 10/04/2007. DRILLED 12 1/4" SURFACE HOLE TO 1860'. RAN 9 5/8" 45 JTS H-40 32.3# AND 2 JTS OF 36# J-55 SURFACE CSG. LEAD CMT W/150 HIFILL CLASS G @ 11.0 PPG 3.82 YLD. TAILED CMT W/200 SX PREM CLASS G @ 15.8 PPG 1.15 YIELD. RAN 200' OF 1" PIPE. CMT W/125 SX CLASS G @ 15.8 PPG 1.15 YIELD. DOWN BACKSIDE. TOP OUT W/100SX PREM CLASS G @ 15.8 PPG 1.15 YLD. DOWN BACKSIDE. GOOD CMT TO SURFACE AND STAYED AT SURFACE. WORT.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE 10/10/2007

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47060
2. NAME OF OPERATOR: KERR-McGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2055'FNL-1827'FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 10S 21E		8. WELL NAME and NUMBER: STATE 1021-36F
PHONE NUMBER: (435) 781-7024		9. API NUMBER: 4304738847
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

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

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

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

MIRU PETE MARTIN DRILLING. DRILL 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SK READY MIX. SPUD WELL 10/02/2007 @ 0930 HRS.

RECEIVED
OCT 24 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE <u><i>Sheila Upchego</i></u>	DATE <u>10/3/2007</u>

(This space for State use only)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-47060

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
STATE 1021-36F

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

9. API NUMBER:
4304738847

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

PHONE NUMBER:
(435) 781-7024

10. FIELD AND POOL, OR WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2055'FNL, 1827'FWL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENW 36 10S 21E**

STATE: **UTAH**

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

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

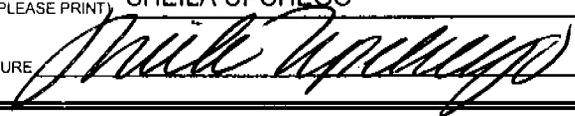
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FINISHED DRILLING FROM 1860' TO 8560' ON 10/26/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/272 SX PREM LITE II @11.4 PPG 2.91 YIELD. TAILED CMT W/1101 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACE W/132 BBLs FW+MAGNACIDE+CLAYTREAT BUMP PLUG FLOATS OK 15 BBLs LEAD CMT TO PIT. FLUSH OUT BOP STACK LAND CSG W/65,000# TEST HANGE & SEALS OK ND BOP CLEAN MUD TANKS.

RELEASED PIONEER RIG 41 ON 10/27/2007 AT 0100 HRS.

NAME (PLEASE PRINT) **SHEILA UPCHEGO**

TITLE **SENIOR LAND ADMIN SPECIALIST**

SIGNATURE 

DATE **10/29/2007**

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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

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

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME:	
8. WELL NAME and NUMBER: STATE 1021-36F	
9. API NUMBER: 4304738847	
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP	
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-7024
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2055'FNL, 1827'FWL COUNTY: UINTAH QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 10S 21E STATE: UTAH	

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 01/08/2008 AT 10:00 AM
PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
JAN 15 2008
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE 1/10/2008

(This space for State use only)



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

CHRONOLOGICAL WELL HISTORY

STATE 1023-36F

LOCATION SENW SEC.36, T10S, R23E
 UINTAH COUNTY, UT

DATE	ACTIVITY	PIONEER 41	STATUS		
09/04/07	LOCATION STARTED	PIONEER 41			
10/01/07	LOCATION COMPLETED	PIONEER 41	P/L IN, WOBR		
10/02/07	SET CONDUCTOR	PIONEER 41	WOAR		
10/04/07	SET AIR RIG	PIONEER 41	DRILLING		
10/09/07	9 5/8" @1832'	PIONEER 41	WORT		
10/18/07	TD: 1860' Csg. 9 5/8" @ 1832' MW: 8.4 RDRT on State 1021-36N and prepare to move to State 1021-36F this am.		SD: 10/X/07	DSS: 0	
10/19/07	TD: 1860' Csg. 9 5/8" @ 1832' MW: 8.4 Move to State 1021-36F. Spot rig and RURT.		SD: 10/X/07	DSS: 0	
10/22/07	TD: 6025' Csg. 9 5/8" @ 1832' MW: 10.0 RURT. NU and test BOPE. PUDS and drill FE. Rotary spud @ 0730 hrs 10/20/07. Drill from 1860'-6025'. DA @ report time.		SD: 10/20/07	DSS: 2	
10/23/07	TD: 7025' Csg. 9 5/8" @ 1832' MW: 10.5 Drill from 6025'-7025'. DA @ report time.		SD: 10/20/07	DSS: 3	
10/24/07	TD: 7520' Csg. 9 5/8" @ 1832' MW: 10.8 Drill from 7025'-7276'. TFNB. Drill to 7520'. DA @ report time.		SD: 10/20/07	DSS: 4	
10/25/07	TD: 8335' Csg. 9 5/8" @ 1832' MW: 11.7 Drill from 7520'-8335'. DA @ report time.		SD: 10/20/07	DSS: 5	
10/26/07	TD: 8560' Csg. 9 5/8" @ 1832' MW: 11.9 Drill f/ 8335'-8560'. CCH, short trip, and LDDS. RU and run logs @ report time.		SD: 10/20/07	DSS: 6	
10/29/07	TD: 8560' Csg. 9 5/8" @ 1832' MW: 11.9 Run Triple Combo. Run and cement 4 1/2" Production Casing. Land casing and release rig @ 0100 hrs 10/27/07. RDRT and move to State 1021-36C.		SD: 10/20/07	DSS: 6	
12/28/07	PU Prod Tbg Days On Completion: 1 Remarks: 7:00 AM. HSM. ROAD RIG TO STATE 1021-36F. SPOT IN EQUIPMENT & RIG UP. ND WH NU BOP'S. PU 3 7/8" MILL & SUB. TALLEY & DRIFT 4,500' OF 2 3/8" J-55 4.7# TBG. EOT 2 4,500' SWI SDFWE				

12/31/07

POOH & PERF

Days On Completion: 4

Remarks: 07:00 AM. HSM. CONT RIH W/ 2 3/8" J-55 4.7# TBG. EOT @ 6,611' 210 JTS. POOH STAND BACK 105 STANDS. ND BOP'S NU FRAC VALVES. MIRU B&C QUICK TEST & CUTTERS TO PRESSURE TEST & PERFORATE. PRESSURE TEST CASING & BOTH FRAC VALVES TO 7,500 PSI. GOOD TEST.

STG 1) RIH W/ 3 3/8" EXP GNS, 23 GRM .36 HOLES 180 120 & 90 DEG PHASING. PERFORATE 8,147' - 52' 4 SPF, 8,071' - 75' 3 SPF, 8,029' - 32' 2 SPF, 38 HOLES.

RDMO B&C QUICK TEST & CUTTERS. WINTERIZE WELL HEAD. SDF HOLIDAY.

01/02/08

Frac

Days On Completion: 6

Remarks: 6:00 AM. HSM MIRU CUTTERS & BJ TO FRAC & PERFORATE PRIME UP PUMPS & LINES PRESSURE TEST TO 8,000 PSI

STG 1) WHP 283 PSI, BRK 3,700 PSI @ 4.3 BPM, ISIP 2,800 PSI, FG .78 PUMP 100 BBLS @ 53.3 BPM @ 5,730 PSI = 27 OF 38 HOLES OPEN. MP 5,847 PSI, MR 52.9 BPM, AP 5,381 PSI, AR 51.9 BPM, ISIP 3,100 PSI, FG .82 NPI 300 PSI, PMPD 1,218 BBLS OF SLICK WATER & 39,052 LBS OF 30/50 SAND & 5,000 LBS OF RESIN COATED SAND. TOTAL PROP 44,052 LBS

STG 2) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90, 120 & 180 DEG PHASING SET 8K BAKER CBP @ 7,979' PERF 7,945' - 49' 4 SPF, 7,945' - 49' 3 SPF, 7,870' - 72' 4 SPF, 7,803' - 05' 2 SPF, 40 HOLES WHP 1,130 PSI, BRK 7,481 PSI @ 4.0 BPM, ISIP 2,925 PSI, FG .82 PUMP 100 BBLS @ 49.2 BPM @ 5,550 PSI = 35 OF 40 HOLES OPEN MP 6,214 PSI, MR 49.0 BPM, AP 5,345 PSI, AR 48.9 BPM, ISIP 2,880 PSI, FG .81 NPI -45 PSI, PMPD 998 BBLS OF SLICK WATER & 30,502 LBS OF 30/50 SAND & 5,000 LBS OF RESIN COATED SAND. TOTAL PROP 35,502 LBS

STG 3) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90, 120 & DEG PHASING SET 8K BAKER CBP @ 7,076' PERF 7,044' - 46' 4 SPF, 6,969' - 70' 4 SPF, 6,917' - 20' 3 SPF, 6,875' - 81' 3 SPF, 39 HOLES WHP 203 PSI, BRK 3,350 PSI @ 5.5 BPM, ISIP 2,000 PSI, FG .73 PUMP 100 BBLS @ 50.1 BPM @ 4,060 PSI = 30 OF 39 HOLES OPEN. MP 4,670 PSI, MR 54.6 BPM, AP 4,333 PSI, AR 51.8 BPM, ISIP 2,875 PSI, FG .86 NPI 875 PSI, PMPD 3,756 BBLS OF SLICK WATER & 139,479 LBS OF 30/50 SAND & 5,000 LBS OF RESIN COATED SAND. TOTAL PROP 144,479 LBS

STG 4) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90, DEG PHASING SET 8K BAKER CBP @ 6,206' PERF 6,174' - 76' 4 SPF, 6,174' - 76' 4 SPF, 6,171' - 73' 4 SPF, 6,171' - 73' 4 SPF, 32 HOLES WHP 0 PSI, BRK 2,778 PSI @ 6.5 BPM, ISIP 1,350 PSI, FG .66 PUMP 100 BBLS @ 53.1 BPM @ 4,343 PSI = 30 OF 32 HOLES OPEN. MP 4,420 PSI, MR 53.4 BPM, AP 4,255 PSI, AR 53.3 BPM, ISIP 2,650 PSI, FG .87 NPI 1,300 PSI, PMPD 388 BBLS OF SLICK WATER & 7,437 LBS OF 30/50 SAND & 5,000 LBS OF RESIN COATED SAND. TOTAL PROP 12,437 LBS

WINTERIZE WELL HEAD. SWI SDFN

01/03/08

CONT FRAC

Days On Completion: 7

Remarks: 7:00 AM. HSM. PERSSURE TEST PUMPS & LINES

STG 5) RIH W/ 3 1/8 PORTED GUNS, 12 GRM, .34 HOLES, 90 & 180 DEG PHASING. SET 8K BAKER CBP @ 5,813' PERF 5,781' - 83' 4 SPF, 5,781' - 83' 4 SPF, 5,690' - 99' 2 SPF, 34 HOLES. WHP 210 PSI, BRK 2,471 PSI @ 4.2 BPM, ISIP 1,140 PSI, FG .64. PUMP 100 BBLS @ 53.4 BPM @ 3,750 PSI = 34 OF 34 HOLES OPEN. MP 3,850 PSI, MR 3.7 BPM, AP 3,490 PSI, AR 53.4 BPM, ISIP 2,055 PSI, FG .80, NPI 915 PSI, PMPD 1,143 BBLS OF SLICK WATER & 35,078 LBS OF 30/50 SAND & 5,000 LBS OF RESIN COATED SAND. TOTAL PROP 40,078 LBS

STG 6) RIH W/ 3 1/8 PORTED GUNS, 12 GRM, .34 HOLES, 90 DEG PHASING. SET 8K BAKER CBP @ 4,734' PERF 4,702' - 04' 4 SPF, 4,702' - 04' 4 SPF, 4,690' - 92' 4 SPF, 4,687' - 89' 4 SPF, 32 HOLES. WHP 633 PSI, BRK 2,897 PSI @ 5.5 BPM, ISIP 950 PSI, FG .65, PUMP 100 BBLS @ 50 BPM @ 3,279 PSI = 32 OF 32 HOLES OPEN. MP 3,850 PSI, MR 50.1 BPM, AP 3,270 PSI, AR 49.9 BPM, ISIP 2,030 PSI, FG .88, NPI 1,080 PSI, PMPD 544 BBLS OF SLICK WATER & 10,352 LBS OF 30/50 SAND & 5,000 LBS OF RESIN COATED SAND. TOTAL PROP 15,352 LBS

KILL PLG) RIH W/ 8K BAKER CBP & SET @ 4,623'. RDMO BJ & CUTTERS. ND FRAC VALVES & NU BOP'S. PU 3 7/8" BIT & FAST EDDIE POBS & RIH W/ 146 JTS JTS OF 2 3/8" J-55 TBG. POOH W/ 6 JTS TO DROP WATER LEVEL. 140 JTS IN WELL EOT @ 4,411'. WINTERIZE WELL HEAD. SWI SDFN

01/04/08

DRLG CBP&LAND TBG

Days On Completion: 8

Remarks: 6:30 AM. HSM. RU POWER SWIVEL & RIG PUMP. RIH W/ 6 JTS OF 2 3/8" J-55 4.7# TBG

CO 10' OF SAND TAG PLG 1 @ 4,623' DRL PLG IN 10 MIN 200 PSI INCREASE RIH
CO 30' OF SAND TAG PLG 2 @ 4,743' DRL PLG IN 10 MIN 300 PSI INCREASE RIH
CO 30' OF SAND TAG PLG 3 @ 5,813' DRL PLG IN 10 MIN 300 PSI INCREASE RIH
CO 30' OF SAND TAG PLG 4 @ 6,206' DRL PLG IN 10 MIN 800 PSI INCREASE RIH
CO 30' OF SAND TAG PLG 5 @ 7,076' DRL PLG IN 10 MIN 100 PSI INCREASE RIH
CO 30' OF SAND TAG PLG 6 @ 7,979' DRL PLG IN 10 MIN 100 PSI INCREASE RIH
CO OUT TO PBTD 8,318'. CIRC WELL CLEAN.

POOH LD 47 JTS. LAND TBG @ 6,838.57' W/ 217 JTS OF 2 3/8" J-55 4.7# TBG. ND BOP'S NU WELL HEAD. DROP BALL TO SHEAR OFF BIT. BIT PUMPED OFF @ 1,550 PSI. SHUT WELL FOR 30 MIN. TO LET BIT FALL TO BOTTOM. TURN WELL OVER TO FLOW TESTERS.

278 JTS OUTBOUND	LTR	8,047 BBLS	18.00' KB
217 JTS LANDED	RIG REC	1,920 BBLS	.83' HANGER
61 JTS RETURNED	LTR	6,127 BBLS	6,817.54' TUBING
			2.20' SN
			6,838.57' LANDED

01/05/08

FLOWBACK REPORT: CP 1000#, TP 700#, CK 20/64", 60 BWPH, LOAD REC'D 1040 BBLS, REMAINING LTR 5087 BBLS

01/06/08

FLOWBACK REPORT: CP 2000#, TP 750#, CK 20/64", 35 BWPH, LOAD REC'D 970 BBLS, REMAINING LTR 4117 BBLS

01/07/08

FLOWBACK REPORT: CP 2200#, TP 1300#, CK 20/64", 25 BWPH, LOAD REC'D 670 BBLS, REMAINING LTR 3447 BBLS

01/08/08 **FLOWBACK REPORT:** CP 2000#, TP 1200#, CK 20/64", 15 BWPH, LOAD REC'D 440 BBLs,
REMAINING LTR 3007 BBLs
WENT ON SALES: @ 10:00 AM, 1200 MCF, 2010 TBG, 1395 CSG, 20/64 CK, 15 BBWH

01/09/08 **ON SALES:** 758 MCF, 0 BC, 360 BW, TP: 1136#, CP: 1712#, 20/64 CHK, 20 HRS, LP: 237#.

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		7. UNIT or CA AGREEMENT NAME
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078		8. WELL NAME and NUMBER: STATE 1021-36F
PHONE NUMBER: (435) 781-7024		9. API NUMBER: 4304738847
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2055'FNL, 1827'FWL		10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES
AT TOP PRODUCING INTERVAL REPORTED BELOW:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SEW 36 10S 21E
AT TOTAL DEPTH:		12. COUNTY UINTAH 13. STATE UTAH

14. DATE SPUDDED: 10/2/2007	15. DATE T.D. REACHED: 10/26/2007	16. DATE COMPLETED: 1/8/2008	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 5280'GL
18. TOTAL DEPTH: MD 8,560 TVD	19. PLUG BACK T.D.: MD 8,318 TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL-DL-GR, SD, DSN, ACTR			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3# 36#		1,860		575			
7 7/8"	4 1/2 I-80	11.6#		8,560		1373			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	6,839							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) WASATCH	4,687	6,176		
(B) MESAVERDE	6,875	8,152		
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
4,687 6,176	0.34	98	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
6,875 8,152	0.36	117	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4687'-6176'	PMP 2075 BBLs SLICK H2O & 67,867# 30/50 OTTOWA SD
6875'-8152'	PMP 5972 BBLs SLICK H2O & 224,033# 30/50 OTTOWA SD

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FEB 05 2008

29. ENCLOSED ATTACHMENTS:

<input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS	<input type="checkbox"/> GEOLOGIC REPORT	<input type="checkbox"/> DST REPORT	<input type="checkbox"/> DIRECTIONAL SURVEY
<input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION	<input type="checkbox"/> CORE ANALYSIS	<input type="checkbox"/> OTHER: _____	

30. WELL STATUS:
PROD

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/8/2008		TEST DATE: 1/17/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 2	GAS – MCF: 2,013	WATER – BBL: 400	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 956	CSG. PRESS. 1,348	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 2	GAS – MCF: 2,013	WATER – BBL: 400	INTERVAL STATUS: PROD	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 1/8/2008		TEST DATE: 1/17/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 2	GAS – MCF: 2,013	WATER – BBL: 400	PROD. METHOD: FLOWING
CHOKE SIZE: 20/64	TBG. PRESS. 956	CSG. PRESS. 1,348	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 2	GAS – MCF: 2,013	WATER – BBL: 400	INTERVAL STATUS: PROD	

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

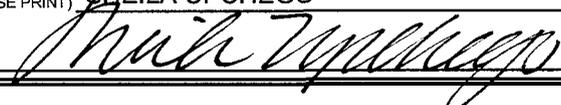
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH	3,937	6,512			
MESAVERDE	6,512				

35. ADDITIONAL REMARKS (include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
 SIGNATURE  DATE 1/29/2008

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
Various	NBU REVISION						UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>E</i>	<i>Various</i>	<i>2900</i>	<i>3/13/2012</i>			<i>2/1/2012</i>	
Comments: MOVE THE ATTACHED WELLS INTO THE NATURAL BUTTES UNIT REVISION EFFECTIVE 02/01/2012. <i>72 wells</i> <i>5/31/2012</i>							

Well 2

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

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 WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

5/30/2012

Date

RECEIVED

MAY 31 2012

Div. of Oil, Gas & Mining

Entity Action Form Attachment for wells moved into the Natural Buttes Unit Effective 02/01/2012.

API	Well Name	QTR/QTR / Section	TWNSHP	RANGE	Producing Intervals
4304737079	FEDERAL 920-25I	NESE <i>orig. entity</i> 15431	25 9S	20E	WASATCH/MESAVERDE
4304737080	FEDERAL 920-25H	SENE 15761	25 9S	20E	WASATCH/MESAVERDE
4304737081	FEDERAL 920-25A	NENE 15553	25 9S	20E	WASATCH/MESAVERDE from MURD
4304739098	STATE 1021-28M	SWSW 16499	28 10S	21E	WASATCH To WSMVD
4304737918	FEDERAL 1021-26L	NWSW 16390	26 10S	21E	MESAVERDE To WSMVD
4304737919	FEDERAL 1021-26N	SESW 16391	26 10S	21E	WASATCH/MESAVERDE
4304737916	FEDERAL 1021-25O	SWSE 16277	25 10S	21E	WASATCH/MESAVERDE
4304739112	STATE 1021-31M	SWSW 16454	31 10S	21E	WASATCH To WSMVD
4304739127	STATE 1021-32P	SESE 16471	32 10S	21E	WASATCH/MESAVERDE
4304739128	STATE 1021-32O	SWSE 17513	32 10S	21E	WASATCH/MESAVERDE
4304739131	STATE 1021-32L	NWSW 16902	32 10S	21E	WASATCH/MESAVERDE
4304739133	STATE 1021-32J	NWSE 17529	32 10S	21E	WASATCH/MESAVERDE
4304739134	STATE 1021-32I	NESE 16905	32 10S	21E	WSMVD
4304739135	STATE 1021-32H	SENE 17528	32 10S	21E	WASATCH/MESAVERDE
4304735714	FEDERAL 1022-29H	SENE 15147	29 10S	22E	WASATCH/MESAVERDE
4304735715	FEDERAL 1022-29F	SENW 15162	29 10S	22E	WASATCH/MESAVERDE
4304735716	FEDERAL 1022-29B	NWNE 11492	29 10S	22E	WASATCH/MESAVERDE
4304735737	FEDERAL 1022-29I	NESE 15001	29 10S	22E	WASATCH/MESAVERDE
4304735738	FEDERAL 1022-29D	NWNW 15016	29 10S	22E	MESAVERDE To WSMVD
4304734862	FEDERAL 31-10-22	SESE 13879	31 10S	22E	MESAVERDE To WSMVD
4304735173	FEDERAL 1022-31D	NWNW 14132	31 10S	22E	WASATCH/MESAVERDE
4304736492	FEDERAL 1022-31N	SESW 16255	31 10S	22E	WASATCH/MESAVERDE
4304736493	FEDERAL 1022-31I	NESE 15089	31 10S	22E	WASATCH/MESAVERDE
4304736494	FEDERAL 1022-31G	SWNE 15075	31 10S	22E	WASATCH/MESAVERDE
4304736495	FEDERAL 1022-31F	SENE 15230	31 10S	22E	WASATCH/MESAVERDE
4304736574	FEDERAL 1022-31C	NENW 15090	31 10S	22E	WASATCH/MESAVERDE
4304736575	FEDERAL 1022-31J	NWSE 15214	31 10S	22E	WASATCH/MESAVERDE
4304736576	FEDERAL 1022-31L	NWSW 16276	31 10S	22E	WASATCH/MESAVERDE
4304734317	STATE 1-32	NESW 13419	32 10S	22E	WASATCH/MESAVERDE
4304734831	STATE 2-32	SESW 13842	32 10S	22E	MESAVERDE To WSMVD
4304734832	STATE 3-32	NWSW 13844	32 10S	22E	WASATCH/MESAVERDE
4304735095	STATE 1022-32J	NWSE 114097	32 10S	22E	WSMVD
4304735096	STATE 1022-32A	NENE 13914	32 10S	22E	WASATCH/MESAVERDE
4304735186	STATE 1022-32P	SESE 14131	32 10S	22E	MESAVERDE To WSMVD
4304735315	STATE 1022-32O	SWSE 14114	32 10S	22E	WASATCH/MESAVERDE
4304735647	STATE 1022-32H	SENE 14348	32 10S	22E	MESAVERDE To WSMVD
4304736413	STATE 1021-36O	SWSE 15619	36 10S	21E	WASATCH/MESAVERDE
*4304738157	WELL BELONGS TO QEP ENERGY CORP "GH 8-20-8-21" PERMIT NOT APPROVED				
4304734839	FEDERAL 1022-15F	SENW 14618	15 10S	22E	WASATCH/MESAVERDE
4304736414	STATE 1021-36J	NWSE 15651	36 10S	21E	WASATCH/MESAVERDE
4304738152	STATE 1021-36L	NWSW 16012	36 10S	21E	WASATCH/MESAVERDE
4304735440	FEDERAL 1022-15J	NWSE 14617	15 10S	22E	WASATCH/MESAVERDE
4304736415	STATE 1021-36I	NESE 15684	36 10S	21E	WASATCH/MESAVERDE
4304738845	STATE 1021-36D	NWNW 16455	36 10S	21E	WASATCH/MESAVERDE

4304750096	FEDERAL 1022-27H	SENE	17626	27 10S	22E	WASATCH/MESAVERDE	
4304736416	STATE 1021-36H	SENE	15335	36 10S	21E	WASATCH/MESAVERDE	
4304738846	STATE 1021-36E	SWNW	16523	36 10S	21E	WASATCH/MESAVERDE	
4304735676	FEDERAL 1022-28L	NWSW	15110	28 10S	22E	WASATCH/MESAVERDE	
4304736417	STATE 1021-36G	SWNE	15297	36 10S	21E	WASATCH/MESAVERDE	
4304738847	STATE 1021-36F	SENE	16394	36 10S	21E	WASATCH/MESAVERDE	
4304735713	FEDERAL 1022-28N	SESW	15145	28 10S	22E	WASATCH/MESAVERDE	
4304736418	STATE 1021-36B	NWNE	14953	36 10S	21E	WASATCH/MESAVERDE	
4304738848	STATE 1021-36N	SESW	16359	36 10S	21E	WASATCH/MESAVERDE	
4304735735	FEDERAL 1022-28O	SWSE	15285	28 10S	22E	WASATCH/MESAVERDE	from MURD
4304736419	STATE 1021-36A	NENE	15035	36 10S	21E	WASATCH/MESAVERDE	
4304738849	STATE 1021-36K	NESW	16084	36 10S	21E	WASATCH/MESAVERDE	
4304735736	FEDERAL 1022-28M	SWSW	15286	28 10S	22E	WASATCH/MESAVERDE	
4304736420	STATE 1021-36P	SESE	15372	36 10S	21E	WASATCH/MESAVERDE	
4304738850	STATE 1021-36C	NENW	16396	36 10S	21E	WASATCH/MESAVERDE	
4304734861	FEDERAL 29-10-22	SESE	14006	29 10S	22E	MESAVERDE	TO WSMVD
4304735577	FEDERAL 1022-33O	SWSE	15080	33 10S	22E	WASATCH/MESAVERDE	
4304735739	FEDERAL 1022-33E	SWNW	15193	33 10S	22E	WASATCH/MESAVERDE	
4304735740	FEDERAL 1022-33M	SWSW	15373	33 10S	22E	WASATCH/MESAVERDE	
4304735741	FEDERAL 1022-33L	NWSW	15511	33 10S	22E	WASATCH/MESAVERDE	
4304735742	FEDERAL 1022-33G	SWNE	15404	33 10S	22E	WASATCH/MESAVERDE	from MURD
4304735743	FEDERAL 1022-33C	NENW	15405	33 10S	22E	WASATCH/MESAVERDE	
4304735744	FEDERAL 1022-33A	NENE	15539	33 10S	22E	WASATCH/MESAVERDE	
4304737105	FEDERAL 1022-33D	NWNW	16502	33 10S	22E	WASATCH/MESAVERDE	
4304737106	FEDERAL 1022-33F	SENE	16560	33 10S	22E	WASATCH/MESAVERDE	from WSTC
4304737107	FEDERAL 1022-33K	NESW	16124	33 10S	22E	WASATCH/MESAVERDE	
4304737109	FEDERAL 1022-33N	SESW	16126	33 10S	22E	WASATCH/MESAVERDE	
4304737110	FEDERAL 1022-33B	NWNE	16561	33 10S	22E	WASATCH/MESAVERDE	
4304735810	STATE 1021-36E	SWNW	14295	36 10S	21E	WASATCH/MESAVERDE	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5.LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
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: STATE 1021-36F
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047388470000
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: 2055 FNL 1827 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 36 Township: 10.0S Range: 21.0E Meridian: S	COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/24/2015	<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 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 checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="TUBING FAILURE"/>

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

A WORKOVER FOR TUBING FAILURE HAS BEEN COMPLETED ON THE STATE 1021-36F, SEE THE ATTACHED OPERATIONS SUMMARY REPORT.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 April 23, 2015

NAME (PLEASE PRINT) Doreen Green	PHONE NUMBER 435 781-9758	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 4/17/2015	

US ROCKIES REGION
Operation Summary Report

Well: STATE 1021-36F				Spud date: 10/20/2007				
Project: UTAH-UINTAH			Site: STATE 1021-36F			Rig name no.: MILES-GRAY 1/1		
Event: WELL WORK EXPENSE			Start date: 3/20/2015		End date: 3/24/2015			
Active datum: RKB @5,295.99usft (above Mean Sea Level)				UWI: STATE 1021-36F				
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation

US ROCKIES REGION

Operation Summary Report

Well: STATE 1021-36F		Spud date: 10/20/2007	
Project: UTAH-UINTAH		Site: STATE 1021-36F	Rig name no.: MILES-GRAY 1/1
Event: WELL WORK EXPENSE		Start date: 3/20/2015	End date: 3/24/2015
Active datum: RKB @5,295.99usft (above Mean Sea Level)		UWI: STATE 1021-36F	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
3/18/2015	7:00 - 10:00	3.00	MAINT	35				SLICKLINE COMPANY Delsco Northwest
<p>SLICKLINE OPERATOR Josue Silvas and bryan fyke TEL.NUMBER: 435-823-4197 DATE: 3/18/2015 JOB DESCRIPTION UNSUCCESSFUL Traveled to Location rigged up on well head ran jdc set down @ 7423 work jdc up and down came out with nothing ran g1 tool set down @ 7423 came out with nothing ran sample bailer set down @ 7423 beat down came out with just fluid ran jdc set down @ 7423 beat down came out with nothing my jdc wouldnt latch on anything and my 1 1/2in tools wouldnt go pass 7423 theres something solid @ 7423 rigged down traveled to the next location</p> <p>JOB DETAILS TIGHT SPOTS no FLUID LEVEL 4700 INITIAL TUBING PRESSURE 814 PLUNGER FOUND AT INITIAL CASING PRESSURE 814 PLUNGER DIAMETER TUBING Pressure After Blowing SPRING FOUND AT CASING Pressure After Blowing SEAT NIPPLE 7423 LENGTH OF TIME BLOWN</p> <p>TD (Max Depth) 7423 FINAL TUBING PRESSURE 815 DIAMETER OF TOOL TUBING TD FINAL CASING PRESSURE 815 TD (InTubing) 7423 COLLARSTOP/MULTISTAGE</p> <p>BAILED ACID DEPTH NO PERFS COVERED</p> <p>SAMPLE DEPTH SHEERMASTER SAMPLE TYPE TRAVELING SPRING TOOLS LOST SIZE AND LENGTH N/A WIRE LOST SIZE AND LENGTH N/A CUTTER BARS USED AND LENGTH N/A</p> <p>PRODUCTION TOOL DETAILS Plunger Details Spring Details PLUNGER TYPE N/A SPRING TYPE N/A MULTI PLUNGER SETUP N/A MULTI SPRING SETUP N/A STUCK PLUNGER Unable to latch within inches STUCK SPRING Unable to latch within inches BROKEN PLUNGER No BROKEN SPRING N/A SCALE ON PLUNGER None SCALE ON SPRING N/A CORROSION ON PLUNGER None CORROSION ON SPRING N/A</p>								

US ROCKIES REGION
Operation Summary Report

Well: STATE 1021-36F		Spud date: 10/20/2007	
Project: UTAH-UINTAH		Site: STATE 1021-36F	Rig name no.: MILES-GRAY 1/1
Event: WELL WORK EXPENSE		Start date: 3/20/2015	End date: 3/24/2015
Active datum: RKB @5,295.99usft (above Mean Sea Level)		UWI: STATE 1021-36F	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
								PLUNGER CONDITION N/A SPRING CONDITION N/A PLUNGER REPLACED no SPRING REPLACED N/A NEW PLUNGER TYPE N/A NEW SPRING TYPE N/A OTHER TOOLS IN USE
3/20/2015	9:00 - 10:20	1.33	MAINT	30	G	P		ROAD RIG TO LOCATION FROM NBU 922-32J1.
	10:20 - 13:00	2.67	MAINT	30	A	P		FCP= 65#. FTP= 65#. MIRU. BLOW DOWN WELL TO PRODUCTION TANK. CNTRL TBG W/ 20BBLs TMAC. CNTRL CSG W/ 20BBLs TMAC. NDWH. UN-LAND TBG TO MAKE SURE IT WAS FREE (GOOD). LAND TBG BACK ON HANGER. NUBOP & FUNCTION TEST (GOOD). R/U FLOOR & TBNG EQUIP. UN-LAND TBG & REMOVE HANGER.
	13:00 - 17:30	4.50	MAINT	31	I	P		TALLY + P/U & RIH W/ 22JTS 2-3/8" J-55 Y-BND TBG. T/U ON FILL @ 8122'. POOH WHILE STANDING BACK 22JTS TBG USED TO T/U. MIRU SCANNER. POOH WHILE SCAN 236JTS 2-3/8" J-55 TBNG. SCAN RESULTS AS FOLLOWS: Y-BND TBG= 162JTS B-BND TBG= 20JTS. MILD PITTING & MINOR WALL LOSS. R-BND TBNG= 54JTS. RED BAND FROM JT# 171 TO JT#236. VERY BAD EXT COLLAR WEAR ORIENTED TO 1 SIDE. VISIBLE HOLE FOUND IN JT# 221 @ 7005'. MULTIPLE OTHER POSSIBLE LEAKS. RDMO SCANNERS. SWIFWE. SDFWE. LOCK RAMS. CSNG TO SALES.
3/23/2015	7:00 - 7:15	0.25	MAINT	48		P		JSA-SAFETY MEETING
	7:15 - 11:15	4.00	MAINT	31	I	P		NO PRESSURE ON WELL, P/U LONG NECK MILL RIH W/ TALLY TBG IN, TAG SCALE @ 8051',
	11:15 - 17:15	6.00	MAINT	44	D	P		R/U POWER SWIVEL AND FOAM UNIT, ESTB CIRC W/ FOAM UNIT 2 HOURS, C/O SCALE FROM 8051' TO 8416', OLD BIT SUB, NEW PBTD, 264' RATHOLE, CIRC WELL FOR 1 HOUR W/ FOAM UNIT, R/D SWIVEL AND FOAM UNIT,
	17:15 - 18:15	1.00	MAINT	31	I	P		P/O LAY DN 45 JTS ON TRAILER, SHUT WELL IN, LOCK PIPE RAMS, SDFN
3/24/2015	7:00 - 7:15	0.25	MAINT	48		P		JSA-SAFETY MEETING
	7:15 - 10:00	2.75	MAINT	31	I	P		500# ON WELL BLOW DN TO TK, TOOH W/ TBG LAY 3 7/8" MILL DN,
	10:00 - 15:00	5.00	MAINT	31	I	P		P/U XN-NIPPLE RIH W/ 2 3/8" J-55 TBG, W/ BROACH TBG IN, LAND TBG W/ 222 JTS AT 7019.97', N/D BOPS, N/U WH, SHUT WELL IN, R/D UNIT, KB = 18.00' HANGER = .83' 222 JTS 2 3/8" J-55 TBG = 7000.04' XN-NIPPLE 1.875" = 1.10' EOT = 7019.97'