

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. <b>UTU-04485</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 <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		7. If Unit or CA Agreement, Name and No. <b>UNIT #891008900A</b>
3A. Address <b>1368 SOUTH 1200 EAST VERNAL, UT 84078</b>	3b. Phone No. (include area code) <b>(435) 781-7024</b>	8. Lease Name and Well No. <b>NBU 1020-24BT</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>NW/NE 914'FNL, 1966'FEL 618714X 39.938040</b> At proposed prod. Zone <b>44 21594Y -109.610568</b>		9. API Well No. <b>43-047-39374</b>
14. Distance in miles and direction from nearest town or post office* <b>12.85 +/- MILES SOUTH OF OURAY, UTAH</b>		10. Field and Pool, or Exploratory <b>NATURAL BUTTES</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>914'</b>	16. No. of Acres in lease <b>680.00</b>	11. Sec., T., R., M., or Blk, and Survey or Area <b>SEC. 24, T10S, R20E</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>REFER TO TOPO C</b>	17. Spacing Unit dedicated to this well <b>40.00</b>	12. County or Parish <b>UINTAH</b>
19. Proposed Depth <b>9720'</b>	20. BLM/BIA Bond No. on file <b>BOND NO: WYB000291</b>	13. State <b>UTAH</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5172'GL</b>	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) <b>SHEILA UPCHEGO</b>	Date <b>6/4/2007</b>
Title <b>SENIOR LAND ADMIN SPECIALIST</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>06-19-07</b>
Title <b>ENVIRONMENTAL MANAGER</b>		

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

JUN 11 2007

T10S, R20E, S.L.B.&M.

R  
20  
E

R  
21  
E

Kerr-McGee Oil & Gas Onshore LP

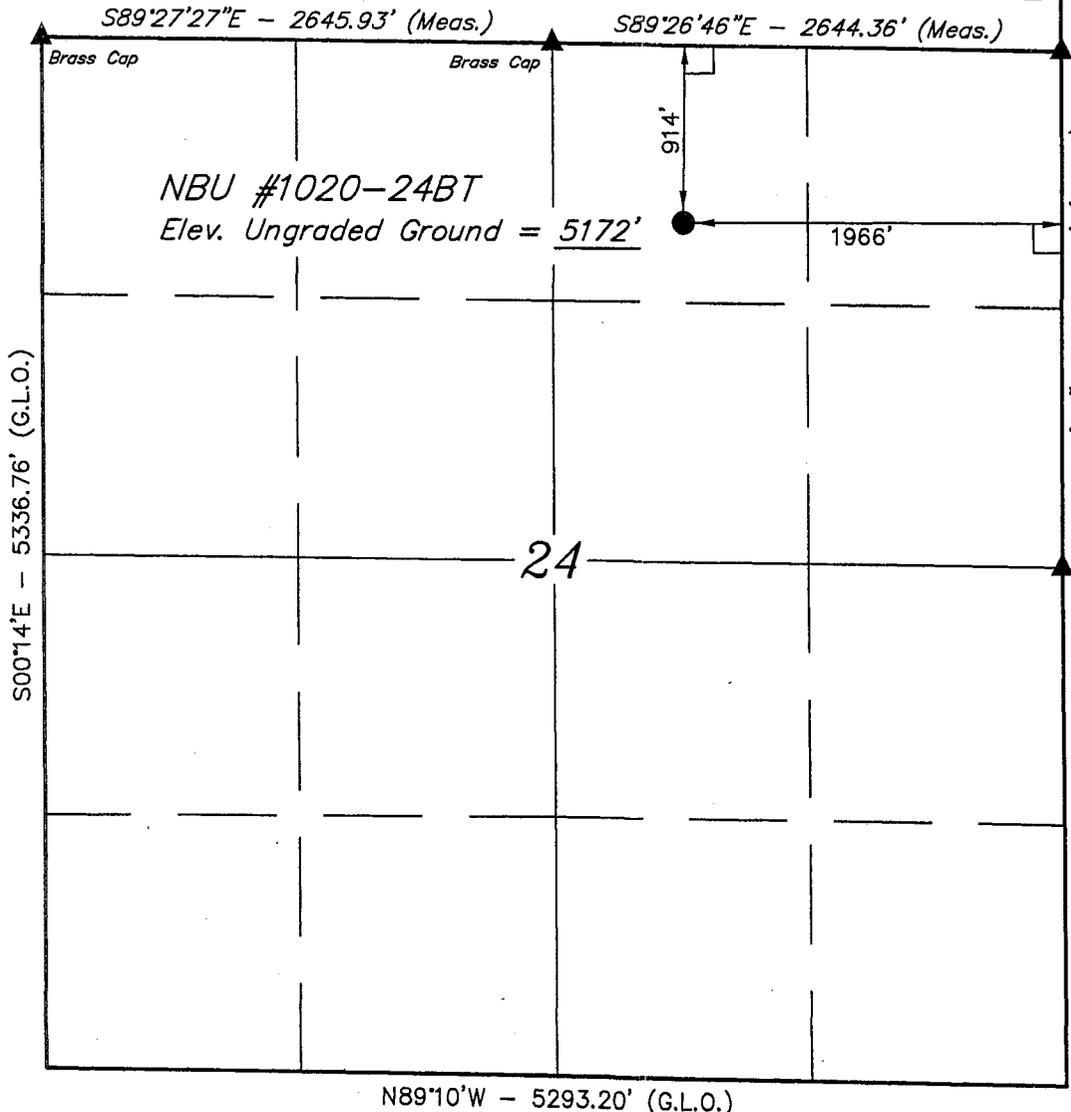
Well location, NBU #1020-24BT, located as shown in the NW 1/4 NE 1/4 of Section 24, T10S, R20E, S.L.B.&M., Uintah County, Utah.

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.



1928 Brass Cap  
0.6' High, Pile  
of Stones

S00°07'44\"/>

1928 Brass Cap  
1.0' High, Pile  
of Stones

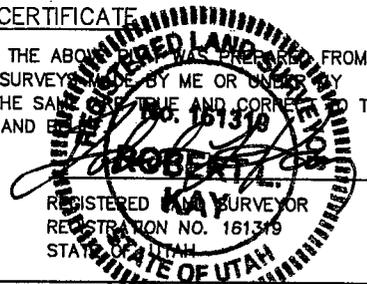
S00°18'E - 2661.12' (G.L.O.)



SCALE

CERTIFICATE

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



N89°10'W - 5293.20' (G.L.O.)

LEGEND:

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

(NAD 83)  
 LATITUDE = 39°56'16.79" (39.937997)  
 LONGITUDE = 109°36'40.55" (109.611264)  
 (NAD 27)  
 LATITUDE = 39°56'16.92" (39.938033)  
 LONGITUDE = 109°36'38.07" (109.610575)

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b> 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 04-02-07	DATE DRAWN: 04-11-07
PARTY L.K. J.A. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

NBU #1020-24BT  
NW/NE SEC 24, T10S, R20E  
UINTAH COUNTY, UTAH  
UTU-04485

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1186'
Top of Birds Nest Water	1426'
Mahogany	1788'
Wasatch	4461'
Mesaverde	7529'
MVU2	8539'
MVL1	9104'
TD	9720'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1186'
	Top of Birds Nest Water	1426'
	Mahogany	1788'
Gas	Wasatch	4461'
Gas	Mesaverde	7529'
Gas	MVU2	8539'
Gas	MVL1	9104'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

4. **Proposed Casing & Cementing Program:**

*Please see the Natural Buttes Unit SOP.*

5. **Drilling Fluids Program:**

*Please see the Natural Buttes Unit SOP.*

6. **Evaluation Program:**

*Please see the Natural Buttes Unit SOP.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9720' TD, approximately equals 6026 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3888 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.*

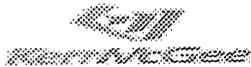
9. **Variances:**

*Please see Natural Buttes Unit SOP.*

10. **Other Information:**

*Please see Natural Buttes Unit SOP.*





# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

## CASING PROGRAM

	CONDUCTOR	DIAMETER	DEPTH	WEIGHT	TYPE	STRENGTH	GRADIENT	MAXIMUM DEPTH
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0 to 2000	32.30	H-40	STC	2270	1370	254000
						0.62*****	1.46	4.49
PRODUCTION	4-1/2"	0 to 9720	11.60	I-80	LTC	7780	6350	201000
						2.12	1.09	2.04

- 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 3674 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

DEPTH	CEMENT TYPE	WEIGHT	GRADIENT	MAXIMUM DEPTH
SURFACE Option 1	LEAD 500 Premium cmt + 2% CaCl + 25 pps flocele	215	60%	15.60
	TOP OUT CMT (1) 200 20 gals sodium silicate + Premium cmt + 2% CaCl + 25 pps flocele	50		15.60
	TOP OUT CMT (2) as required Premium cmt + 2% CaCl	as req.		15.60
<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>				
SURFACE Option 2	LEAD 1500 Prem cmt + 16% Gel + 10 pps gilsonite + 25 pps Flocele + 3% salt BWOC	170	35%	11.00
	TAIL 500 Premium cmt + 2% CaCl + 25 pps flocele	180	35%	15.60
	TOP OUT CMT as required Premium cmt + 2% CaCl	as req.		15.60
PRODUCTION	LEAD 3,960' Premium Lite II + 3% KCl + 0.25 pps cellufake + 5 pps gilsonite + 10% gel + 0.5% extender	430	60%	11.00
	TAIL 5,760' 50/50 Poz/G + 10% salt + 2% gel + 1% R-3	1610	60%	14.30

\*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.

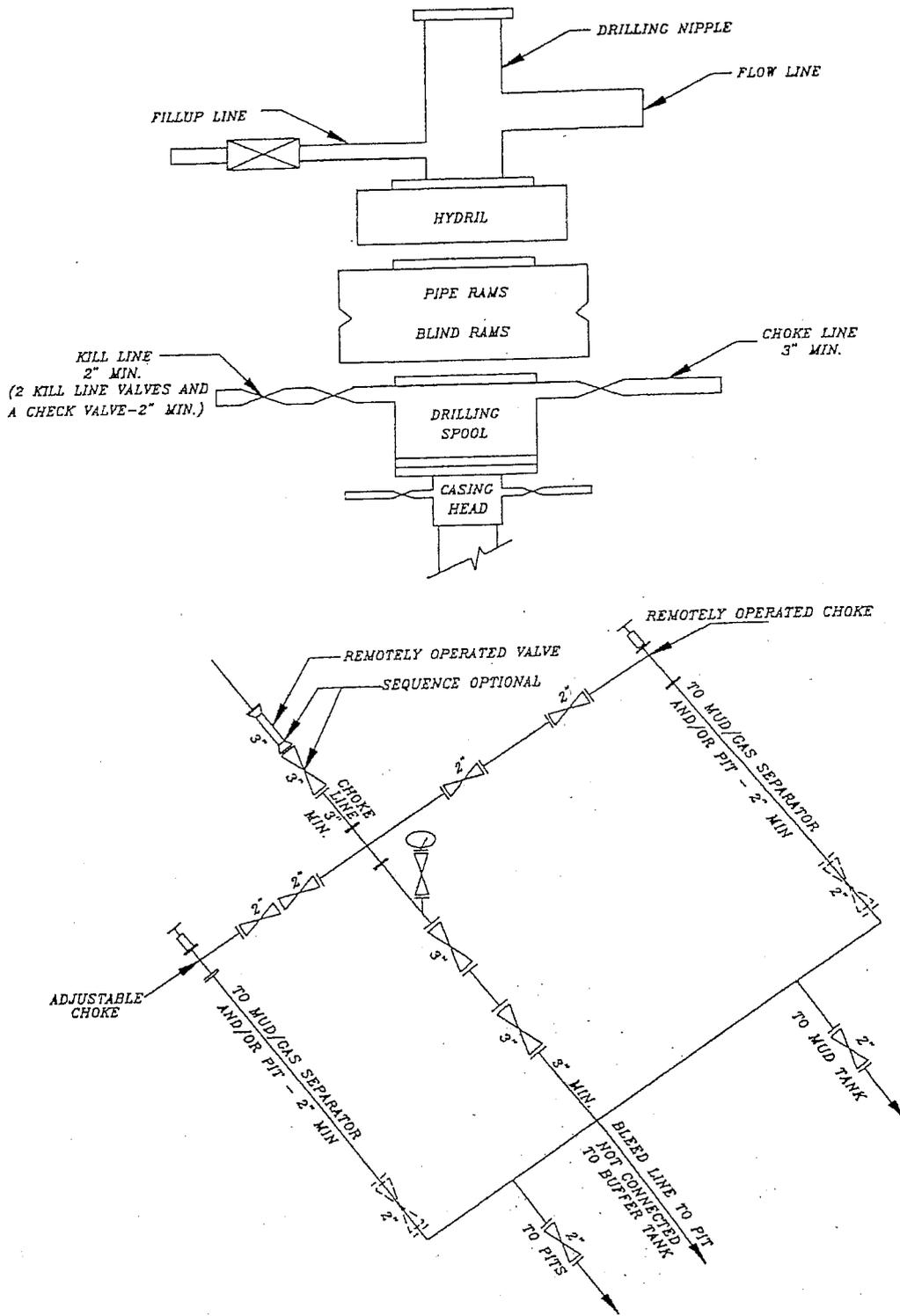
DRILLING ENGINEER: \_\_\_\_\_  
 Brad Laney

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

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

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

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU #1020-24BT  
NW/NE SEC 24, T10S, R20E  
UINTAH COUNTY, UTAH  
UTU-04485

ONSHORE ORDER NO. 1

*MULTI-POINT SURFACE USE & OPERATIONS PLAN*

1. **Existing Roads:**

Refer to the attached location directions.

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

2. **Planned Access Roads:**

*Please see the Natural Buttes Unit Standard Operating Procedure (SOP).*

The operator will utilize the existing access road. Please refer to the attached Topo Map B.

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

Please refer to Topo Map C.

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

*Please see the Natural Buttes Unit SOP.*

The operator will utilize an existing pipeline.

**Variances to Best Management Practices (BMPs) Requested:**

The pipeline shall be installed on surface within the 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.

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 Brown (2.5Y 6/2), a non-reflective earthtone.

5. **Location and Type of Water Supply:**

*Please see the Natural Buttes SOP.*

6. **Source of Construction Materials:**

*Please see the Natural Buttes SOP.*

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

*Please see the Natural Buttes SOP.*

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:**

*Please see the Natural Buttes SOP.*

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.

A 20 mil reserve pit liner with felt will be used. As discussed at the on-site inspection.

Location size may change prior to the drilling of the well due to the 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 3160-5 will be submitted.

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

*Please see the Natural Buttes SOP.*

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* seed are:

Needle & Thread Grass	8 lbs.
Crested Wheatgrass	8 lbs.

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

**11. Surface Ownership:**

The well pad and access road are located on lands owned by:

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 Report No. 06-218, completed and will be submitted when report becomes available.

The paleontological survey have been performed and will be submitted when report becomes available.

**WILDLIFE STIPULATIONS:**

**ANTELOPE:** No construction or drilling from May 15<sup>th</sup> – June 20<sup>th</sup>. –Waived by BLM on 05/15/2007.

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 with the boundaries of the unit.

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

Sheila Ucphego  
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.

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 the terms and conditions of the lease for the operations conducted upon leased lands.

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.

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

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

6/4/2007

Date

# Kerr-McGee Oil & Gas Onshore LP

NBU #1020-24BT

SECTION 24, T10S, R20E, 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 DIRECTION APPROXIMATELY 12.5 MILES ALONG SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 43.85 MILES.

# Kerr-McGee Oil & Gas Onshore LP

NBU #1020-24BT  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 24, T10S, R20E, S.L.B.&M.

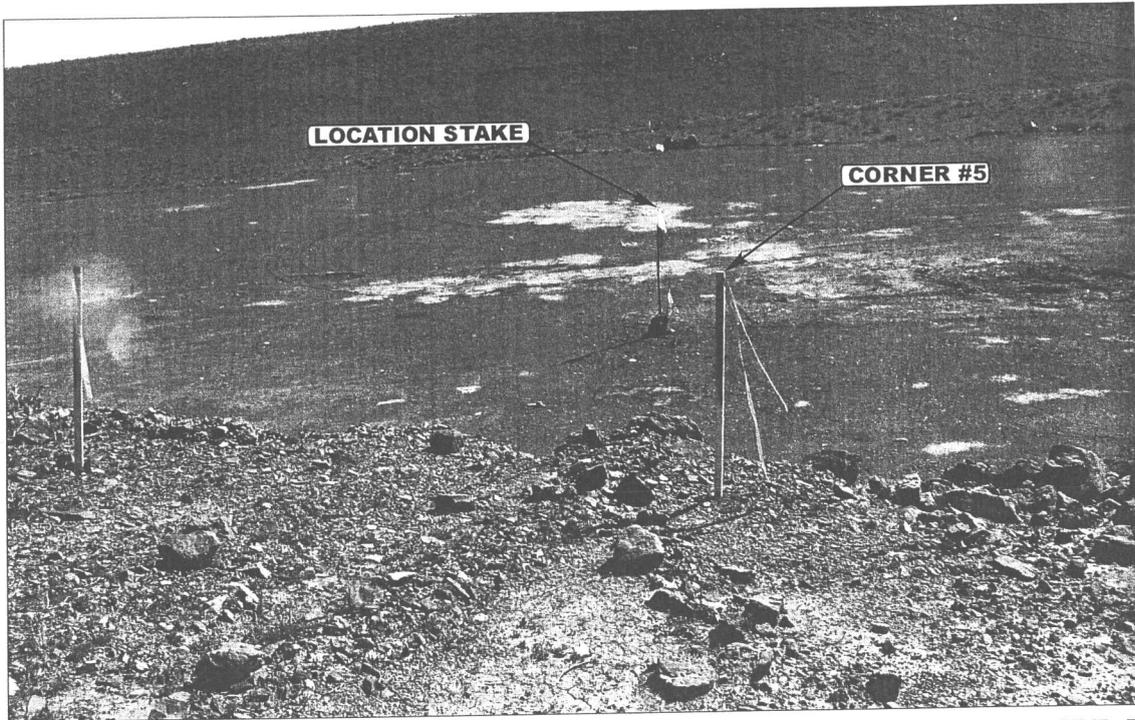


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY

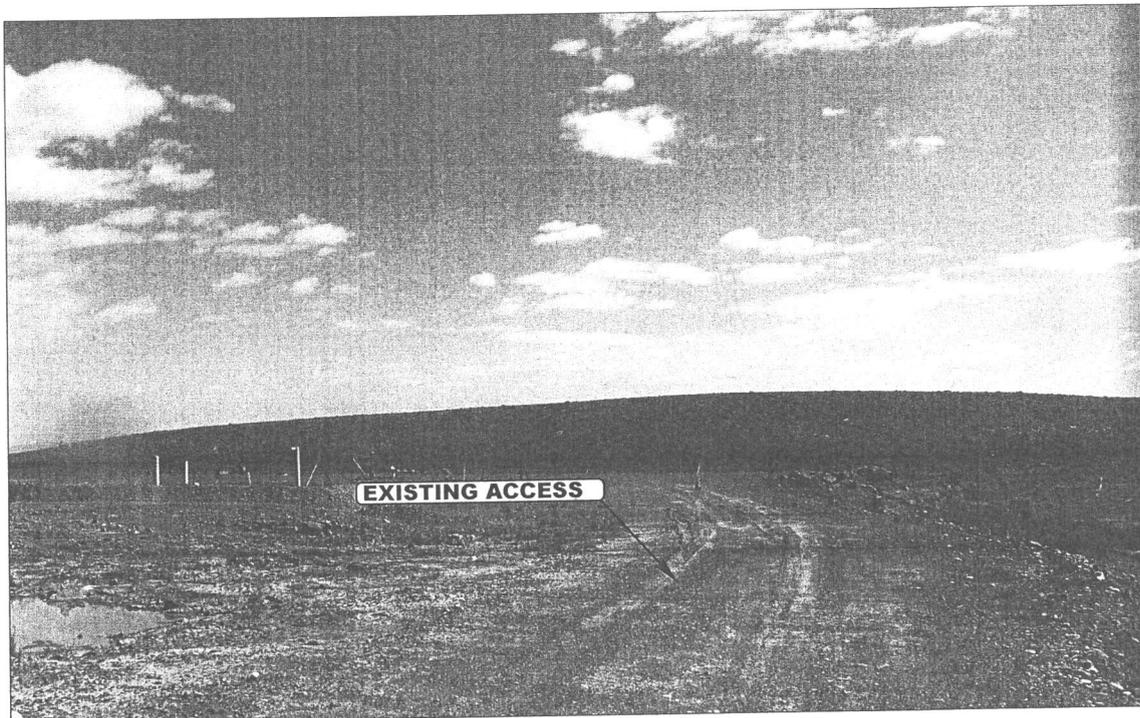


PHOTO: VIEW FROM BEGINNING OF EXISTING ACCESS

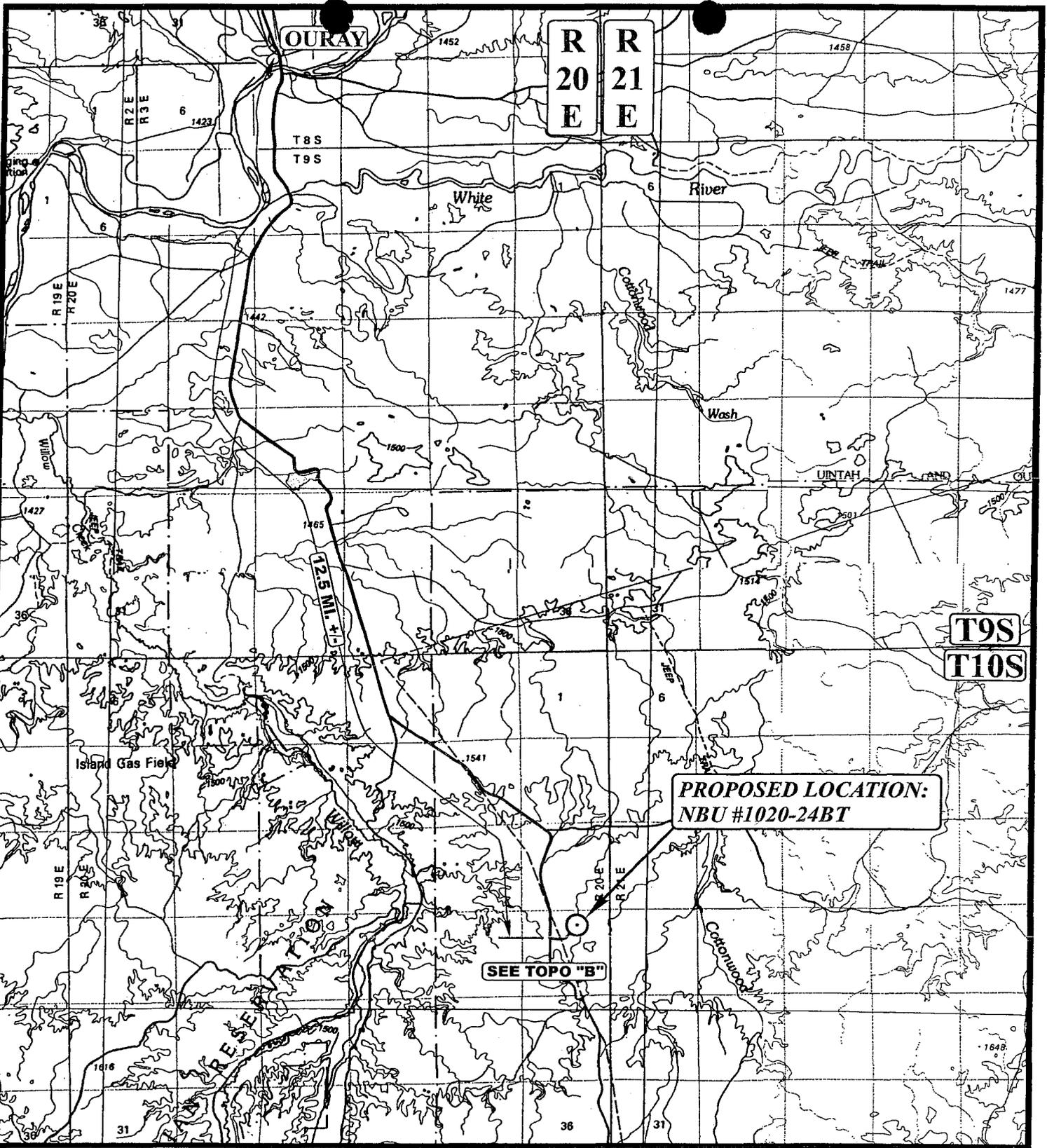
CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS	04	06	07	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: L.K.	DRAWN BY: A.A.		REVISED: 00-00-00	



**LEGEND:**

○ PROPOSED LOCATION



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

**NBU #1020-24BT**  
**SECTION 24, T10S, R20E, S.L.B.&M.**  
**914' FNL 1966' FEL**



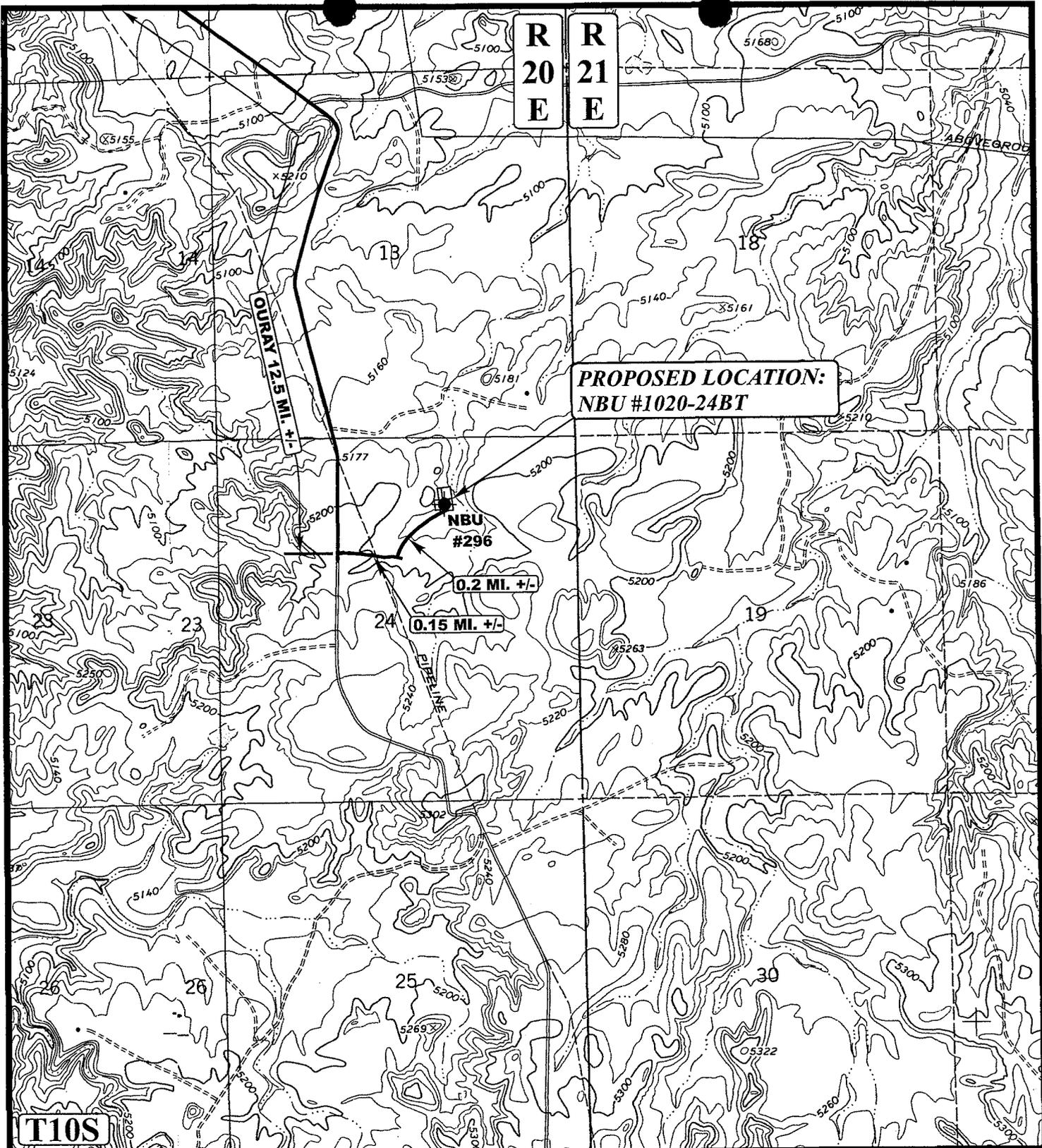
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

<b>04</b>	<b>06</b>	<b>07</b>
MONTH	DAY	YEAR

SCALE: 1:100,000 | DRAWN BY: A.A. | REVISED: 00-00-00





**PROPOSED LOCATION:  
NBU #1020-24BT**

**T10S**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD



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

**NBU #1020-24BT  
SECTION 24, T10S, R20E, S.L.B.&M.  
914' FNL 1966' FEL**



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

**TOPOGRAPHIC  
MAP**

<b>04</b>	<b>06</b>	<b>07</b>
MONTH	DAY	YEAR

**B  
TOPO**

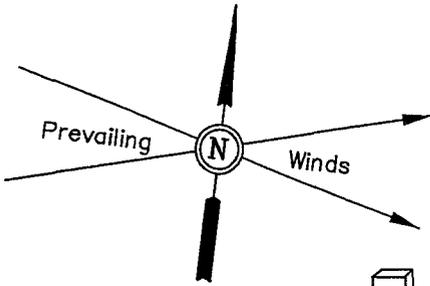
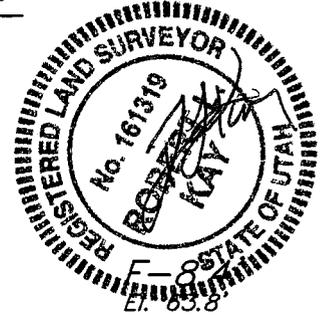
SCALE: 1" = 2000' DRAWN BY: A.A. REVISED: 00-00-00



# Kerr-McGee Oil & Gas Onshore LP

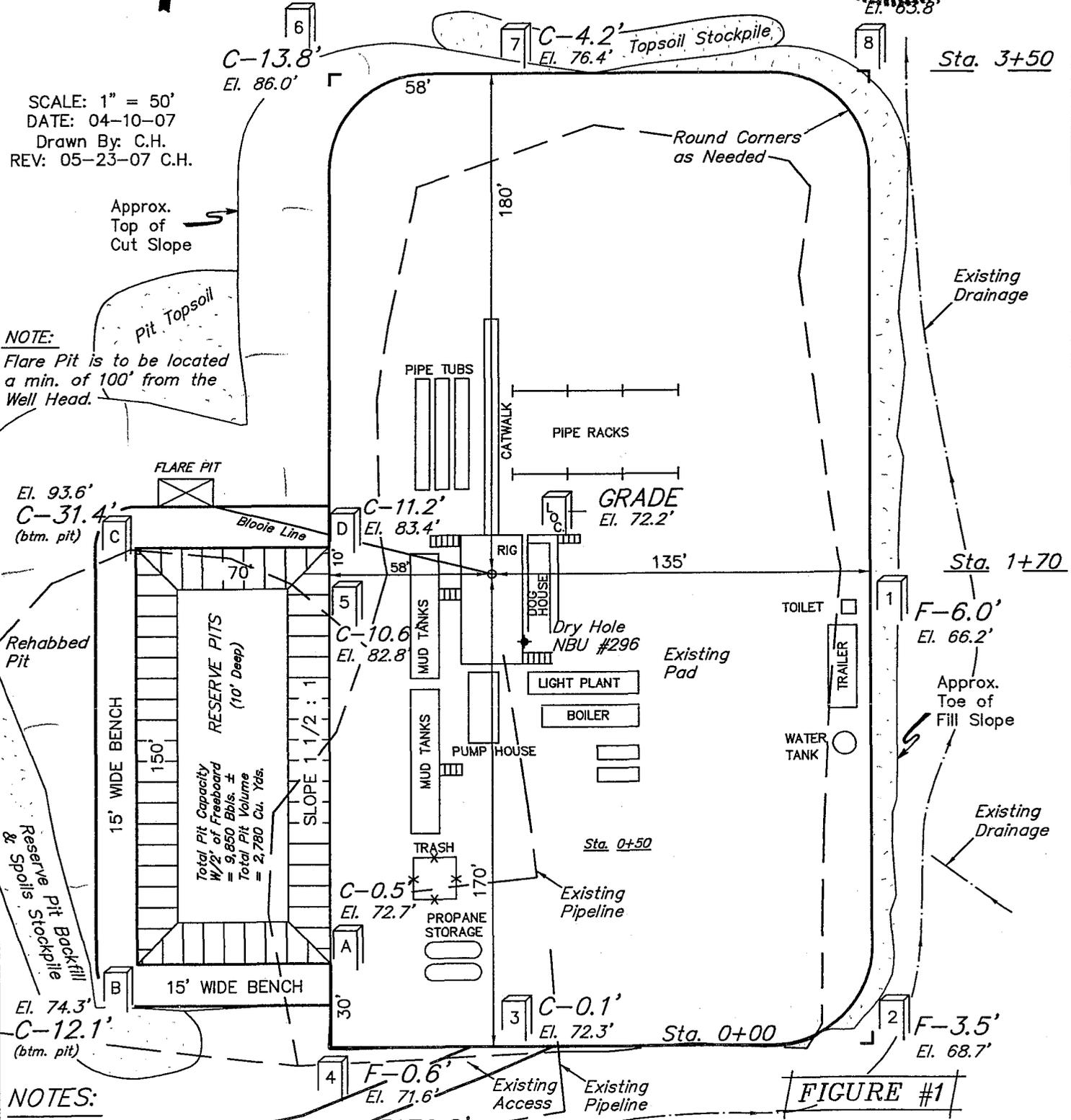
## LOCATION LAYOUT FOR

NBU #1020-24BT  
SECTION 24, T10S, R20E, S.L.B.&M.  
914' FNL 1966' FEL



SCALE: 1" = 50'  
DATE: 04-10-07  
Drawn By: C.H.  
REV: 05-23-07 C.H.

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



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5172.2'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5172.2'

**FIGURE #1**

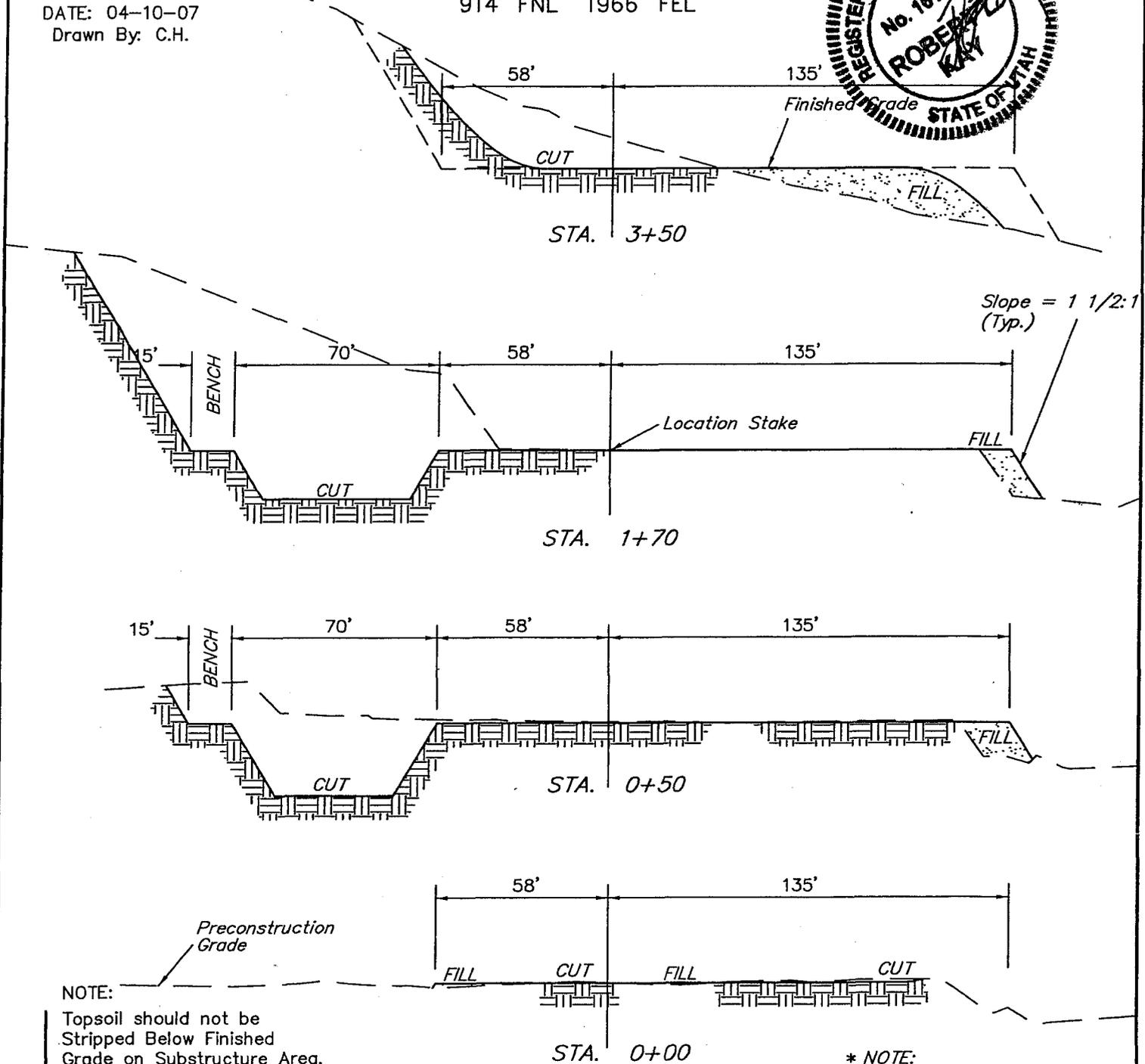
Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

NBU #1020-24BT  
SECTION 24, T10S, R20E, S.L.B.&M.  
914' FNL 1966' FEL

1" = 20'  
X-Section Scale  
1" = 50'  
DATE: 04-10-07  
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	= 530 Cu. Yds.
(New Construction Only)	
Remaining Location	= 13,560 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 14,090 CU.YDS.</b>
<b>FILL</b>	<b>= 2,230 CU.YDS.</b>

EXCESS MATERIAL	= 11,860 Cu. Yds.
Topsoil & Pit Backfill	= 1,920 Cu. Yds.
(1/2 Pit Vol.)	
EXCESS UNBALANCE	= 9,940 Cu. Yds.
(After Interim Rehabilitation)	

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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/11/2007

API NO. ASSIGNED: 43-047-39374

WELL NAME: NBU 1020-24BT  
 OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )  
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

NWNE 24 100S 200E  
 SURFACE: 0914 FNL 1966 FEL  
 BOTTOM: 0914 FNL 1966 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.93804 LONGITUDE: -109.6106  
 UTM SURF EASTINGS: 618714 NORTHINGS: 4421594  
 FIELD NAME: NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-04485  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

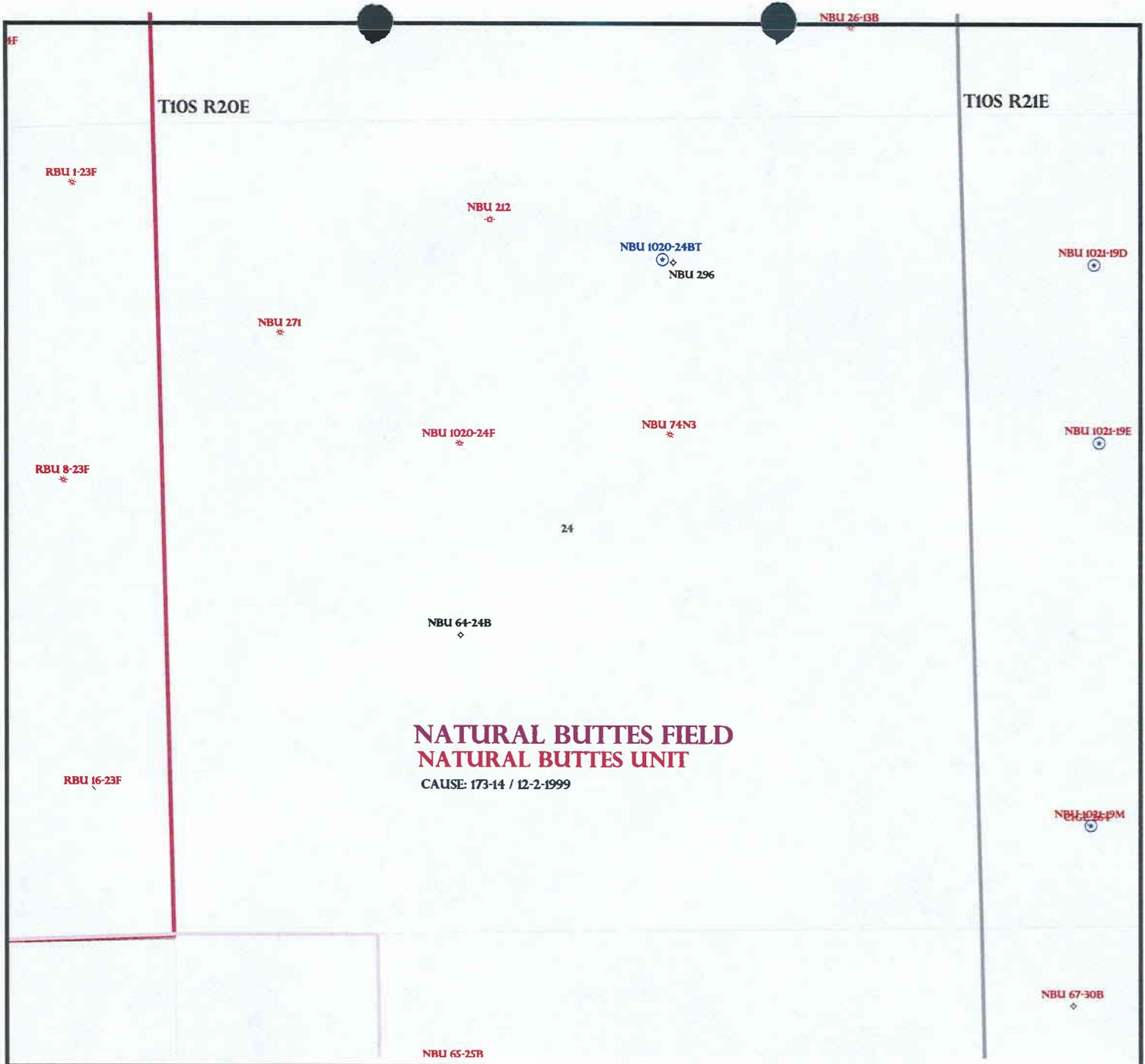
- \_\_\_ R649-2-3.
- Unit: NATURAL BUTTES
- \_\_\_ R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- \_\_\_ R649-3-3. Exception
- Drilling Unit
- Board Cause No: 173-14
- Eff Date: 12-2-99
- Siting: 460' fr Wbdg & Undrmin Tract
- \_\_\_ R649-3-11. Directional Drill

COMMENTS:

See Separate file

STIPULATIONS:

1 - Federal Approval  
2 - OIL SHALE



OPERATOR: KERR MCGEE O&G (N9550)

SEC: 24 T.10S R. 20E

FIELD: NATURAL BUTTES (630)

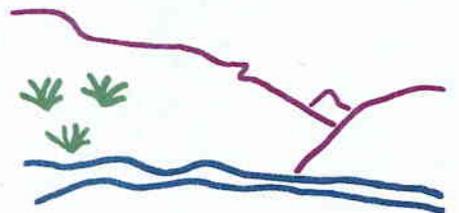
COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

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

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

- Wells Status**
- GAS INJECTION
  - 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: 14-JUNE-2007

# 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)**

June 18, 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)		
43-047-39375	NBU 1021-05MT	Sec 05 T10S R21E 0745 FSL 0529 FWL
43-047-39376	NBU 1021-11I	Sec 11 T10S R21E 2387 FSL 1247 FEL
43-047-39377	NBU 1021-11O	Sec 11 T10S R21E 1192 FSL 2437 FEL
43-047-39378	NBU 1021-11N	Sec 11 T10S R21E 1258 FSL 1861 FWL
43-047-39379	NBU 1021-11P	Sec 11 T10S R21E 0232 FSL 1170 FEL
43-047-39380	NBU 1021-11M	Sec 11 T10S R21E 0425 FSL 1318 FWL
43-047-39381	NBU 1021-11J	Sec 11 T10S R21E 2252 FSL 2402 FEL
43-047-39383	NBU 1021-12A	Sec 12 T10S R21E 0835 FNL 0781 FEL
43-047-39382	NBU 1021-12M	Sec 12 T10S R21E 1022 FSL 0329 FWL
43-047-39384	NBU 1021-12N	Sec 12 T10S R21E 0677 FSL 2302 FWL
43-047-39385	NBU 1021-12K	Sec 12 T10S R21E 1532 FSL 1952 FWL
43-047-39386	NBU 1021-12L	Sec 12 T10S R21E 1580 FSL 0196 FWL
43-047-39360	NBU 921-16J	Sec 16 T09S R21E 1994 FSL 1660 FEL
43-047-39361	NBU 921-16HT	Sec 16 T09S R21E 1858 FNL 1013 FEL
43-047-39362	NBU 921-16MT	Sec 16 T09S R21E 1261 FSL 1248 FWL
43-047-39363	NBU 921-17K	Sec 17 T09S R21E 2147 FSL 1635 FWL
43-047-39364	NBU 921-17J	Sec 17 T09S R21E 1508 FSL 1748 FEL
43-047-39365	NBU 921-20M	Sec 20 T09S R21E 0568 FSL 0586 FWL
43-047-39366	NBU 921-20O	Sec 20 T09S R21E 1026 FSL 1859 FEL
43-047-39367	NBU 921-23C	Sec 23 T09S R21E 0817 FNL 1945 FWL
43-047-39368	NBU 921-25NT	Sec 25 T09S R21E 1150 FSL 2607 FWL
43-047-39369	NBU 922-18O	Sec 18 T09S R22E 1255 FSL 2083 FEL

Page 2

43-047-39370 NBU 922-18I Sec 18 T09S R22E 1600 FSL 0901 FEL  
43-047-39371 NBU 922-18G Sec 18 T09S R22E 2009 FNL 1936 FEL  
43-047-39372 NBU 922-20E Sec 20 T09S R22E 2182 FNL 0452 FWL  
43-047-39387 NBU 1022-6B-2 Sec 06 T10S R22E 0160 FNL 2289 FEL  
43-047-39389 NBU 1022-24B Sec 24 T10S R22E 1035 FNL 1619 FEL  
43-047-39374 NBU 1020-24BT Sec 24 T10S R20E 0914 FNL 1966 FEL  
43-047-39373 NBU 1020-01KT Sec 01 T10S R20E 1731 FSL 1834 FWL

Our records indicate the NBU 1022-24B is closer than 460 feet from the Natural Buttes Unit boundary.

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:6-18-07



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

June 19, 2007

Kerr-McGee Oil & Gas  
1368 S 1200 East  
Vernal, UT 84078

Re: Natural Buttes Unit 1020-24BT Well, 914' FNL, 1966' FEL, NW NE, Sec. 24,  
T. 10 South, R. 20 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 43-047-39374.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal Office



Operator: Kerr-McGee Oil & Gas  
Well Name & Number Natural Buttes Unit 1020-24BT  
API Number: 43-047-39374  
Lease: UTU-04485

Location: NW NE                      Sec. 24                      T. 10 South                      R. 20 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 with 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 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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. 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.

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-04485</b>
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: <b>NA</b>
1. TYPE OF WELL      OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Natural Buttes Unit</b>
2. NAME OF OPERATOR: <b>Kerr-McGee Oil &amp; Gas Onshore, LP</b>		8. WELL NAME and NUMBER: <b>NBU 1020-24BT</b>
3. ADDRESS OF OPERATOR: PO Box 173779      CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80217-3779</b>		9. API NUMBER: <b>4304739374</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>914 FNL &amp; 1966 FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Natural Buttes Field</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNE 24 10S 20E</b>		COUNTY: <b>Uintah</b>
		STATE: <b>UTAH</b>

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

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

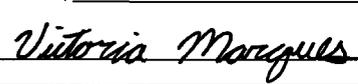
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr McGee Oil and Gas Onshore, LP respectfully request a one year extension for NBU 1020-24BT, in order to complete drilling operations. The Utah Division of Oil, Gas, and Mining initially approved this APD on 6/19/2007.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 07-08-08  
By: 

COPY SENT TO OPERATOR  
Date: 7.9.2008  
Initials: KS

NAME (PLEASE PRINT) <u>Victoria Marques</u>	TITLE <u>Regulatory Intern</u>
SIGNATURE <u></u>	DATE <u>6/23/2008</u>

(This space for State use only)

**RECEIVED**  
**JUN 27 2008**



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

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

**API:** 4304739374  
**Well Name:** NBU 1020-24BT  
**Location:** NWNE 914 FNL & 1966 FEL Sec. 24 T 10S R 20E  
**Company Permit Issued to:** Kerr McGee Oil and Gas Onshore, LP  
**Date Original Permit Issued:** 6/19/2007

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

Victoria Marques  
Signature

6/23/2008  
Date

Title: Regulatory Intern

Representing: Kerr McGee Oil and Gas Onshore, LP

**RECEIVED**  
**JUN 27 2008**  
D.V. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 24, 2009

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

43 047 39374  
NBU 1020-2ABT  
105 20E 2A

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

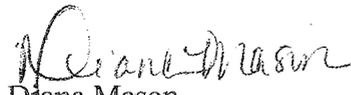
Dear Ms. White:

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	SESW
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	SESW
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	SESW
43047395600000	NBU 1021-23L	10S	21E	23	NWSW
43047395780000	NBU 1021-25F	10S	21E	25	SESW
43047395750000	NBU 1021-25J	10S	21E	25	NWSE
43047395610000	NBU 1021-25K	10S	21E	25	NESW

43047395800000	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

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

43-047-39374

Re: Return Unapproved APD  
Well No. NBU 1020-24BT  
NWNE, Sec. 24, T10S, R20E  
Uintah County, Utah  
Lease No. UTU-4485  
Natural Buttes Unit

Dear Ms. White:

The Application for Permit to Drill (APD) for the above referenced well received June 7, 2007, 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