

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-02277-B
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No.
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		8. Lease Name and Well No. FEDERAL 1021-35H
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43-047-38938
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SENE 2527'FNL, 942'FEL 627236X At proposed prod. Zone 4417999Y -109.511556		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* 21.2 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk, and Survey or Area SEC. 35, T10S, R21E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 942'	16. No. of Acres in lease 1640.00	12. County or Parish UINTAH
17. Spacing Unit dedicated to this well 40.00	13. State UTAH	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8770'	20. BLM/BIA Bond No. on file BOND NO. WYB000291
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5424'UNGRADED GL	22. Approximate date work will start*	23. Estimated duration

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 12/15/2006
Title SENIOR LAND ADMIN SPECIALIST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 01-11-07
Title ENVIRONMENTAL MANAGER		

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

Conditions of approval, if any, are attached.

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

*(Instructions on reverse)

**Federal Approval of this
Action is Necessary**

**RECEIVED
DEC 18 2006**

DIV. OF OIL, GAS & MINING

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

Kerr-McGee Oil & Gas Onshore LP

1977 Brass Cap,
0.6' Above 2.0'
High, Pile of
Stones

1977 Brass Cap
0.6 High, Pile
of Stones

1977 Brass Cap
Flush With Top
of Pile of
Stones

N89°59'04"W - 2679.46' (Meas.)

S89°58'43"E - 2679.89' (Meas.)

Well location, FEDERAL #1021-35H, located as shown in the SE 1/4 NE 1/4 of Section 35, T10S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

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

BASIS OF BEARINGS

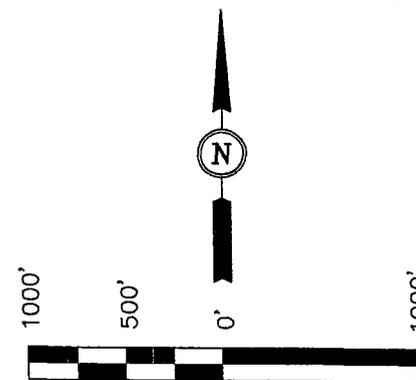
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

FEDERAL #1021-35H
Elev. Ungraded Ground = 5424'

35

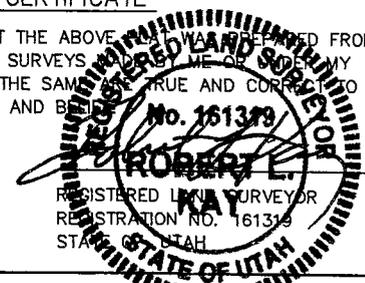
942'

2527'



SCALE
CERTIFICATE

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



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

SCALE 1" = 1000'	DATE SURVEYED: 08-03-06	DATE DRAWN: 10-09-06
PARTY L.K. J.M. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr McGee Oil & Gas Onshore LP	

T10S

T11S

1977 Brass Cap,
1.0' High, Pile
of Stones

1977 Brass Cap,
0.3' High, Pile
of Stones

1977 Brass Cap,
0.8' High, Pile
of Stones

1977 Brass Cap,
0.4' High, Pile
of Stones

S89°57'01"E
1334.25' (Meas.)

S89°58'56"E
1333.12' (Meas.)

S89°53'07"E
1332.06' (Meas.)

S89°43'42"E
1354.05' (Meas.)

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39°54'15.90" (39.904417)

LONGITUDE = 109°30'44.26" (109.512294)

(NAD 27)

LATITUDE = 39°54'16.02" (39.904450)

LONGITUDE = 109°30'41.79" (109.511608)

FEDERAL 1021-35H
SE/NE SEC. 35, T10S, R21E
UINTAH COUNTY, UTAH
UTU-02277-B

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	940'
Top of Birds Nest Water	1222'
Mahogany	1736'
Wasatch	4056'
Mesaverde	6682'
MVU2	7658'
MVL1	8257'
TD	8770'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	940'
	Top of Birds Nest Water	1222'
	Mahogany	1736'
Gas	Wasatch	4056'
	Mesaverde	6682'
Gas	MVU2	7658'
Gas	MVL1	8257'
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 8770' TD, approximately equals 5437 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3508 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.

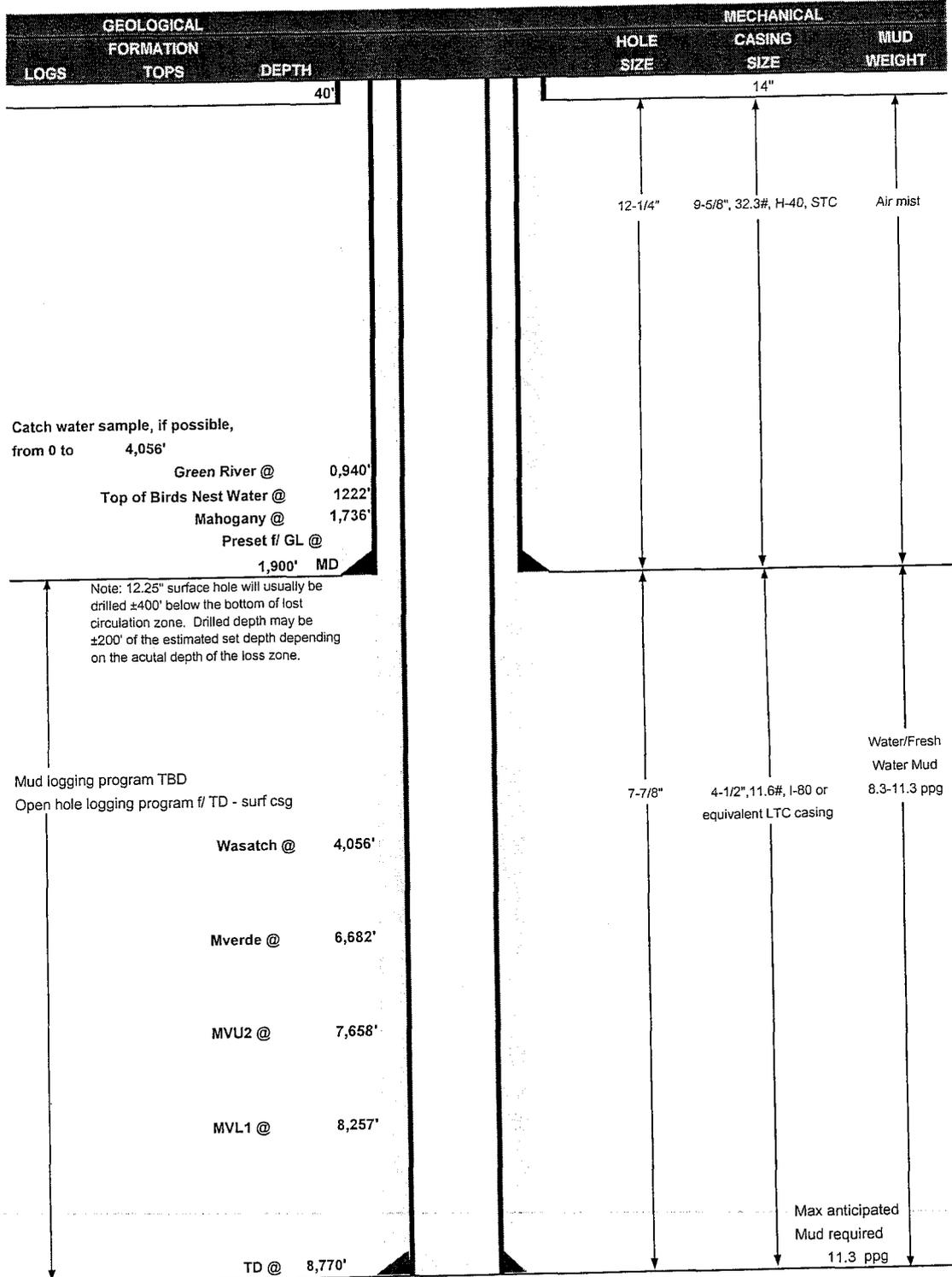
10. **Other Information:**

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 15, 2006
 WELL NAME FEDERAL 1021-35H TD 8,770' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,424' GL KB 5,439'
 SURFACE LOCATION SENE SEC. 35, T10S, R21E 2527'FNL, 942'FEL BHL Straight Hole
 Latitude: 39.904417 Longitude: 109.512294
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, 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 1900	32.30	H-40	STC	0.70*****	1.54	4.73
PRODUCTION	4-1/2"	0 to 8770	11.60	I-80	LTC	7780	6350	201000
						2.41	1.23	2.26

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 11.3 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 3224 psi

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

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,550'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	5,220'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1460	60%	14.30	1.31

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

FLOAT EQUIPMENT & CENTRALIZERS

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

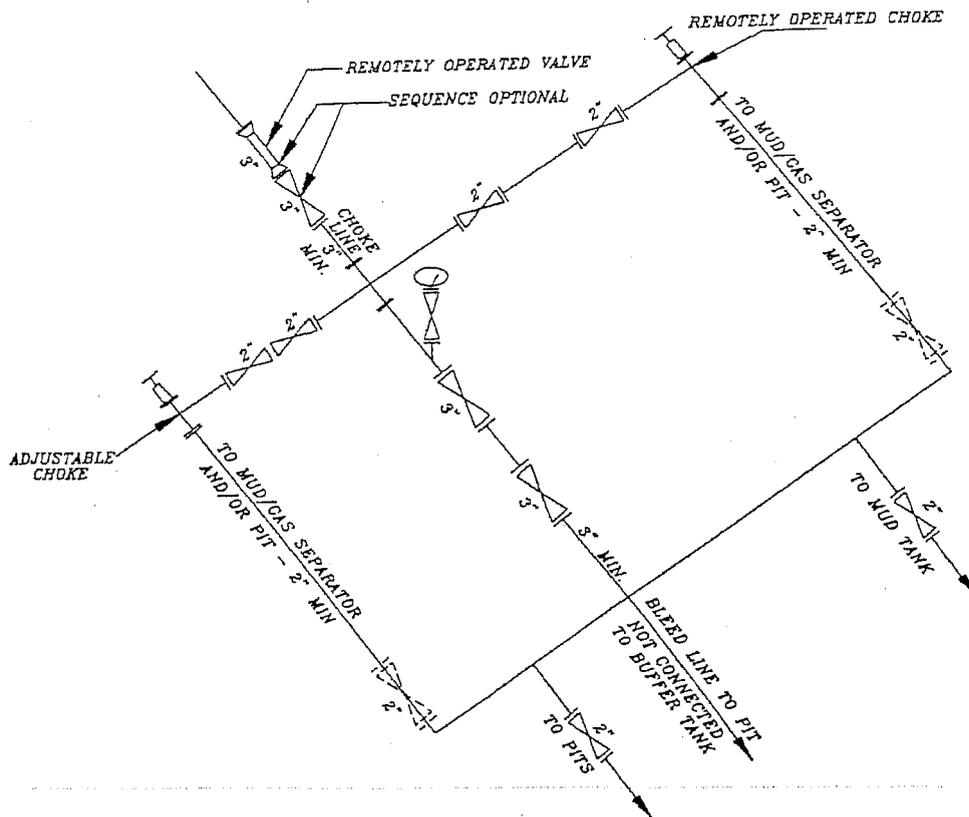
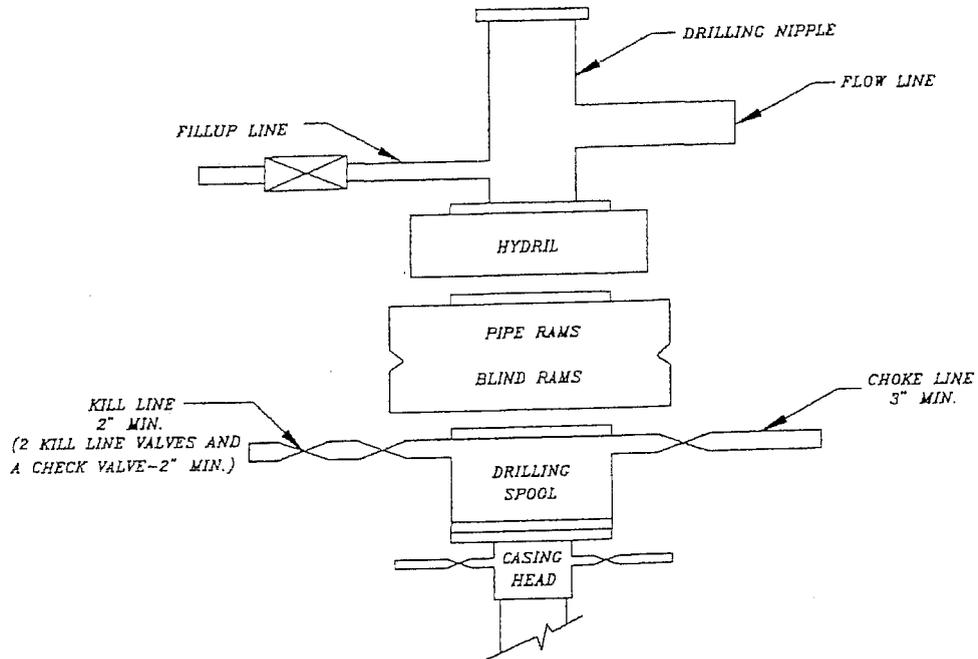
ADDITIONAL INFORMATION

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

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

DATE: _____
 DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



FEDERAL 1021-35H
SE/NE SEC. 35, T10S, R21E
UINTAH COUNTY, UTAH
UTU-02277-B

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Directions to the proposed location are attached.

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

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

2. **Planned Access Roads:**

Approximately 0.2 +/- miles of access road is proposed for the well location. Refer to Topo Map B.

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

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

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities & Pipelines:

The following guidelines will apply if the well is productive.

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

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

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

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

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

Variations to Best Management Practices (BMP) Requests:

Approximately 910' +/- of 4" steel pipeline and Approximately 883' +/- of 4" steel pipeline is proposed from the location. The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

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

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

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

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

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

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

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

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

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

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

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

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

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

8. Ancillary Facilities:

None are anticipated.

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

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

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

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

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

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

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

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

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

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

Producing Location:

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

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

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

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

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

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

Dry Hole/Abandoned Location:

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

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

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

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

11. Surface Ownership:

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

12. Other Information:

A Class III Archaeological Survey has been performed and completed and will be submitted when the Archaeological Survey Report is received when the report is received by our office. The Paleontological Reconnaissance Survey has been performed and completed on November 1, 2006 the Paleontological Reconnaissance Survey Report No. 06-316. These reports are being submitted along with the Application for Permit to Drill (APD).

WILDLIFE STIPUATIONS:

ANTELOPE: No construction or drilling May 15th – June 20th.
SAGE GROUSE: No construction or drilling March 15th or June 14th.

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

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

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

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

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

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

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

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

December 15, 2006
Date

Kerr-McGee Oil & Gas Onshore LP

FEDERAL #1021-35H SECTION 35, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-36M TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-35J TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE PROPOSED #1021-35J AND THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-35G TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.2 MILES.

Kerr-McGee Oil & Gas Onshore LP

FEDERAL #1021-35H
LOCATED IN UINTAH COUNTY, UTAH
SECTION 35, T10S, R21E, S.L.B.&M.

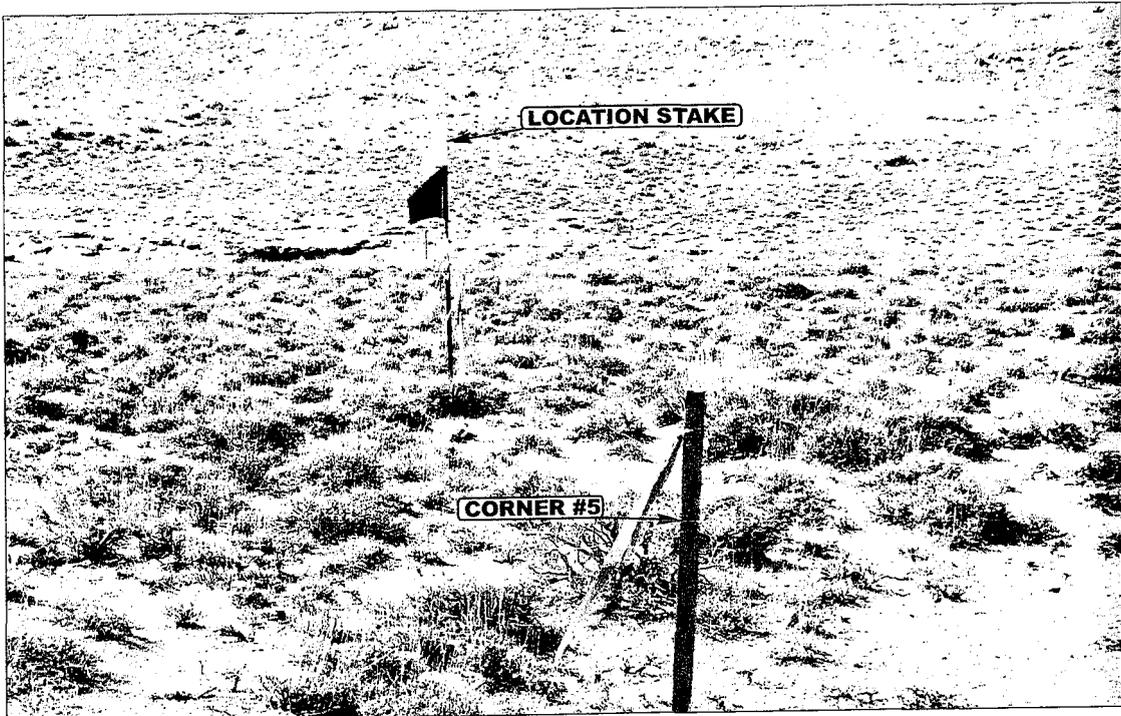


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

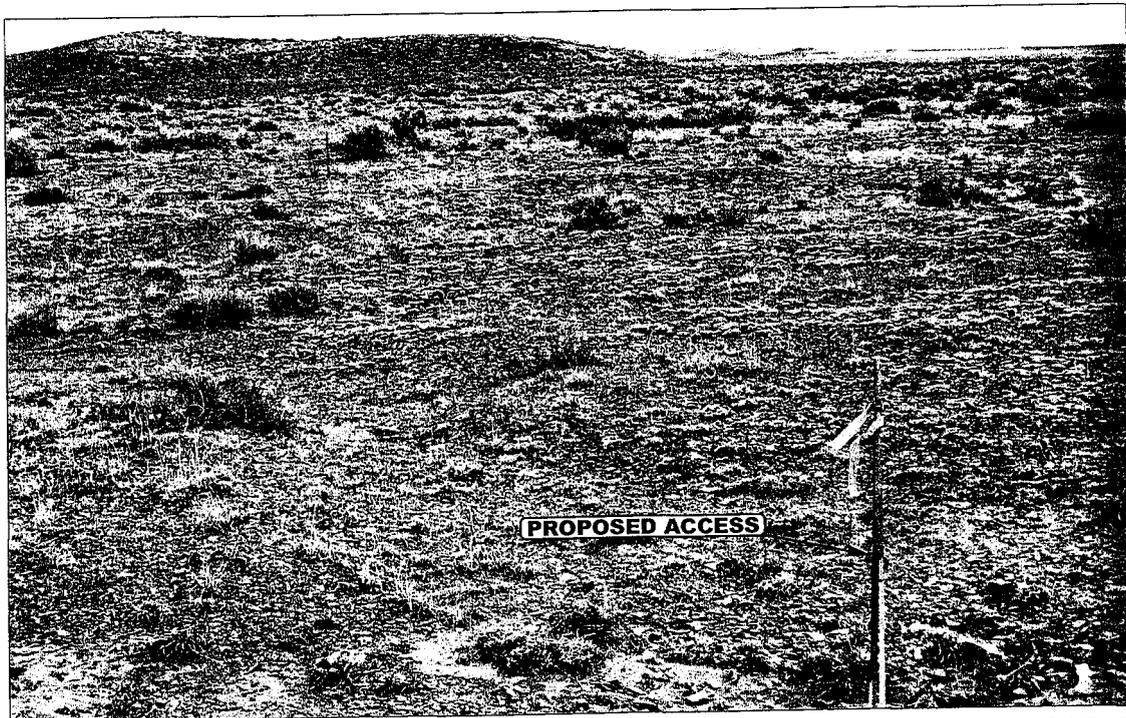


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

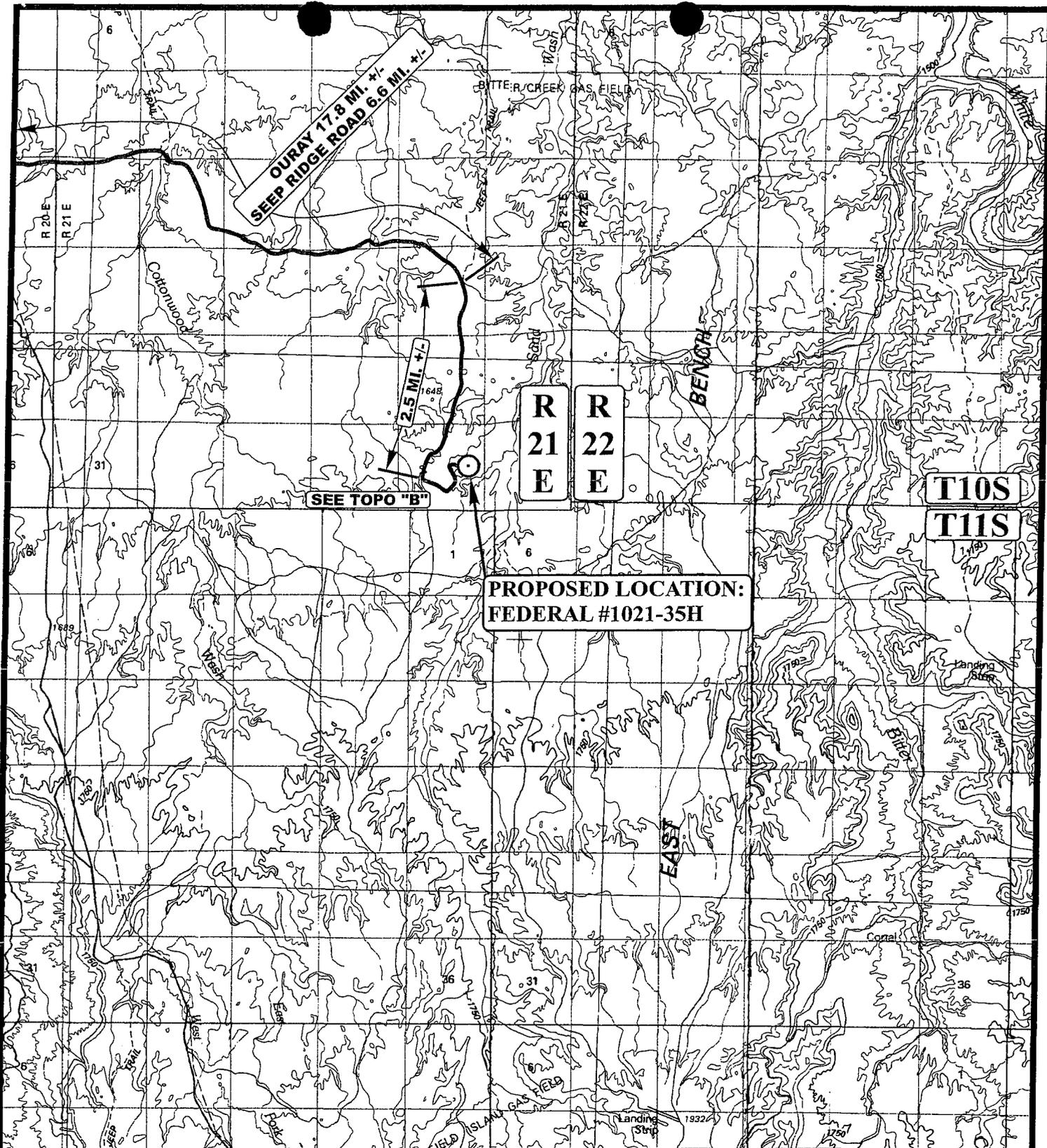
CAMERA ANGLE: EASTERLY



- 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	10	06	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: L.K.	DRAWN BY: C.P.		REVISED: 00-00-00	



**PROPOSED LOCATION:
FEDERAL #1021-35H**

LEGEND:

○ PROPOSED LOCATION

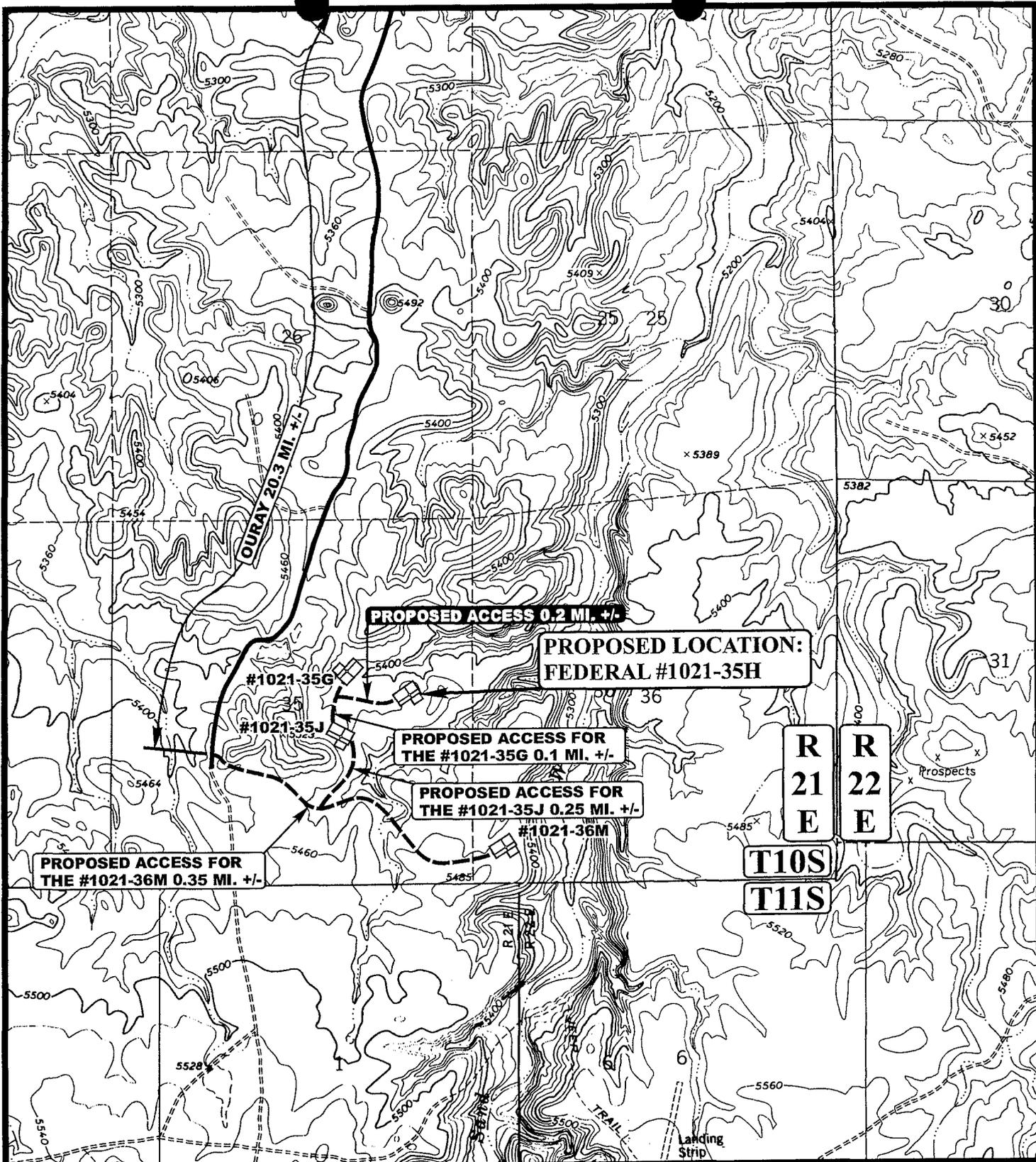


Kerr-McGee Oil & Gas Onshore LP

**FEDERAL #1021-35H
SECTION 35, T10S, R21E, S.L.B.&M.
2527' FNL 942' FEL**

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

TOPOGRAPHIC 10 06 06
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00 **A**
TOPO



LEGEND:

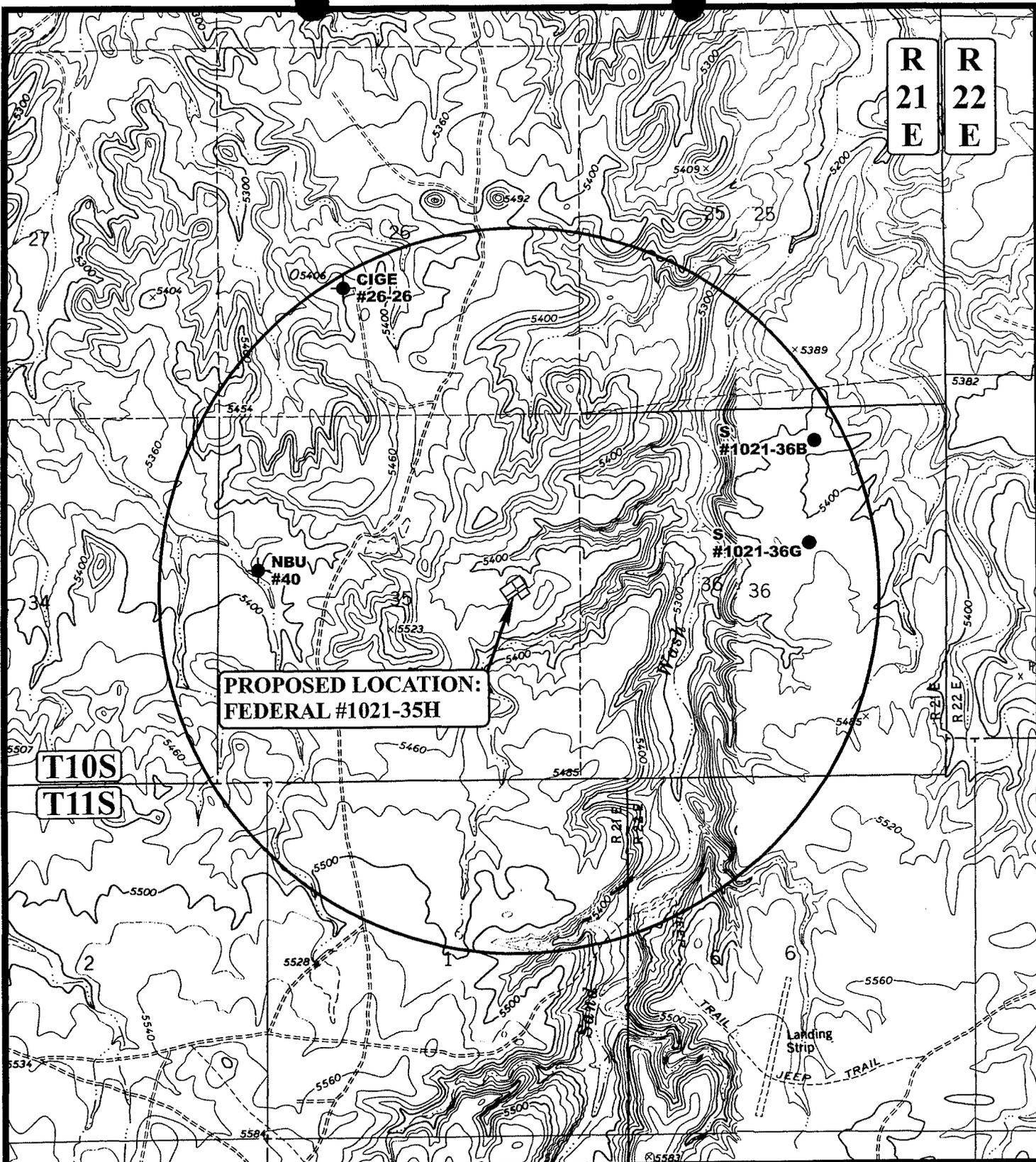
- EXISTING ROAD
- PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP
FEDERAL #1021-35H
SECTION 35, T10S, R21E, S.L.B.&M.
2527' FNL 942' FEL

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

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



**PROPOSED LOCATION:
FEDERAL #1021-35H**

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP
FEDERAL #1021-35H
SECTION 35, T10S, R21E, S.L.B.&M.
2527' FNL 942' FEL



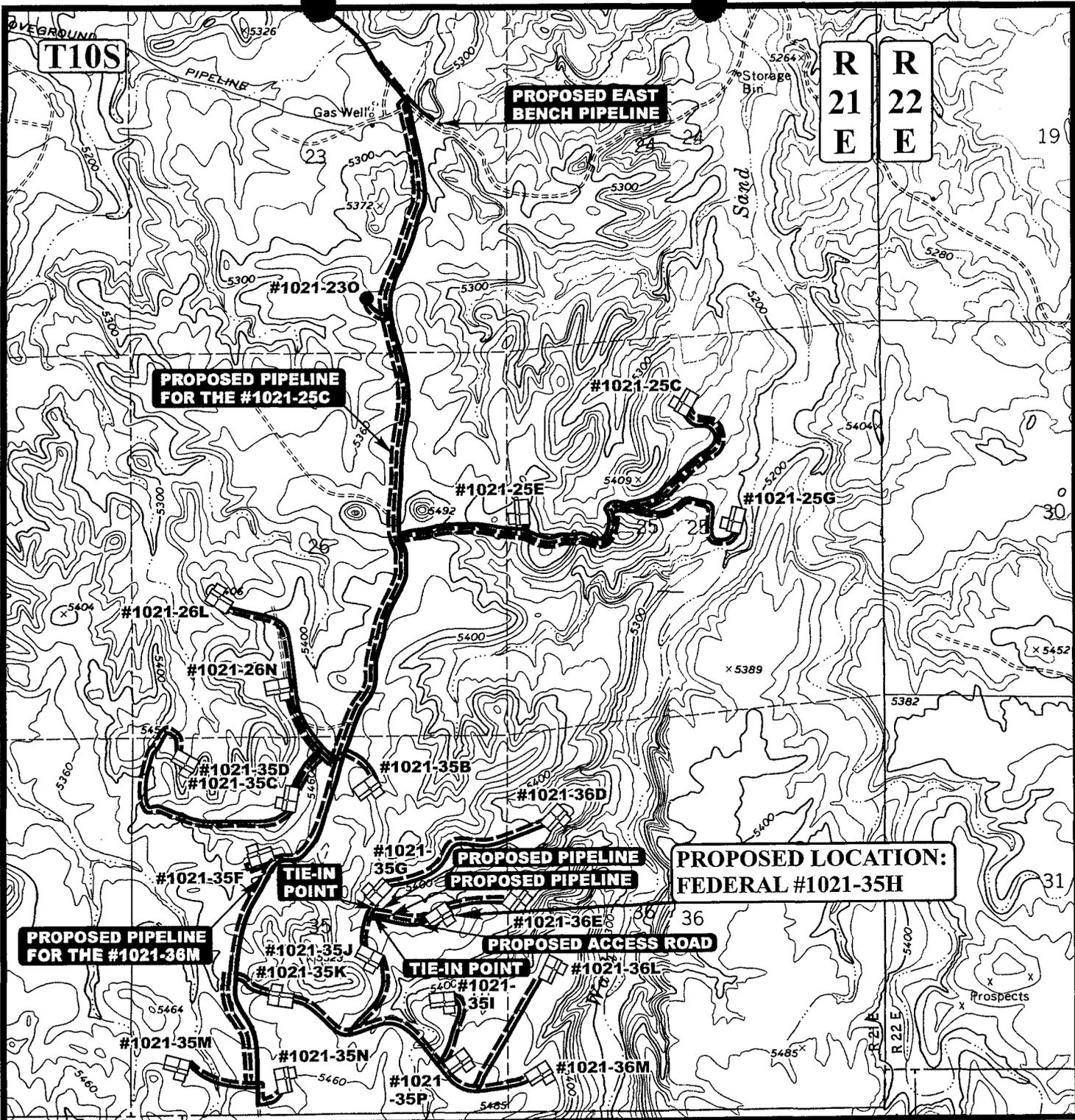
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10	06	06
MONTH	DAY	YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 883' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE = 910' +/-

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP
 FEDERAL #1021-35H
 SECTION 35, T10S, R21E, S.L.B.&M.
 2527' FNL 942' FEL

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



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

D
 TOPO

Kerr-McGee Oil & Gas Onshore LP
FEDERAL #1021-35H
PIPELINE ALIGNMENT
LOCATED IN UINTAH COUNTY, UTAH
SECTION 35, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: EASTERLY

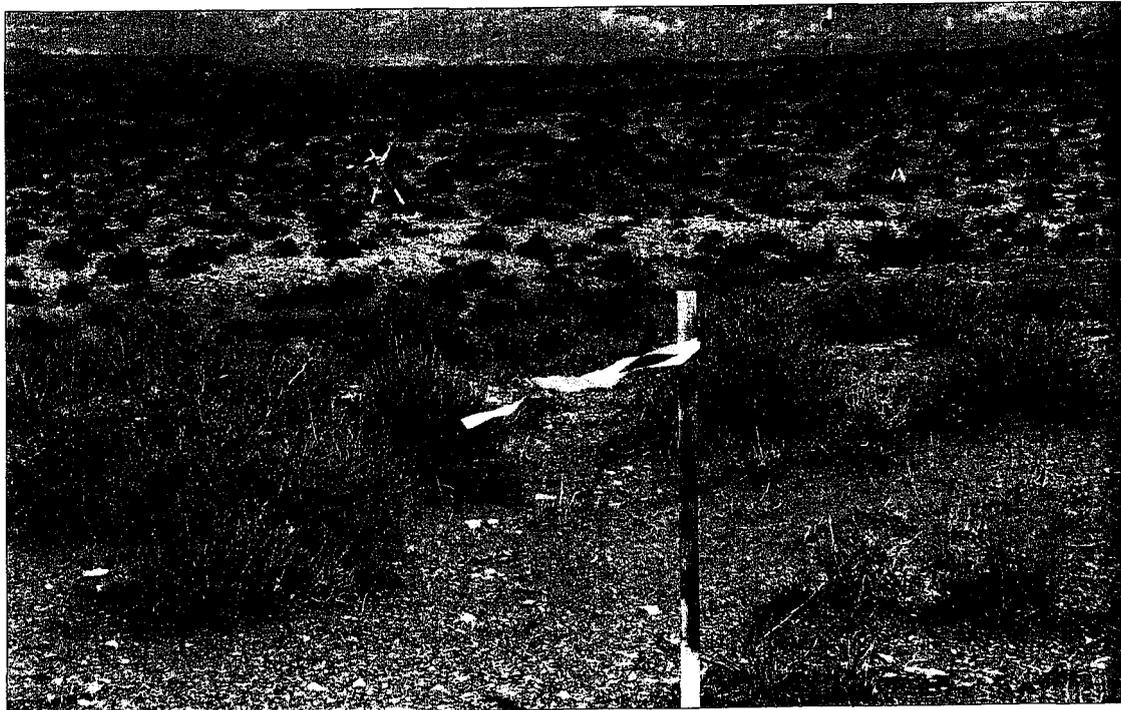


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



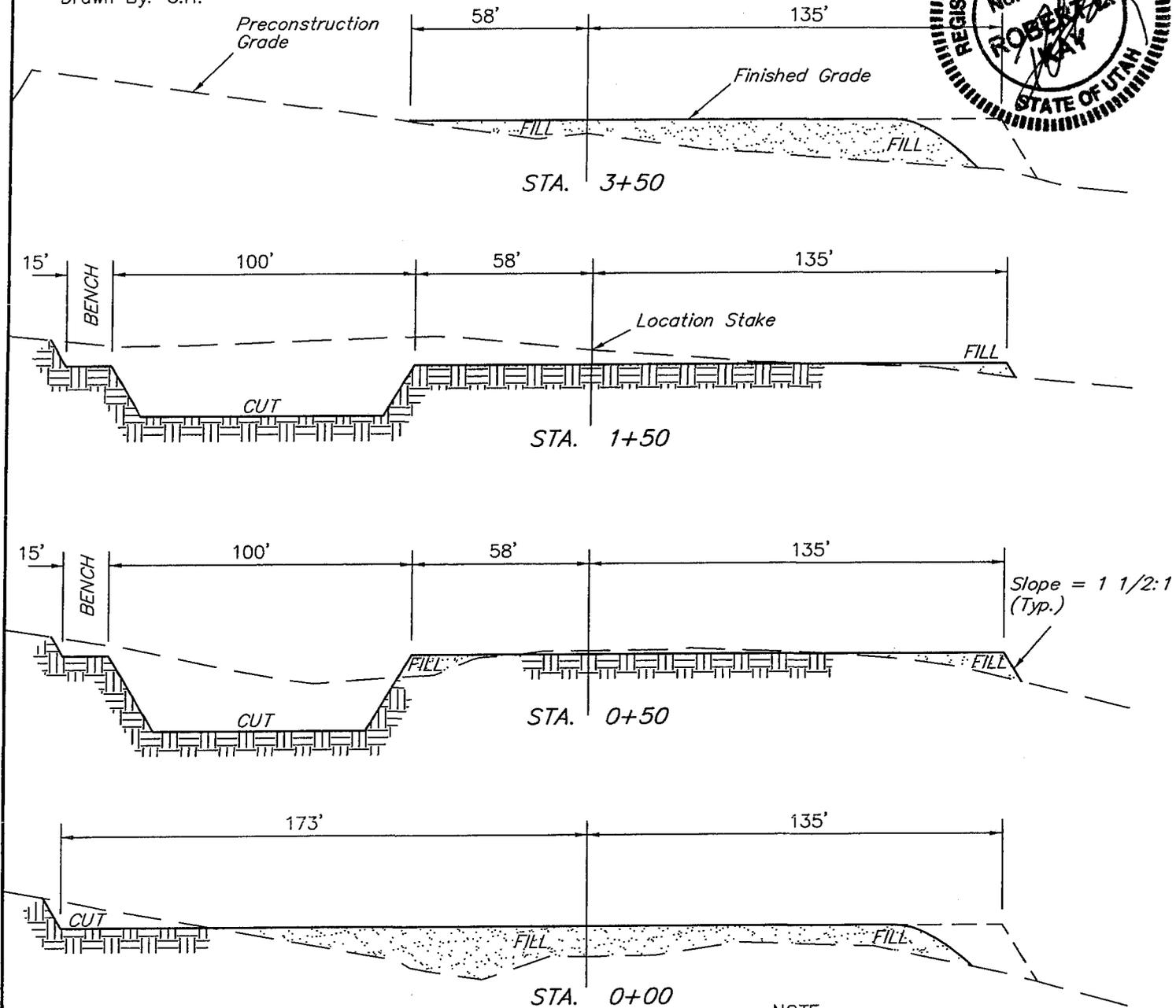
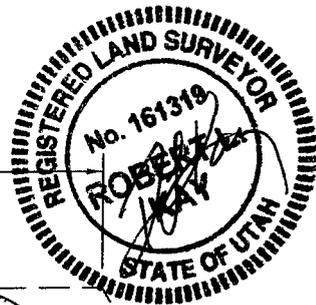
- Since 1964 -

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

PIPELINE PHOTOS	10	06	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: L.K.	DRAWN BY: C.P.		REVISED: 00-00-00	

TYPICAL CROSS SECTIONS FOR
 FEDERAL #1021-35H
 SECTION 35, T10S, R21E, S.L.B.&M.
 2527' FNL 942' FEL

1" = 20'
 X-Section Scale
 1" = 50'
 DATE: 10-09-06
 Drawn By: C.H.



* NOTE:
 FILL QUANTITY INCLUDES
 5% FOR COMPACTION

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

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,810 Cu. Yds.
Remaining Location	=	6,140 Cu. Yds.
TOTAL CUT	=	7,950 CU.YDS.
FILL	=	4,000 CU.YDS.

EXCESS MATERIAL	=	3,950 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,950 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/18/2006

API NO. ASSIGNED: 43-047-38938

WELL NAME: FEDERAL 1021-35H

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

SENE 35 100S 210E

SURFACE: 2527 FNL 0942 FEL

BOTTOM: 2527 FNL 0942 FEL

COUNTY: UINTAH

LATITUDE: 39.90442 LONGITUDE: -109.5116

UTM SURF EASTINGS: 627236 NORTHINGS: 4417999

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-02277-B

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYB000291)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

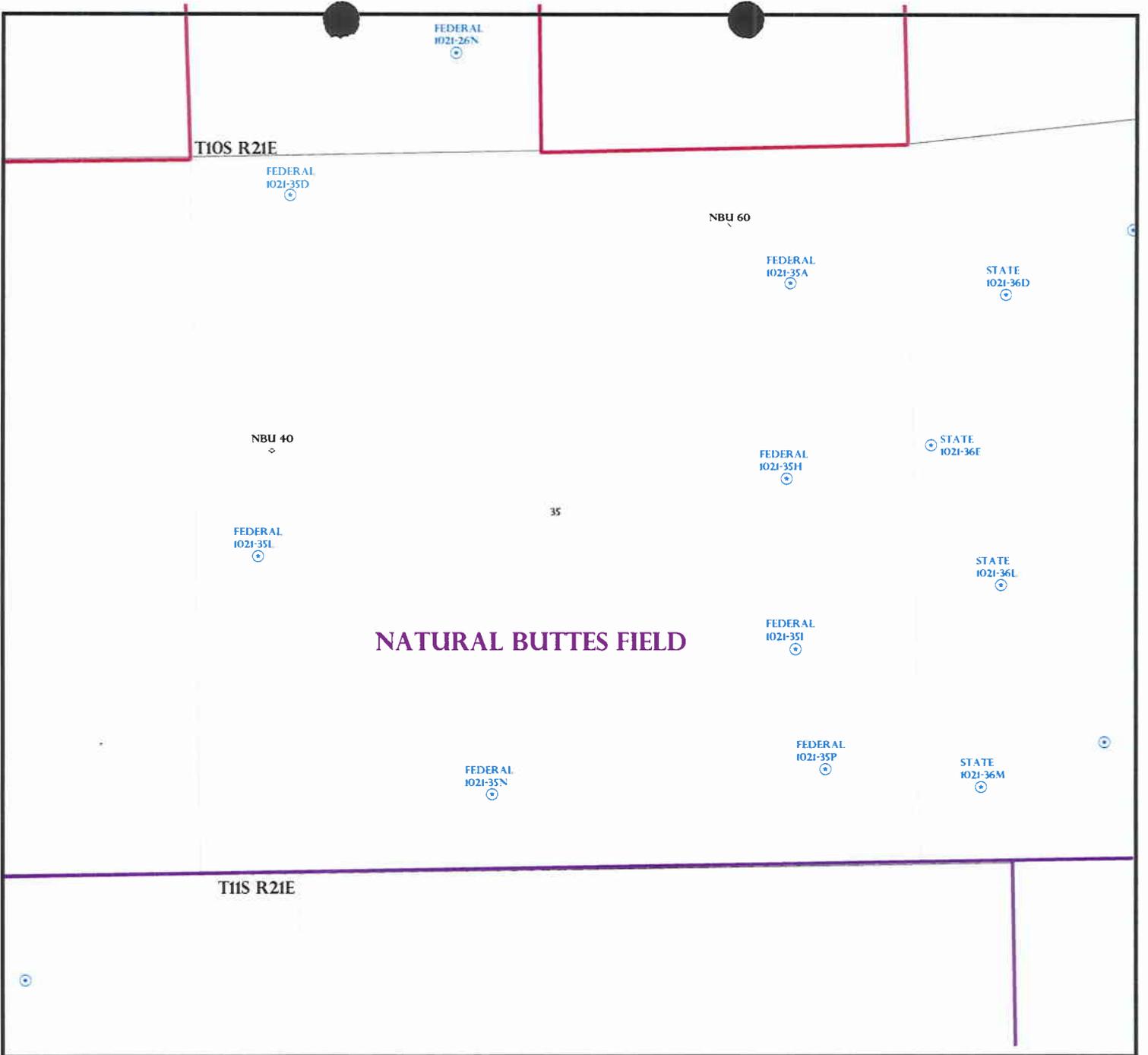
LOCATION AND SITING:

- ___ R649-2-3.
- Unit: _____
- ___ R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- ___ Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- ___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- *Permit Approval*
2- *Spacing Strip*
3- *OIL SHALE*



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 35 T.10S R. 21E

FIELD: NATURAL BUTTES (630)

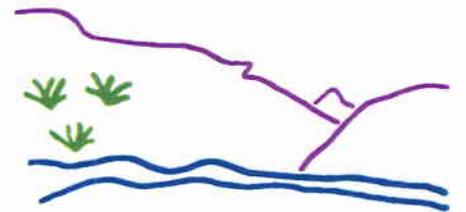
COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION

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

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

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 19-DECEMBER-2006



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

January 8, 2007

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

RE: Federal 1021-35H
T10S-R21E
Section 35: SENE
2527' FNL, 942' FEL
Uintah County, Utah

Dear Ms. Mason:

Kerr-McGee Oil & Gas Onshore LP, formerly known as Westport Oil and Gas Company, L.P., has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to State Rule 649-3-2 (State Wide). The well location was moved for topographic reasons. Kerr-McGee owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-264-2618. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Chris Latimer'.

W. Chris Latimer, CPL
Senior Landman

cc: Raleen White

RECEIVED

JAN 11 2007

DIV. OF OIL, GAS & MINING



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

January 11, 2007

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

Re: Federal 1021-35H Well, 2527' FNL, 942' FEL, SE NE, Sec. 35, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38938.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore LP

Well Name & Number Federal 1021-35H

API Number: 43-047-38938

Lease: UTU-02277-B

Location: SE NE Sec. 35 T. 10 South R. 21 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

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

Page 2

43-047-38938

January 11, 2007

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-02277-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
FEDERAL 1021-35H

9. API Well No.
43-047-38938

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

3a. Address
1099 18TH ST, STE 1200, DENVER, CO 80202

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2527' FNL, 942' FEL
SENE, SECTION 35, T10S, R21E, SLB&M**

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

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

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

THE OPERATOR REZUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON JANUARY 11, 2007

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED

JAN 28 2008

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR

Date: 1-29-2008
Initials: KS

Date: 01-28-08
By: [Signature]

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

Name (Printed/Typed) RALEEN WHITE	Title SR. REGULATORY ANALYST
Signature <u>Raleen White</u>	Date January 11, 2008

THIS SPACE FOR FEDERAL OR STATE USE

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

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

RESET

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

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

API: 43-047-38938
Well Name: FEDERAL 1021-35H
Location: SENE - 2527' FNL, 942' FEL, SEC. 35, T10S, R21E
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE LP
Date Original Permit Issued: 1/11/2007

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

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

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

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

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

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

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

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

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

Raleen White
Signature

1/11/2008
Date

Title: SR. REGULATORY ANALYST

Representing: KERR-MCGEE OIL & GAS ONSHORE LP

RECEIVED

JAN 28 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-02277-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Federal 1021-35H

9. API Well No.
43-047-38938

10. Field and Pool, or Exploratory Area
NATURAL BUTTES

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

3a. Address
1099 18th. St. Denver, CO 80202

3b. Phone No. (include area code)
720-929-6038

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2527' FNL, 942' FEL
 SENE, SECTION 35, T10S, R21E, SLB&M**

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

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

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

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL AND GAS ON JANUARY 11, 2007

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 2.5.2009
Initials: KS

Date: 02-02-09
By: [Signature]

RECEIVED
JAN 29 2009
RECEIVED
JAN 08 2009
DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) ELIZABETH SMITH	Title REGULATORY ANALYST
Signature <u>[Signature]</u>	Date January 6, 2009

THIS SPACE FOR FEDERAL OR STATE USE

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

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



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

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

API: 4304738938
Well Name: Federal 1021-35H
Location: 2527' FNL, 942' FEL, SENE Sec 35, T10S, R21E, S1E
Company Permit Issued to: Kerr McGee Oil and Gas Onshore LP
Date Original Permit Issued: 1/11/2007

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

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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

Gregory A. Smith
Signature

1/28/2009
Date

Title: Regulatory Analyst

Representing: Kerr McGee Oil and Gas Onshore LP

RECEIVED
JAN 29 2009



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2009

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

43 047 38938
Federal 1021-35H
105 21E 35

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

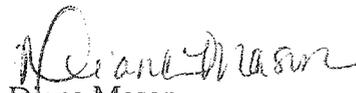
Dear Ms. White:

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

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

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

Sincerely,


Diana Mason
Environmental Scientist

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

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

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

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

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



IN REPLY REFER TO:

3160

LLUTG01100

March 2, 2009

43-047-38938

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

Re: Return Unapproved APD
Well No. Federal 1021-35H
SENE, Sec. 35, T10S, R21E
Uintah County, Utah
Lease No. UTU-02277-B

Dear Ms. White:

The Application for Permit to Drill (APD) for the above referenced well received December 18, 2006, is being returned unapproved per your request to this office in an email message on February 20, 2009. If you intend to drill at this location at a future date, a new APD must be submitted.

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

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

Enclosures

cc: UDOGM

RECEIVED
MAR 10 2009
DIV. OF OIL, GAS & MINING