

# FIML NATURAL RESOURCES, LLC

November 10, 2006

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Whitney

|  |   |
|--|---|
| RE: Ute Tribal #9-30-55<br>NESE Sec 30 T-5-S R-5-W<br>Wildcat Field<br>Duchesne County, Utah | Ute Tribal #12-30-55<br>NESW Sec 30 T-5-S R-5-W<br>Wildcat Field<br>Duchesne County, Utah |
| Ute Tribal #15-30-55<br>SWSE Sec 30 T-5-S R-5-W<br>Wildcat Field<br>Duchesne County, Utah    | Ute Tribal #16-30-55<br>SESE Sec 30 T-5-S R-5-W<br>Wildcat Field<br>Duchesne County, Utah |
| Ute Tribal #15-25-56<br>SWSE Sec 25 T-5-S R-6-W<br>Wildcat Field<br>Duchesne County, Utah    |   |

Dear Ms. Whitney:

Enclosed is one application to drill, and exception location letters (when needed) concerning the referenced proposed wells. This information will be delivered to the Bureau of Land Management on November 14, 2006.

FIML (FNR) Natural Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or need additional information is required, please contact the undersigned at 303-893-5090.

Sincerely,



Cassandra Parks  
Operations Assistant

/cp

Enclosures:

410 17<sup>th</sup> Street, Suite 900 \* Denver, CO 80202 \* (303)893-5073 \* Facsimile (303) 573-0386

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DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT   
(highlight changes)

|  |  |   |                                 |   |                      |
|--|--|---|---------------------------------|---|----------------------|
| <b>APPLICATION FOR PERMIT TO DRILL</b>   |  |   |                                 | 5. MINERAL LEASE NO:<br>ML-22447                                    | 6. SURFACE:<br>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:<br>KERR MCGEE OIL & GAS ONSHORE L.P.  |  |   |                                 | 9. WELL NAME and NUMBER:<br>STATE 1022-250                          |                      |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY VERNAL STATE UT ZIP 84078  |  |   | PHONE NUMBER:<br>(435) 781-7024 | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES                   |                      |
| 4. LOCATION OF WELL (FOOTAGES)<br>AT SURFACE: 1274'FSL, 2121'FEL<br>AT PROPOSED PRODUCING ZONE:  |  |   |                                 | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>SWSE 25 10S 22E |                      |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>58.5 MILES SOUTH OF OURAY, UTAH   |  |   |                                 | 12. COUNTY:<br>UINTAH   | 13. STATE:<br>UTAH   |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>1274'   |  | 16. NUMBER OF ACRES IN LEASE:<br>640.00 |                                 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>40.00                 |                      |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>REFER TO TOPO C   |  | 19. PROPOSED DEPTH:<br>7,680            |                                 | 20. BOND DESCRIPTION:<br>RLB0005237                                 |                      |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br>5254'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# | 1,490         | 265 SX CLASS G                                  | 1.18 YIELD | 15.6 PPG |
| 7 7/8"       | 4 1/2                                   | I-80 | 11.6# | 7,680         | 1630 SX 50/50 POZ                               | 1.31 YIELD | 14.3 PPG |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |

**ATTACHMENTS**

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

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST  
SIGNATURE  DATE 11/7/2006

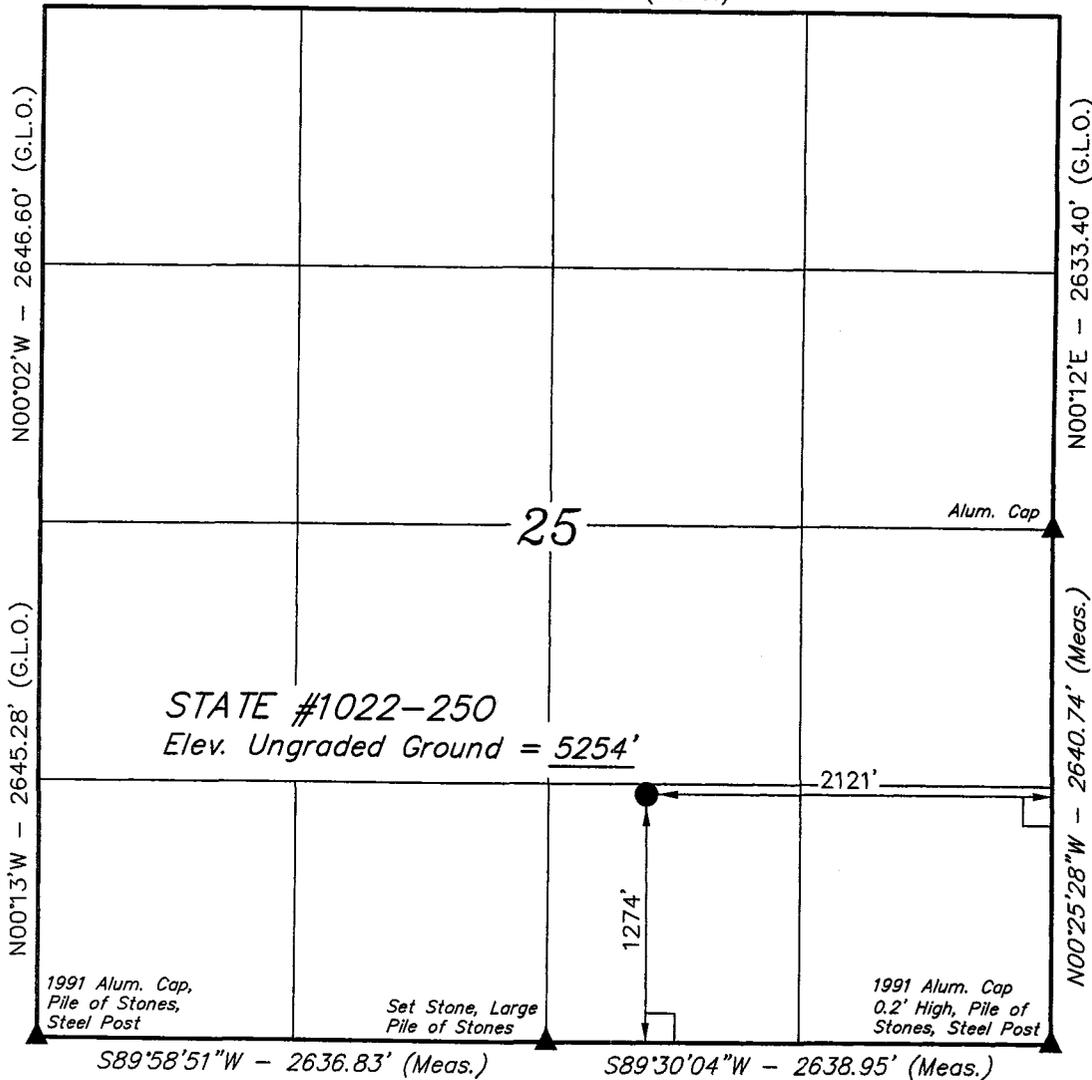
(This space for State use only)

API NUMBER ASSIGNED: 43-047-38851

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# T10S, R22E, S.L.B.&M.

S89°59'W - 5278.68' (G.L.O.)



## Kerr-McGee Oil & Gas Onshore LP

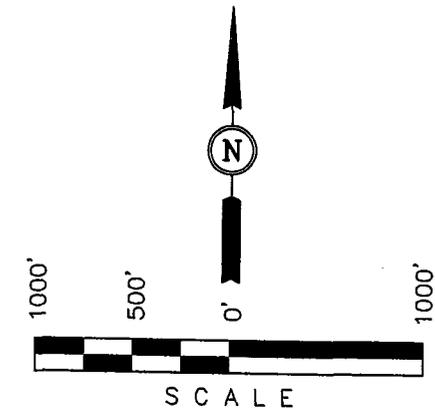
Well location, STATE #1022-250, located as shown in the SW 1/4 SE 1/4 of Section 25, T10S, R22E, S.L.B.&M., Uintah County, Utah.

### 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 QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

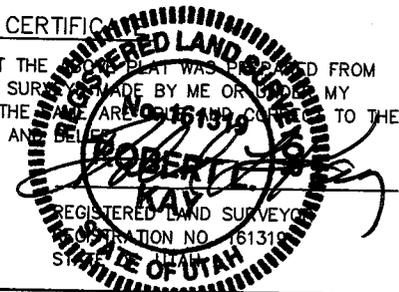
### BASIS OF BEARINGS

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



### CERTIFICATE

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



### LEGEND:

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

(NAD 83)  
 LATITUDE = 39°54'57.82" (39.916061)  
 LONGITUDE = 109°23'11.23" (109.386453)  
 (NAD 27)  
 LATITUDE = 39°54'57.94" (39.916094)  
 LONGITUDE = 109°23'08.78" (109.385772)

## UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

|                         |   |                         |
|-------------------------|---|-------------------------|
| SCALE<br>1" = 1000'     | DATE SURVEYED:<br>08-21-06              | DATE DRAWN:<br>08-26-06 |
| PARTY<br>P.J. M.B. P.M. | REFERENCES<br>G.L.O. PLAT               |                         |
| WEATHER<br>HOT          | FILE<br>Kerr-McGee Oil & Gas Onshore LP |                         |

**STATE 1022-250  
SWSE SEC 25, T10S, R22E  
UINTAH COUNTY, UTAH  
ML-22447**

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

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

| <u>Formation</u>        | <u>Depth</u> |
|-------------------------|--------------|
| Uinta                   | 0- Surface   |
| Green River             | 710'         |
| Top of Birds Nest Water | 938'         |
| Mahogany                | 1453'        |
| Wasatch                 | 3564'        |
| Mesaverde               | 5680'        |
| MVU2                    | 6633'        |
| MVL1                    | 7216'        |
| TD                      | 7680'        |

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

| <u>Substance</u> | <u>Formation</u>        | <u>Depth</u> |
|------------------|-------------------------|--------------|
| Water            | Green River             | 710'         |
|                  | Top of Birds Nest Water | 938'         |
|                  | Mahogany                | 1453'        |
| Gas              | Wasatch                 | 3564'        |
| Gas              | Mesaverde               | 5680'        |
| Gas              | MVU2                    | 6633'        |
| Gas              | MVL1                    | 7216'        |
| 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 7680' TD, approximately equals 4762 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3072 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

*Please refer to the attached Drilling Program.*

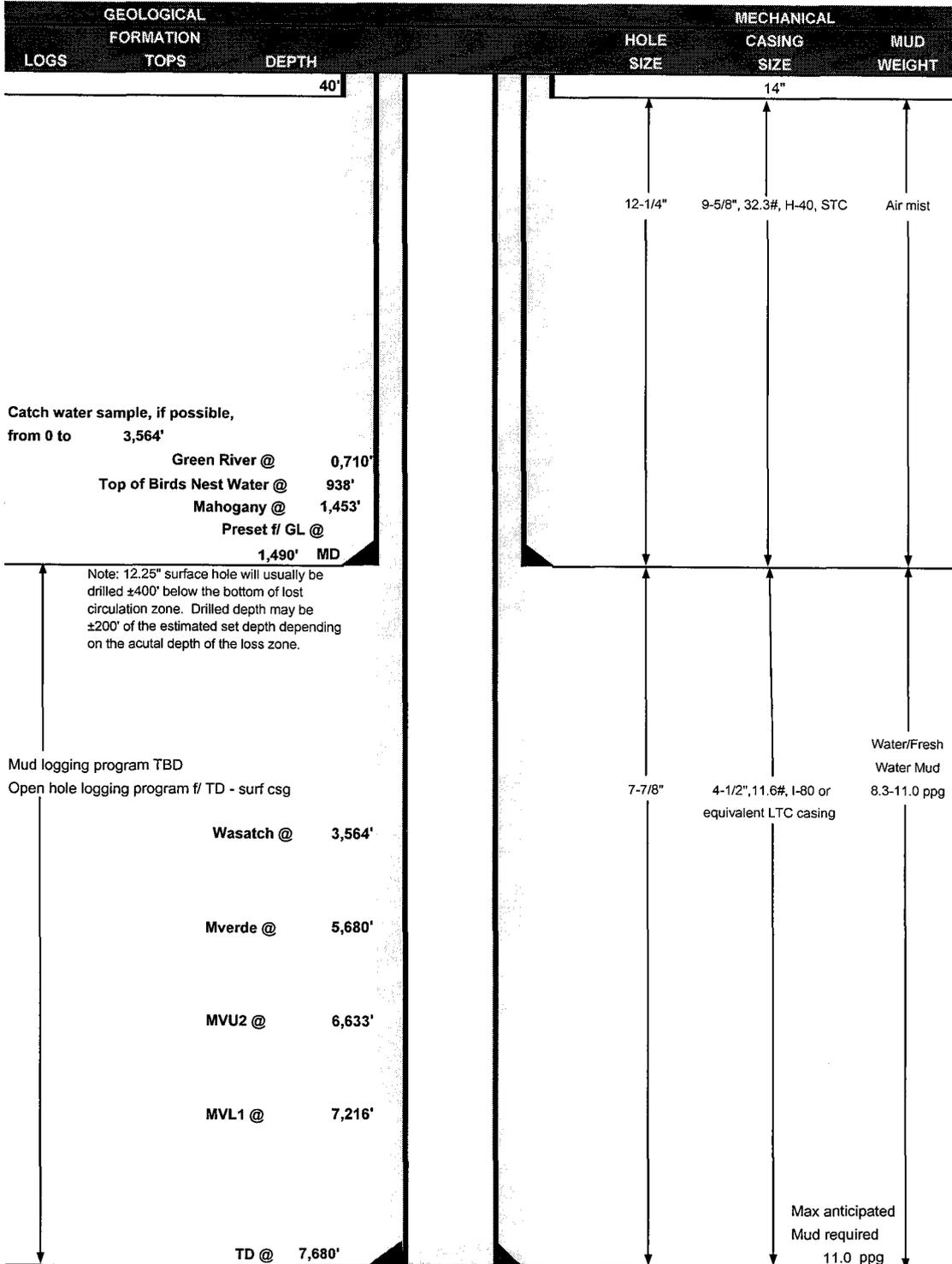
10. **Other Information:**

*Please refer to the attached Drilling Program.*



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE November 7, 2006  
 WELL NAME STATE 1022-250 TD 7,680' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,254' GL KB 5,269'  
 SURFACE LOCATION SWSE SEC. 25, T10S, R22E 1274'FSL, 2121'FEL BHL Straight Hole  
 Latitude: 39.916061 Longitude: 109.386453  
 OBJECTIVE ZONE(S) Wasatch/Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.





**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 1490 | 32.30 | H-40 | STC   | 0.84*****      | 1.96     | 6.03    |
| PRODUCTION | 4-1/2" | 0 to 7680 | 11.60 | I-80 | LTC   | 7780           | 6350     | 201000  |
|            |        |           |       |      |       | 2.88           | 1.45     | 2.59    |

- 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 2703 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  |
| <b>Option 1</b> | 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         |                 | <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b> |  |         |        |        |       |
| <b>Option 2</b> | 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            | 3,060'  | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 340     | 60%    | 11.00  | 3.38  |
|                 | TAIL            | 4,620'  | 50/50 Poz/G + 10% salt + 2% gel +.1% R-3   | 1290    | 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.

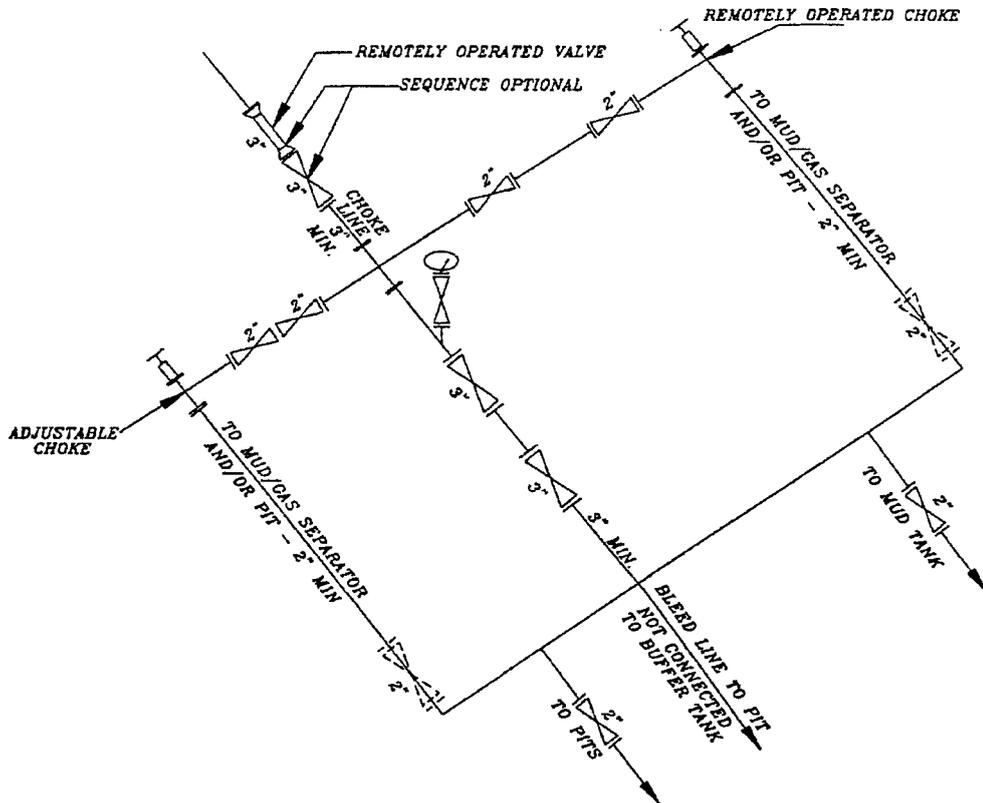
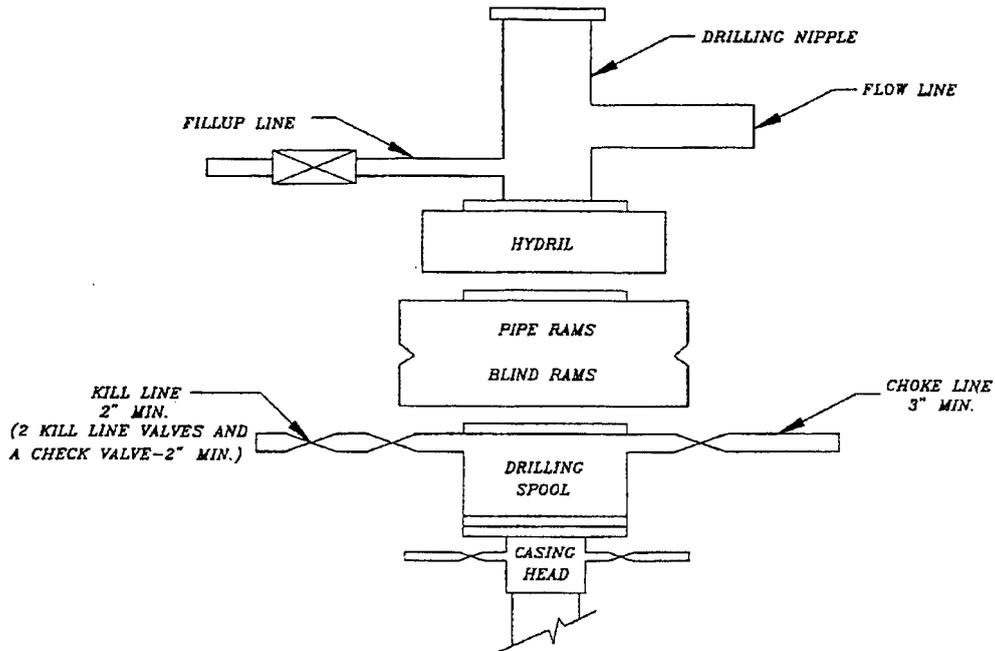
DRILLING ENGINEER: \_\_\_\_\_  
Brad Laney

DATE: \_\_\_\_\_

DRILLING SUPERINTENDENT: \_\_\_\_\_  
Randy Bayne STATE1022-250 DHD.xls

DATE: \_\_\_\_\_

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



STATE 1022-250  
SWSE SEC 25, T10S, R22E  
Uintah County, UT  
ML-22447

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 0.2 +/- 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 955' +/- 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 Operators's Representative & Certification:**

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

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

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

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

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

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

11/7/2006  
Date

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Kerr-Mcgee Oil & Gas Onshore LP  
STATE #1022-250  
SECTION 25, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 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 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE NBU #1022-24B TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 3.75 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 65.95 MILES.

# Kerr-McMgee Oil & Gas Onshore LP

STATE #1022-250

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 25, T10S, 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: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

08 25 06  
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: A.A.

REVISED: 00-00-00



**LEGEND:**

⊙ PROPOSED LOCATION



**Kerr-McGee Oil & Gas Onshore LP**

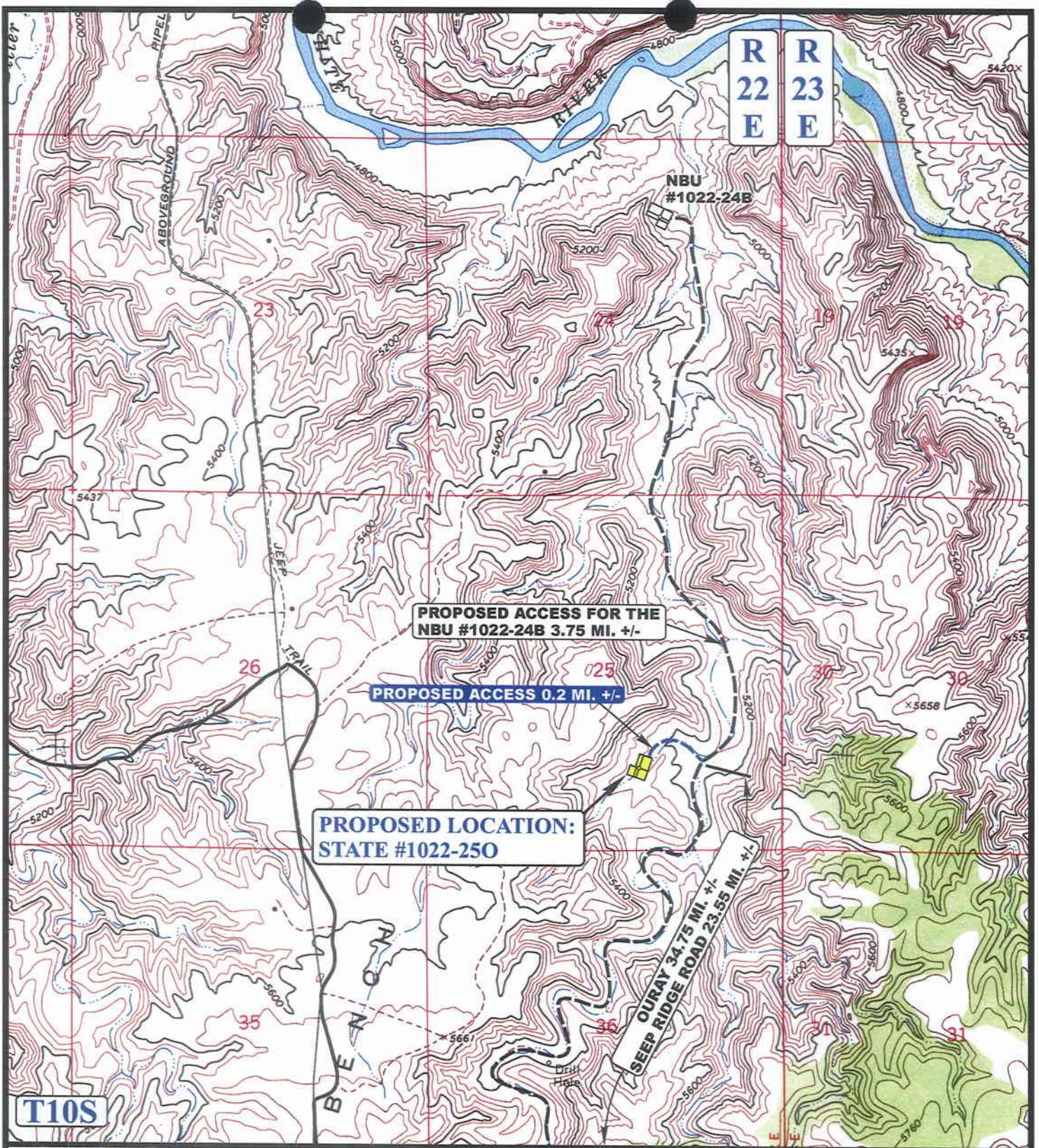
**STATE #1022-250**  
**SECTION 25, T10S, R22E, S.L.B.&M.**  
**1274' FSL 2121' FEL**



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

**TOPOGRAPHIC** 08 25 06  
**MAP** MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: A.A. REVISED: 00-00-00





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

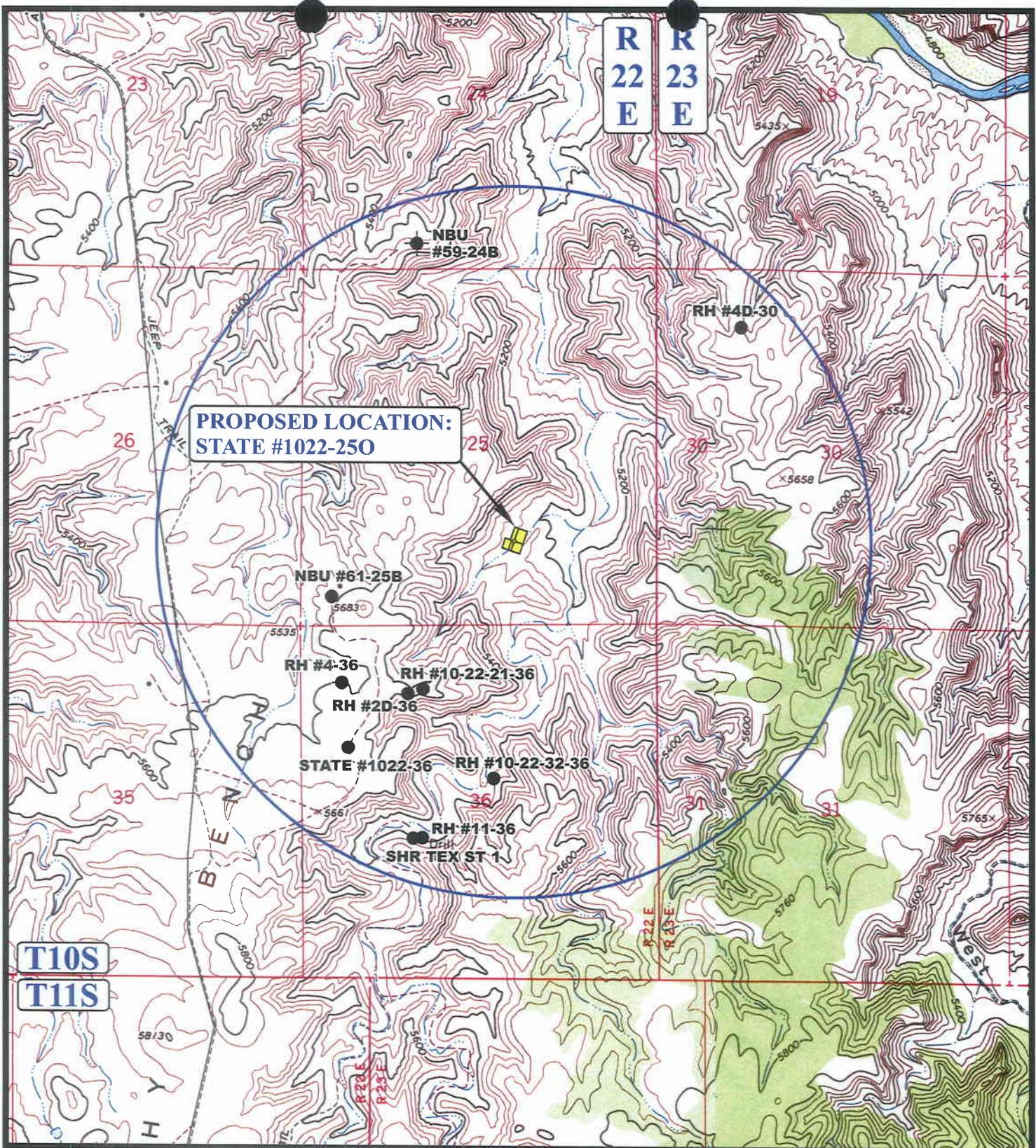


**Kerr-McGee Oil & Gas Onshore LP**

**STATE #1022-250**  
**SECTION 25, T10S, R22E, S.L.B.&M.**  
**1274' FSL 2121' FEL**

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

**TOPOGRAPHIC MAP** **08 25 06**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: A.A. REVISED: 00-00-00 **B TOPO**



**PROPOSED LOCATION:  
STATE #1022-250**

**LEGEND:**

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



**Kerr-McGee Oil & Gas Onshore LP**

**STATE #1022-250  
SECTION 25, T10S, R22E, S.L.B.&M.  
1274' FSL 2121' FEL**



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

**TOPOGRAPHIC  
MAP**

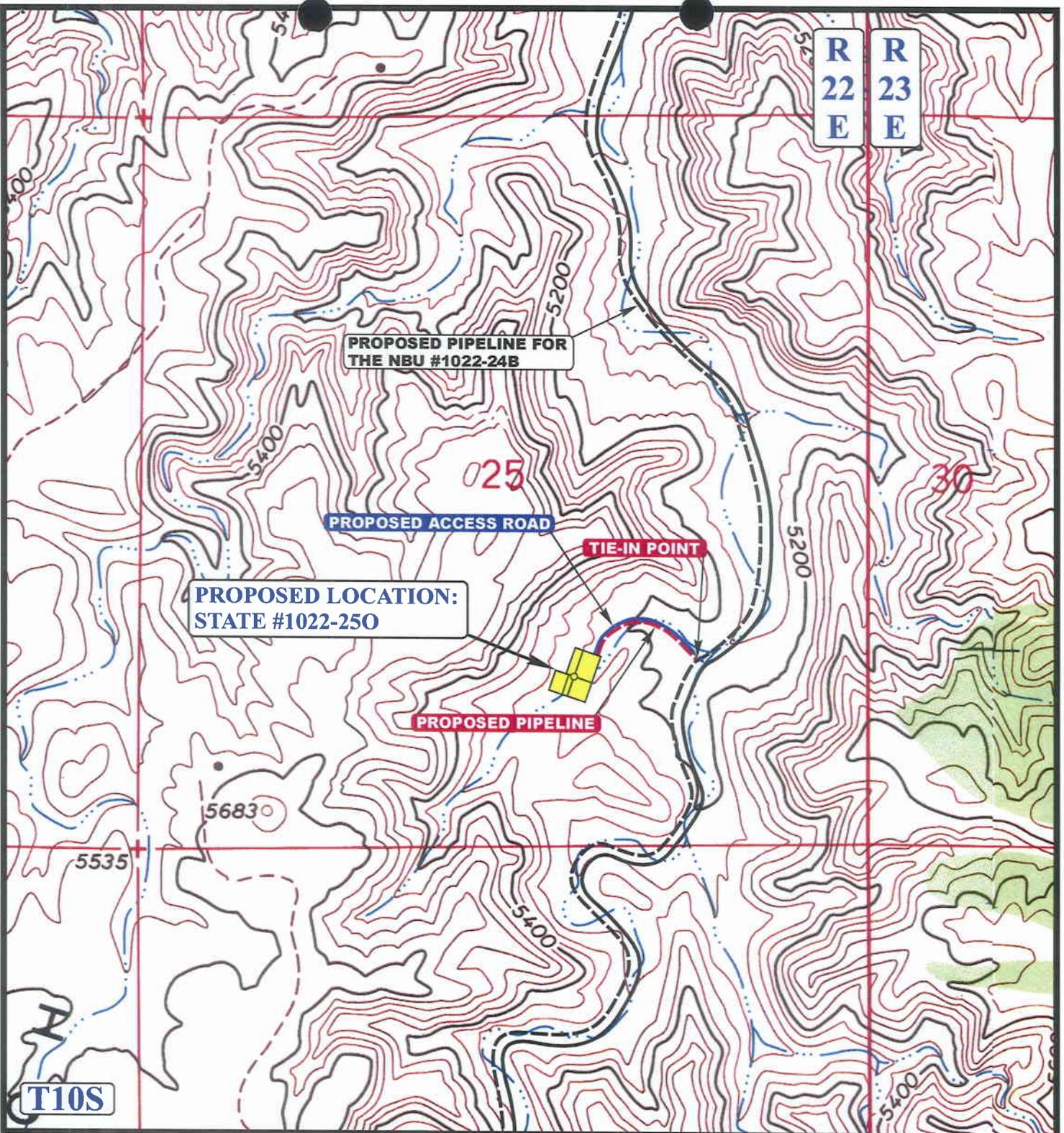
**08 25 06**  
MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: A.A.

REVISED: 00-00-00





**APPROXIMATE TOTAL PIPELINE DISTANCE = 955" +/-**

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



**Kerr-McGee Oil & Gas Onshore LP**

**STATE #1022-250  
SECTION 25, T10S, R22E, S.L.B.&M.  
1274' FSL 2121' FEL**



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

**TOPOGRAPHIC MAP** 08 25 06  
MONTH DAY YEAR

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



# Kerr-McGee Oil & Gas Onshore LP

STATE #1022-250

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 25, T10S, R22E, S.L.B.&M.

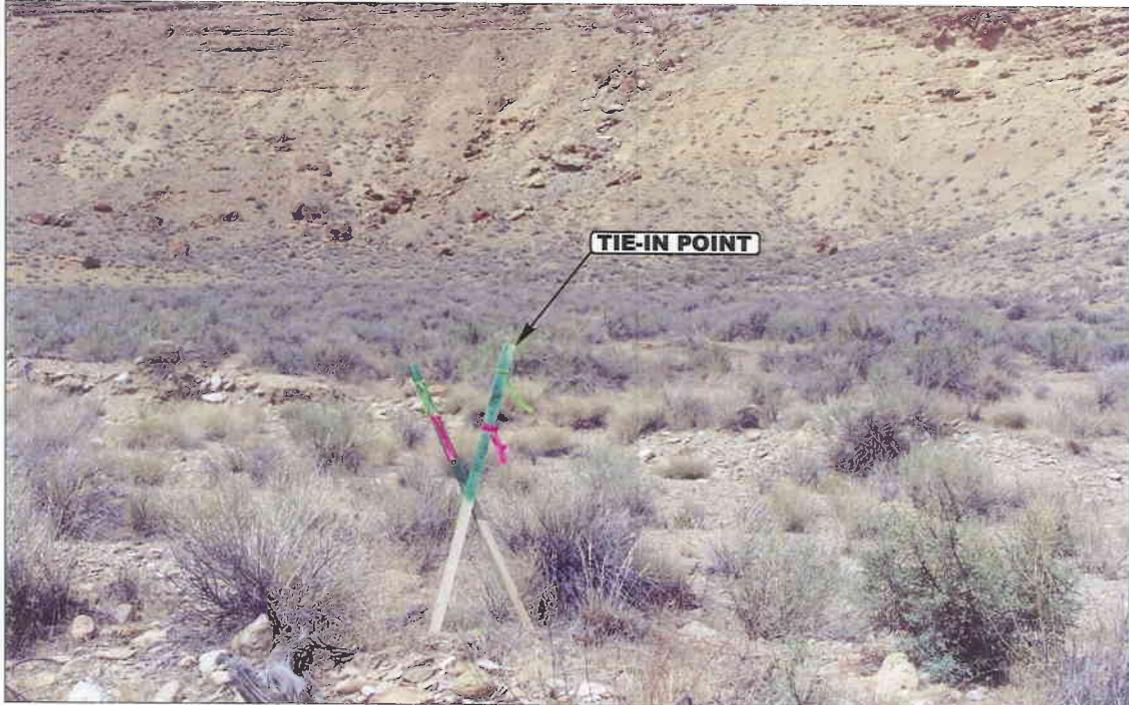


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

PIPELINE PHOTOS

08 25 06  
MONTH DAY YEAR

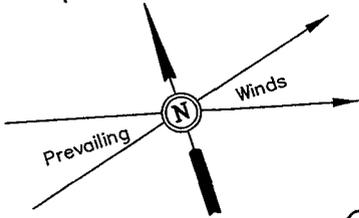
PHOTO

TAKEN BY: P.J. | DRAWN BY: A.A. | REVISED: 00-00-00

# Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR  
STATE #1022-250  
SECTION 25, T10S, R22E, S.L.B.&M.  
1274' FSL 2121' FEL



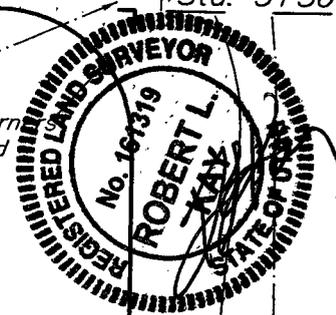
Proposed Access Road  
Install CMP  
as Needed

SCALE: 1" = 50'  
DATE: 08-26-06  
Drawn By: P.M.

CONSTRUCT DIVERSION DITCH

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

Approx. Top of Cut Slope



Round Corners as Needed

Existing Drainage

PIPE TUBS

Existing Drainage

PIPE RACKS

FLARE PIT C-9.2' El. 60.0'

C-2.9' El. 53.7'

El. 68.7' C-27.9' (btm. pit)

Sta. 1+50

RESERVE PITS (10' Deep)

15' WIDE BENCH

150'

70'

150'

SLOPE 1 1/2 : 1

Total Pit Capacity W/2 of Freeboard = 9,850 Bbls. ±

Total Pit Volume = 2,780 Cu. Yds.

Sta. 0+25

15' WIDE BENCH

C-8.0' El. 58.8'

MUD TANKS

DOG HOUSE

TOILET

F-8.7' El. 42.1'

LIGHT PLANT

BOILER

COMPRESSOR

BOOSTER

WATER TANK

PUMP HOUSE

TRASH

Existing Drainage

El. 69.5' C-28.7' (btm. pit)

C-10.0' El. 60.8'

PROPANE STORAGE

C-4.3' El. 55.1'

Sta. 0+00

C-10.3' El. 61.1'

F-1.1' El. 49.7'

NOTES:

Reserve Pit Backfill & Spoils Stockpile

CONSTRUCT DIVERSION DITCH

Approx. Toe of Fill Slope

Elev. Ungraded Ground At Loc. Stake = 5253.7'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5250.8'

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

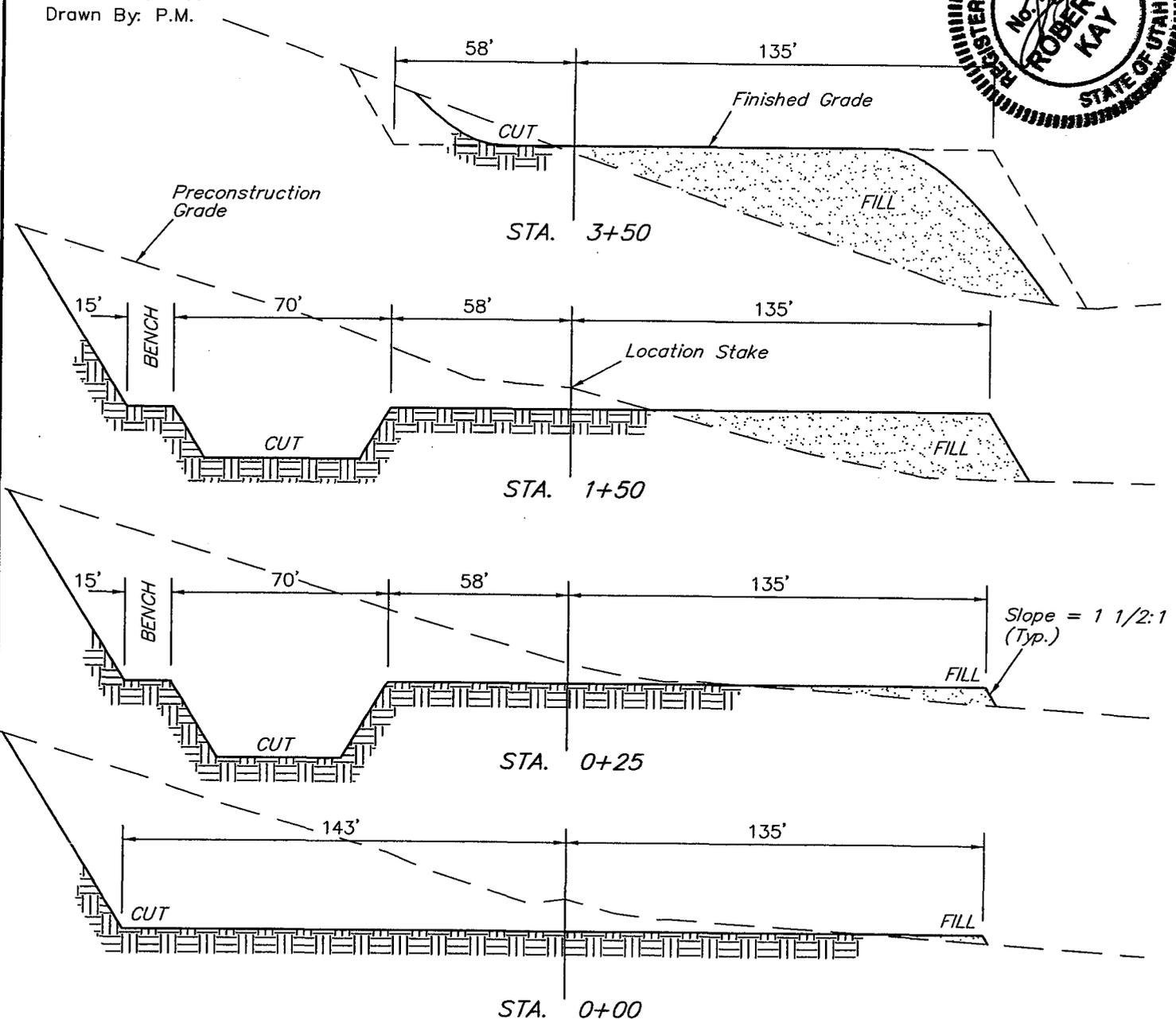
# Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 STATE #1022-250  
 SECTION 25, T10S, R22E, S.L.B.&M.  
 1274' FSL 2121' FEL

X-Section  
 Scale  
 1" = 50'

DATE: 08-26-06  
 Drawn By: P.M.



**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 | = 2,070 Cu. Yds.        |
| Remaining Location     | = 17,470 Cu. Yds.       |
| <b>TOTAL CUT</b>       | <b>= 19,540 CU.YDS.</b> |
| <b>FILL</b>            | <b>= 13,490 CU.YDS.</b> |

|  |                  |
|--|------------------|
| EXCESS MATERIAL                                    | = 6,050 Cu. Yds. |
| Topsoil & Pit Backfill<br>(1/2 Pit Vol.)           | = 3,460 Cu. Yds. |
| EXCESS UNBALANCE<br>(After Interim Rehabilitation) | = 2,590 Cu. Yds. |

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/13/2006

API NO. ASSIGNED: 43-047-38851

WELL NAME: NBU 1022-250

OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

|                        |                 |             |
|------------------------|-----------------|-------------|
| INSPECT LOCATN BY: / / |                 |             |
| <b>Tech Review</b>     | <b>Initials</b> | <b>Date</b> |
| Engineering            | DKD             | 12/13/06    |
| Geology                |                 |             |
| Surface                |                 |             |

SWSE 25 100S 220E  
 SURFACE: 1274 FSL 2121 FEL  
 BOTTOM: 1274 FSL 2121 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.91611 LONGITUDE: -109.3857  
 UTM SURF EASTINGS: 637972 NORTHINGS: 4419483  
 FIELD NAME: NATURAL BUTTES ( 630 )

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-22447  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

- \_\_\_ R649-2-3.
- Unit: NATURAL BUTTES
- \_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- \_\_\_ R649-3-3. Exception
- Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' fr u bdr & natural gas trends
- \_\_\_ R649-3-11. Directional Drill

COMMENTS: Needs Permit (11-28-06)

STIPULATIONS: 1- OIL SHALE  
2- STATEMENT OF BASIS

NBU 59-24B

T10S R22E

T10S R23E

# NATURAL BUTTES FIELD NATURAL BUTTES UNIT

CAUSE: 173-14 / 12-2-1999

25

STATE  
1022-250

NBU 61-25B

ROCK HOUSE  
4-36

ROCK HOUSE  
10-22-21-36

ROCK HOUSE  
2D-36  
ROCK HOUSE  
10-22-42-36

ROCK HOUSE  
10-22-41-36  
BHL  
10-22-41-36

OPERATOR: KERR MCGEE O&G (N2995)

SEC: 25 T.10S R. 22E

FIELD: NATURAL BUTTES (630)

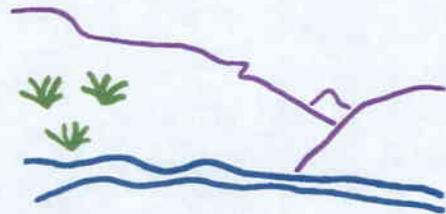
COUNTY: Uintah

CAUSE: 173-14 / 12-2-1999

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

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

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON  
DATE: 20-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 |
|------------------|--|---------------------|--------------------------|-----------|-----|
| 170              | 43-047-38851-00-00   |                     | GW                       | S         | No  |
| <b>Operator</b>  | KERR-MCGEE OIL & GAS ONSHORE, LP                               |                     | <b>Surface Owner-APD</b> |           |     |
| <b>Well Name</b> | STATE 1022-25O   | <b>Unit</b>         |                          |           |     |
| <b>Field</b>     | UNDESIGNATED   | <b>Type of Work</b> |                          |           |     |
| <b>Location</b>  | SWSE 25 10S 22E S 0 F L 0 F L GPS Coord (UTM) 637972E 4419483N |                     |                          |           |     |

### Geologic Statement of Basis

Kerr McGee proposes to set 1,490' 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 4,300'. 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-Green River Formation transition. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The Green River Formation is made up of interbedded sandstones, limestones and shales. Fresh water aquifers can be found in the upper portion of the Green River Formation and should be protected. 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 proposed Archy Bench 10-22-25O gas well location is approximately 19 miles southerly of Bonanza Ut, and approximately 67 miles southwest of Vernal, UT.

Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. Major drainages are usually broad with somewhat gentle alluvial washes, which are dry except for spring runoff and sometimes-intense summer rainstorms. The Bitter Creek drainage is to the west and West Fork of Asphalt Wash to the east. They both run northerly about 2 miles where they meet the White River.

The proposed location is in a basin of a secondary draw. The basin slopes moderately to the west but drains to the northwest out of the basin toward a main draw. Steep sloped near verticle hills with layered sandstone bedrock outcrops border the draw on the south and west. Three small drainages intersect the location. Two will be diverted around the ends of the pad. 0.2 miles of new road will be constructed joining a road planned to the NBU 1022-24B well.

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

Floyd Bartlett  
Onsite Evaluator

11/28/2006  
Date / Time

### 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.   |

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**Application for Permit to Drill**

**Statement of Basis**

**Utah Division of Oil, Gas and Mining**

12/4/2006

Page 2

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# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** KERR-MCGEE OIL & GAS ONSHORE, LP  
**Well Name** STATE 1022-250  
**API Number** 43-047-38851-0      **APD No** 170      **Field/Unit** UNDESIGNATED  
**Location:** 1/4,1/4 SWSE      **Sec** 25    **Tw** 10S    **Rng** 22E    0 FL 0 FL  
**GPS Coord (UTM)** 637968      4419485      **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 proposed Archy Bench 10-22-250 gas well location is approximately 19 miles southerly of Bonanza Ut, and approximately 67 miles southwest of Vernal, UT.

Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. Major drainages are usually broad with somewhat gentle alluvial washes, which are dry except for spring runoff and sometimes-intense summer rainstorms. The Bitter Creek drainage is to the west and West Fork of Asphalt Wash to the east. They both run northerly about 2 miles where they meet the White River.

The proposed location is in a basin of a secondary draw. The basin slopes moderately to the west but drains to the northwest out of the basin toward a main draw. Steep sloped near verticle hills with layered sandstone bedrock outcrops border the draw on the south and west. Three small drainages intersect the location. Two will be diverted around the ends of the pad. 0.2 miles of new road will be constructed joining a road planned to the NBU 1022-24B well.

### Surface Use Plan

#### **Current Surface Use**

Grazing  
Wildlfe Habitat

#### **New Road**

| <b>Miles</b> | <b>Well Pad</b>                    | <b>Src Const Material</b> | <b>Surface Formation</b> |
|--------------|------------------------------------|---------------------------|--------------------------|
| 0.2          | <b>Width</b> 278 <b>Length</b> 350 | Onsite                    | UNTA                     |

**Ancillary Facilities** N

### Waste Management Plan Adequate? N

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

Big sagebrush, shadscale and Indian ricegrass

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

#### **Soil Type and Characteristics**

Rocky sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y  
Around each end of the location.

Berm Required? N

Erosion Sedimentation Control Required? N

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

**Reserve Pit**

| <b>Site-Specific Factors</b>             |                  | <b>Site Ranking</b>        |
|--|------------------|----------------------------|
| <b>Distance to Groundwater (feet)</b>    | 100 to 200       | 5                          |
| <b>Distance to Surface Water (feet)</b>  | >1000            | 0                          |
| <b>Dist. Nearest Municipal Well (ft)</b> | >5280            | 0                          |
| <b>Distance to Other Wells (feet)</b>    | 300 to 1320      | 10                         |
| <b>Native Soil Type</b>                  | Mod permeability | 10                         |
| <b>Fluid Type</b>                        | Fresh Water      | 5                          |
| <b>Drill Cuttings</b>                    | Normal Rock      | 0                          |
| <b>Annual Precipitation (inches)</b>     | <10              | 0                          |
| <b>Affected Populations</b>              | <10              | 0                          |
| <b>Presence Nearby Utility Conduits</b>  | Not Present      | 0                          |
| <b>Final Score</b>                       |                  | <b>30</b>                  |
|  |                  | <b>1 Sensitivity Level</b> |

**Characteristics / Requirements**

150' by 70' and 10' deep. The reserve pit is all within cut on the south west 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**

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  
 $0.052(7680)11 = 4393 \text{ psi}$   
 anticipate 3072 @ surf.

Gas  
 $.12(7680) = 922$   
 $4393 - 922 = 3471 \text{ psi}$   
 MASP

9-5/8"  
 MW 8.4  
 Frac 19.3

BOPE SM ✓

Burst 2270  
 70% 1589 psi

Max P @ surf. shoe  
 $.22(6190) = 1362$   
 $4393 - 1362 = 3031 \text{ psi}$

test to 1589 psi ✓

✓ Adequate  
 DLD 12/13/05

4-1/2"  
 MW 11.

12.9"  
 18.7"

TOC @ 0.  
 Uinta  
 TOC @ TOC to surf w/15% w/o ✓  
 131.

710' Green River  
 938' Bird's Nest Water  
 1453' Mahogany  
 Surface  
 1490. MD

3564' Wasatch

4300± BMSW

5680' Mesa Verde ✓

6633' MVU2

7216' MVL1

Production  
 7680. MD

|              |   |                             |
|--------------|---|-----------------------------|
| Well name:   | <b>2006-12 Kerr McGee State 1022-250</b>    |                             |
| Operator:    | <b>Kerr McGee Oil &amp; Gas Onshore, LP</b> |                             |
| String type: | Surface                                     | Project ID:<br>43-047-38851 |
| Location:    | Uintah County, Utah                         |                             |

|   |                                    |                                     |
|---|------------------------------------|-------------------------------------|
| <b>Design parameters:</b>                   | <b>Minimum design factors:</b>     | <b>Environment:</b>                 |
| <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: 96 °F      |
|   |                                    | Temperature gradient: 1.40 °F/100ft |
|   |                                    | Minimum section length: 1,490 ft    |
|   | <u>Burst:</u>                      | Cement top: 131 ft                  |
|   | Design factor 1.00                 |                                     |
| <u>Burst</u>                                |                                    |                                     |
| Max anticipated surface pressure: 1,311 psi | <u>Tension:</u>                    | <b>Non-directional string.</b>      |
| Internal gradient: 0.120 psi/ft             | 8 Round STC: 1.80 (J)              |                                     |
| Calculated BHP 1,490 psi                    | 8 Round LTC: 1.80 (J)              |                                     |
| No backup mud specified.                    | Buttress: 1.60 (J)                 |                                     |
|   | Premium: 1.50 (J)                  |                                     |
|   | Body yield: 1.50 (B)               | <b>Re subsequent strings:</b>       |
|   | Tension is based on buoyed weight. | Next setting depth: 7,680 ft        |
|   | Neutral point: 1,306 ft            | Next mud weight: 11,000 ppg         |
|   |                                    | Next setting BHP: 4,389 psi         |
|   |                                    | Fracture mud wt: 19,250 ppg         |
|   |                                    | Fracture depth: 1,490 ft            |
|   |                                    | Injection pressure: 1,490 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       | 1490                | 9.625     | 32.30                   | H-40  | ST&C       | 1490                 | 1490                | 8.876               | 658.4                   |

| 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       | 650                 | 1370                    | 2.107 ✓                | 1490             | 2270                 | 1.52 ✓              | 42                  | 254                     | 6.02 J ✓              |

|  |  |   |
|--|--|---|
| Prepared by: Helen Sadik-Macdonald<br>Div of Oil, Gas & Minerals | Phone: (801) 538-5357<br>FAX: (801) 359-3940 | Date: December 11, 2006<br>Salt Lake City, Utah |
|--|--|---|

Remarks:  
Collapse is based on a vertical depth of 1490 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:   | <b>2006-12 Kerr McGee State 1022-250</b>    |             |              |
| Operator:    | <b>Kerr McGee Oil &amp; Gas Onshore, LP</b> |             |              |
| String type: | Production                                  | Project ID: | 43-047-38851 |
| Location:    | Uintah County, Utah                         |             |              |

**Design parameters:**

**Collapse**

Mud weight: 11,000 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 2,699 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP: 4,389 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 6,417 ft

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 183 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: Surface

**Non-directional string.**

| 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       | 7680                | 4.5                     | 11.60                   | I-80             | LT&C                 | 7680                 | 7680                | 3.875                   | 670.2                   |
| 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       | 4389                | 6360                    | 1.449 ✓                 | 4389             | 7780                 | 1.77 ✓               | 74                  | 212                     | 2.85 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 7680 ft, a mud weight of 11 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.

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



Kerr McGee Oil and Gas Onshore LP  
1368 SOUTH 1200 EAST • VERNAL, UT 84078  
435-789-4433 • FAX 435-781-7094

November 14, 2006

State of Utah  
Division of Oil Gas & Mining  
1594 West North Temple Suite 1210  
Salt Lake City, Utah 84116-5801

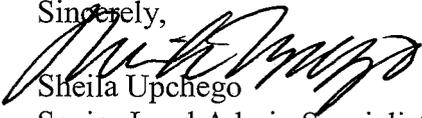
SITLA  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102

Dear Sirs:

A on-site was conducted on November 28, 2006, it was determined at the on-site inspection that the submitted Application for Permit to Drill for the State 1022-250, should actually be NBU 1022-250. This location is located in the Natural Buttes Unit. I am submitting a New Application for Permit to Drill for the NBU 1022-250 with all of the corrected name change for all documents submitted.

If you have any questions or need more information please contact me at (435) 781-7024.

Sincerely,

  
Sheila Upchego  
Senior Land Admin Specialist

RECEIVED  
DEC 11 2006  
DIV. OF OIL, GAS & MINING

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

**IN REPLY REFER TO:**

3160

(UT-922)

November 22, 2006

Memorandum

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

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

| API# | WELL NAME | LOCATION |
|------|-----------|----------|
|------|-----------|----------|

(Proposed PZ Wasatch/MesaVerde)

|              |                |                                    |
|--------------|----------------|------------------------------------|
| 43-047-38838 | NBU 1021-2E    | Sec 2 T10S R21E 2068 FNL 0471 FWL  |
| 43-047-38839 | NBU 1021-2F    | Sec 2 T10S R21E 2271 FNL 2090 FWL  |
| 43-047-38840 | NBU 1021-2N    | Sec 2 T10S R21E 1253 FSL 1545 FWL  |
| 43-047-38841 | NBU 1021-2M    | Sec 2 T10S R21E 0730 FSL 0576 FWL  |
| 43-047-38842 | NBU 1021-2K    | Sec 2 T10S R21E 1682 FSL 2432 FWL  |
| 43-047-38843 | NBU 1021-2L    | Sec 2 T10S R21E 1849 FSL 0520 FWL  |
| 43-047-38844 | NBU 1021-2J    | Sec 2 T10S R21E 1868 FSL 1998 FEL  |
| 43-047-38851 | State 1022-250 | Sec 25 T10S R22E 1274 FSL 2121 FEL |

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:11-22-06

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

FORM 3

AMENDED REPORT   
(highlight changes)

|  |   |   |   |   |
|--|---|---|---|---|
| <b>APPLICATION FOR PERMIT TO DRILL</b>   |   |   | 5. MINERAL LEASE NO:<br>ML-22447                                    | 6. SURFACE:<br>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:<br>KERR MCGEE OIL & GAS ONSHORE L.P.  |   |   | 9. WELL NAME and NUMBER:<br>NBU 1022-250                            |   |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY VERNAL STATE UT ZIP 84078  |   |   | PHONE NUMBER:<br>(435) 781-7024                                     | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES |
| 4. LOCATION OF WELL (FOOTAGES)<br><br>AT SURFACE: 1274'FSL, 2121'FEL<br><br>AT PROPOSED PRODUCING ZONE:  |   |   | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>SWSE 25 10S 22E |   |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>58.5 MILES SOUTH OF OURAY, UTAH   |   |   | 12. COUNTY:<br>UINTAH   | 13. STATE:<br>UTAH                                |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>1274'   | 16. NUMBER OF ACRES IN LEASE:<br>640.00 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>40.00 |   |   |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>REFER TO TOPO C   | 19. PROPOSED DEPTH:<br>7,680            | 20. BOND DESCRIPTION:<br>RLB0005237                 |   |   |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br>5254'GL   | 22. APPROXIMATE DATE WORK WILL START:   | 23. ESTIMATED DURATION:                             |   |   |

24. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT |      |       | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |            |          |
|--------------|---|------|-------|---------------|---|------------|----------|
| 12 1/4"      | 9 5/8                                   | H-40 | 32.3# | 1,490         | 265 SX CLASS G                                  | 1.18 YIELD | 15.6 PPG |
| 7 7/8"       | 4 1/2                                   | I-80 | 11.6# | 7,680         | 1630 SX 50/50 POZ                               | 1.31 YIELD | 14.3 PPG |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |
|              |   |      |       |               |   |            |          |

25. **ATTACHMENTS**

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

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

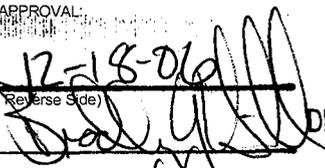
NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST

SIGNATURE  DATE 11/7/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38857

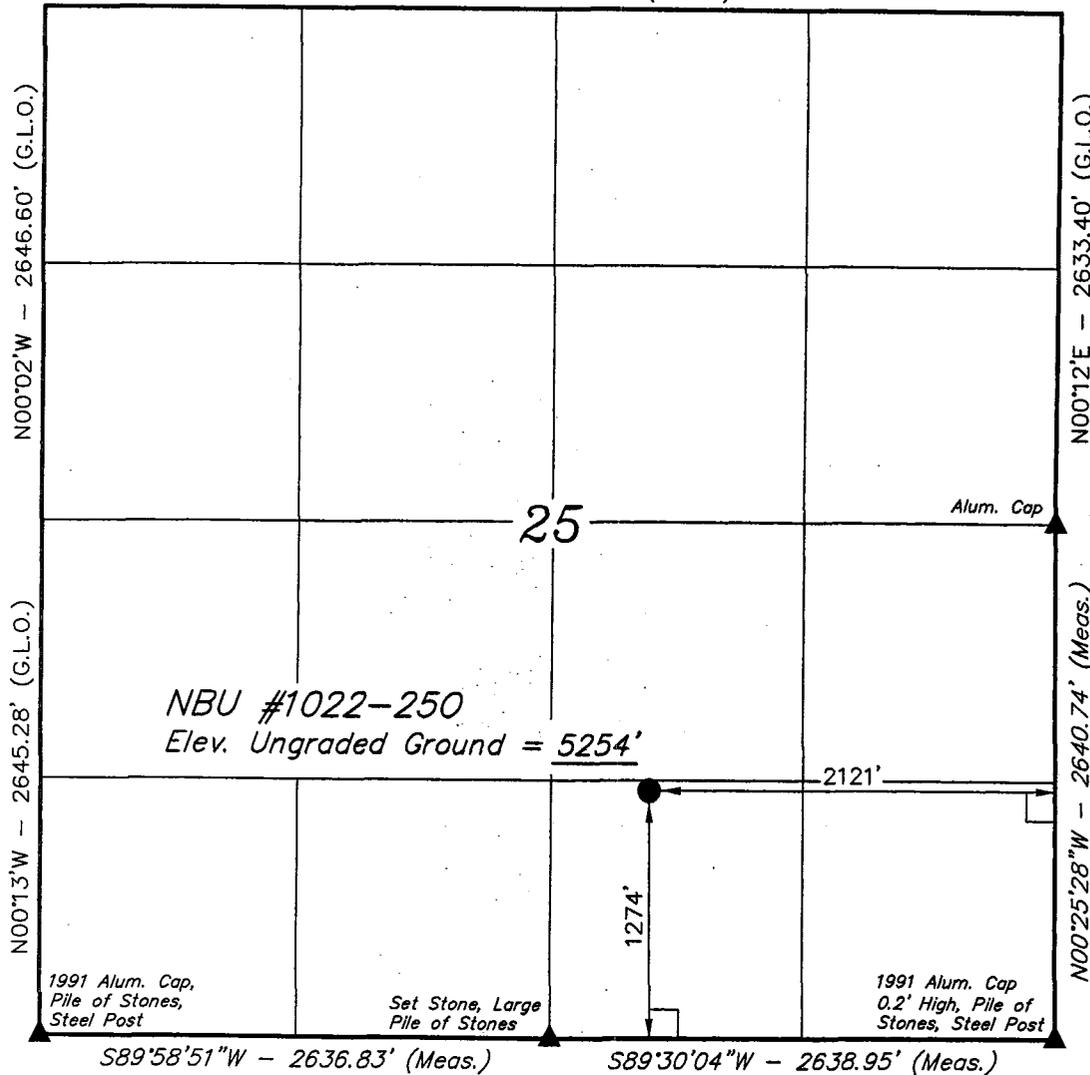
**Approved by the  
Utah Division of  
Oil, Gas and Mining**

APPROVAL:   
Date: 12-18-06  
(See Instructions on Reverse Side)  
By: \_\_\_\_\_

**RECEIVED**  
**DEC 11 2006**

# T10S, R22E, S.L.B.&M.

S89°59'W - 5278.68' (G.L.O.)



## Kerr-McGee Oil & Gas Onshore LP

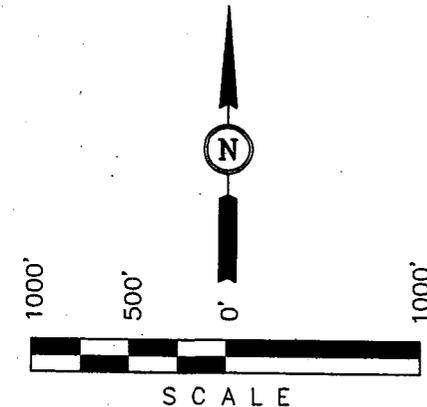
Well location, NBU #1022-250, located as shown in the SW 1/4 SE 1/4 of Section 25, T10S, R22E, S.L.B.&M., Uintah County, Utah.

### 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 QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

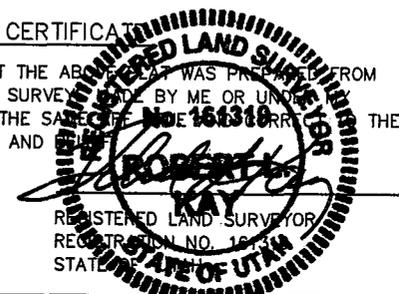
### BASIS OF BEARINGS

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



### CERTIFICATION

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



REVISED: 11-29-06

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

### LEGEND:

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

(NAD 83)  
 LATITUDE = 39°54'57.82" (39.916061)  
 LONGITUDE = 109°23'11.23" (109.386453)  
 (NAD 27)  
 LATITUDE = 39°54'57.94" (39.916094)  
 LONGITUDE = 109°23'08.78" (109.385772)

|                         |   |                         |
|-------------------------|---|-------------------------|
| SCALE<br>1" = 1000'     | DATE SURVEYED:<br>08-21-06              | DATE DRAWN:<br>08-26-06 |
| PARTY<br>P.J. M.B. P.M. | REFERENCES<br>G.L.O. PLAT               |                         |
| WEATHER<br>HOT          | FILE<br>Kerr-McGee Oil & Gas Onshore LP |                         |

NBU 1022-250  
SWSE SEC 25, T10S, R22E  
UINTAH COUNTY, UTAH  
ML-22447

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

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

| <u>Formation</u>        | <u>Depth</u> |
|-------------------------|--------------|
| Uinta                   | 0- Surface   |
| Green River             | 710'         |
| Top of Birds Nest Water | 938'         |
| Mahogany                | 1453'        |
| Wasatch                 | 3564'        |
| Mesaverde               | 5680'        |
| MVU2                    | 6633'        |
| MVL1                    | 7216'        |
| TD                      | 7680'        |

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

| <u>Substance</u> | <u>Formation</u>        | <u>Depth</u> |
|------------------|-------------------------|--------------|
| Water            | Green River             | 710'         |
|                  | Top of Birds Nest Water | 938'         |
|                  | Mahogany                | 1453'        |
| Gas              | Wasatch                 | 3564'        |
| Gas              | Mesaverde               | 5680'        |
| Gas              | MVU2                    | 6633'        |
| Gas              | MVL1                    | 7216'        |
| 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 7680' TD, approximately equals 4762 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3072 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

*Please refer to the attached Drilling Program.*

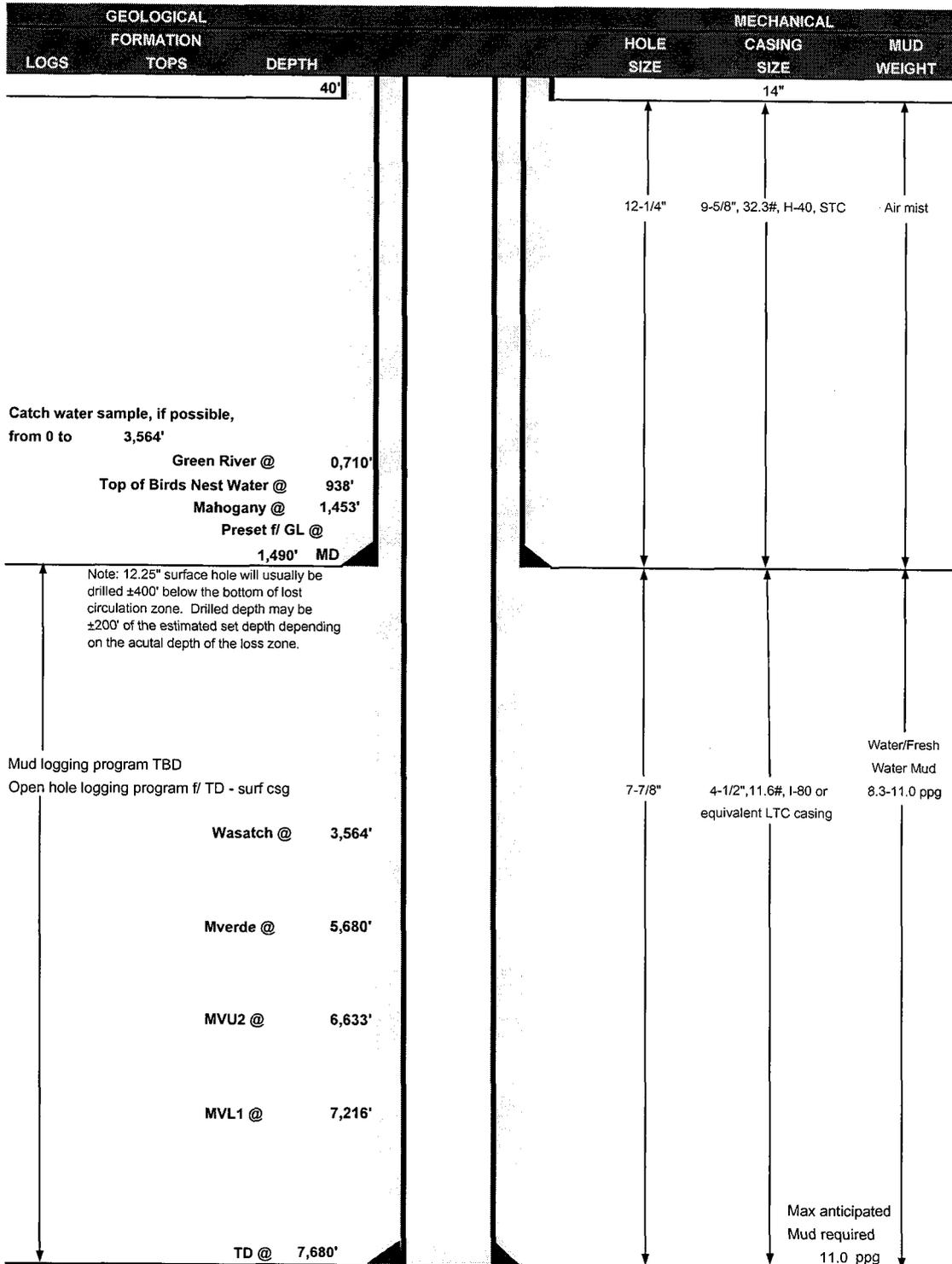
10. **Other Information:**

*Please refer to the attached Drilling Program.*



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE December 7, 2006  
 WELL NAME NBU 1022-250 TD 7,680' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,254' GL KB 5,269'  
 SURFACE LOCATION SWSE SEC. 25, T10S, R22E 1274'FSL, 2121'FEL BHL Straight Hole  
 Latitude: 39.916061 Longitude: 109.386453  
 OBJECTIVE ZONE(S) Wasatch/Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.





# 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 1490 | 32.30 | H-40 | STC   | 0.84*****      | 1.96     | 6.03    |
| PRODUCTION | 4-1/2" | 0 to 7680 | 11.60 | I-80 | LTC   | 7780           | 6350     | 201000  |
|            |        |           |       |      |       | 2.88           | 1.45     | 2.59    |

- 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 2703 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    | Option 2        |             | <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>            |         |        |        |       |
|            | 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            | 3,060'      | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 340     | 60%    | 11.00  | 3.38  |
|            | TAIL            | 4,620'      | 50/50 Poz/G + 10% salt + 2% gel + .1% R-3  | 1290    | 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 &

four 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.

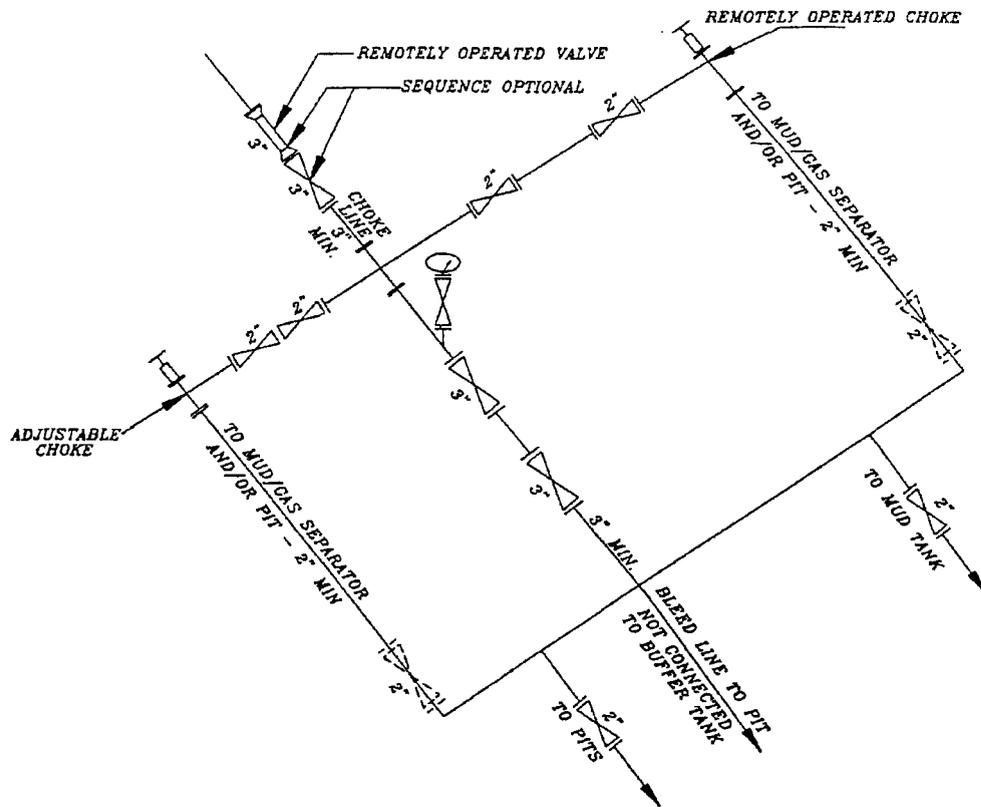
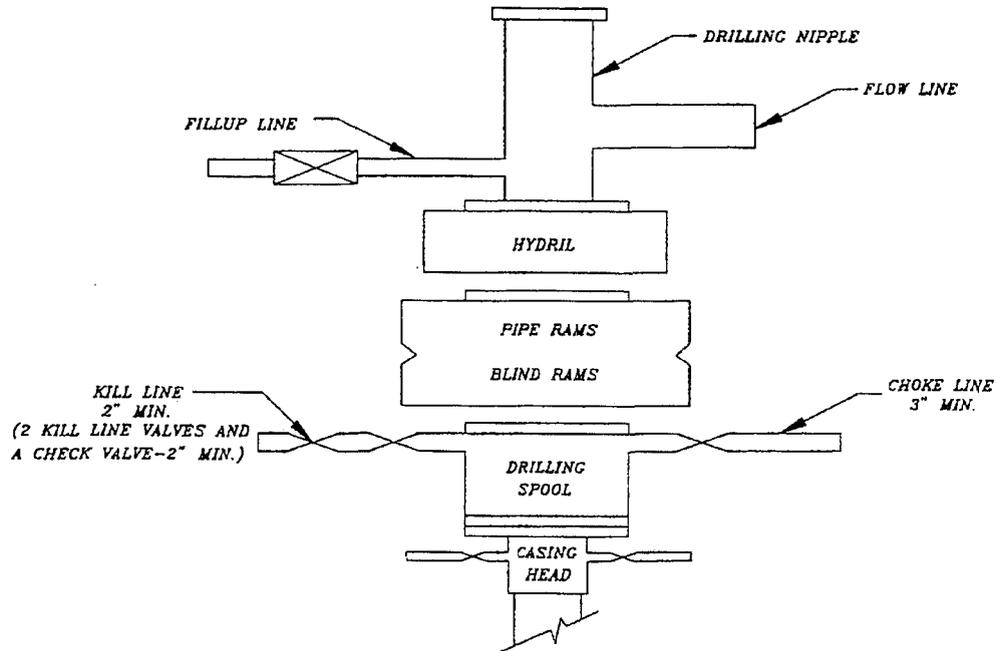
DRILLING ENGINEER: \_\_\_\_\_  
Brad Laney

DATE: \_\_\_\_\_

DRILLING SUPERINTENDENT: \_\_\_\_\_  
Randy Bayne

DATE: \_\_\_\_\_

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 1022-250  
SWSE SEC 25, T10S, R22E  
Uintah County, UT  
ML-22447

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 0.2 +/- 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 955' +/- 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 Operators's Representative & Certification:**

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

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

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

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

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

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

12/7/2006  
Date

**Kerr-Mcgee Oil & Gas Onshore LP**  
**NBU #1022-250**  
**SECTION 25, T10S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 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 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE NBU #1022-24B TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 3.75 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 65.95 MILES.

# Kerr-McMgee Oil & Gas Onshore LP

## NBU #1022-250

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 25, T10S, 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: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

08 25 06  
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: A.A.

REV: 11-29-06A.A.



R  
22  
E

R  
23  
E

**PROPOSED LOCATION:  
NBU #1022-250**

**PROPOSED ACCESS FOR THE  
NBU #1022-24B 3.75 MI. +/-**

T10S  
T11S

**LEGEND:**

⊙ PROPOSED LOCATION

N



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-250**

**SECTION 25, T10S, R22E, S.L.B.&M.**

**1274' FSL 2121' FEL**

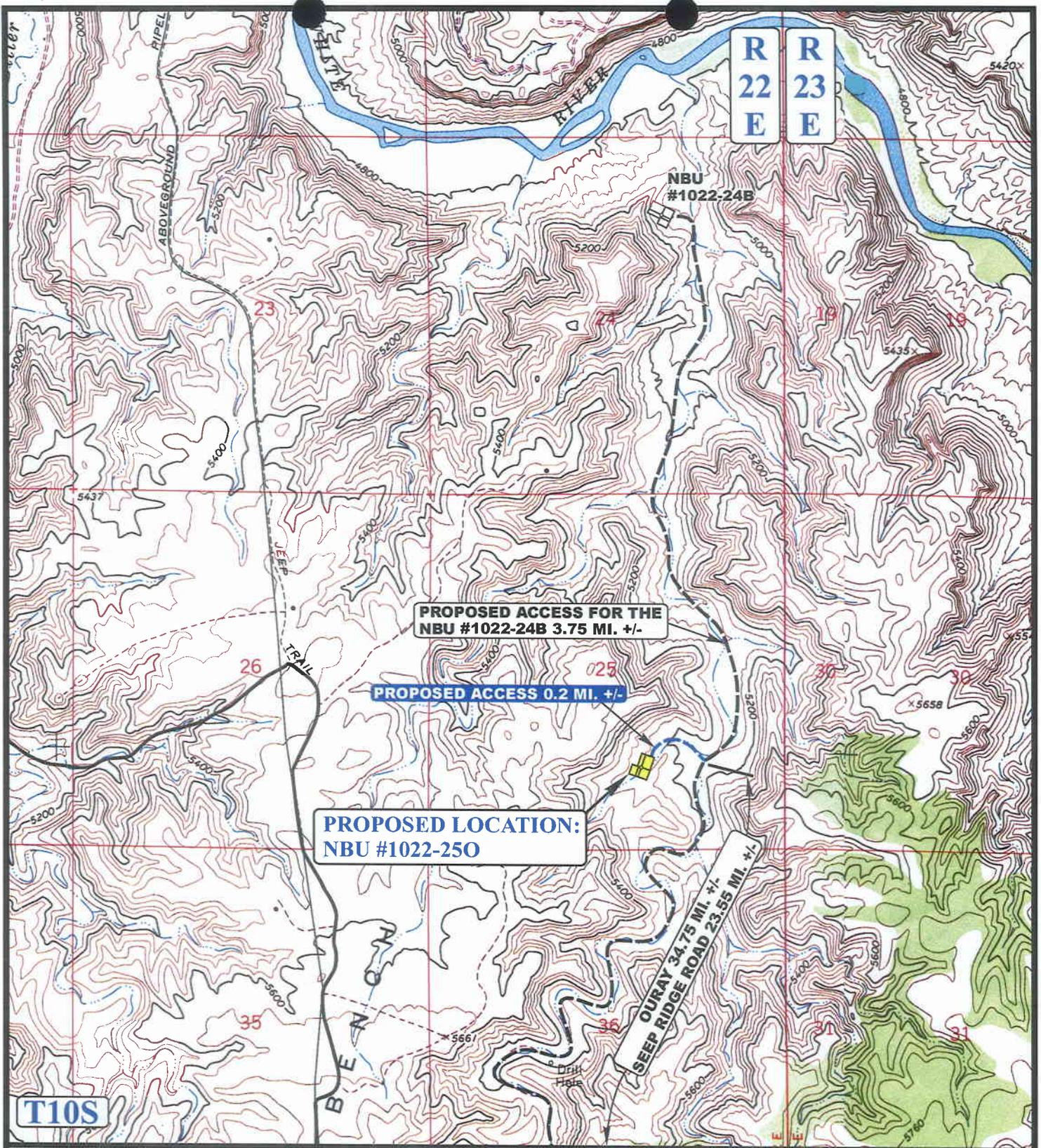


**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 08 25 06  
**MAP** MONTH DAY YEAR

**SCALE: 1:100,000** DRAWN BY: A.A. REV: 11-29-06A.A.





R  
22  
E

R  
23  
E

NBU  
#1022-24B

PROPOSED ACCESS FOR THE  
NBU #1022-24B 3.75 MI. +/-

PROPOSED ACCESS 0.2 MI. +/-

PROPOSED LOCATION:  
NBU #1022-250

SEEP RIDGE ROAD 23.55 MI. +/-  
OURAY 34.75 MI. +/-

T10S

**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD



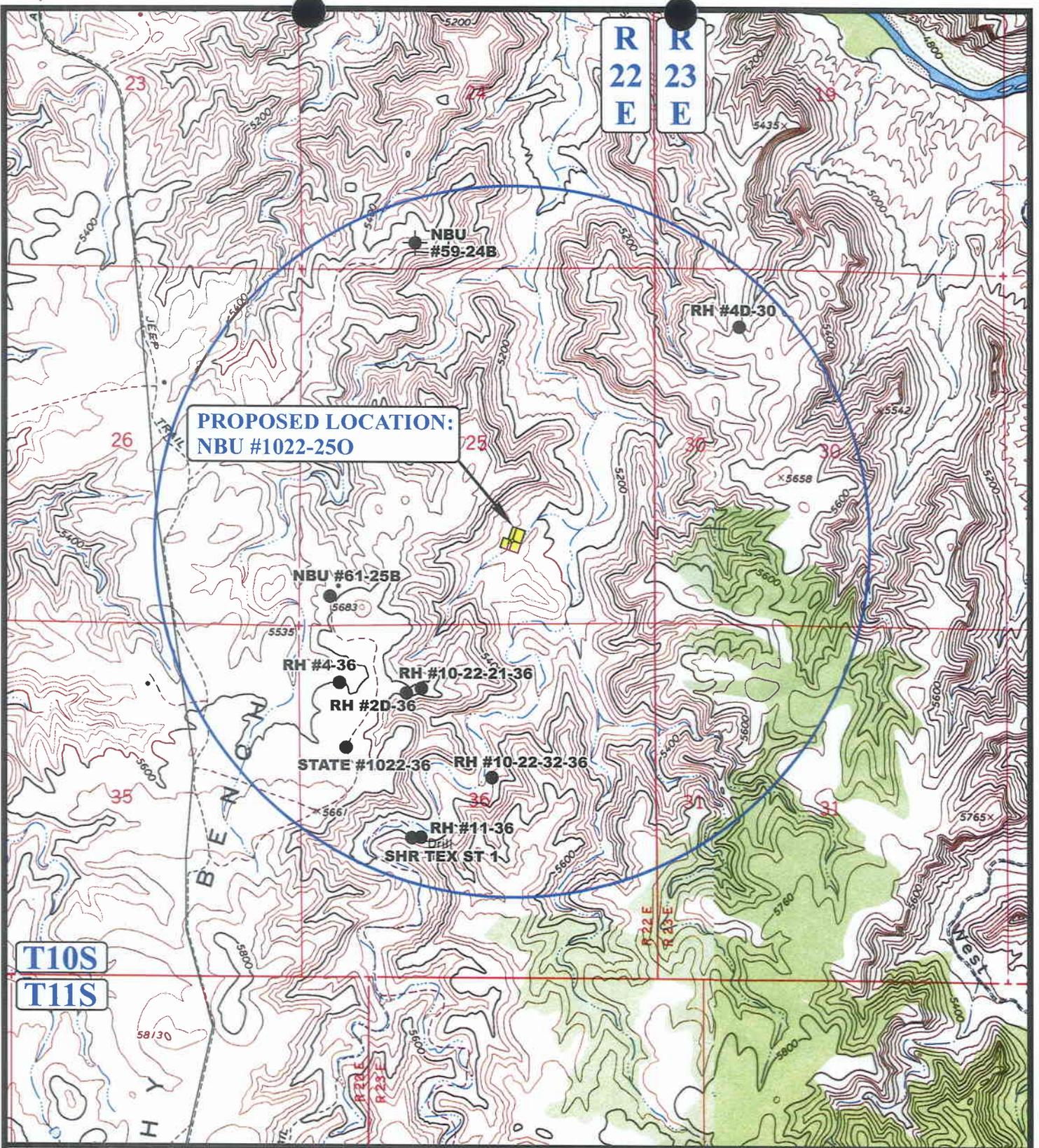
Kerr-McGee Oil & Gas Onshore LP

NBU #1022-250  
SECTION 25, T10S, R22E, S.L.B.&M.  
1274' FSL 2121' FEL

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

TOPOGRAPHIC MAP 08 25 06  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: A.A. REV: 11-29-06A.A.





**LEGEND:**

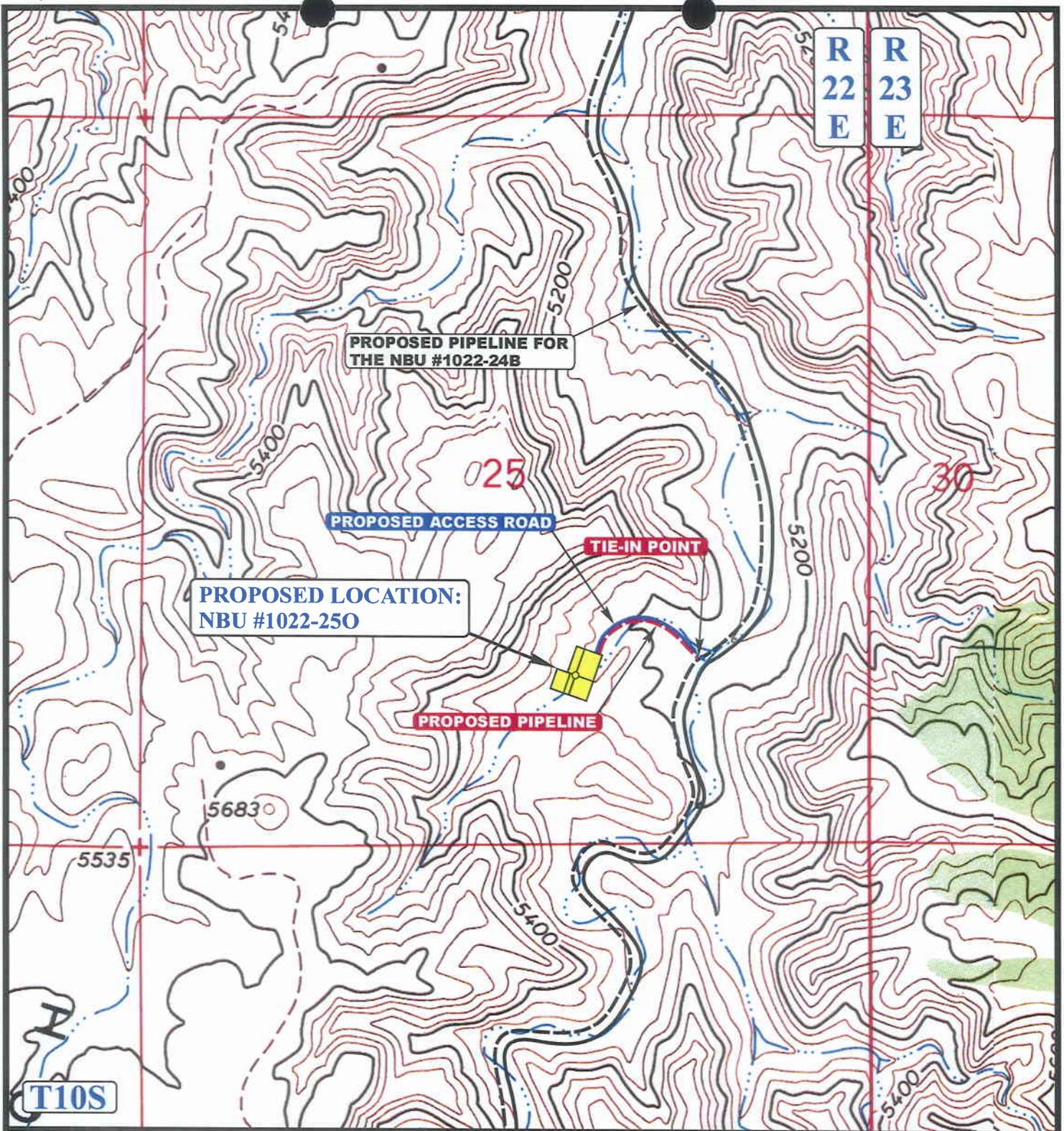
- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-250**  
**SECTION 25, T10S, R22E, S.L.B.&M.**  
**1274' FSL 2121' FEL**

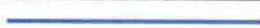
**U E I S**  
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC MAP** **08 25 06**  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: A.A. REV: 11-29-06A.A. **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 955" +/-

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-250**

**SECTION 25, T10S, R22E, S.L.B.&M.**

**1274' FSL 2121' FEL**



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

**TOPOGRAPHIC MAP** 08 25 06  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: A.A. REV: 11-29-06A.A.



# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-250

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 25, T10S, R22E, S.L.B.&M.

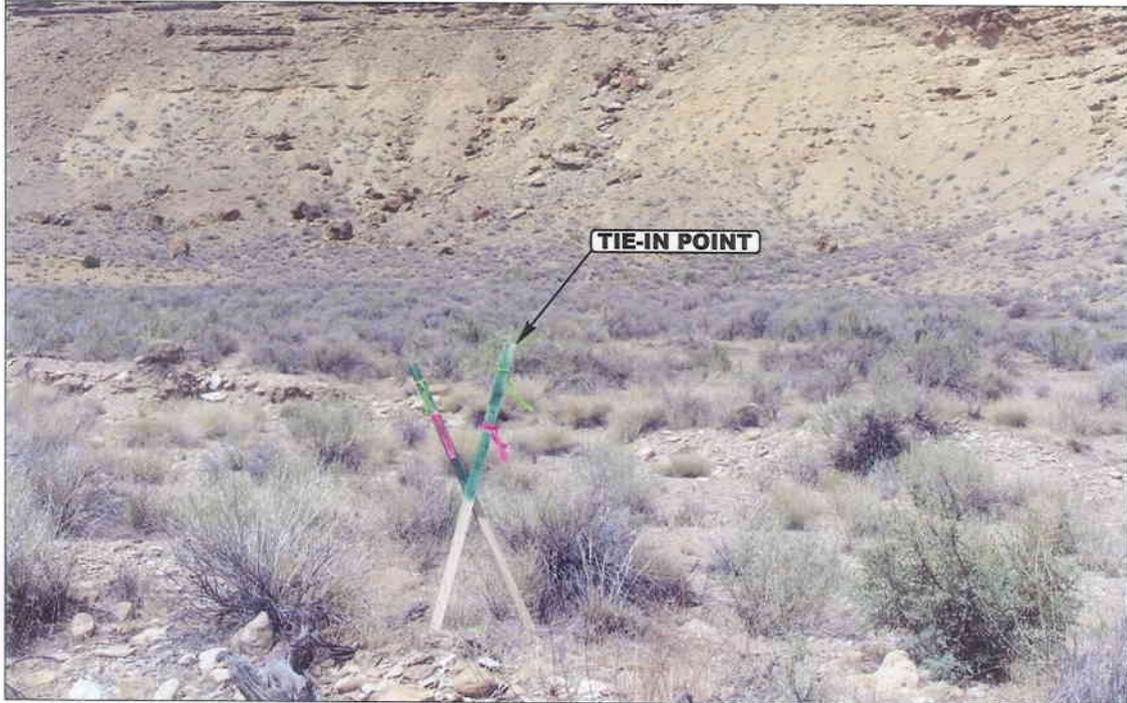


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

PIPELINE PHOTOS

08 25 06  
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

DRAWN BY: A.A.

REV: 11-29-06A.A.



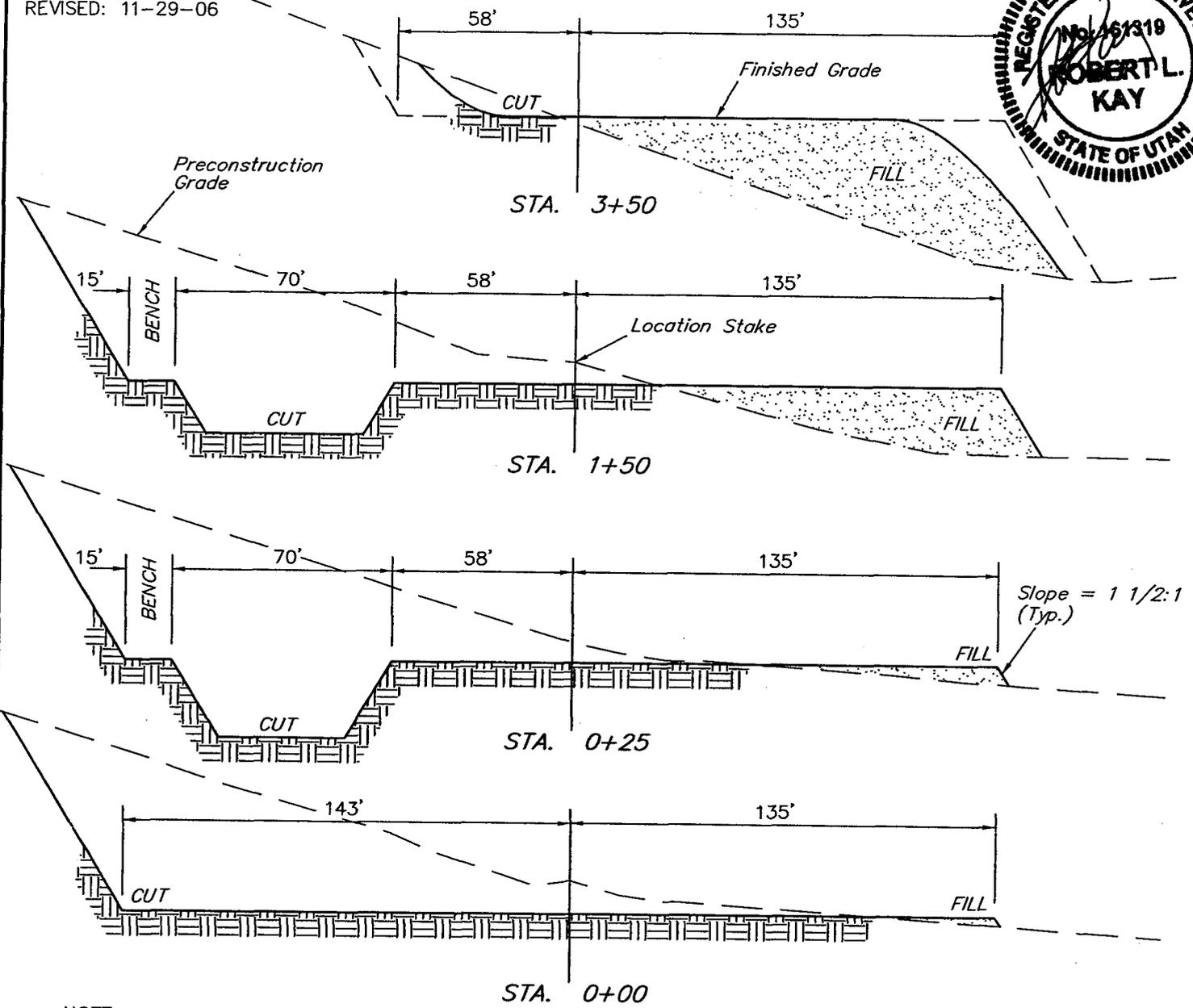
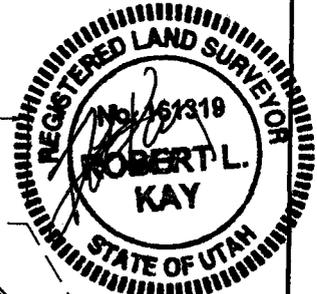
# Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 NBU #1022-250  
 SECTION 25, T10S, R22E, S.L.B.&M.  
 1274' FSL 2121' FEL

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

DATE: 08-26-06  
 Drawn By: P.M.  
 REVISED: 11-29-06



**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 | = 2,070 Cu. Yds.        |
| Remaining Location     | = 17,470 Cu. Yds.       |
| <b>TOTAL CUT</b>       | <b>= 19,540 CU.YDS.</b> |
| <b>FILL</b>            | <b>= 13,490 CU.YDS.</b> |

|   |                  |
|---|------------------|
| EXCESS MATERIAL                                 | = 6,050 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.)           | = 3,460 Cu. Yds. |
| EXCESS UNBALANCE (After Interim Rehabilitation) | = 2,590 Cu. Yds. |

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

**From:** Ed Bonner  
**To:** Mason, Diana  
**Date:** 12/18/2006 1:42 PM  
**Subject:** Well Clearance

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

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

Dominion E&P, Inc  
LCU 16-2H (API 43 047 38675)

Enduring Resources, LLC  
Southam Canyon 10-25-44-32 (API 43 047 38481)

Kerr McGee Oil & Gas Onshore LP  
Bonanza 1023-2D-4 (API 43 047 38761)  
Bonanza 1023-2O-1 (API 43 047 38762)  
State 1022-25O (API 43 047 38851)

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*

December 18, 2006

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

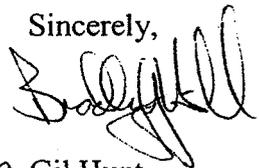
Re: Natural Buttes Unit 1022-250 Well, 1274' FSL, 2121' FEL, SW SE, Sec. 25,  
T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38851.

Sincerely,

  
for Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Kerr McGee Oil & Gas Onshore LP  
Well Name & Number Natural Buttes Unit 1022-250  
API Number: 43-047-38851  
Lease: ML-22447

Location: SW SE Sec. 25 T. 10 South R. 22 East

### Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

Page 2

43-047-38851

December 18, 2006

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.



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

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



IN REPLY REFER TO:

3160

(UT08300)

January 3, 2007

Ramey Hoopes  
Kerr-McGee Oil & Gas Onshore, LP  
1368 South 1200 East  
Vernal, Utah 84078

Re: **Well No. State 1022-250 /**  
**SWSE, Sec. 25, T10S, R22E**  
Natural Buttes Unit  
**API No. 43-047-38851**

Dear Ms. Hoopes:

Enclosed is your copy of the above referenced APDs which we accepted for "Unit Purposes Only" on January 3, 2007.

If you have any questions, please contact me at (435) 781-4422.

Sincerely,

Phyllis Phillips  
Legal Instruments Examiner

**RECEIVED**  
**JAN 16 2007**

**DIV. OF OIL, GAS & MINING**

Enclosure

bcc: Well File  
Reading File  
**Division of Oil-Gas-Mining**

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

RECEIVED

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

NOV 09 2006

FORM 3

AMENDED REPORT   
(highlight changes)

BLM

|  |  |   |   |                     |
|--|--|---|---|---------------------|
| <b>APPLICATION FOR PERMIT TO DRILL</b>   |  |   | MINERAL LEASE NO.<br>ML-22447                       | 6 SURFACE:<br>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:<br><i>Nat. Buttes</i> |                     |
| 2. NAME OF OPERATOR:<br>KERR MCGEE OIL & GAS ONSHORE L.P.  |  |   | 9. WELL NAME and NUMBER:<br>STATE 1022-250          |                     |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E   |  | CITY: VERNAL STATE: UT ZIP: 84078                   | PHONE NUMBER:<br>(435) 781-7024                     |                     |
| 4. LOCATION OF WELL (FOOTAGES)<br>AT SURFACE: 1274'FSL, 2121'FEL<br>AT PROPOSED PRODUCING ZONE:  |  |   | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES   |                     |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>58.5 MILES SOUTH OF OURAY, UTAH   |  |   | 12. COUNTY:<br>UINTAH                               | 13. STATE:<br>UTAH  |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>1274'   | 16. NUMBER OF ACRES IN LEASE<br>640.00 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>40.00 |   |                     |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>REFER TO TOPO C   | 19. PROPOSED DEPTH:<br>7,680           | 20. BOND DESCRIPTION:<br>RLB0005237                 |   |                     |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.)<br>5254'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#                        | 1,490         | 265 SX CLASS G                                  | 1.18 YIELD | 15.6 PPG |
| 7 7/8"       | 4 1/2 I-80 11.6#                        | 7,680         | 1630 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:

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- COMPLETE DRILLING PLAN
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

RECEIVED

JAN 16 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHIBILA UPCHEGO

TITLE REGULATORY ANALYST

SIGNATURE

DATE 11/7/2006

(This space for State use only)

ACCEPTED BY BLM FOR  
UNIT PURPOSES ONLY

JAN 9 2007

API NUMBER ASSIGNED: \_\_\_\_\_

APPROVAL:

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-22447**

**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:  
**UNIT #891008900A**

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**NBU 1022-250**

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

9. API NUMBER:  
**4304738851**

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: **1274'FSL, 2121'FEL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSE 25 10S 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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION          |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____              | <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: <u>APD EXTENSION</u> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |   |

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION, FOR THE SUBJECT WELL LOCATION, SO THAT THE DRILLING ACTIVITIES MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING ON DECEMBER 18, 2006, AND "ACCEPTED FOR UNIT PURPOSES ONLY" BY THE BUREAU OF LAND MANAGEMENT ON JANUARY 3, 2007.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12-17-07  
By: [Signature]

**COPY SENT TO OPERATOR**  
Date: 12-17-2007  
Initials: [Signature]

NAME (PLEASE PRINT) **SHEILA UPCHEGO**  
SIGNATURE [Signature]

TITLE **SENIOR LAND ADMIN SPECIALIST**  
DATE **12/3/2007**

(This space for State use only)

**RECEIVED**

**DEC 14 2007**

**DIV. OF OIL, GAS & MINING**

RESET

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

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

**API:** 4304738851  
**Well Name:** NBU 1022-25O  
**Location:** SW/SE SEC. 25, T10S, R22E  
**Company Permit Issued to:** KERR McGEE OIL & GAS ONSHORE LP  
**Date Original Permit Issued:** 12/18/2006

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

12/3/2007  
Date

Title: SENOIR LAND ADMIN SPECIALIST

Representing: KERR-McGEE OIL & GAS ONSHORE LP

RECEIVED

DEC 14 2007

DIV. OF OIL, GAS & LEASES

43-047-38851



**Weatherford**

**Drilling Services**

IDS 22E 25

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**Proposal**

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NBU 1022-250

UINTAH COUNTY, UTAH

WELL FILE: **PLAN 1**

JULY 29, 2008

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**Weatherford International, Ltd.**

2000 Oil Drive  
Casper, Wyoming  
+1.307.265.1413 Main  
+1.307.235.3958 Fax  
[www.weatherford.com](http://www.weatherford.com)

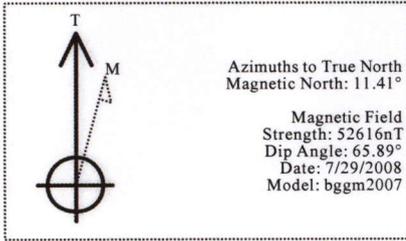
**RECEIVED**

**SEP 17 2008**

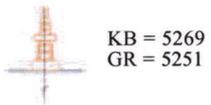
DIV. OF OIL, GAS & MINING



ANADARKO KERR MCGEE OIL & GAS  
NBU1022-250  
UINTAH COUNTY, UTAH



| SECTION DETAILS |         |      |      |         |       |       |      |       |      |          |
|-----------------|---------|------|------|---------|-------|-------|------|-------|------|----------|
| Sec             | MD      | Inc  | Azi  | TVD     | +N/-S | +E/-W | DLeg | TFace | VSec | Target   |
| 1               | 0.00    | 0.00 | 0.00 | 0.00    | 0.00  | 0.00  | 0.00 | 0.00  | 0.00 |          |
| 2               | 7700.00 | 0.00 | 0.00 | 7700.00 | 0.00  | 0.00  | 0.00 | 0.00  | 0.00 | PBHL 250 |



| WELL DETAILS |       |       |           |            |               |                |      |
|--------------|-------|-------|-----------|------------|---------------|----------------|------|
| Name         | +N/-S | +E/-W | Northing  | Easting    | Latitude      | Longitude      | Slot |
| NBU 1022-250 | 18.21 | 7.01  | 583491.71 | 2592953.68 | 39°54'57.940N | 109°23'08.780W | N/A  |

| FORMATION TOP DETAILS |         |         |             |
|-----------------------|---------|---------|-------------|
| No.                   | TVDPath | MDPath  | Formation   |
| 1                     | 511.00  | 511.00  | Green River |
| 2                     | 3573.00 | 3573.00 | Wasatch     |
| 3                     | 5663.00 | 5663.00 | Mesaverde   |

**FIELD DETAILS**  
UINTAH COUNTY, UTAH (NAD 27)

Geodetic System: US State Plane Coordinate System 1927  
Ellipsoid: NAD27 (Clarke 1866)  
Zone: Utah, Central Zone  
Magnetic Model: bggm2007

System Datum: Mean Sea Level  
Local North: True North

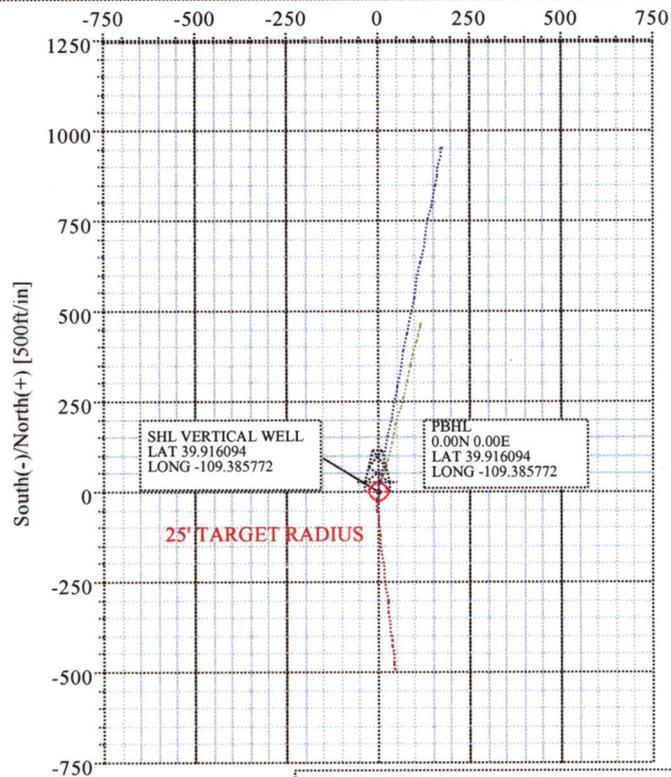
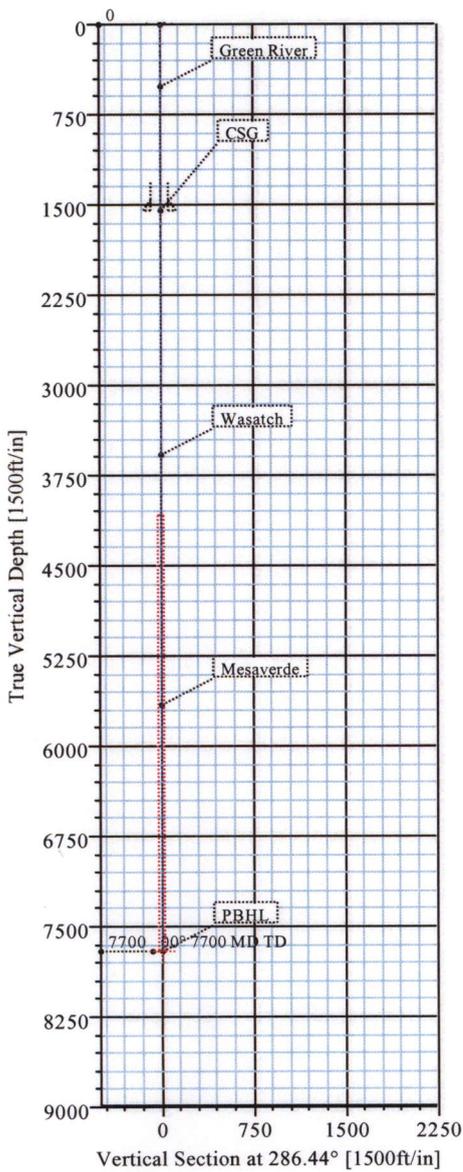
| CASING DETAILS |         |         |      |      |
|----------------|---------|---------|------|------|
| No.            | TVD     | MD      | Name | Size |
| 1              | 1550.00 | 1550.00 | CSG  | 0.00 |

**LEGEND**

- NBU 1022-25J1S (1)
- NBU 1022-25J3S (1)
- NBU 1022-25O2S (1)
- Plan #1

| TARGET DETAILS |         |       |       |               |                |                     |  |
|----------------|---------|-------|-------|---------------|----------------|---------------------|--|
| Name           | TVD     | +N/-S | +E/-W | Latitude      | Longitude      | Shape               |  |
| PBHL 250       | 7700.00 | 0.00  | 0.00  | 39°54'57.940N | 109°23'08.780W | Circle (Radius: 25) |  |

West(-)/East(+) [500ft/in]







# Weatherford WELL PLAN REPORT



|   |  |  |                                     |
|---|--|--|-------------------------------------|
| <b>Company:</b> Anadarko-Kerr-McGee<br><b>Field:</b> UINTAH COUNTY, UTAH (NAD 27)<br><b>Site:</b> 1022-250 PAD<br><b>Well:</b> NBU 1022-250<br><b>Wellpath:</b> 1 | <b>Date:</b> 7/29/2008<br><b>Co-ordinate(NE) Reference:</b><br><b>Vertical (TVD) Reference:</b><br><b>Section (VS) Reference:</b><br><b>Survey Calculation Method:</b> | <b>Time:</b> 14:10:49<br><b>Well:</b> NBU 1022-250, True North<br><b>SITE:</b> 5269.0<br><b>Well (0.00N,0.00E,0.00Azi)</b><br><b>Minimum Curvature</b> | <b>Page:</b> 2<br><b>Db:</b> Sybase |
|---|--|--|-------------------------------------|

### Survey

| MD<br>ft | Incl<br>deg | Azim<br>deg | TVD<br>ft | N/S<br>ft | E/W<br>ft | VS<br>ft | DLS<br>deg/100ft | Build<br>deg/100ft | Turn<br>deg/100ft | Comment   |
|----------|-------------|-------------|-----------|-----------|-----------|----------|------------------|--------------------|-------------------|-----------|
| 3400.00  | 0.00        | 0.00        | 3400.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 3573.00  | 0.00        | 0.00        | 3573.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              | Wasatch   |
| 3600.00  | 0.00        | 0.00        | 3600.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 3800.00  | 0.00        | 0.00        | 3800.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 4000.00  | 0.00        | 0.00        | 4000.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 4200.00  | 0.00        | 0.00        | 4200.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 4400.00  | 0.00        | 0.00        | 4400.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 4600.00  | 0.00        | 0.00        | 4600.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 4800.00  | 0.00        | 0.00        | 4800.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 5000.00  | 0.00        | 0.00        | 5000.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 5200.00  | 0.00        | 0.00        | 5200.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 5400.00  | 0.00        | 0.00        | 5400.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 5600.00  | 0.00        | 0.00        | 5600.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 5663.00  | 0.00        | 0.00        | 5663.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              | Mesaverde |
| 5800.00  | 0.00        | 0.00        | 5800.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 6000.00  | 0.00        | 0.00        | 6000.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 6200.00  | 0.00        | 0.00        | 6200.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 6400.00  | 0.00        | 0.00        | 6400.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 6600.00  | 0.00        | 0.00        | 6600.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 6800.00  | 0.00        | 0.00        | 6800.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 7000.00  | 0.00        | 0.00        | 7000.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 7200.00  | 0.00        | 0.00        | 7200.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 7400.00  | 0.00        | 0.00        | 7400.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 7600.00  | 0.00        | 0.00        | 7600.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              |           |
| 7700.00  | 0.00        | 0.00        | 7700.00   | 0.00      | 0.00      | 0.00     | 0.00             | 0.00               | 0.00              | PBHL      |

### Targets

| Name | Description<br>Dip. | Dir. | TVD | +N/-S | +E/-W | Map<br>Northing | Map<br>Easting | <--- Latitude ---><br>Deg Min Sec | <--- Longitude ---><br>Deg Min Sec |
|------|---------------------|------|-----|-------|-------|-----------------|----------------|-----------------------------------|------------------------------------|
|      |                     |      |     |       |       |                 |                |                                   |                                    |

### Casing Points

| MD<br>ft | TVD<br>ft | Diameter<br>in | Hole Size<br>in | Name |
|----------|-----------|----------------|-----------------|------|
| 1550.00  | 1550.00   | 0.00           | 0.00            | CSG  |

### Annotation

| MD<br>ft | TVD<br>ft | Annotation    |
|----------|-----------|---------------|
| 0.01     | 0.01      | HOLD VERTICAL |
| 7700.00  | 7700.00   | PBHL          |

### Formations

| MD<br>ft | TVD<br>ft | Formations  | Lithology | Dip Angle<br>deg | Dip Direction<br>deg |
|----------|-----------|-------------|-----------|------------------|----------------------|
| 511.00   | 511.00    | Green River |           | 0.00             | 0.00                 |
| 3573.00  | 3573.00   | Wasatch     |           | 0.00             | 0.00                 |
| 5663.00  | 5663.00   | Mesaverde   |           | 0.00             | 0.00                 |



# Weatherford Anticollision Report



|                                   |   |                                       |            |
|-----------------------------------|---|---------------------------------------|------------|
| Company: Anadarko-Kerr-McGee      | Date: 7/29/2008   | Time: 14:11:19                        | Page: 1    |
| Field: UTAH COUNTY, UTAH (NAD 27) | Co-ordinate(NE) Reference: Well: NBU 1022-25O, True North | Vertical (TVD) Reference: SITE 5269.0 | Db: Sybase |
| Reference Site: 1022-250 PAD      |   |                                       |            |
| Reference Well: NBU 1022-25O      |   |                                       |            |
| Reference Wellpath: 1             |   |                                       |            |

|  |                                  |                          |
|--|----------------------------------|--------------------------|
| NO GLOBAL SCAN: Using user defined selection & scan criteria |                                  | Reference: Plan: Plan #1 |
| Interpolation Method: MD + Stations Interval: 100.00 ft      | Error Model: ISCWSA Ellipse      |                          |
| Depth Range: 0.00 to 9376.38 ft                              | Scan Method: Closest Approach 3D |                          |
| Maximum Radius: 10000.00 ft                                  | Error Surface: Ellipse           |                          |

|                |                          |
|----------------|--------------------------|
| Plan: Plan #1  | Date Composed: 7/29/2008 |
| Principal: Yes | Version: 1               |
|                | Tied-to: From Surface    |

**Summary**

| Site         | Offset Wellpath<br>Well | Wellpath              | Reference<br>MD<br>ft | Offset<br>MD<br>ft | Ctr-Ctr<br>Distance<br>ft | Edge<br>Distance<br>ft | Separation<br>Factor | Warning |
|--------------|-------------------------|-----------------------|-----------------------|--------------------|---------------------------|------------------------|----------------------|---------|
| 1022-250 PAD | NBU 1022-25J1S          | 1 V0 Plan: Plan #1 V1 | 1600.00               | 1600.00            | 20.22                     | 13.76                  | 3.13                 |         |
| 1022-250 PAD | NBU 1022-25O2S          | 1 V0 Plan: Plan #1 V1 | 1600.00               | 1600.00            | 19.51                     | 13.06                  | 3.02                 |         |

Site: 1022-250 PAD  
 Well: NBU 1022-25J1S  
 Wellpath: 1 V0 Plan: Plan #1 V1  
 Inter-Site Error: 0.00 ft

| Reference |           | Offset   |           | Semi-Major Axis |              |               | Offset Location |            | Ctr-Ctr<br>Distance<br>ft | Edge<br>Distance<br>ft | Separation<br>Factor | Warning |
|-----------|-----------|----------|-----------|-----------------|--------------|---------------|-----------------|------------|---------------------------|------------------------|----------------------|---------|
| MD<br>ft  | TVD<br>ft | MD<br>ft | TVD<br>ft | Ref<br>ft       | Offset<br>ft | TFO-HS<br>deg | North<br>ft     | East<br>ft |                           |                        |                      |         |
| 0.00      | 0.00      | 0.00     | 0.00      | 0.00            | 0.00         | 17.98         | 19.23           | 6.24       | 20.22                     |                        | No Data              |         |
| 100.00    | 100.00    | 100.00   | 100.00    | 0.09            | 0.09         | 17.98         | 19.23           | 6.24       | 20.22                     | 20.05                  | 117.72               |         |
| 200.00    | 200.00    | 200.00   | 200.00    | 0.30            | 0.30         | 17.98         | 19.23           | 6.24       | 20.22                     | 19.63                  | 34.23                |         |
| 300.00    | 300.00    | 300.00   | 300.00    | 0.50            | 0.50         | 17.98         | 19.23           | 6.24       | 20.22                     | 19.21                  | 20.03                |         |
| 400.00    | 400.00    | 400.00   | 400.00    | 0.71            | 0.71         | 17.98         | 19.23           | 6.24       | 20.22                     | 18.79                  | 14.15                |         |
| 500.00    | 500.00    | 500.00   | 500.00    | 0.92            | 0.92         | 17.98         | 19.23           | 6.24       | 20.22                     | 18.37                  | 10.94                |         |
| 600.00    | 600.00    | 600.00   | 600.00    | 1.13            | 1.13         | 17.98         | 19.23           | 6.24       | 20.22                     | 17.95                  | 8.92                 |         |
| 700.00    | 700.00    | 700.00   | 700.00    | 1.34            | 1.34         | 17.98         | 19.23           | 6.24       | 20.22                     | 17.53                  | 7.53                 |         |
| 800.00    | 800.00    | 800.00   | 800.00    | 1.55            | 1.55         | 17.98         | 19.23           | 6.24       | 20.22                     | 17.11                  | 6.51                 |         |
| 900.00    | 900.00    | 900.00   | 900.00    | 1.76            | 1.76         | 17.98         | 19.23           | 6.24       | 20.22                     | 16.69                  | 5.74                 |         |
| 1000.00   | 1000.00   | 1000.00  | 1000.00   | 1.97            | 1.97         | 17.98         | 19.23           | 6.24       | 20.22                     | 16.28                  | 5.13                 |         |
| 1100.00   | 1100.00   | 1100.00  | 1100.00   | 2.18            | 2.18         | 17.98         | 19.23           | 6.24       | 20.22                     | 15.86                  | 4.64                 |         |
| 1200.00   | 1200.00   | 1200.00  | 1200.00   | 2.39            | 2.39         | 17.98         | 19.23           | 6.24       | 20.22                     | 15.44                  | 4.23                 |         |
| 1300.00   | 1300.00   | 1300.00  | 1300.00   | 2.60            | 2.60         | 17.98         | 19.23           | 6.24       | 20.22                     | 15.02                  | 3.89                 |         |
| 1400.00   | 1400.00   | 1400.00  | 1400.00   | 2.81            | 2.81         | 17.98         | 19.23           | 6.24       | 20.22                     | 14.60                  | 3.60                 |         |
| 1500.00   | 1500.00   | 1500.00  | 1500.00   | 3.02            | 3.02         | 17.98         | 19.23           | 6.24       | 20.22                     | 14.18                  | 3.35                 |         |
| 1600.00   | 1600.00   | 1600.00  | 1600.00   | 3.23            | 3.23         | 17.98         | 19.23           | 6.24       | 20.22                     | 13.76                  | 3.13                 |         |
| 1700.00   | 1700.00   | 1699.35  | 1699.34   | 3.44            | 3.44         | 17.21         | 20.62           | 6.39       | 21.59                     | 14.72                  | 3.14                 |         |
| 1800.00   | 1800.00   | 1798.43  | 1798.29   | 3.65            | 3.64         | 15.18         | 25.39           | 6.89       | 26.36                     | 19.08                  | 3.62                 |         |
| 1900.00   | 1900.00   | 1897.05  | 1896.57   | 3.86            | 3.86         | 13.01         | 33.52           | 7.74       | 34.57                     | 26.88                  | 4.49                 |         |
| 2000.00   | 2000.00   | 1995.55  | 1994.42   | 4.07            | 4.08         | 11.27         | 44.78           | 8.92       | 46.00                     | 37.89                  | 5.68                 |         |
| 2100.00   | 2100.00   | 2092.56  | 2090.52   | 4.27            | 4.32         | 10.23         | 57.87           | 10.44      | 59.56                     | 51.06                  | 7.01                 |         |
| 2200.00   | 2200.00   | 2187.46  | 2183.79   | 4.48            | 4.58         | 9.72          | 75.13           | 12.87      | 77.93                     | 69.05                  | 8.77                 |         |
| 2300.00   | 2300.00   | 2280.39  | 2274.18   | 4.69            | 4.87         | 9.52          | 96.42           | 16.17      | 101.11                    | 91.86                  | 10.92                |         |
| 2400.00   | 2400.00   | 2371.00  | 2361.21   | 4.90            | 5.21         | 9.49          | 121.28          | 20.27      | 128.94                    | 119.31                 | 13.40                |         |
| 2500.00   | 2500.00   | 2458.98  | 2444.48   | 5.11            | 5.59         | 9.53          | 149.26          | 25.06      | 161.22                    | 151.23                 | 16.14                |         |
| 2600.00   | 2600.00   | 2544.09  | 2523.70   | 5.32            | 6.02         | 9.61          | 179.87          | 30.46      | 197.75                    | 187.40                 | 19.11                |         |
| 2700.00   | 2700.00   | 2626.14  | 2598.70   | 5.53            | 6.49         | 9.70          | 212.62          | 36.36      | 238.31                    | 227.61                 | 22.27                |         |
| 2800.00   | 2800.00   | 2705.02  | 2669.38   | 5.74            | 6.99         | 9.80          | 247.04          | 42.66      | 282.69                    | 271.63                 | 25.57                |         |
| 2900.00   | 2900.00   | 2780.64  | 2735.73   | 5.95            | 7.54         | 9.89          | 282.70          | 49.28      | 330.65                    | 319.24                 | 28.98                |         |
| 3000.00   | 3000.00   | 2866.03  | 2809.69   | 6.16            | 8.21         | 9.98          | 324.66          | 57.12      | 380.63                    | 368.75                 | 32.03                |         |
| 3100.00   | 3100.00   | 2952.63  | 2884.69   | 6.37            | 8.91         | 10.05         | 367.22          | 65.07      | 430.63                    | 418.26                 | 34.80                |         |
| 3200.00   | 3200.00   | 3039.23  | 2959.68   | 6.58            | 9.63         | 10.10         | 409.79          | 73.02      | 480.63                    | 467.76                 | 37.33                |         |
| 3300.00   | 3300.00   | 3125.84  | 3034.68   | 6.79            | 10.36        | 10.15         | 452.35          | 80.97      | 530.63                    | 517.25                 | 39.66                |         |
| 3400.00   | 3400.00   | 3212.44  | 3109.68   | 7.00            | 11.11        | 10.19         | 494.92          | 88.92      | 580.63                    | 566.74                 | 41.80                |         |
| 3500.00   | 3500.00   | 3299.04  | 3184.68   | 7.21            | 11.86        | 10.22         | 537.48          | 96.88      | 630.63                    | 616.23                 | 43.77                |         |



# Weatherford Anticollision Report



|  |                                   |                                       |                |
|--|-----------------------------------|---------------------------------------|----------------|
| <b>Company:</b> Anadarko-Kerr-McGee        | <b>Date:</b> 7/29/2008            | <b>Time:</b> 14:11:19                 | <b>Page:</b> 2 |
| <b>Field:</b> UINTAH COUNTY, UTAH (NAD 27) |                                   |                                       |                |
| <b>Reference Site:</b> 1022-250 PAD        | <b>Co-ordinate(NE) Reference:</b> | <b>Well:</b> NBU 1022-250, True North |                |
| <b>Reference Well:</b> NBU 1022-250        | <b>Vertical (TVD) Reference:</b>  | <b>SITE</b> 5269.0                    |                |
| <b>Reference Wellpath:</b> 1               | <b>Db:</b> Sybase                 |                                       |                |

**Site:** 1022-250 PAD  
**Well:** NBU 1022-25J1S  
**Wellpath:** 1 V0 Plan: Plan #1 V1

**Inter-Site Error:** 0.00 ft

| Reference |         | Offset  |         | Semi-Major Axis |        |        | Offset Location |        | Ctr-Ctr  | Edge     | Separation | Warning |
|-----------|---------|---------|---------|-----------------|--------|--------|-----------------|--------|----------|----------|------------|---------|
| MD        | TVD     | MD      | TVD     | Ref             | Offset | TFO-HS | North           | East   | Distance | Distance | Factor     |         |
| ft        | ft      | ft      | ft      | ft              | ft     | deg    | ft              | ft     | ft       | ft       |            |         |
| 3600.00   | 3600.00 | 3388.34 | 3262.03 | 7.42            | 12.63  | 10.24  | 581.36          | 105.07 | 680.62   | 665.69   | 45.60      |         |
| 3700.00   | 3700.00 | 3504.77 | 3364.24 | 7.63            | 13.20  | 10.27  | 636.16          | 115.31 | 728.51   | 713.27   | 47.79      |         |
| 3800.00   | 3800.00 | 3626.33 | 3473.27 | 7.84            | 13.77  | 10.30  | 688.96          | 125.18 | 772.71   | 757.18   | 49.74      |         |
| 3900.00   | 3900.00 | 3752.90 | 3589.12 | 8.04            | 14.35  | 10.32  | 739.06          | 134.54 | 813.00   | 797.18   | 51.40      |         |
| 4000.00   | 4000.00 | 3884.27 | 3711.61 | 8.25            | 14.92  | 10.33  | 785.69          | 143.25 | 849.12   | 833.03   | 52.80      |         |
| 4100.00   | 4100.00 | 4020.14 | 3840.45 | 8.46            | 15.45  | 10.35  | 828.06          | 151.16 | 880.85   | 864.53   | 53.98      |         |
| 4200.00   | 4200.00 | 4160.09 | 3975.14 | 8.67            | 15.92  | 10.36  | 865.37          | 158.13 | 907.98   | 891.46   | 54.96      |         |
| 4300.00   | 4300.00 | 4303.63 | 4115.04 | 8.88            | 16.33  | 10.36  | 896.87          | 164.02 | 930.32   | 913.63   | 55.77      |         |
| 4400.00   | 4400.00 | 4450.15 | 4259.31 | 9.09            | 16.64  | 10.37  | 921.88          | 168.69 | 947.69   | 930.90   | 56.44      |         |
| 4500.00   | 4500.00 | 4598.94 | 4406.97 | 9.30            | 16.85  | 10.37  | 939.83          | 172.04 | 959.97   | 943.12   | 56.96      |         |
| 4600.00   | 4600.00 | 4749.26 | 4556.89 | 9.51            | 16.94  | 10.38  | 950.29          | 174.00 | 967.05   | 950.20   | 57.39      |         |
| 4700.00   | 4700.00 | 4892.41 | 4700.00 | 9.72            | 16.93  | 10.38  | 953.09          | 174.52 | 968.93   | 952.10   | 57.55      |         |
| 4800.00   | 4800.00 | 4992.41 | 4800.00 | 9.93            | 16.97  | 10.38  | 953.09          | 174.52 | 968.93   | 951.78   | 56.50      |         |
| 4900.00   | 4900.00 | 5092.41 | 4900.00 | 10.14           | 17.02  | 10.38  | 953.09          | 174.52 | 968.93   | 951.46   | 55.45      |         |
| 5000.00   | 5000.00 | 5192.41 | 5000.00 | 10.35           | 17.08  | 10.38  | 953.09          | 174.52 | 968.93   | 951.13   | 54.42      |         |
| 5100.00   | 5100.00 | 5292.41 | 5100.00 | 10.56           | 17.13  | 10.38  | 953.09          | 174.52 | 968.93   | 950.80   | 53.43      |         |
| 5200.00   | 5200.00 | 5392.41 | 5200.00 | 10.77           | 17.19  | 10.38  | 953.09          | 174.52 | 968.93   | 950.46   | 52.45      |         |
| 5300.00   | 5300.00 | 5492.41 | 5300.00 | 10.98           | 17.25  | 10.38  | 953.09          | 174.52 | 968.93   | 950.12   | 51.50      |         |
| 5400.00   | 5400.00 | 5592.41 | 5400.00 | 11.19           | 17.31  | 10.38  | 953.09          | 174.52 | 968.93   | 949.78   | 50.58      |         |
| 5500.00   | 5500.00 | 5692.41 | 5500.00 | 11.40           | 17.38  | 10.38  | 953.09          | 174.52 | 968.93   | 949.43   | 49.68      |         |
| 5600.00   | 5600.00 | 5792.41 | 5600.00 | 11.61           | 17.45  | 10.38  | 953.09          | 174.52 | 968.93   | 949.08   | 48.81      |         |
| 5700.00   | 5700.00 | 5892.41 | 5700.00 | 11.81           | 17.51  | 10.38  | 953.09          | 174.52 | 968.93   | 948.73   | 47.96      |         |
| 5800.00   | 5800.00 | 5992.41 | 5800.00 | 12.02           | 17.59  | 10.38  | 953.09          | 174.52 | 968.93   | 948.37   | 47.13      |         |
| 5900.00   | 5900.00 | 6092.41 | 5900.00 | 12.23           | 17.66  | 10.38  | 953.09          | 174.52 | 968.93   | 948.02   | 46.32      |         |
| 6000.00   | 6000.00 | 6192.41 | 6000.00 | 12.44           | 17.74  | 10.38  | 953.09          | 174.52 | 968.93   | 947.66   | 45.54      |         |
| 6100.00   | 6100.00 | 6292.41 | 6100.00 | 12.65           | 17.82  | 10.38  | 953.09          | 174.52 | 968.93   | 947.29   | 44.77      |         |
| 6200.00   | 6200.00 | 6392.41 | 6200.00 | 12.86           | 17.90  | 10.38  | 953.09          | 174.52 | 968.93   | 946.93   | 44.03      |         |
| 6300.00   | 6300.00 | 6492.41 | 6300.00 | 13.07           | 17.98  | 10.38  | 953.09          | 174.52 | 968.93   | 946.56   | 43.31      |         |
| 6400.00   | 6400.00 | 6592.41 | 6400.00 | 13.28           | 18.06  | 10.38  | 953.09          | 174.52 | 968.93   | 946.19   | 42.61      |         |
| 6500.00   | 6500.00 | 6692.41 | 6500.00 | 13.49           | 18.15  | 10.38  | 953.09          | 174.52 | 968.93   | 945.82   | 41.92      |         |
| 6600.00   | 6600.00 | 6792.41 | 6600.00 | 13.70           | 18.24  | 10.38  | 953.09          | 174.52 | 968.93   | 945.45   | 41.26      |         |
| 6700.00   | 6700.00 | 6892.41 | 6700.00 | 13.91           | 18.33  | 10.38  | 953.09          | 174.52 | 968.93   | 945.07   | 40.61      |         |
| 6800.00   | 6800.00 | 6992.41 | 6800.00 | 14.12           | 18.42  | 10.38  | 953.09          | 174.52 | 968.93   | 944.70   | 39.98      |         |
| 6900.00   | 6900.00 | 7092.41 | 6900.00 | 14.33           | 18.51  | 10.38  | 953.09          | 174.52 | 968.93   | 944.32   | 39.37      |         |
| 7000.00   | 7000.00 | 7192.41 | 7000.00 | 14.54           | 18.61  | 10.38  | 953.09          | 174.52 | 968.93   | 943.94   | 38.77      |         |
| 7100.00   | 7100.00 | 7292.41 | 7100.00 | 14.75           | 18.71  | 10.38  | 953.09          | 174.52 | 968.93   | 943.56   | 38.19      |         |
| 7200.00   | 7200.00 | 7392.41 | 7200.00 | 14.96           | 18.81  | 10.38  | 953.09          | 174.52 | 968.93   | 943.18   | 37.62      |         |
| 7300.00   | 7300.00 | 7492.41 | 7300.00 | 15.17           | 18.91  | 10.38  | 953.09          | 174.52 | 968.93   | 942.80   | 37.07      |         |
| 7400.00   | 7400.00 | 7592.41 | 7400.00 | 15.37           | 19.01  | 10.38  | 953.09          | 174.52 | 968.93   | 942.41   | 36.53      |         |
| 7500.00   | 7500.00 | 7692.41 | 7500.00 | 15.58           | 19.12  | 10.38  | 953.09          | 174.52 | 968.93   | 942.03   | 36.01      |         |
| 7600.00   | 7600.00 | 7792.41 | 7600.00 | 15.79           | 19.23  | 10.38  | 953.09          | 174.52 | 968.93   | 941.64   | 35.50      |         |
| 7700.00   | 7700.00 | 7892.41 | 7700.00 | 16.00           | 19.33  | 10.38  | 953.09          | 174.52 | 968.93   | 941.25   | 35.00      |         |

**Site:** 1022-250 PAD  
**Well:** NBU 1022-25O2S  
**Wellpath:** 1 V0 Plan: Plan #1 V1

**Inter-Site Error:** 0.00 ft

| Reference |        | Offset |        | Semi-Major Axis |        |        | Offset Location |       | Ctr-Ctr  | Edge     | Separation | Warning |
|-----------|--------|--------|--------|-----------------|--------|--------|-----------------|-------|----------|----------|------------|---------|
| MD        | TVD    | MD     | TVD    | Ref             | Offset | TFO-HS | North           | East  | Distance | Distance | Factor     |         |
| ft        | ft     | ft     | ft     | ft              | ft     | deg    | ft              | ft    | ft       | ft       |            |         |
| 0.00      | 0.00   | 0.00   | 0.00   | 0.00            | 0.00   | 201.05 | -18.21          | -7.01 | 19.51    |          |            | No Data |
| 100.00    | 100.00 | 100.00 | 100.00 | 0.09            | 0.09   | 201.05 | -18.21          | -7.01 | 19.51    | 19.34    | 113.62     |         |
| 200.00    | 200.00 | 200.00 | 200.00 | 0.30            | 0.30   | 201.05 | -18.21          | -7.01 | 19.51    | 18.92    | 33.04      |         |



# Weatherford Anticollision Report



|  |                                   |                                       |                |
|--|-----------------------------------|---------------------------------------|----------------|
| <b>Company:</b> Anadarko-Kerr-McGee        | <b>Date:</b> 7/29/2008            | <b>Time:</b> 14:11:19                 | <b>Page:</b> 3 |
| <b>Field:</b> UINTAH COUNTY, UTAH (NAD 27) |                                   |                                       |                |
| <b>Reference Site:</b> 1022-250 PAD        | <b>Co-ordinate(NE) Reference:</b> | <b>Well:</b> NBU 1022-250, True North |                |
| <b>Reference Well:</b> NBU 1022-250        | <b>Vertical (TVD) Reference:</b>  | <b>SITE</b> 5269.0                    |                |
| <b>Reference Wellpath:</b> 1               | <b>Db:</b> Sybase                 |                                       |                |

**Site:** 1022-250 PAD  
**Well:** NBU 1022-2502S  
**Wellpath:** 1 V0 Plan: Plan #1 V1

**Inter-Site Error:** 0.00 ft

| Reference |         | Offset  |         | Semi-Major Axis |        |        | Offset Location |       | Ctr-Ctr  | Edge     | Separation | Warning |
|-----------|---------|---------|---------|-----------------|--------|--------|-----------------|-------|----------|----------|------------|---------|
| MD        | TVD     | MD      | TVD     | Ref             | Offset | TFO-HS | North           | East  | Distance | Distance | Factor     |         |
| ft        | ft      | ft      | ft      | ft              | ft     | deg    | ft              | ft    | ft       | ft       |            |         |
| 300.00    | 300.00  | 300.00  | 300.00  | 0.50            | 0.50   | 201.05 | -18.21          | -7.01 | 19.51    | 18.50    | 19.33      |         |
| 400.00    | 400.00  | 400.00  | 400.00  | 0.71            | 0.71   | 201.05 | -18.21          | -7.01 | 19.51    | 18.08    | 13.66      |         |
| 500.00    | 500.00  | 500.00  | 500.00  | 0.92            | 0.92   | 201.05 | -18.21          | -7.01 | 19.51    | 17.67    | 10.56      |         |
| 600.00    | 600.00  | 600.00  | 600.00  | 1.13            | 1.13   | 201.05 | -18.21          | -7.01 | 19.51    | 17.25    | 8.61       |         |
| 700.00    | 700.00  | 700.00  | 700.00  | 1.34            | 1.34   | 201.05 | -18.21          | -7.01 | 19.51    | 16.83    | 7.27       |         |
| 800.00    | 800.00  | 800.00  | 800.00  | 1.55            | 1.55   | 201.05 | -18.21          | -7.01 | 19.51    | 16.41    | 6.29       |         |
| 900.00    | 900.00  | 900.00  | 900.00  | 1.76            | 1.76   | 201.05 | -18.21          | -7.01 | 19.51    | 15.99    | 5.54       |         |
| 1000.00   | 1000.00 | 1000.00 | 1000.00 | 1.97            | 1.97   | 201.05 | -18.21          | -7.01 | 19.51    | 15.57    | 4.95       |         |
| 1100.00   | 1100.00 | 1100.00 | 1100.00 | 2.18            | 2.18   | 201.05 | -18.21          | -7.01 | 19.51    | 15.15    | 4.47       |         |
| 1200.00   | 1200.00 | 1200.00 | 1200.00 | 2.39            | 2.39   | 201.05 | -18.21          | -7.01 | 19.51    | 14.73    | 4.08       |         |
| 1300.00   | 1300.00 | 1300.00 | 1300.00 | 2.60            | 2.60   | 201.05 | -18.21          | -7.01 | 19.51    | 14.31    | 3.75       |         |
| 1400.00   | 1400.00 | 1400.00 | 1400.00 | 2.81            | 2.81   | 201.05 | -18.21          | -7.01 | 19.51    | 13.90    | 3.47       |         |
| 1500.00   | 1500.00 | 1500.00 | 1500.00 | 3.02            | 3.02   | 201.05 | -18.21          | -7.01 | 19.51    | 13.48    | 3.23       |         |
| 1600.00   | 1600.00 | 1600.00 | 1600.00 | 3.23            | 3.23   | 201.05 | -18.21          | -7.01 | 19.51    | 13.06    | 3.02       |         |
| 1700.00   | 1700.00 | 1699.28 | 1699.26 | 3.44            | 3.44   | 198.89 | -19.94          | -6.82 | 21.09    | 14.22    | 3.07       |         |
| 1800.00   | 1800.00 | 1798.15 | 1797.94 | 3.65            | 3.65   | 193.43 | -25.88          | -6.18 | 26.69    | 19.41    | 3.67       |         |
| 1900.00   | 1900.00 | 1896.32 | 1895.58 | 3.86            | 3.86   | 188.05 | -35.97          | -5.09 | 36.59    | 28.91    | 4.76       |         |
| 2000.00   | 2000.00 | 1993.45 | 1991.66 | 4.07            | 4.10   | 184.07 | -50.03          | -3.56 | 50.84    | 42.76    | 6.29       |         |
| 2100.00   | 2100.00 | 2089.21 | 2085.73 | 4.27            | 4.35   | 181.38 | -67.84          | -1.63 | 69.34    | 60.87    | 8.19       |         |
| 2200.00   | 2200.00 | 2183.30 | 2177.34 | 4.48            | 4.64   | 179.57 | -89.13          | 0.68  | 91.97    | 83.11    | 10.38      |         |
| 2300.00   | 2300.00 | 2275.46 | 2266.15 | 4.69            | 4.98   | 178.32 | -113.59         | 3.33  | 118.57   | 109.33   | 12.83      |         |
| 2400.00   | 2400.00 | 2367.35 | 2353.71 | 4.90            | 5.35   | 177.44 | -141.29         | 6.33  | 148.82   | 139.18   | 15.44      |         |
| 2500.00   | 2500.00 | 2462.37 | 2444.00 | 5.11            | 5.79   | 176.81 | -170.73         | 9.52  | 179.93   | 169.85   | 17.84      |         |
| 2600.00   | 2600.00 | 2557.40 | 2534.29 | 5.32            | 6.24   | 176.37 | -200.17         | 12.71 | 211.06   | 200.52   | 20.04      |         |
| 2700.00   | 2700.00 | 2652.42 | 2624.58 | 5.53            | 6.72   | 176.04 | -229.60         | 15.90 | 242.19   | 231.21   | 22.04      |         |
| 2800.00   | 2800.00 | 2747.44 | 2714.87 | 5.74            | 7.21   | 175.79 | -259.04         | 19.09 | 273.34   | 261.89   | 23.88      |         |
| 2900.00   | 2900.00 | 2842.46 | 2805.16 | 5.95            | 7.71   | 175.58 | -288.48         | 22.28 | 304.48   | 292.57   | 25.57      |         |
| 3000.00   | 3000.00 | 2941.91 | 2899.76 | 6.16            | 8.06   | 175.41 | -318.97         | 25.58 | 335.33   | 323.11   | 27.44      |         |
| 3100.00   | 3100.00 | 3047.39 | 3000.84 | 6.37            | 8.22   | 175.28 | -348.95         | 28.83 | 363.91   | 351.58   | 29.52      |         |
| 3200.00   | 3200.00 | 3154.55 | 3104.34 | 6.58            | 8.39   | 175.17 | -376.54         | 31.82 | 389.81   | 377.37   | 31.34      |         |
| 3300.00   | 3300.00 | 3263.25 | 3210.08 | 6.79            | 8.56   | 175.08 | -401.58         | 34.53 | 412.97   | 400.43   | 32.93      |         |
| 3400.00   | 3400.00 | 3373.35 | 3317.87 | 7.00            | 8.71   | 175.02 | -423.87         | 36.95 | 433.34   | 420.70   | 34.29      |         |
| 3500.00   | 3500.00 | 3484.69 | 3427.48 | 7.21            | 8.85   | 174.97 | -443.27         | 39.05 | 450.86   | 438.13   | 35.42      |         |
| 3600.00   | 3600.00 | 3597.10 | 3538.67 | 7.42            | 8.96   | 174.92 | -459.63         | 40.82 | 465.49   | 452.68   | 36.34      |         |
| 3700.00   | 3700.00 | 3710.39 | 3651.18 | 7.63            | 9.04   | 174.89 | -472.81         | 42.25 | 477.20   | 464.32   | 37.05      |         |
| 3800.00   | 3800.00 | 3824.38 | 3764.73 | 7.84            | 9.07   | 174.87 | -482.72         | 43.33 | 485.94   | 473.01   | 37.56      |         |
| 3900.00   | 3900.00 | 3938.87 | 3879.02 | 8.04            | 9.07   | 174.86 | -489.28         | 44.04 | 491.71   | 478.73   | 37.88      |         |
| 4000.00   | 4000.00 | 4053.65 | 3993.76 | 8.25            | 9.02   | 174.85 | -492.44         | 44.38 | 494.47   | 481.46   | 38.01      |         |
| 4100.00   | 4100.00 | 4159.90 | 4100.00 | 8.46            | 8.99   | 174.85 | -492.74         | 44.41 | 494.74   | 481.55   | 37.52      |         |
| 4200.00   | 4200.00 | 4259.90 | 4200.00 | 8.67            | 9.04   | 174.85 | -492.74         | 44.41 | 494.74   | 481.25   | 36.68      |         |
| 4300.00   | 4300.00 | 4359.90 | 4300.00 | 8.88            | 9.13   | 174.85 | -492.74         | 44.41 | 494.74   | 480.89   | 35.72      |         |
| 4400.00   | 4400.00 | 4459.90 | 4400.00 | 9.09            | 9.21   | 174.85 | -492.74         | 44.41 | 494.74   | 480.52   | 34.79      |         |
| 4500.00   | 4500.00 | 4559.90 | 4500.00 | 9.30            | 9.31   | 174.85 | -492.74         | 44.41 | 494.74   | 480.15   | 33.91      |         |
| 4600.00   | 4600.00 | 4659.90 | 4600.00 | 9.51            | 9.40   | 174.85 | -492.74         | 44.41 | 494.74   | 479.77   | 33.06      |         |
| 4700.00   | 4700.00 | 4759.90 | 4700.00 | 9.72            | 9.50   | 174.85 | -492.74         | 44.41 | 494.74   | 479.40   | 32.25      |         |
| 4800.00   | 4800.00 | 4859.90 | 4800.00 | 9.93            | 9.60   | 174.85 | -492.74         | 44.41 | 494.74   | 479.02   | 31.47      |         |
| 4900.00   | 4900.00 | 4959.90 | 4900.00 | 10.14           | 9.71   | 174.85 | -492.74         | 44.41 | 494.74   | 478.63   | 30.72      |         |
| 5000.00   | 5000.00 | 5059.90 | 5000.00 | 10.35           | 9.82   | 174.85 | -492.74         | 44.41 | 494.74   | 478.25   | 30.00      |         |
| 5100.00   | 5100.00 | 5159.90 | 5100.00 | 10.56           | 9.93   | 174.85 | -492.74         | 44.41 | 494.74   | 477.86   | 29.32      |         |
| 5200.00   | 5200.00 | 5259.90 | 5200.00 | 10.77           | 10.05  | 174.85 | -492.74         | 44.41 | 494.74   | 477.47   | 28.66      |         |
| 5300.00   | 5300.00 | 5359.90 | 5300.00 | 10.98           | 10.17  | 174.85 | -492.74         | 44.41 | 494.74   | 477.08   | 28.02      |         |



# Weatherford Anticollision Report



|                                   |   |                |         |
|-----------------------------------|---|----------------|---------|
| Company: Anadarko-Kerr-McGee      | Date: 7/29/2008   | Time: 14:11:19 | Page: 4 |
| Field: UTAH COUNTY, UTAH (NAD 27) |   |                |         |
| Reference Site: 1022-250 PAD      | Co-ordinate(NE) Reference: Well: NBU 1022-250, True North |                |         |
| Reference Well: NBU 1022-250      | Vertical (TVD) Reference: SITE 5269.0                     |                |         |
| Reference Wellpath: 1             | Db: Sybase  |                |         |

Site: 1022-250 PAD  
 Well: NBU 1022-250S  
 Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

| Reference |         | Offset  |         | Semi-Major Axis |        |        | Offset Location |       | Ctr-Ctr Distance | Edge Distance | Separation Factor | Warning |
|-----------|---------|---------|---------|-----------------|--------|--------|-----------------|-------|------------------|---------------|-------------------|---------|
| MD        | TVD     | MD      | TVD     | Ref             | Offset | TFO-HS | North           | East  |                  |               |                   |         |
| ft        | ft      | ft      | ft      | ft              | ft     | deg    | ft              | ft    | ft               | ft            |                   |         |
| 5400.00   | 5400.00 | 5459.90 | 5400.00 | 11.19           | 10.29  | 174.85 | -492.74         | 44.41 | 494.74           | 476.69        | 27.41             |         |
| 5500.00   | 5500.00 | 5559.90 | 5500.00 | 11.40           | 10.41  | 174.85 | -492.74         | 44.41 | 494.74           | 476.30        | 26.83             |         |
| 5600.00   | 5600.00 | 5659.90 | 5600.00 | 11.61           | 10.54  | 174.85 | -492.74         | 44.41 | 494.74           | 475.90        | 26.26             |         |
| 5700.00   | 5700.00 | 5759.90 | 5700.00 | 11.81           | 10.67  | 174.85 | -492.74         | 44.41 | 494.74           | 475.50        | 25.72             |         |
| 5800.00   | 5800.00 | 5859.90 | 5800.00 | 12.02           | 10.80  | 174.85 | -492.74         | 44.41 | 494.74           | 475.11        | 25.20             |         |
| 5900.00   | 5900.00 | 5959.90 | 5900.00 | 12.23           | 10.94  | 174.85 | -492.74         | 44.41 | 494.74           | 474.71        | 24.70             |         |
| 6000.00   | 6000.00 | 6059.90 | 6000.00 | 12.44           | 11.07  | 174.85 | -492.74         | 44.41 | 494.74           | 474.31        | 24.22             |         |
| 6100.00   | 6100.00 | 6159.90 | 6100.00 | 12.65           | 11.21  | 174.85 | -492.74         | 44.41 | 494.74           | 473.91        | 23.75             |         |
| 6200.00   | 6200.00 | 6259.90 | 6200.00 | 12.86           | 11.36  | 174.85 | -492.74         | 44.41 | 494.74           | 473.51        | 23.30             |         |
| 6300.00   | 6300.00 | 6359.90 | 6300.00 | 13.07           | 11.50  | 174.85 | -492.74         | 44.41 | 494.74           | 473.10        | 22.87             |         |
| 6400.00   | 6400.00 | 6459.90 | 6400.00 | 13.28           | 11.64  | 174.85 | -492.74         | 44.41 | 494.74           | 472.70        | 22.45             |         |
| 6500.00   | 6500.00 | 6559.90 | 6500.00 | 13.49           | 11.79  | 174.85 | -492.74         | 44.41 | 494.74           | 472.30        | 22.05             |         |
| 6600.00   | 6600.00 | 6659.90 | 6600.00 | 13.70           | 11.94  | 174.85 | -492.74         | 44.41 | 494.74           | 471.89        | 21.66             |         |
| 6700.00   | 6700.00 | 6759.90 | 6700.00 | 13.91           | 12.09  | 174.85 | -492.74         | 44.41 | 494.74           | 471.49        | 21.28             |         |
| 6800.00   | 6800.00 | 6859.90 | 6800.00 | 14.12           | 12.25  | 174.85 | -492.74         | 44.41 | 494.74           | 471.08        | 20.92             |         |
| 6900.00   | 6900.00 | 6959.90 | 6900.00 | 14.33           | 12.40  | 174.85 | -492.74         | 44.41 | 494.74           | 470.68        | 20.56             |         |
| 7000.00   | 7000.00 | 7059.90 | 7000.00 | 14.54           | 12.56  | 174.85 | -492.74         | 44.41 | 494.74           | 470.27        | 20.22             |         |
| 7100.00   | 7100.00 | 7159.90 | 7100.00 | 14.75           | 12.71  | 174.85 | -492.74         | 44.41 | 494.74           | 469.86        | 19.89             |         |
| 7200.00   | 7200.00 | 7259.90 | 7200.00 | 14.96           | 12.87  | 174.85 | -492.74         | 44.41 | 494.74           | 469.46        | 19.57             |         |
| 7300.00   | 7300.00 | 7359.90 | 7300.00 | 15.17           | 13.03  | 174.85 | -492.74         | 44.41 | 494.74           | 469.05        | 19.26             |         |
| 7400.00   | 7400.00 | 7459.90 | 7400.00 | 15.37           | 13.20  | 174.85 | -492.74         | 44.41 | 494.74           | 468.64        | 18.96             |         |
| 7500.00   | 7500.00 | 7559.90 | 7500.00 | 15.58           | 13.36  | 174.85 | -492.74         | 44.41 | 494.74           | 468.23        | 18.66             |         |
| 7600.00   | 7600.00 | 7659.90 | 7600.00 | 15.79           | 13.52  | 174.85 | -492.74         | 44.41 | 494.74           | 467.82        | 18.38             |         |
| 7700.00   | 7700.00 | 7759.90 | 7700.00 | 16.00           | 13.69  | 174.85 | -492.74         | 44.41 | 494.74           | 467.41        | 18.10             |         |

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ST ML 22447**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
**N/A**

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:  
**891008900A**

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**NBU 1022-250**

2. NAME OF OPERATOR:  
**Kerr-McGee Oil & Gas Onshore, LP**

9. API NUMBER:  
**4304738851**

3. ADDRESS OF OPERATOR: P.O. Box 173779 CITY **Denver** STATE **CO** ZIP **80217-3779** PHONE NUMBER: **(720) 929-6226**

10. FIELD AND POOL, OR WILDCAT:  
**Natural Buttes Field**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1274' FSL & 2121' FEL** COUNTY: **Uintah**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSE 25 10S 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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION          |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____              | <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: <b>APD Extension</b> |
|   | <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 12/18/2006.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12-22-08  
By: [Signature]

NAME (PLEASE PRINT) Kevin McIntyre TITLE Regulatory Analyst  
SIGNATURE [Signature] DATE 12/16/2008

(This space for State use only)

**COPY SENT TO OPERATOR**

Date: 12.30.2008

Initials: KS

(5/2000)

(See Instructions on Reverse Side)

**RECEIVED**  
**DEC 17 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:** 4304738851  
**Well Name:** NBU 1022-250  
**Location:** SWSE 1274' FSL & 2121' FEL, Sec. 25, T10S R22E  
**Company Permit Issued to:** Kerr-McGee Oil & Gas Onshore, LP  
**Date Original Permit Issued:** 12/18/2006

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

12/16/2008  
Date

Title: Regulatory Analyst

Representing: Kerr-McGee Oil & Gas Onshore, LP

**RECEIVED**  
**DEC 17 2008**  
**DIV. OF OIL, GAS & MINING**



GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*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*

January 7, 2010

Kerr-McGee Oil & Gas Onshore, L.P.  
P.O. Box 173779  
Denver, CO 80217

Re: APD Rescinded – NBU 1022-25O, Sec. 25, T. 10S, R. 22E,  
Uintah County, Utah, API No. 43-047-38851

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 18, 2006. On December 17, 2007 and December 22, 2008 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 7, 2010.

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

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  
SITLA, Ed Bonner