

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-22973	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.		9. WELL NAME and NUMBER: NBU 1022-18A	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1007'FNL, 512'FEL <i>630340x 39.953371</i> AT PROPOSED PRODUCING ZONE: <i>4423487y -109.474155</i>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 18 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 30..9 MILES SOUTH OF OURAY, UTAH		12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 512'	16. NUMBER OF ACRES IN LEASE: 585.76	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C	19. PROPOSED DEPTH: 9,080	20. BOND DESCRIPTION: RLB0005237	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5357'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#	2,200	265 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2	I-80	11.6#	9,080	1870 SX 50/50 POZ	1.31 YIELD	14.3 PPG

ATTACHMENTS

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

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE *[Signature]* DATE 1/23/2007

(This space for State use only)

API NUMBER ASSIGNED: 43247-39030

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:

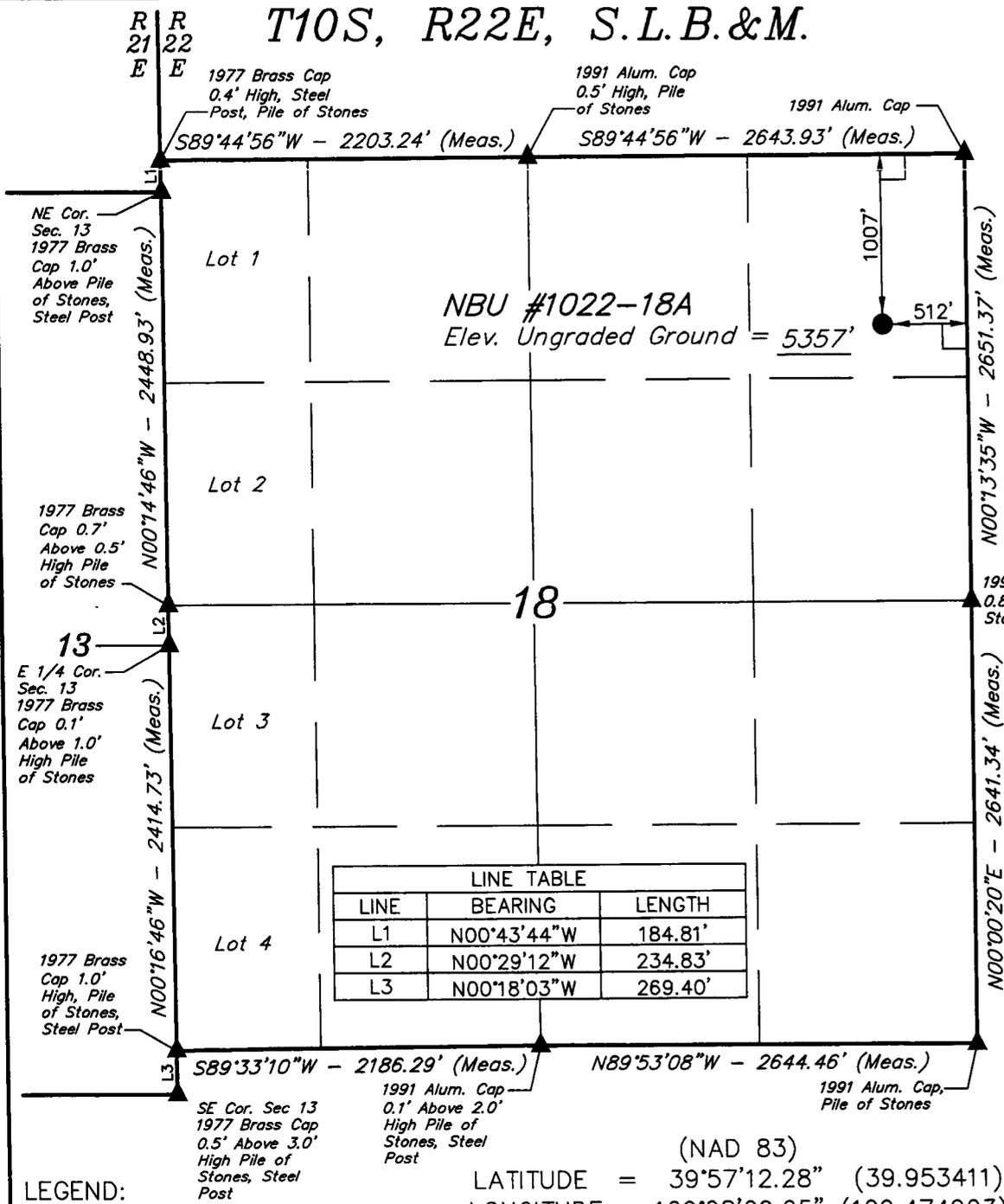
RECEIVED
FEB 02 2007

Date: 02-28-07
By: *[Signature]*
DIV. OF OIL, GAS AND MINING

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

Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1022-18A, located as shown in the NE 1/4 NE 1/4 of Section 18, T10S, R22E, S.L.B.&M. Uintah County, Utah.

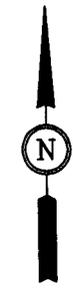


BASIS OF ELEVATION

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, UTAH 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

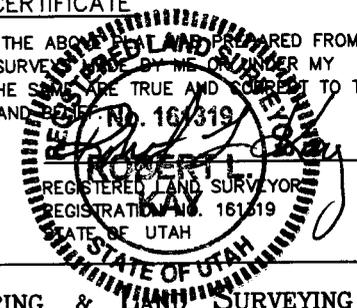
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

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 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: 10-16-06	DATE DRAWN: 10-30-06
PARTY D.K. T.H. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE Kerr-McGee Oil & Gas Onshore LP	

LEGEND:

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

(NAD 83)
LATITUDE = 39°57'12.28" (39.953411)
LONGITUDE = 109°28'29.65" (109.474903)

(NAD 27)
LATITUDE = 39°57'12.40" (39.953444)
LONGITUDE = 109°28'27.19" (109.474219)

NBU 1022-18A
NE/NE SEC. 18, T10S, R22E
UINTAH COUNTY, UTAH
ML-22973

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1327'
Top of Birds Nest Water	1605'
Mahogany	2214'
Wasatch	4443'
Mesaverde	6980'
MVU2	7953'
MVL1	8552'
TD	9080'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1327'
	Top of Birds Nest Water	1605'
	Mahogany	2214'
Gas	Wasatch	4443'
Gas	Mesaverde	6980'
Gas	MVU2	7953'
Gas	MVL1	8552'
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 9080' TD, approximately equals 5630 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3632 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. **Variances:**

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 January 23, 2007
 WELL NAME NBU 1022-18A TD 9,080' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,357' GL KB 5,372'
 SURFACE LOCATION NE/NE SEC. 18, T10S, R22E 1007'FNL, 512'FEL BHL Straight Hole
 Latitude: 39.953411 Longitude: 109.474903
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.

GEOLOGICAL FORMATION		MECHANICAL			
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 4,443' Green River @ 1,327' Top of Birds Nest Water @ 1605' Preset f/ GL @ 2,200' MD					
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
	Mahogany @	2,214'			
Mud logging program TBD Open hole logging program f/ TD - surf csg			7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.5 ppg
	Wasatch @	4,443'			
	Mverde @	6,980'			
	MVU2 @	7,953'			
	MVL1 @	8,552'			
		TD @ 9,080'		Max anticipated Mud required 11.5 ppg	



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 2200	32.30	H-40	STC	0.66*****	1.33	4.08
PRODUCTION	4-1/2"	0 to 9080	11.60	I-80	LTC	2.27	1.17	2.19

- 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 = 11.5 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 3432 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 Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	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	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized 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	3,940'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	430	60%	11.00	3.38
	TAIL	5,140'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1440	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

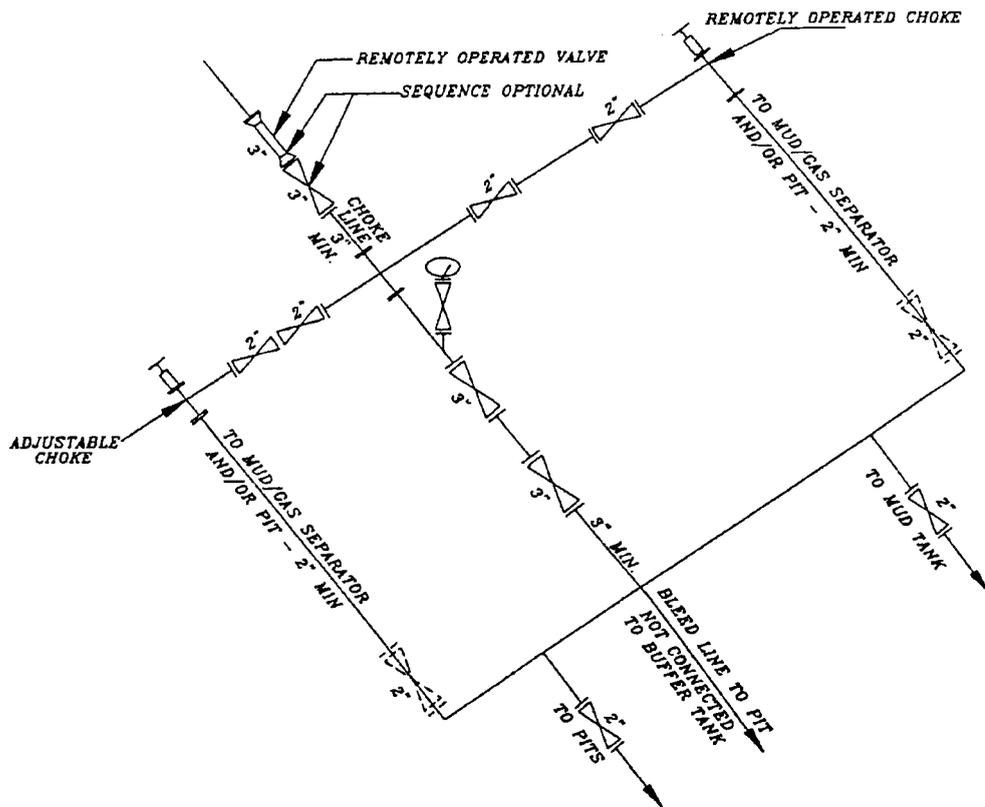
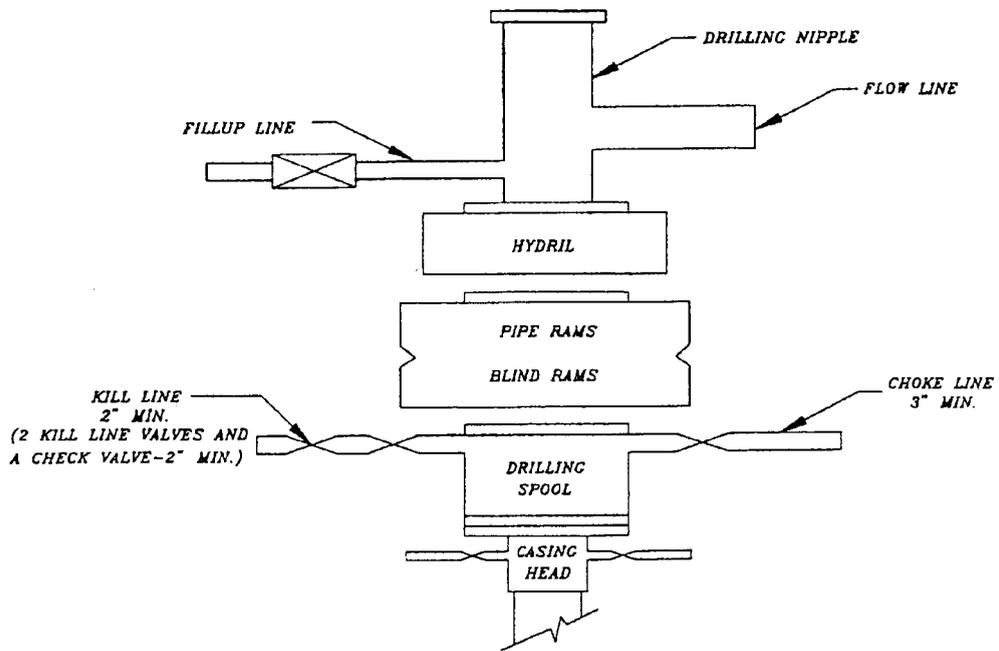
DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**NBU 1022-18A
NE/NE SEC. 18, T10S, R22E
Uintah County, UT
ML-22973**

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

Approximately 170' +/- miles of re-route road is proposed. Refer to Topo Map B.

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

Approximately 950' +/- of 4" steel pipeline is proposed from the location to tie-in to the 6" and 10" pipelines. Refer to Topo Map D.

Approximately 516' +/- of 4" re-route pipeline is proposed from an existing pipeline to go through the location to connect to an existing pipeline. 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
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

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

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

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

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

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

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


Sheila Upchego

1/23/2007
Date

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-18A
SECTION 18, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 200' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 53.7 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18A

LOCATED IN UINTAH COUNTY, UTAH
SECTION 18, T10S, R22E, S.L.B.&M.

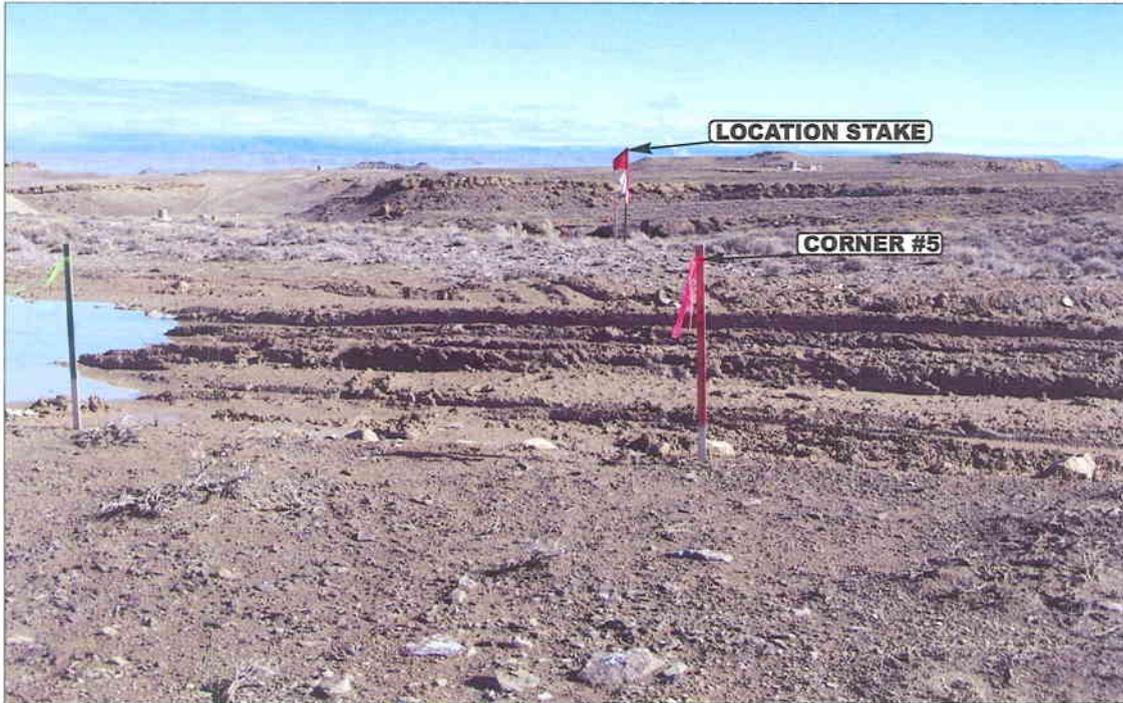


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



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

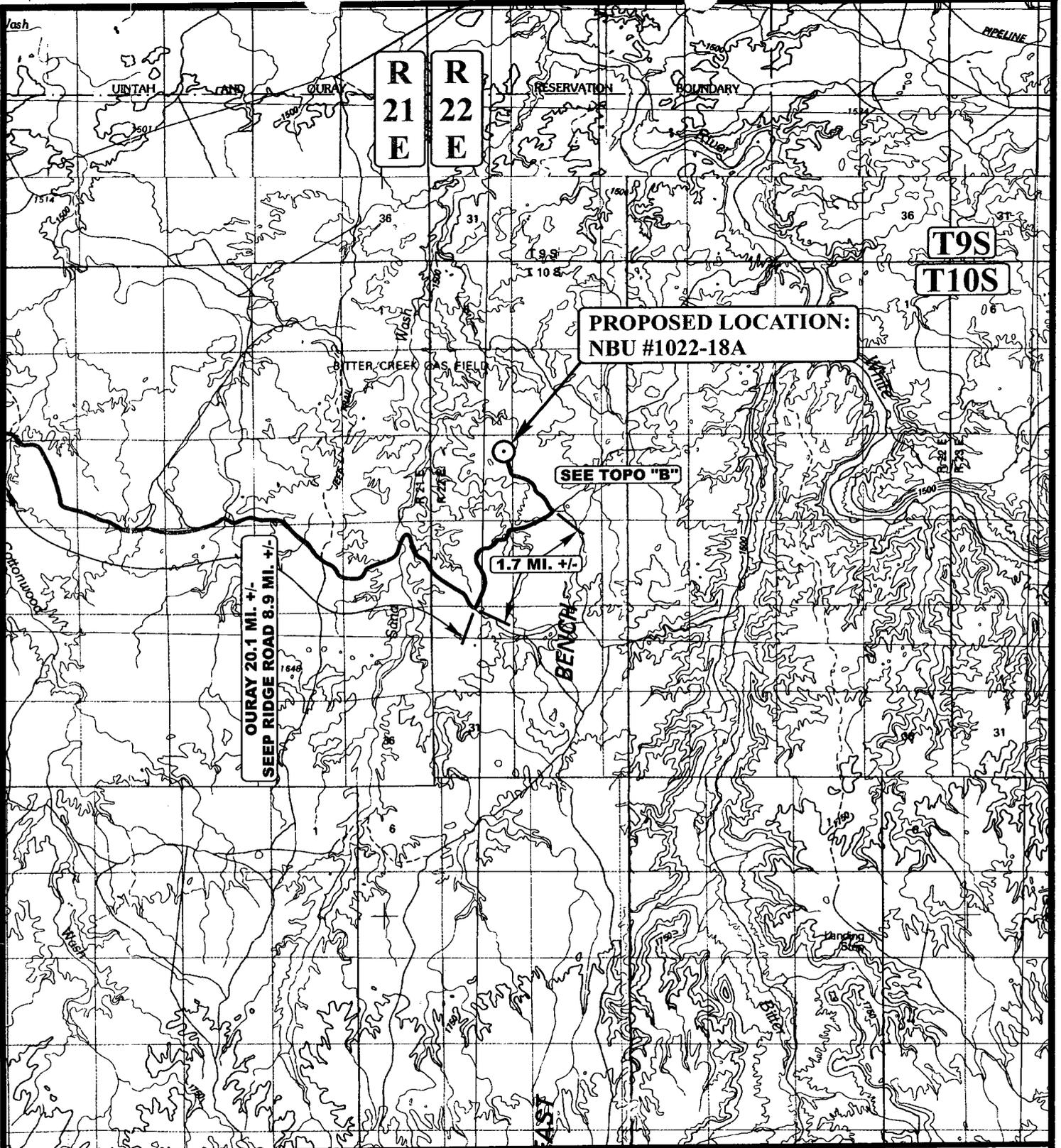
10 25 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

⊙ PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18A
 SECTION 18, T10S, R22E, S.L.B.&M.
 1007' FNL 512' FEL

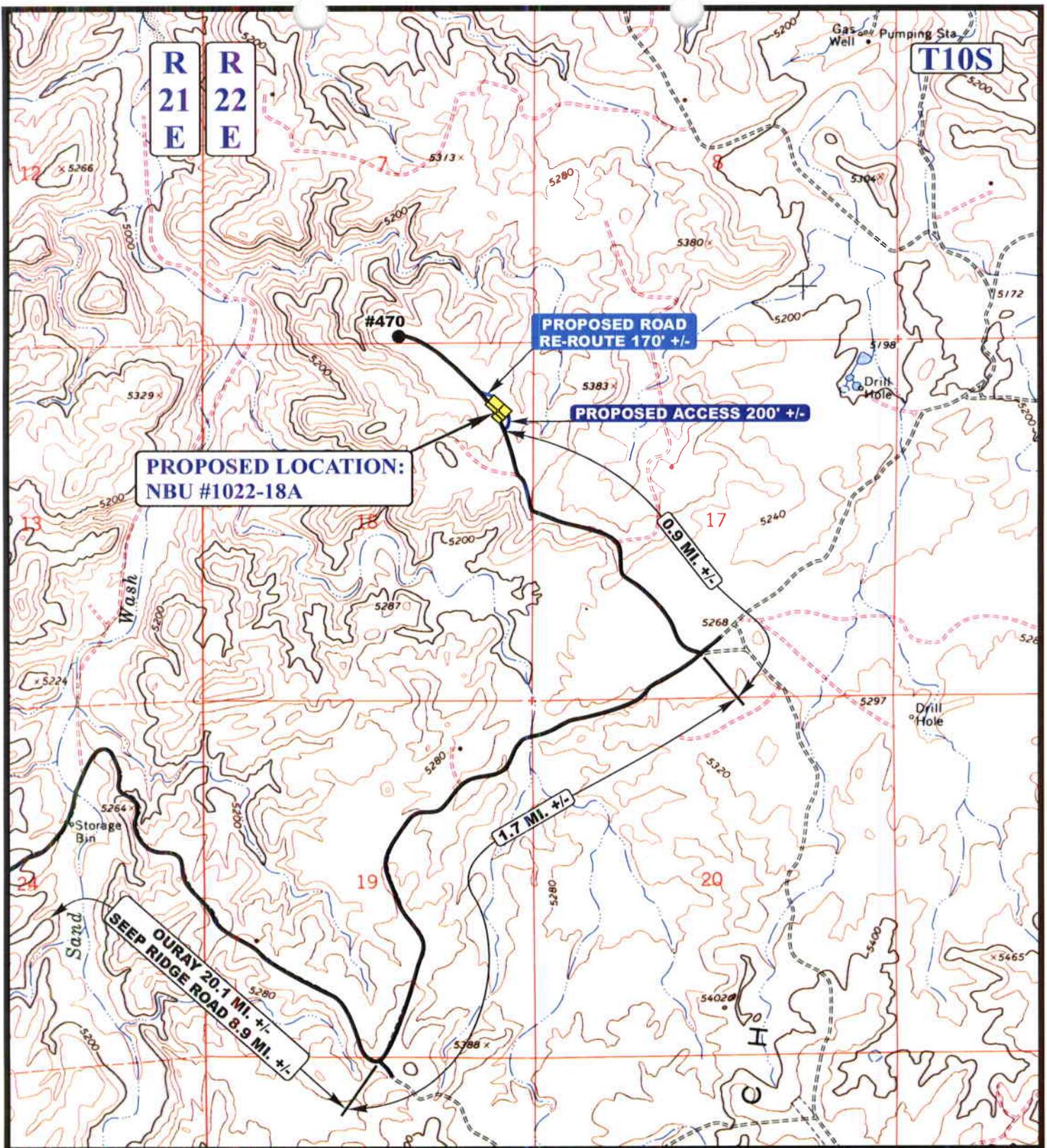


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP
 10 25 06
 MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- PROPOSED ROAD RE-ROUTE

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18A
 SECTION 18, T10S, R22E, S.L.B.&M.
 1007' FNL 512' FEL



Uintah Engineering & Land Surveying
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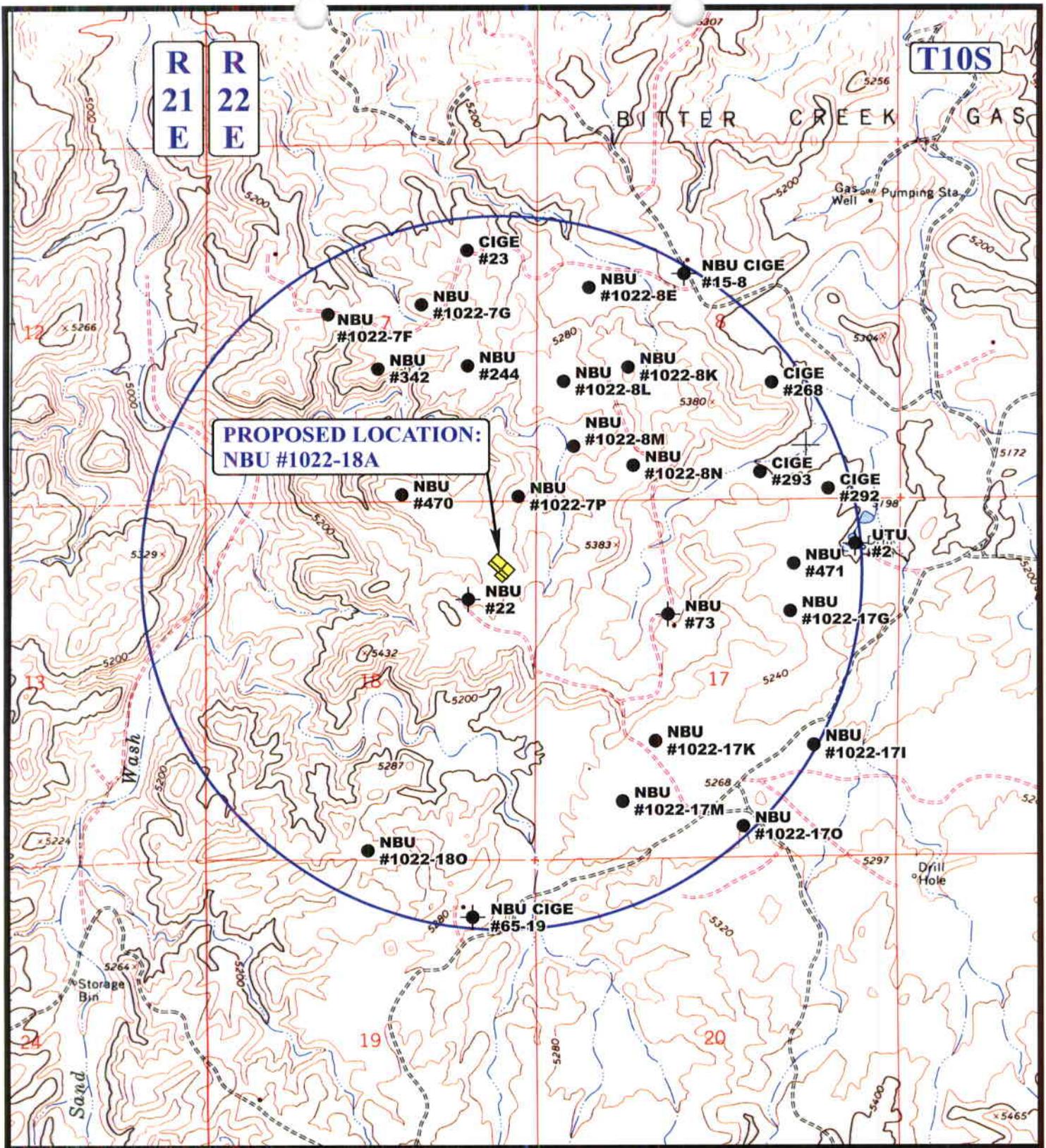


**TOPOGRAPHIC
 MAP**

10 25 06
 MONTH DAY YEAR



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



**PROPOSED LOCATION:
NBU #1022-18A**

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18A
SECTION 18, T10S, R22E, S.L.B.&M.
1007' FNL 512' FEL



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

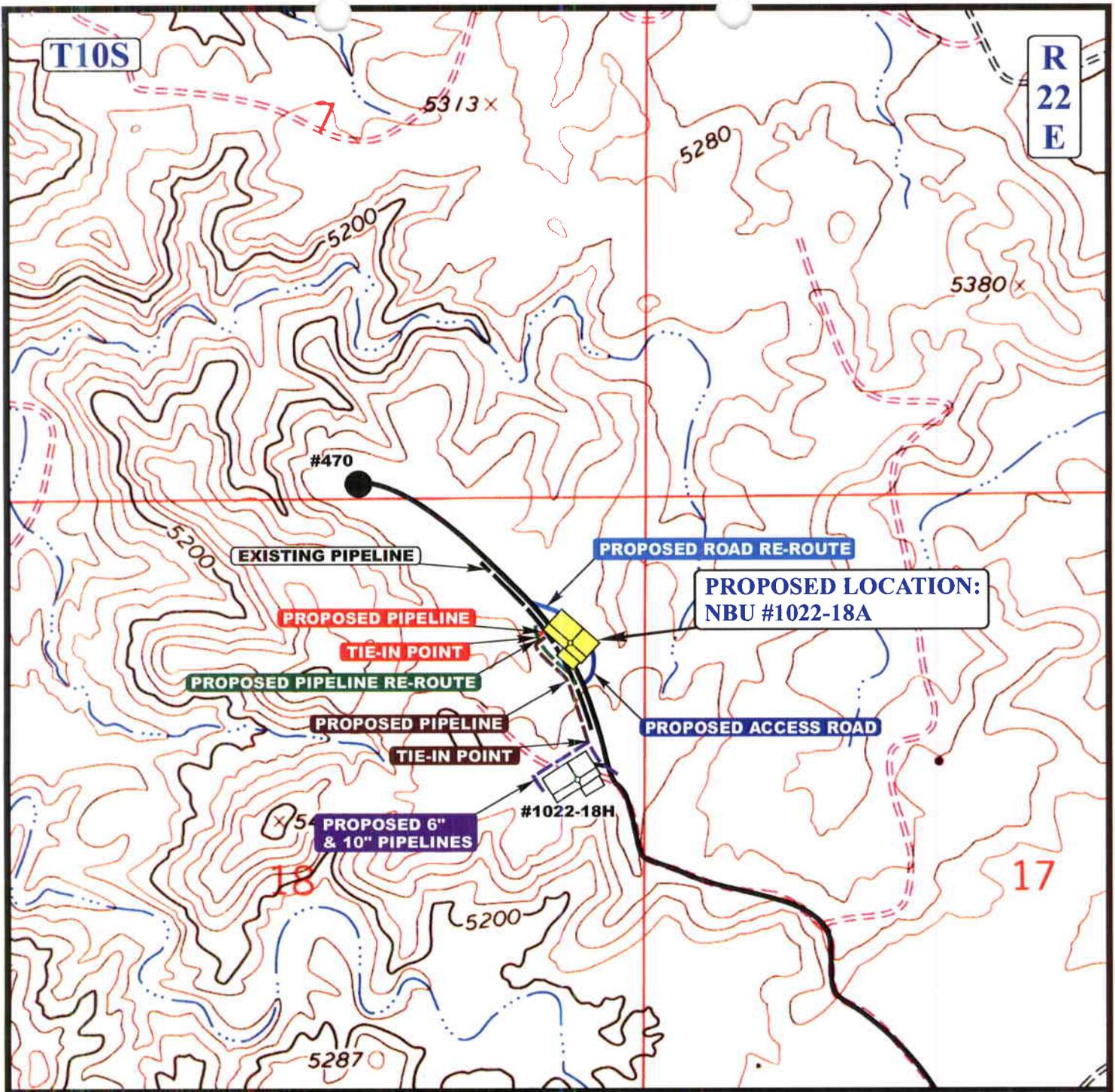


**TOPOGRAPHIC
MAP**

10 25 06
 MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE RE-ROUTE DISTANCE = 516' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE = 950' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE = 37' +/-

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18A
SECTION 18, T10S, R22E, S.L.B.&M.
1007' FNL 512' FEL

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



TOPOGRAPHIC 10 25 06
MAP MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00

D
TOPO

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-18A

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 18, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY

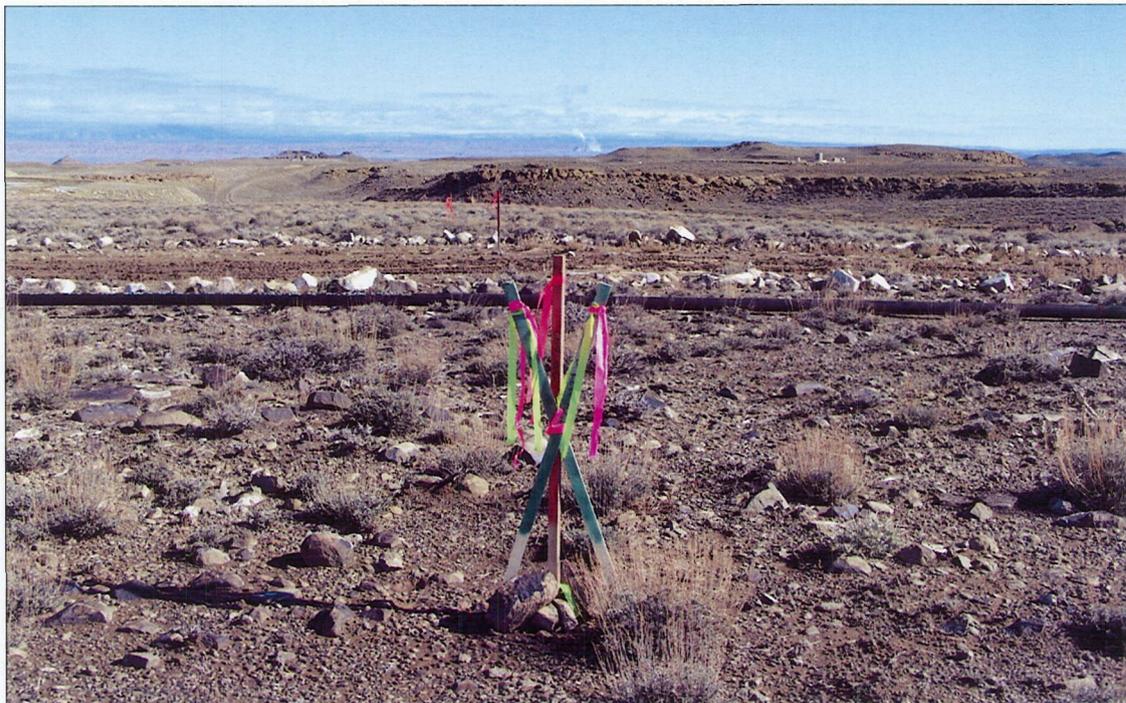


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

PIPELINE PHOTOS

10 **25** **06**
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

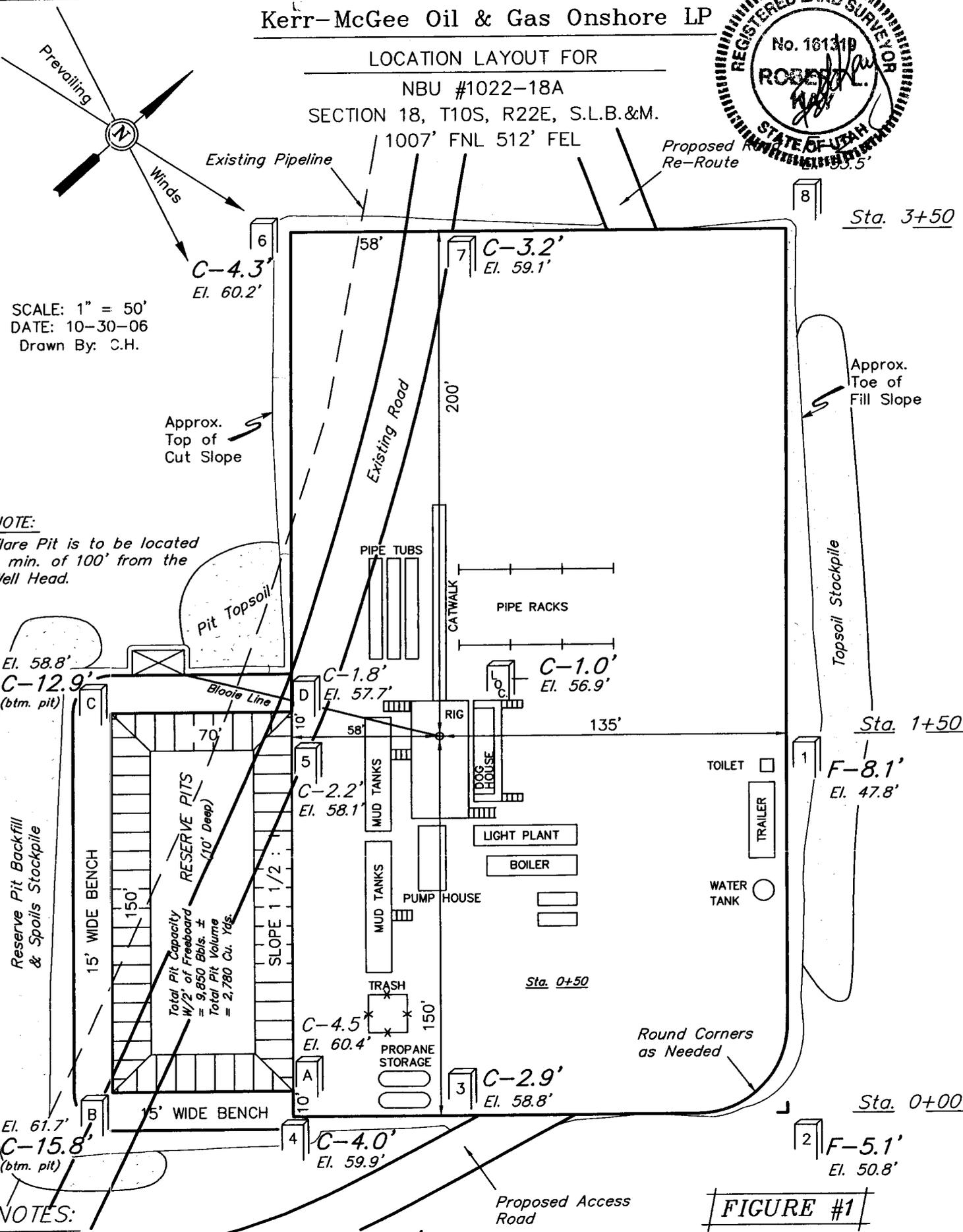
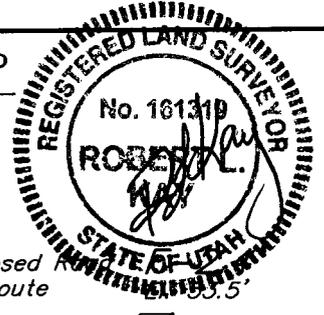
DRAWN BY: C.P.

REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

NBU #1022-18A
SECTION 18, T10S, R22E, S.L.B.&M.



SCALE: 1" = 50'
DATE: 10-30-06
Drawn By: C.H.

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

NOTES:
Elev. Ungraded Ground At Loc. Stake = 5356.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 5355.9'

FIGURE #1

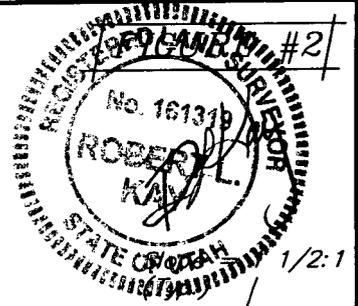
Kerr-McGee Oil & Gas Onshore LP

TYPICAL CROSS SECTIONS FOR

NBU #1022-18A

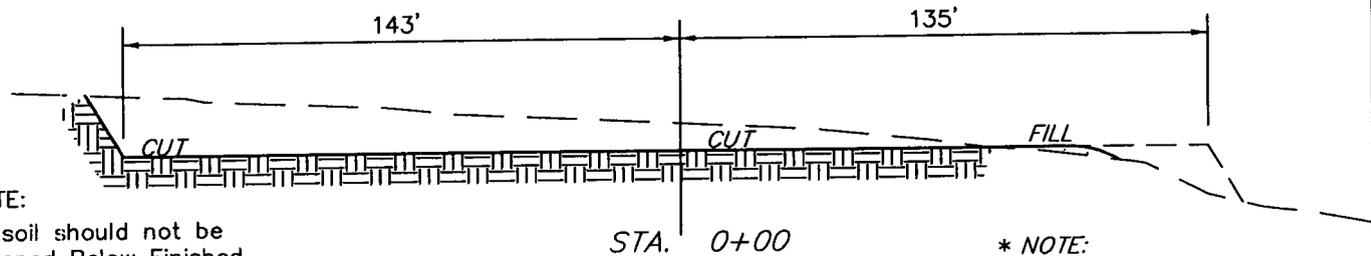
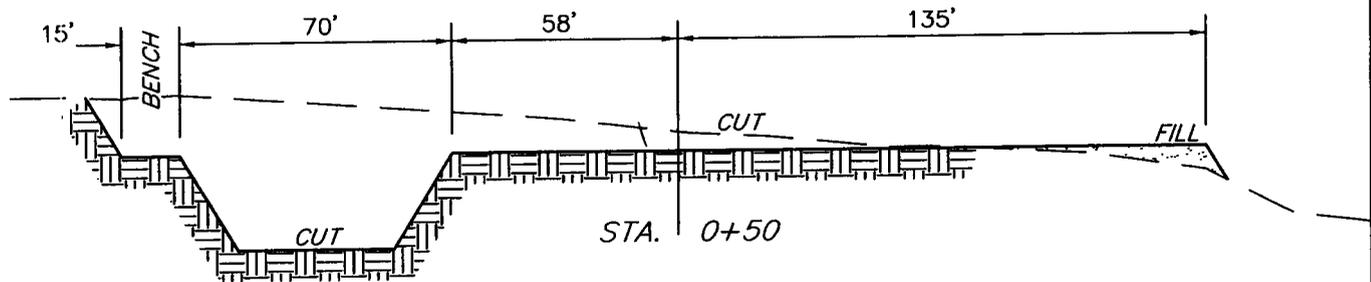
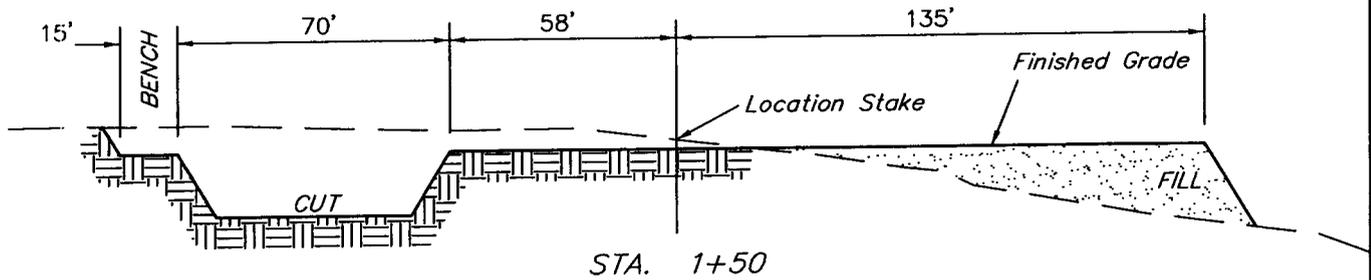
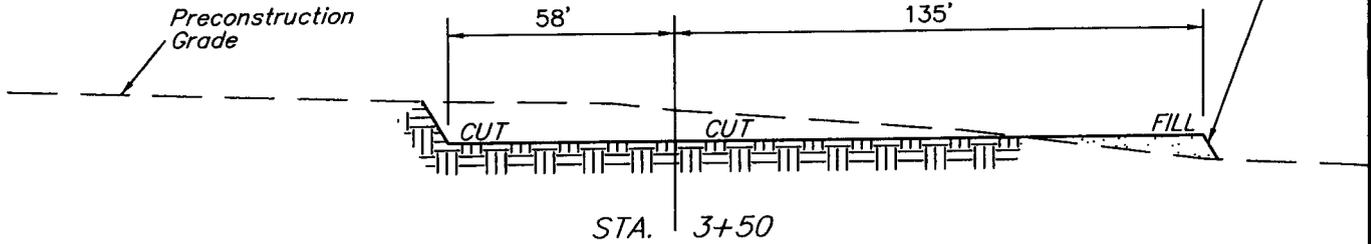
SECTION 18, T10S, R22E, S.L.B.&M.

1007' FNL 512' FEL



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

DATE: 10-30-06
Drawn By: C.H.



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,710 Cu. Yds.
Remaining Location	=	7,890 Cu. Yds.
TOTAL CUT	=	9,600 CU.YDS.
FILL	=	3,230 CU.YDS.

EXCESS MATERIAL	=	6,370 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,100 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	3,270 Cu. Yds.

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/02/2007

API NO. ASSIGNED: 43-047-39030

WELL NAME: NBU 1022-18A

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

NENE 18 100S 220E
 SURFACE: 1007 FNL 0512 FEL
 BOTTOM: 1007 FNL 0512 FEL
 COUNTY: UINTAH
 LATITUDE: 39.95337 LONGITUDE: -109.4742
 UTM SURF EASTINGS: 630340 NORTHINGS: 4423487
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	2/20/07
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-22973

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

- _____ R649-2-3.
- Unit: NATURAL BUTTES
- _____ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- _____ R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' From Qtr/Qtr & 920' Between Wells
- _____ R649-3-11. Directional Drill

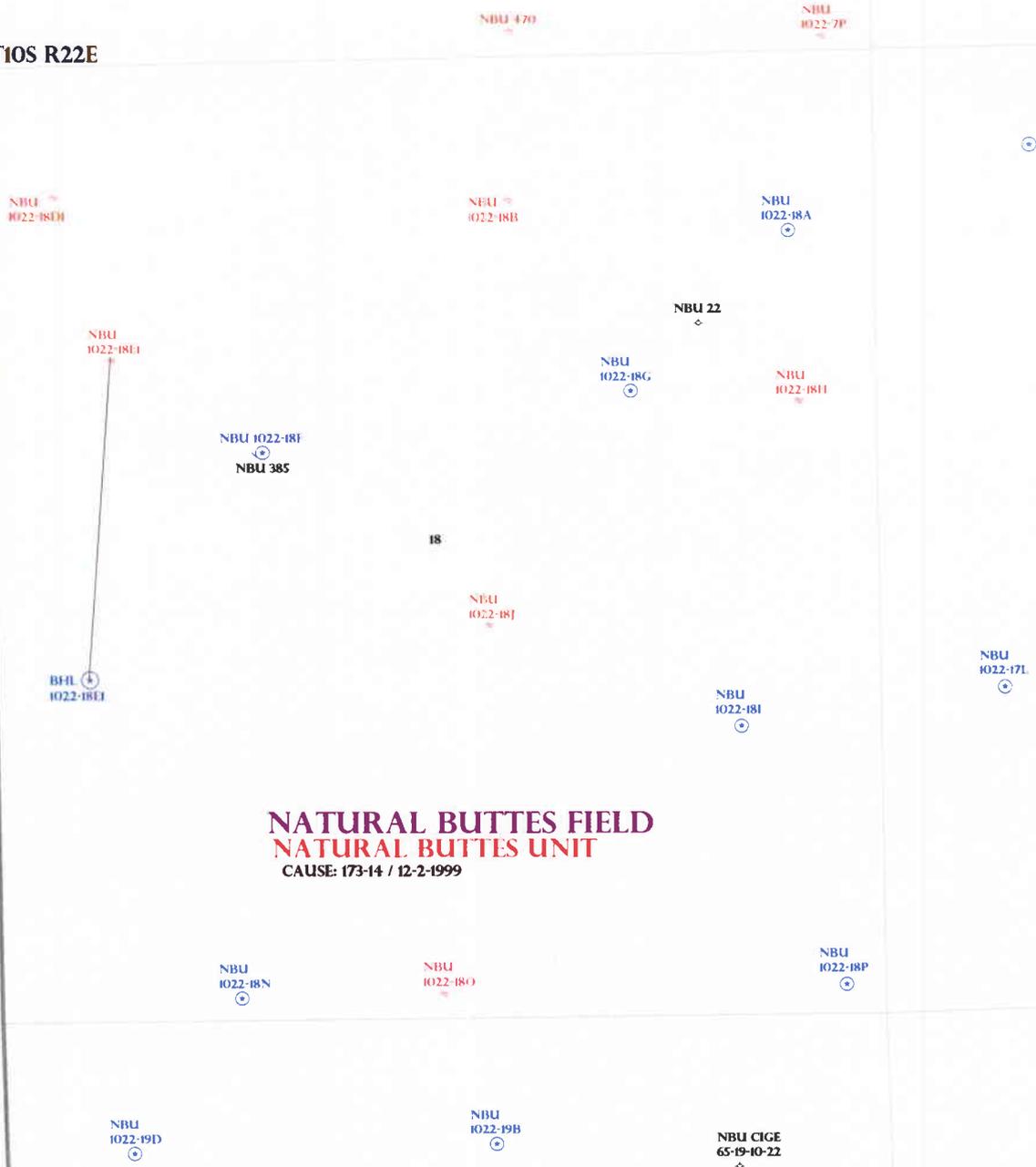
COMMENTS:

Needs Permit (02-14-07)

STIPULATIONS:

- 1- STATEMENT OF BASIS
- 2- OIL SHALE
- 3- Surface Esq Cont Strip

T10S R21E T10S R22E



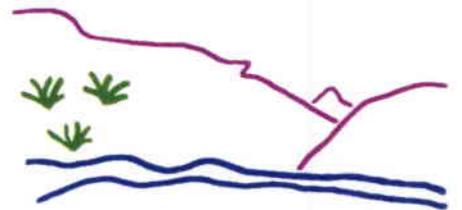
OPERATOR: KERR MCGEE O&G (N2995)

SEC: 18 T.10S R. 221E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

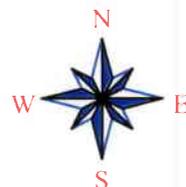


Utah Oil Gas and Mining

- 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



PREPARED BY: DIANA MASON
DATE: 7-FEBRUARY-2007

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

2/22/2007

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
256	43-047-39030-00-00		GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, LP		Surface Owner-APD		
Well Name	NBU 1022-18A		Unit		
Field	UNDESIGNATED		Type of Work		
Location	NENE 18 10S 22E S 0 FL 0 FL GPS Coord (UTM) 630340E 4423487N				

Geologic Statement of Basis

Kerr McGee proposes to set 2,200' 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 5,400'. A search of Division of Water Rights records shows one water well within a 10,000 foot radius of the center of Section 18. The well is located approximately one mile east of the proposed well site. The well is owned by the BLM, has a depth of 1,850 feet, and its listed use is for stock watering. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

2/22/2007
Date / Time

Surface Statement of Basis

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 31 miles from Ouray, UT. All roads are in-place except approximately 200 feet which will be constructed. The existing road runs through the location and will be re-routed.

The NBU 1022-018A proposed gas well is located on the bench between Sand Wash to the west and Bitter Creek to the east. It is on a medium narrow but flat-topped ridge, which has a slight slope to the northeast into a swale. This swale leads into a deeper draw. A deep draw exists immediately east which has exposed sandstone bedrock. No drainage problems exist on the proposed location. The White River is approximately 5 mile down drainage.

Both the surface and minerals are owned by SITLA. Jim Davis represented SITLA at the pre-site investigation. Mr. Davis had no concerns pertaining to this location. The selected location appears to be the best site for drilling and operating a well in the immediate area.

Floyd Bartlett
Onsite Evaluator

2/14/2007
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.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP
Well Name NBU 1022-18A
API Number 43-047-39030-0 **APD No** 256 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NENE **Sec** 18 **Tw** 10S **Rng** 22E 0 FL 0 FL
GPS Coord (UTM) 630330 4423495 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes, Tony Kznick, and Clay Einerson (Kerr McGee), David Kay (Uintah Engineering and Land Surveying), and Ben Williams (UDWR)

Regional/Local Setting & Topography

The general area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 18 miles southeast of Ouray, Utah. Access is by State of Utah Highways, Uintah County and oilfield development roads a distance of 31 miles from Ouray, UT. All roads are in-place except approximately 200 feet which will be constructed.

The NBU 1022-018A proposed gas well is located on the bench between Sand Wash to the west and Bitter Creek to the east. It is on a medium narrow but flat-topped ridge, which has a slight slope to the northeast into a swale. This swale leads into a deeper draw. A deep draw exists immediately east which has exposed sandstone bedrock. No drainage problems exist on the proposed location. The White River is approximately 5 mile down drainage.

Surface Use Plan

Current Surface Use

Grazing
Recreational

New Road

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

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Snow covered the vegetation on the area. Identifiable vegetation consisted of greasewood, shadscale, black sage, halogeton and cheatgrass. Vegetation cover is moderate.

Antelope, sheep during the winter, rabbits, coyotes, and small mammals, birds and raptors.

Soil Type and Characteristics

Moderately deep dandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

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

Characteristics / Requirements

The proposed reserve pit is 70' x 150' x 10' deep located in a cut on the southwest corner of the location. A 20 mil liner with a felt sub-liner is planned by Kerr McGee.

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

Other Observations / Comments

Ben Williams representing the UDWR stated the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Jim Davis of SITLA and Carroll Estes of Kerr McGee a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the location.

The area was covered with snow. ATV's were used to access the site.

Floyd Bartlett
Evaluator

2/14/2007
Date / Time

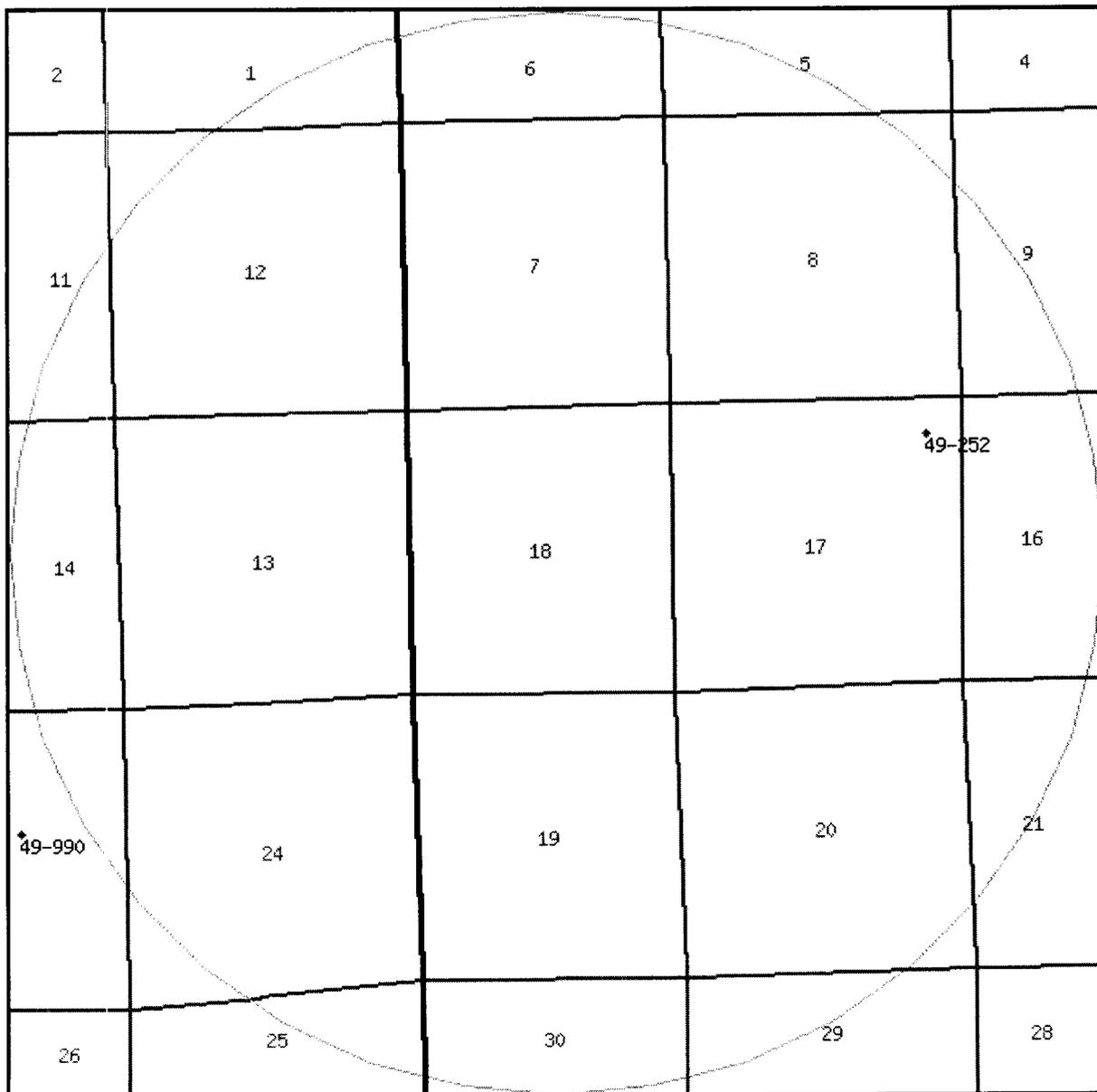
[utah gov](#)
[Online Services](#)
[Agency List](#)
[Business](#)
[Google](#)

Utah Division of Water Rights

WRPLAT Program Output Listing

Version: 2006.11.17.00 Rundate: 02/22/2007 01:32 PM

Radius search of 10000 feet from a point N2640 E2640 from the SW corner, section 18, Township 10S, Range 22E, SL b&m Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner
<u>49-252</u>	Underground S660 W660 NE 17 10S 22E SL		P	19640613	S	0.022	0.000	VERNAL DISTRICT OF LAND MANAGEI 170 SOUTH 500 EAS
<u>49-990</u>	Underground S2300 W1900 NE 23 10S 21E SL		P	19820330	O	0.015	0.000	TARGET TRUCKINC 1409 SOUTH 1500 EA

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic

BHP $0.052(9080)11.5 = 5430 \text{ psi}$
anticipate 5630 psi

Gas $.12(9080) = 1090$
 $5430 - 1090 = 4340 \text{ psi, MASP}$

BOPPE 5M ✓
9-5/8" MW 8.4
Frac 19.3

Burst 2270
70% = 1589 psi

Max P @ Surf shoe
 $.22(6880) = 1514$
 $5430 - 1514 = 3916 \text{ psi}$
test to 1589 psi ✓
Strip surf cnt ✓

✓ Adequate MD 2/20/07



4-1/2" MW 11.5

12%
18%
TOC @ 0.

Uinta

1201' TOC w/o % w/o
1327' Green River

1605' Birds Nest Water
TOC @ 1707.

Option 1 - top out

2214' Surface Mahogany s.o.
2200. MD

4443' Wasatch ✓

5400' ± BMSW

6980' Mesaverde

7953' MV U2

8552' MV L1

Production 9080. MD

Well name:	2007-02 Kerr McGee NBU 1022-18A	
Operator:	Kerr McGee Oil & Gas Onshore L.P.	
String type:	Surface	Project ID: 43-047-39030
Location:	Uintah County, Utah	

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 106 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,400 ft

Cement top: 1,707 ft

Burst

Max anticipated surface pressure: 1,936 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,200 psi

No backup mud specified.

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: 1,929 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 9,080 ft
Next mud weight: 11.500 ppg
Next setting BHP: 5,424 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,200 ft
Injection pressure: 2,200 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	2200	9.625	32.30	H-40	ST&C	2200	2200	8.876	972.1
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	960	1370	1.427	2200	2270	1.03	62	254	4.08 J

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

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

Date: February 26, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2200 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.

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

Well name:	2007-02 Kerr McGee NBU 1022-18A		
Operator:	Kerr McGee Oil & Gas Onshore L.P.		
String type:	Production	Project ID:	43-047-39030
Location:	Uintah County, Utah		

Design parameters:

Collapse
Mud weight: 11.500 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 202 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst
Max anticipated surface pressure: 3,427 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,424 psi

No backup mud specified.

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)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 7,519 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9080	4.5	11.60	I-80	LT&C	9080	9080	3.875	792.4

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	5424	6360	1.172	5424	7780	1.43	87	212	2.43 J

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

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

Date: February 26, 2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 9080 ft, a mud weight of 11.5 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.

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)

February 7, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2007 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 2007 within the Natural Buttes Unit, Uintah County, Utah.

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

(Proposed PZ Wasatch/MesaVerde)

43-047-39004	NBU 1021-19C	Sec. 19 T. 10S R. 21E 0620 FNL 1904 FWL
43-047-39005	NBU 1021-19D	Sec. 19 T. 10S R. 21E 0637 FNL 0755 FWL
43-047-39006	NBU 1021-19E	Sec. 19 T. 10S R. 21E 2146 FNL 0879 FWL
43-047-39007	NBU 1021-19K	Sec. 19 T. 10S R. 21E 2181 FSL 2092 FWL
43-047-39008	NBU 1021-19N	Sec. 19 T. 10S R. 21E 0462 FSL 1845 FWL
43-047-39009	NBU 1021-29L	Sec. 29 T. 10S R. 21E 1398 FSL 0190 FWL
43-047-39010	NBU 1021-29O	Sec. 29 T. 10S R. 21E 0615 FSL 2115 FEL
43-047-39011	NBU 1021-29N	Sec. 29 T. 10S R. 21E 0250 FSL 1764 FWL
43-047-39012	NBU 1021-29J	Sec. 29 T. 10S R. 21E 1532 FSL 2192 FEL
43-047-39013	NBU 1021-29K	Sec. 29 T. 10S R. 21E 1804 FSL 2143 FWL
43-047-39014	NBU 1021-29I	Sec. 29 T. 10S R. 21E 2060 FSL 0962 FEL
43-047-39015	NBU 1021-29G	Sec. 29 T. 10S R. 21E 2090 FNL 1960 FEL
43-047-39016	NBU 1021-29F	Sec. 29 T. 10S R. 21E 1718 FNL 1529 FWL
43-047-39017	NBU 1021-29E	Sec. 29 T. 10S R. 21E 2635 FNL 1010 FWL
43-047-39018	NBU 1021-29C	Sec. 29 T. 10S R. 21E 0476 FNL 2501 FWL
43-047-39019	NBU 1021-29A	Sec. 29 T. 10S R. 21E 0170 FNL 0627 FEL
43-047-39020	NBU 1021-30I	Sec. 30 T. 10S R. 21E 2131 FSL 0387 FEL
43-047-39021	NBU 1021-30J	Sec. 30 T. 10S R. 21E 1901 FSL 1827 FEL
43-047-39022	NBU 1021-30K	Sec. 30 T. 10S R. 21E 1398 FSL 2686 FWL
43-047-39023	NBU 1021-30L	Sec. 30 T. 10S R. 21E 1602 FSL 0980 FWL
43-047-39024	NBU 1021-30M	Sec. 30 T. 10S R. 21E 0612 FSL 0462 FWL

Page 2

43-047-39025 NBU 1021-30N Sec. 30 T. 10S R. 21E 0942 FSL 1876 FWL
43-047-39026 NBU 1021-32A Sec. 32 T. 10S R. 21E 0646 FNL 0955 FEL
43-047-39027 NBU 1021-32B Sec. 32 T. 10S R. 21E 0837 FNL 2117 FEL
43-047-39028 NBU 1021-32C Sec. 32 T. 10S R. 21E 0664 FNL 1840 FWL
43-047-39029 NBU 1021-32F Sec. 32 T. 10S R. 21E 1909 FNL 2165 FWL
43-047-39001 NBU 1021-01G Sec. 01 T. 10S R. 21E 2660 FSL 1765 FEL
43-047-39002 NBU 1021-01O Sec. 01 T. 10S R. 21E 0245 FSL 2619 FEL
43-047-39003 NBU 1021-01P Sec. 01 T. 10S R. 21E 0888 FSL 1309 FEL
43-047-39030 NBU 1022-18A Sec. 18 T. 10S R. 22E 1007 FNL 0512 FEL
43-047-39031 NBU 1022-24I Sec. 24 T. 10S R. 22E 2045 FSL 1166 FEL
43-047-39032 NBU 1022-25B Sec. 25 T. 10S R. 22E 0403 FNL 1971 FEL
43-047-39033 NBU 1022-25H Sec. 25 T. 10S R. 22E 2604 FNL 0825 FEL

Our records indicate the NBU 1022-25H is closer than 460 feet from the Natural Buttes Unit boundary (approximately 36 feet).

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard

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

MCoulthard:mc:2-7-07

From: Ed Bonner
To: Mason, Diana
Date: 2/27/2007 8:48 AM
Subject: Well Clearance

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

Kerr McGee Oil & Gas Onshore LP
NBU 1021-19C (API 43 047 39004)
NBU 1021-19D (API 43 047 39005)
NBU 1021-19E (API 43 047 39006)
NBU 1021-19K (API 43 047 39007)
NBU 1021-19N (API 43 047 39008)
NBU 1022-18A (API 43 047 39030)

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



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 28, 2007

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

Re: Natural Buttes Unit 1022-18A Well, 1007' FNL, 512' FEL, NE NE, Sec. 18,
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 43-047-39030.

Sincerely,

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 1022-18A
API Number: 43-047-39030
Lease: ML-22973

Location: NE NE Sec. 18 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 action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

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

- Dan Jarvis at: (801) 538-5338 office
(801) 733-0983 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
(801) 733-0983 home

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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, LP

Well Name: NBU 1022-18A

Api No: 43-047-39030 Lease Type: STATE

Section 18 Township 10S Range 22E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # RATHOLE

SPUDDED:

Date 08/15/07

Time 10:00 AM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 08/16/07 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738227	BONANZA 1023-10G		SWNE	10	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>A</i>	99999	<i>16315</i>	8/15/2007			<i>8/28/07</i>	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 08/15/2007 AT 1200 HRS							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43047- <i>39030</i>	NBU 1022-18A		NENE	18	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>B</i>	99999	<i>3900</i>	8/15/2007			<i>8/28/07</i>	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 08/15/2007 AT 1000 HRS							

Well 3

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

ACTION CODES:

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

SHEILA UPCHEGO

Name (Please Print) _____
Sheila Upchego
 Signature _____
 SENIOR LAND SPECIALIST 8/16/2007
 Title _____ Date _____

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AUG 16 2007

(5/2000)

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 1022-18A
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		9. API NUMBER: 4304739030
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1007'FNL, 512'FEL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 18 10S 22E		COUNTY: UINTAH
		STATE: UTAH

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

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

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 08/15/2007 AT 1000 HRS.

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE	DATE <u>8/16/2007</u>

(This space for State use only)

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AUG 20 2007
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		8. WELL NAME and NUMBER: NBU 1022-18A
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		9. API NUMBER: 4304739030
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1007'FNL, 512'FEL		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 18 10S 22E		COUNTY: UINTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input 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>SET SURFACE CSG</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.

MIRU BILL MARTIN AIR RIG ON 08/25/2007. DRILLED 12 1/4" SURFACE HOLE TO 2280'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TAILED CMT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT. TOP OUT W/300 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE. HOLE STAYED FULL.

WORT

RECEIVED
SEP 04 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE	DATE <u>8/30/2007</u>

(This space for State use only)

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML 22973
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: NBU 1022-18A
2. NAME OF OPERATOR: KERR-McGEE OIL & GAS ONSHORE LP			9. API NUMBER: 4304739030
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: 1007'FNL-512'FEL		COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 18 10S 22E		STATE: UTAH	

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

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

FINISHED DRILLING FROM 2280' TO 9115 ON 9/21/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/326SX PREM LITE II @ 11.0 PPG 3.38 YLD. TAILED CMT W/1200 SX 50/50 POZ @ 14.3 PPG 1.3 YLD. DISPLACE W/140.6 BBLS OF FRESH WATER. 10 BBLS OF LEAD CMT TO SURFACE. FULL RETURNS THROUGH OUT JOB. FINAL LIFT PRESSURE 2550, BUMP PLUG W/3185 PSI, FLOAT HELD, LAND CSG, FLUSH STACK, RIG DOWN BJ, NIPPLE DOWN. CLEAN PITS. RELEASE RIG 53 22:00 09/22/2007.

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

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE	DATE _____

(This space for State use only)

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1007'FNL, 512'FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 18 10S 22E		8. WELL NAME and NUMBER: NBU 1022-18A
		9. API NUMBER: 4304739030
		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH
		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>PRODUCTION START-UP</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 SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 12/07/2007 AT 10:15 AM.
 PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
DEC 14 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 12/11/2007

(This space for State use only)



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

CHRONOLOGICAL WELL HISTORY

NBU 1022-18A

NENE, SEC. 18, T10S, R22E
 UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
08/02/07	LOCATION STARTED PIONEER 53	
08/14/07	LOCATION COMPLETE PIONEER 53	P/L IN, WOBR
08/15/07	SET CONDUCTOR PIONEER 53	WOAR
08/30/07	9 5/8" @ 2264' PIONEER 53	WORT
09/12/07	TD: 2280' Csg. 9 5/8" @ 2264' MW: 8.4 Move to NBU 1022-18A. Spot rig and SDFN.	SD: 9/XX/07 DSS: 0
09/13/07	TD: 2280' Csg. 9 5/8" @ 2264' MW: 8.4 Spot rig and RURT.	SD: 9/XX/07 DSS: 0
09/14/07	TD: 2280' Csg. 9 5/8" @ 2264' MW: 8.4 Rig maintenance and RURT. NU and test BOPE. PU BHA @ report time.	SD: 9/XX/07 DSS: 0
09/17/07	TD: 7100' Csg. 9 5/8" @ 2264' MW: 10.1 Finish PU DS. Drill cmt and FE. Rotary spud @ 1430 on 9/14/07. Drill f/ 2280'-7100'. DA.	SD: 9/14/07 DSS: 3
09/18/07	TD: 7490' Csg. 9 5/8" @ 2264' MW: 10.3 Drill f/ 7100'-7490'. TFNB. LD IBS, c/o bits, and TIH @ report time.	SD: 9/14/07 DSS: 4
09/19/07	TD: 8463' Csg. 9 5/8" @ 2264' MW: 11.0 FIH. Drill f/ 7490'-8463'. DA @ report time.	SD: 9/14/07 DSS: 5
09/20/07	TD: 8921' Csg. 9 5/8" @ 2264' MW: 11.0 Drill f/ 8463'-8921'. DA @ report time.	SD: 9/14/07 DSS: 6
09/21/07	TD: 9115' Csg. 9 5/8" @ 2264' MW: 11.2 Drill f/ 8921'-9051'. Extended TD. TFNB. Tight hole f/ 2900'-3400'. TIH and drill to 9115'. CCH for prep to LDDP @ report time.	SD: 9/14/07 DSS: 7
09/24/07	TD: 9115' Csg. 9 5/8" @ 2264' MW: 11.5 Short trip and LDDS. Run Triple Combo. Run and cement 4 1/2" Production Casing. Set slips and release rig @ 2200 hrs 9/22/07. RDRT and move to NBU 1022-19B.	SD: 9/14/07 DSS: 9
11/26/07	C/O Days On Completion: 1 Remarks: 7:00AM: HSM, RU, PREP TBG., MAKE UP 3 7/8" MILL ON 2 3/8" TBG., TALLY, PU & RUN 277 JTS., TAG UP @ 9024', RU POWER SWIVEL, BREAK CIRCULATION, DRILL HARD CEMENT TO 9075', GOT BACK SOME FINE RUBBER & A COUPLE PIECES WIRE.	

CIRCULATE HOLE CLEAN, RACK OUT PS, LAY DOWN 29 JTS. CLOSE IN WELL & SDFN
5:00PM:

11/27/07

PERF STAGE 1

Days On Completion: 2

Remarks: 7:00 A.M. HSM 0# SICP. POOH W/ TBG F/ 8170'. L/D BIT & BIT SUB. ND BOPE. NU FRAC VALVES. MIRU CUTTERS. P/U CBL/CCL/GR LOG TOOLS & RIH. LOG WELL F/ PBTD (9087' W.L.) TO 500'. POOH L/D LOG TOOLS. MIRU B&C QUICK TST. FILL CSG & PSI TST CSG & FRAC VLV'S TO 7500# (HELD). RDMO B&C. P/U 3 3/8" EXP PERF GUNS LOADED W/ 23 GM CHARGES. 4 SPF. 90 DEG PHASING & RIH. SHOOT 20 HOLES F/ 9057' - 62', P/U SHOOT 12 HOLES F/ 9022' - 25', P/U SHOOT 8 HOLES F/ 8974' - 76'. POOH. PREP TO FRAC IN A.M. SWI. SDFN

11/28/07

PERF & FRAC

Days On Completion: 3

Remarks: 7:00 A.M. HSM MIRU WEATHERFORD FRAC SVC. MIRU CUTTERS. FILL & PSI TST LINES TO 8500# (HELD). PREP TO FRAC ALL STAGES WERE SHOT W/ 3 3/8" EXP PERF GUNS LOADED W/ 23 GM CHARGES, 3 & 4 SPF, 90 & 120 DEG PHASING. ALL STAGES INCLUDE DVE-005 SCALE INHIB, 3 GPT ON PAD & 1/2 OF RAMP, 10 GPT IN FLUSH. ALL STAGES INCLUDE NALCO BOICIDE .5 GPT IN ALL FLUID. ALL STAGES INCLUDE ZETAFLW IN ALL SAND LADEN FLUID, 3 GPT IN 1ST RAMP 6 GPT IN 2ND RAMP.

STG 1: BRK DWN PERF'S @ 3215#, EST INJ RT @ 48.8 BPM @ 4600#, ISIP 2597#, FG .73, TREAT STG 1 W/ 20,500# SAND W/ SLK WTR. TOT CL FL 816 BBLS. ISIP 2662#, NPI 65#, FG .73

STG 2: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8732', P/U SHOOT 16 HOLES F/ 8692' - 96', P/U SHOOT 8 HOLES F/ 8636' - 38', PU SHOOT 4 HOLES F/ 8576' - 77', P/U SHOOT 8 HOLES F/ 8526' - 28', P/U SHOOT 9 HOLES F/ 8479' - 82' (3 SPF). POOH. BRK DWN PERF'S @ 3513#, EST INJ RT @ 50.4 BPM @ 4750#, ISIP 2643#, FG .75, TREAT STG 2 W/ 89680# SAND W/ SLK WTR. TOT CL FL 2484 BBLS. ISIP 2848#, NPI 205#, FG .77

STG 3: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8320'. P/U SHOOT 20 HOLES F/ 8285' - 90', P/U SHOOT 12 HOLES F/ 8215' - 18', P/U SHOOT 6 HOLES F/ 8184' - 86' (3 SPF), P/U SHOOT 8 HOLES F/ 8125' - 27', POOH, BRK DWN PERF'S @ 4186#, EST INJ RT @ 49.4 BPM @ 4630#, ISIP 2750#, FG .77, TREAT STG 3 W/ 31,360# SAND W/ SLK WTR. TOT CL FL 959 BBLS. ISIP 2533, NPI -217#, FG .75

STG 4: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 8037', P/U SHOOT 20 HOLES F/ 8002' - 07', P/U SHOOT 9 HOLES F/ 7934' - 37' (3 SPF), P/U SHOOT 16 HOLES F/ 7890' - 94'. POOH. BRK DWN PERF'S @ 7360#, EST INJ RT @ 50.6 BPM @ 5000#, ISIP 2024#, FG .69, TREAT STG 4 W/ 54,480# SAND W/ SLK WTR. TOT CL FL 1471 BBLS, ISIP 2436#, NPI 412#, FG .74

STG 5: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 7795', PLUG SET BUT WOULD NOT SHEER OFF. WORK LINE BEGIN @ 2000#, WORK UP IN 200# INC. TO 5500#. PULL OUT OF ROPE SOCKET. RDMO CUTTERS. PREP FOR FISH IN A.M. SWI. SDFN

11/29/07

Fish

Days On Completion: 4

Remarks: 7:AM HSM. OPEN WELL. ND FRAC VALVES. NU BOP. PU 37/8" OVERSHOT W/ 31/8" GRAPPEL. JARS, BUMPER SUB. RIH W/ 23/8" N-80 TBG. 247 JTS. TAG FISH TOP. WORK TBG, GOT LATCHED ON. SET JARS OFF 2 TIMES. THOUGHT TO HAVE FISH. POOH W/ 23/8" TBG & FISHING BHA. NO FISH. GRAPPLE SHOWED FISH TO BE IN TOOL, BUT

PULLED OUT. PU 1 7/16' GRAPPLE IN 3 7/8" OVERSHOT, RIH W/ JAR & BUMPER SUB. RIH W/ 23/8" TBG, 247 JTS. LATCH ONTO FISH. JAR 8000# OVER 6 TIMES. THOUGHT TO HAVE FISH. POOH W/ 23/8" TBG, FISHING TOOLS & FISH. ND BOP, NU FRAC VALVES. PRES TEST FRAC VALVES. RU WIRELINE RIH & PERF 7619-24', 7760-65', 4SPF, 40 HOLES. SWI 6:30PM

11/30/07

Perf & Frac

Days On Completion: 5

Remarks: 7:00 A.M. HSM PSI TST LINES TO 8500# (HELD). CONT TO FRAC

STG 5: BRK DWN PERF'S @ 4097#, EST INJ RT @ 50.3 BPM @ 4860#, ISIP 2003#, FG .70, TREAT STG 5 W/ 28,500# SAND W/ SLK WTR. TOT CL FL 861 BBLS. ISIP 2779#, NPI 776#, FG .80

STG 6: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 7493', P/U SHOOT 6 HOLES F/ 7461' - 63' (3 SPF), P/U SHOOT 12 HOLES F/ 7432' - 35', P/U SHOOT 8 HOLES F/ 7338' - 40', P/U SHOOT 6 HOLES F/ 7272' - 74' (3 SPF), P/U SHOOT 12 HOLES F/ 7238' - 41', POOH. BRK DWN PERF'S @ 3202#, EST INJ RT @ 50.4 BPM @ 5400#, ISIP 2268#, FG .75, TREAT STG 6 W/ 30,630# SAND W/ SLK WTR. TOT CL FL 898 BBLS. ISIP 2937, NPI 669#, FG .84

STG 7: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 7191', P/U SHOOT 8 HOLES F/ 7159' - 61', P/U SHOOT 12 HOLES F/ 7107' - 10', P/U SHOOT 16 HOLES F/ 7050' - 54', P/U SHOOT 4 HOLES F/ 6908' - 09', P/U SHOOT 6 HOLES F/ 6836' - 38' (3 SPF). POOH. BRK DWN PERF'S @ 1915#, EST INJ RT @ 51 BPM @ 3600#, ISIP 1283#, FG .62, TREAT STG 7 W/ 151,250# SAND W/ SLK WTR. TOT CL FL 3790 BBLS. ISIP 2252#, NPI 969#, FG .76

STG 8: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 6314', P/U SHOOT 12 HOLES F/ 6281' - 84', P/U SHOOT 16 HOLES F/ 6195' - 99', P/U SHOOT 16 HOLES F/ 6056' - 60'. POOH. BRK DWN PERF'S @ 1950#, EST INJ RT @ 51 BPM @ 3150#, ISIP 1490#, FG .68, TREAT STG 8 W/ 38,600# SAND W/ SLK WTR. TOT CL FL 1065 BBLS. ISIP 1955#, NPI 465#, FG .75

STG 9: P/U 3 3/8" PERF GUNS & 4 1/2" BAK 8K CBP & RIH. SET CBP @ 6314', P/U SHOOT 16 HOLES F/ 5280' - 84', P/U SHOOT 24 HOLES F/ 5014' - 20', POOH. BRK DWN PERF'S @ 1608#, EST INJ RT @ 51 BPM @ 3460#, ISIP 1042#, FG .64, TREAT STG 9 W/ 28600# SAND W/ SLK WTR. TOT CL FL 721 BBLS, ISIP 2406#, NPI 1364#, FG .91

12/03/07

DRII CBP

Days On Completion: 8

Remarks: 7:AM HSM. THAW OUT EQUIP. RIH. RU DRILL EQUIP. WAIT ON WATER. BROKE CONV CIR. DRILL UP 1# CBP @ 4950'. 200 PSI DIFF INC. RIH TAG @ 5284, 30' SAND. DRILL DOWN TO 2# CBP. DRILL UP CBP. NO PRES INC. CIR WELL. SWI 6:PM

12/04/07

DRL CBP

Days On Completion: 9

Remarks: 7:00 A.M. HSM SICIP 1300#, DETHAW FL & BLEED PSI OFF. CONT TO RIH W/ TBG F/ 5345'. TAG FILL @ 6294', BRK CONV CIRC W/ 2% KCL & BEG TO DRL. C/O TO 3RD CBP @ 6314'. DRL UP 3RD CBP IN 10 MIN. (200# PSI INC). CONT TO RIH. TAG FILL @ 7146'. (45' FILL). C/O TO 4TH CBP @ 7191'. DRL UP 4TH CBP IN 9 MIN. (0# PSI INC). CONT TO RIH. TAG FILL @ 7448', (45' FILL). C/O TO 5TH CBP @ 7493'. DRL UP 5TH CBP IN 10 MIN. (200# PSI INC). CONT TO RIH. TAG FILL @ 7782', (10' FILL). C/O TO 6TH CBP @ 7792'. DRL UP 6TH CBP IN 8 MIN. (100# PSI INC). CONT TO RIH. TAG FILL @ 7997', (40' FILL). C/O TO 7TH CBP @ 8037'. DRL UP 7TH CBP IN 9 MIN. (0# PSI INC). CONT TO RIH. TAG FILL @ 8290', (30' FILL). C/O TO 8TH CBP @ 8320'. DLR PU 8TH CBP IN 12 MIN. (500#

PSI INC). CONT TO RIH. TAG FILL @ 8692', (40' FILL). C/O TO 9TH CBP @ 8732'. DRL UP 9TH CBP IN 10 MIN. (500# PSI INC). CONT TO RIH. TAG FILL @ 9076'. (11' FILL). C/O TO PBTD @ 9087'. CIRC WELL CLEAN. R/D DRL EQUIP. POOH L/D 44 JTS. LUBRICATE TBG HANGER INTO WELL. LAND TBG W/ EOT @ 8048'. NDBOP. DROP BALL, NUWH. PMP OFF THE BIT SUB @ 1700#. TURN OVER TO FLOW BACK CREW. RDMO

SICP 1425#
FTP 100#
48/64 CHOKE
TBG ON LOC 299 JTS
TBG IN WELL 255 JTS
TBG LEFT ON TRAILER 44 JTS

- 12/05/07 **FLOWBACK REPORT:** CP 1900#, TP 1625#, CK 20/64", 50 BWPH, LOAD REC'D 990 BBLS, LLTR 9435 BBLS
- 12/06/07 **FLOWBACK REPORT:** CP 1900#, TP 1575#, CK 20/64", 45 BWPH, LOAD REC'D 2120 BBLS, LLTR 8305 BBLS
- 12/07/07 **FLOWBACK REPORT:** CP 2000#, TP 1500#, CK 20/64", 25 BWPH, LOAD REC'D 2820 BBLS, LLTR 7605 BBLS
- 12/08/07 **FLOWBACK REPORT:** CP 2150#, TP 1550#, CK 20/64", 20 BWPH, LOAD REC'D 3360 BBLS, LLTR 7065 BBLS
ON SALES: 578 MCF, 0 BC, 480 BW, TP: 1550#, CP: 2150#, 20/64 CHK, 12 HRS, LP: 223#.
- 12/09/07 **ON SALES:** 1094 MCF, 0 BC, 600 BW, TP: 1580#, CP: 2236#, 20/64 CHK, 24 HRS, LP: 220#.
- 12/10/07 **ON SALES:** 1170 MCF, 0 BC, 600 BW, TP: 1539#, CP: 2262#, 20/64 CHK, 24 HRS, LP: 206#.

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		6. LEASE DESIGNATION AND SERIAL NUMBER: ML-22973
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		7. UNIT or CA AGREEMENT NAME UNIT #891008900A
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-7024		8. WELL NAME and NUMBER: NBU 1022-18A
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1007'FNL, 512'FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:		9. API NUMBER: 4304739030
10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 18 10S 22E
12. COUNTY UINTAH		13. STATE UTAH

14. DATE SPUDDED: 8/15/2007	15. DATE T.D. REACHED: 9/21/2007	16. DATE COMPLETED: 12/7/2007	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 5357'GL
18. TOTAL DEPTH: MD 9,115 TVD	19. PLUG BACK T.D.: MD 9,087 TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL-CCL-GR			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		2,280		675			
7 7/8"	4 1/2 I-80	11.6#		9,115		1526			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	8,048							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) WASATCH	5,014	6,234			5,014 6,234	0.36	84	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) WSTCH/MESA	6,836	7,161			6,836 7,161	0.36	46	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C) MESAVERDE	7,238	9,062			7,238 9,062	0.36	260	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5014'-6234'	PMP 1786 BBLs SLICK H2O & 67,200# 30/50 SD
6836'-7161'	PMP 3790 BBLs SLICK H2O & 151,250# 30/50 SD
7238'-9062'	PMP 7489 BBLs SLICK H2O & 255,150# 30/50 SD

29. ENCLOSED ATTACHMENTS: <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____ <input type="checkbox"/> DIRECTIONAL SURVEY	30. WELL STATUS: PROD
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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 12/7/2007		TEST DATE: 12/24/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 2,521	WATER - BBL: 389	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRESS. 1,155	CSG. PRESS. 1,551	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,521	WATER - BBL: 389	INTERVAL STATUS: PROD	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 12/7/2007		TEST DATE: 12/24/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 2,521	WATER - BBL: 389	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRESS. 1,155	CSG. PRESS. 1,551	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,521	WATER - BBL: 389	INTERVAL STATUS: PROD	

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED: 12/7/2007		TEST DATE: 12/24/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 2,521	WATER - BBL: 389	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRESS. 1,155	CSG. PRESS. 1,551	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2,521	WATER - BBL: 389	INTERVAL STATUS: PROD	

INTERVAL D (As shown in item #26)

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

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

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,515 7,026	7,026			

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST
 SIGNATURE  DATE 1/2/2008

This report must be submitted within 30 days of

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

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

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

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

UTAH DIVISION OF OIL, GAS AND MINING

NOTICE OF REPORTING PROBLEMS

Operator: Kerr-McGee Oil & Gas Onshore, LP Account: N2995 Today's Date: 10/13/2008

Problems:

- Late Report(s)
- Inaccurate Report(s)
- Incomplete Report(s)
- Other: Logs

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

To avoid compliance action, these reporting problems should be resolved within 7 days.

Send reports to:

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

Fax to:

(801) 359-3940

10S 22E 18

Type of Report	Month(s) of Problem Report		
<input type="checkbox"/> Production – Form 10 <input type="checkbox"/> Disposition – Form 11 <input type="checkbox"/> Gas Plant – Form 13 <input type="checkbox"/> Enhanced Recovery – UIC Form 2 <input type="checkbox"/> Injection – UIC Form 3 <input type="checkbox"/> Other _____			
Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
<input type="checkbox"/> Spud Notice – Form 9 <input type="checkbox"/> Drilling Reports – Form 9 <input type="checkbox"/> Well Completion Report – Form 8 <input checked="" type="checkbox"/> Other <u>Logs</u>	NBU 1022-18A NBU 1022-6J NBU 920-15B <input type="checkbox"/> List Attached	4304739030 4304738158 4304737895	

Description of Problem:

Per rule R649-3-21 2, within 30 days after the completion of any well drilled or redrilled for the production of oil or gas, form 8, well completion or recompletion report and log, shall be filed with the division, together with a copy of the electric and radioactivity logs, if run.

Well completion reports state CBL, CCL and GR logs were run on the above wells.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File
RAM
Well File