



Kerr-McGee Oil & Gas Onshore LP
1999 Broadway, Suite 3700
Denver, CO 80205

September 19, 2007

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

Re: Directional Drilling R649-3-11
NBU 922-18D3BS
T9S R22E
Section 18: NWNW
SWNW, Lot 2, 1853' FNL, 329' FWL (surface)
NWNW, Lot 1, 877' FNL, 256' FWL (bottom hole)
Uintah County, Utah

Dear Mrs. Mason:

Pursuant to the filing of Kerr-McGee Oil & Gas Onshore LP's (Kerr-McGee) Application for Permit to Drill regarding the above referenced well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Kerr-McGee's NBU 922-18D3BS is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore and the W/2, W/2NE/4 and SE/4 of Section 18 (federal leases USA UTU-0359, USA-UTU 0359-A and USA-UTU 0461).

Therefore, based on the above stated information Kerr-McGee Oil & Gas Onshore LP requests the permit be granted pursuant to R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

A handwritten signature in black ink, appearing to read 'James C. Colligan III', with a stylized flourish at the end.

James C. Colligan III
Landman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-0359
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 TRIBAL SURFACE
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. UNIT #891008900A
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	3b. Phone No. (include area code) (435) 781-7024	8. Lease Name and Well No. NBU 922-18D3BS
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SW/NW 1853'FNL, 329'FWL (LOT 2) At proposed prod. Zone NW/NW 877'FNL, 256'FWL (LOT 1)		9. API Well No. 43047-39841
14. Distance in miles and direction from nearest town or post office* 17 +/- MILES FROM OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 329'	16. No. of Acres in lease 162.39	11. Sec., T., R., M., or Blk, and Survey or Area SEC. 18, T9S, R22E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	17. Spacing Unit dedicated to this well 40.00	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4894'GL	19. Proposed Depth 10,089'	13. State UTAH
22. Approximate date work will start* UPON APPROVAL		20. BLM/BIA Bond No. on file RLB0005239
23. Estimated duration TO BE DETERMINED		

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 11/16/2007
Title SENIOR LAND ADMIN SPECIALIST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 11-03-07
Title ENVIRONMENTAL MANAGER		

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

Conditions of approval, if any, are attached.

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

*(Instructions on reverse)

Surf
628935X
44328774
40. 638146
- 109.488736

BHL
628907X
44331747
40. 040840
- 109.489010

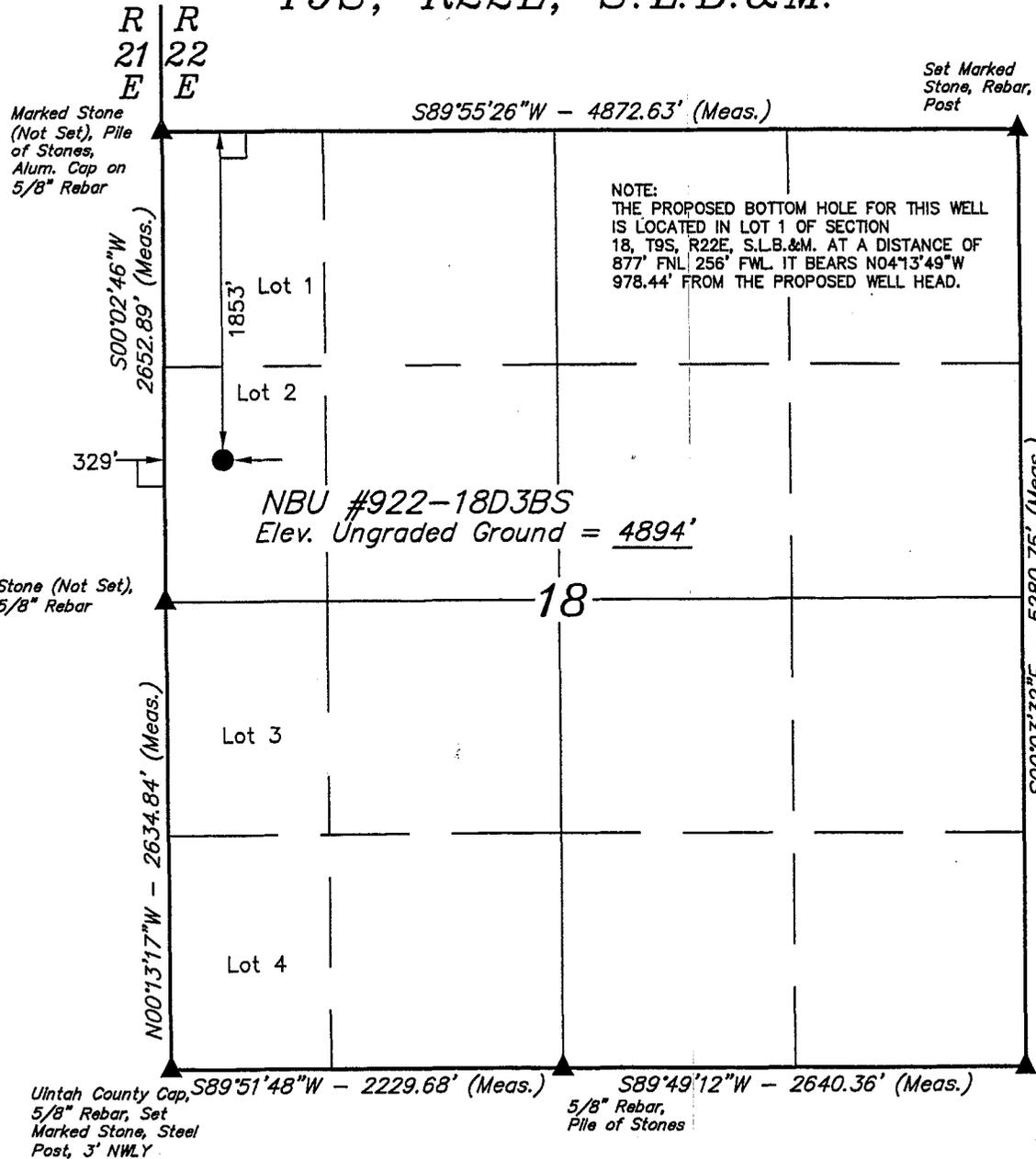
Federal Approval of this
Action is Necessary

RECEIVED
NOV 20 2007
DIV. OF OIL, GAS & MINING

T9S, R22E, S.L.B.&M.

Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #922-18D3BS, located as shown in Lot 2 of Section 18, T9S, R22E, S.L.B.&M., Uintah County, Utah.

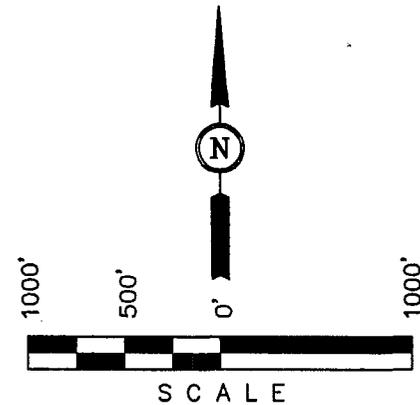


BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

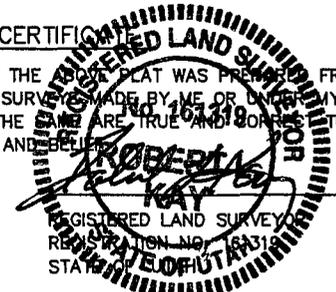
BASIS OF BEARINGS

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



CERTIFICATION

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



LEGEND:

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

(NAD 83)
 LATITUDE = 40°02'17.38" (40.038161)
 LONGITUDE = 109°29'22.39" (109.489553)
 (NAD 27)
 LATITUDE = 40°02'17.51" (40.038197)
 LONGITUDE = 109°29'19.92" (109.488867)

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

SCALE 1" = 1000'	DATE SURVEYED: 05-07-07	DATE DRAWN: 05-17-07
PARTY D.K. L.K. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

NBU 922-18D3BS
SW/NW LOT 2, SEC. 18, T9S, R22E
UINTAH COUNTY, UTAH
UTU-0359

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1828'
Top of Birds Nest Water	2123'
Mahogany	2486'
Wasatch	5106'
Mesaverde	7839'
MVU2	8780'
MVL1	9295'
TVD	9920'
TD (MD)	10,089'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1828'
	Top of Birds Nest Water	2123'
	Mahogany	2486'
Gas	Wasatch	5106'
Gas	Mesaverde	7839'
Gas	MVU2	8780'
Gas	MVL1	9295'
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 10,089' TD, approximately equals 6255 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4035 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

Please see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.



**KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM**

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3520	2020	453000
SURFACE	9-5/8"	0 to 2700	36.00	J-55	LTC	0.90	1.60	5.93
PRODUCTION	4-1/2"	0 to 10089	11.60	I-80	LTC	1.99	1.03	201000

- 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 = 0.0 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)
 MASP 3919 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE	Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized					
	LEAD	1500	65/35 Poz + 6% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOW	360	35%	12.60	1.81
	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	7,339'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	800	60%	11.00	3.38
	TAIL	2,750'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	770	60%	14.30	1.31

*Substitute caliper hole volume plus 15% excess if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

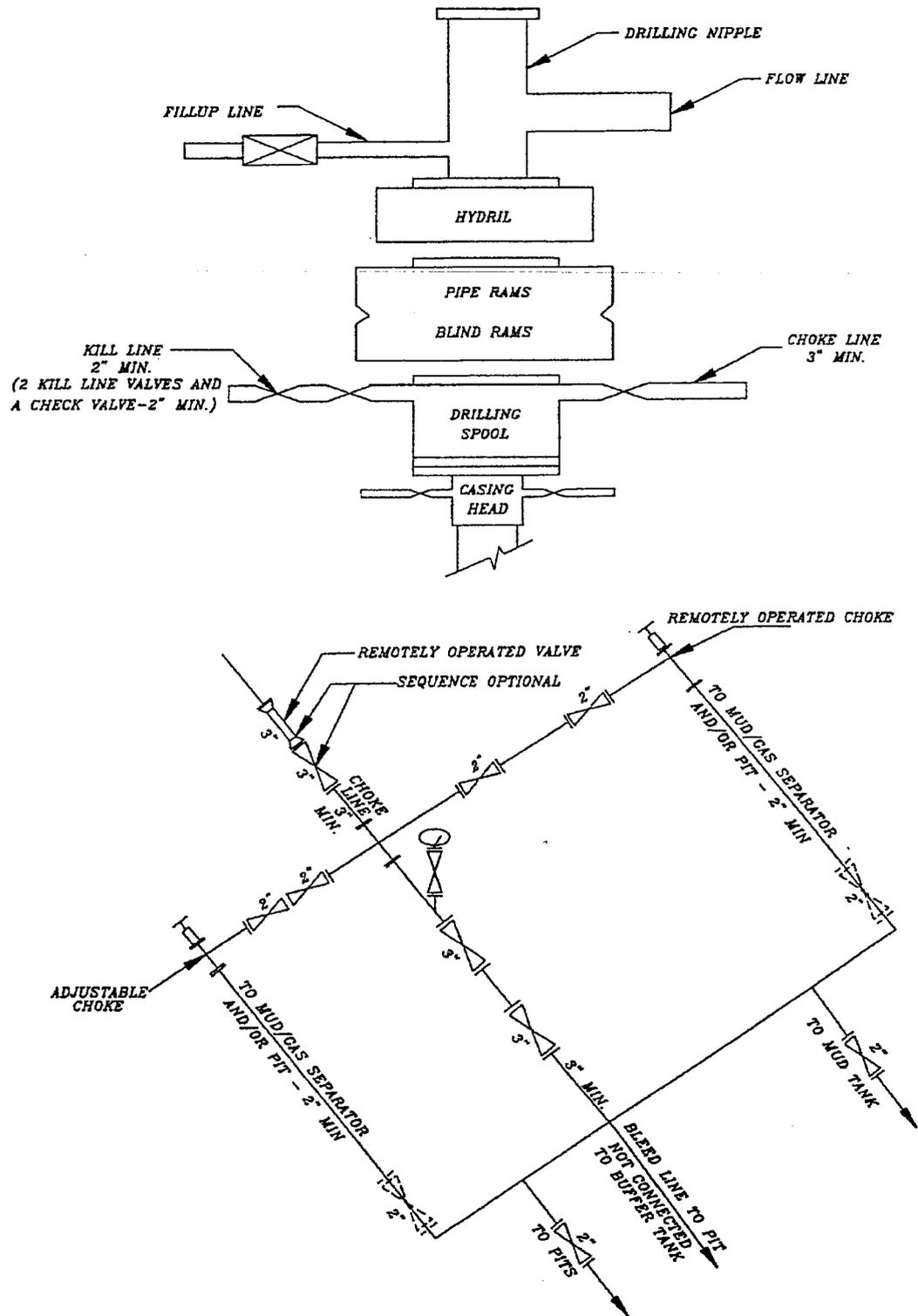
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

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 System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

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

5M BOP STACK and CHOKE MANIFOLD SYSTEM





Weatherford[®]

Drilling Services

Proposal



ANADARKO - KERR McGEE

NBU 922-18D3BS

UINTAH COUNTY, UTAH

WELL FILE: PLAN 2

OCTOBER 4, 2007

Weatherford International, Ltd.

15710 John F. Kennedy Blvd

Houston, Texas 77032 USA

+1.281.260.1300 Main

+1.281.260.4730 Fax

www.weatherford.com

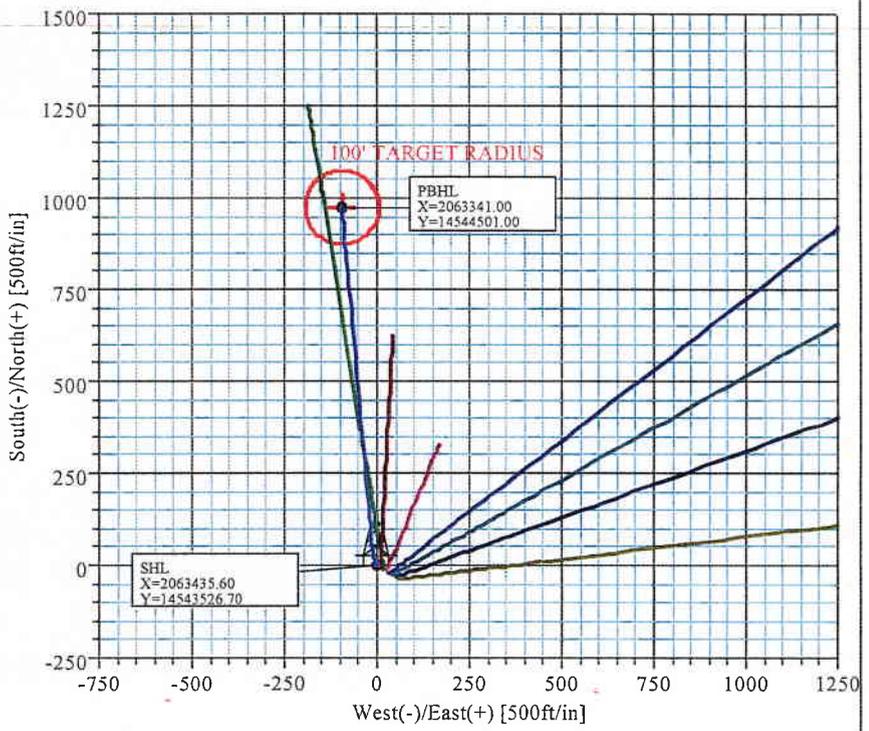
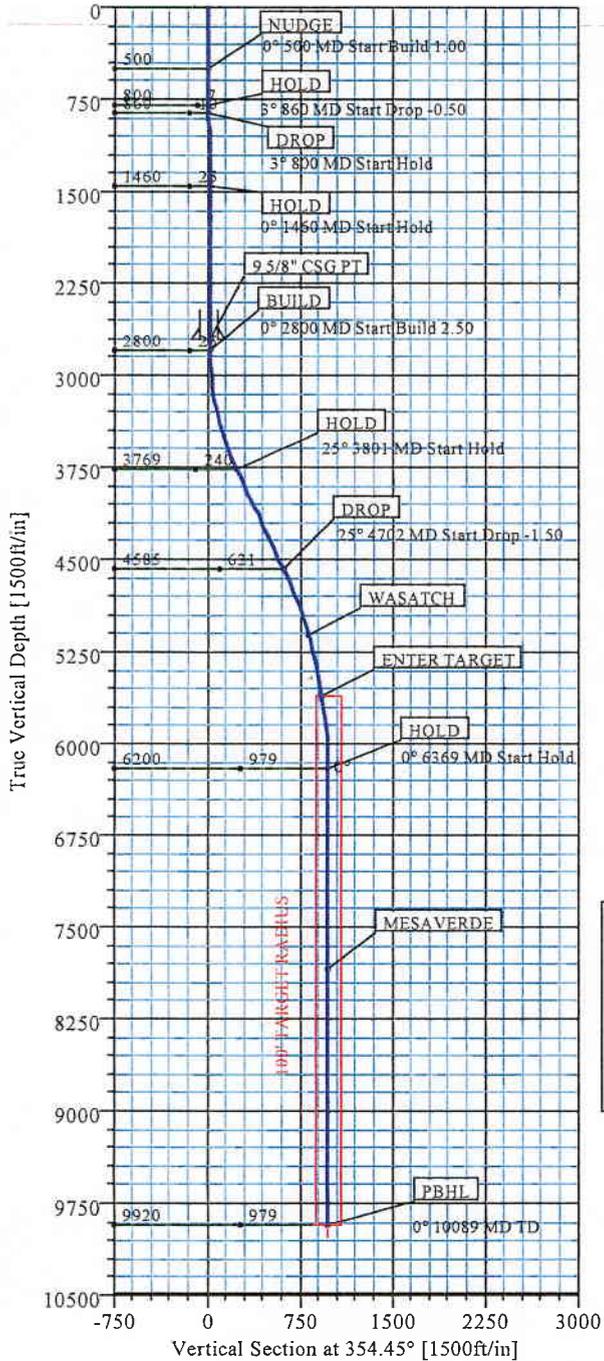
Azimuths to Grid North
True North: -0.97°
Magnetic North: 10.60°

Magnetic Field
Strength: 52768nT
Dip Angle: 66.02°
Date: 9/25/2007
Model: bggm2006

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	335.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	500.00	0.00	335.00	500.00	0.00	0.00	0.00	335.00	0.00	0.00
3	800.00	3.00	335.00	799.86	7.12	-3.32	1.00	-25.00	7.40	0.00
4	860.00	3.00	335.00	859.78	9.96	-4.65	0.00	0.00	10.36	0.00
5	1460.00	0.00	354.99	1459.51	24.20	-11.28	0.50	180.00	25.17	0.00
6	2800.49	0.00	354.99	2800.00	24.20	-11.28	0.00	335.00	25.17	0.00
7	3800.73	25.01	354.99	3768.79	238.20	-30.05	2.50	0.00	239.99	0.00
8	4701.76	25.01	354.99	4585.36	617.62	-63.32	0.00	0.00	620.85	0.00
9	6368.83	0.00	354.99	6200.00	974.30	-94.60	1.50	180.00	978.88	0.00
10	10088.83	0.00	354.99	9920.00	974.30	-94.60	0.00	354.99	978.88	PBHL

WELL DETAILS							
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
922-18D3BS	0.00	0.00	14543526.70	2063435.60	40°02'17.352N	109°29'19.398W	N/A

KB = 4908'
GR = 4893'



LEGEND

- 922-18C4BS (1)
- 922-18C4CS (1)
- 922-18D3S (1)
- 922-18D3DS (1)
- 922-18E3S (1)
- 922-18F1BS (1)
- 922-18F1CS (1)
- Plan #2

FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	5106.00	5259.29	WASATCH
2	7839.00	8007.83	MESAVERDE

FIELD DETAILS

UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)

Geodetic System: Universal Transverse Mercator (USFEET)
Ellipsoid: NAD27 (Clarke 1866)
Zone: UTM Zone 12, North 114W to 108W
Magnetic Model: bggm2006

System Datum: Mean Sea Level
Local North: Grid North

CASING DETAILS				
No.	TVD	MD	Name	Size
1	2700.00	2700.49	9 5/8" CSG PT	9.62

Plan: Plan #2 (922-18D3BS/1)

Created By: R. JOYNER Date: 10/4/2007

Weatherford Drilling Services

DIRECTIONAL PLAN REPORT



Company: Anadarko-Kerr-McGee	Date: 10/4/2007	Time: 09:07:59	Page: 1
Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	Co-ordinate(NE) Reference:	Site: NBU 922-18D3BS PAD CDEF	
Site: NBU 922-18D3BS PAD CDEF	Vertical (TVD) Reference:	SITE 4908.0	
Well: 922-18D3BS	Section (VS) Reference:	Well (0.00N,0.00E,354.45Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature Db: Sybase	

Plan: Plan #2	Date Composed:	10/4/2007
Principal: Yes	Version:	1
	Tied-to:	From Surface

Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)

Map System: Universal Transverse Mercator (USfeet)	Map Zone: UTM Zone 12, North 114W to 108W
Geo Datum: NAD27 (Clarke 1866)	Coordinate System: Site Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: bggm2006

Site: NBU 922-18D3BS PAD CDEF

----- 1853' FNL- 329' FWL- SEC-18-T9S-R22E

Site Position:	Northing: 14543526.70 ft	Latitude: 40 2 17.352 N	
From: Map	Easting: 2063435.60 ft	Longitude: 109 29 19.398 W	
Position Uncertainty: 0.00 ft		North Reference: Grid	
Ground Level: 4893.00 ft		Grid Convergence: 0.97 deg	

Well: 922-18D3BS	Slot Name:
Well Position:	
+N/-S 0.00 ft Northing: 14543526.70 ft	Latitude: 40 2 17.352 N
+E/-W 0.00 ft Easting: 2063435.60 ft	Longitude: 109 29 19.398 W
Position Uncertainty: 0.00 ft	

Wellpath: 1	Drilled From: Surface
Current Datum: SITE	Tie-on Depth: 0.00 ft
Magnetic Data: 9/25/2007	Above System Datum: Mean Sea Level
Field Strength: 52768 nT	Declination: 11.57 deg
Vertical Section: Depth From (TVD)	Mag Dip Angle: 66.02 deg
ft	+N/-S Direction
	ft deg
0.00	0.00 354.45

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	335.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
500.00	0.00	335.00	500.00	0.00	0.00	0.00	0.00	0.00	335.00	
800.00	3.00	335.00	799.86	7.12	-3.32	1.00	1.00	0.00	-25.00	
860.00	3.00	335.00	859.78	9.96	-4.65	0.00	0.00	0.00	0.00	
1460.00	0.00	354.99	1459.51	24.20	-11.28	0.50	-0.50	0.00	180.00	
2800.49	0.00	354.99	2800.00	24.20	-11.28	0.00	0.00	0.00	335.00	
3800.73	25.01	354.99	3768.79	238.20	-30.05	2.50	2.50	0.00	0.00	
4701.76	25.01	354.99	4585.36	617.62	-63.32	0.00	0.00	0.00	0.00	
6368.83	0.00	354.99	6200.00	974.30	-94.60	1.50	-1.50	0.00	180.00	
10088.83	0.00	354.99	9920.00	974.30	-94.60	0.00	0.00	0.00	354.99	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
500.00	0.00	335.00	500.00	0.00	0.00	0.00	0.00	14543526.70	2063435.60	NUDGE
600.00	1.00	335.00	599.99	0.79	-0.37	0.82	1.00	14543527.49	2063435.23	
700.00	2.00	335.00	699.96	3.16	-1.48	3.29	1.00	14543529.86	2063434.12	
800.00	3.00	335.00	799.86	7.12	-3.32	7.40	1.00	14543533.82	2063432.28	HOLD
860.00	3.00	335.00	859.78	9.96	-4.65	10.36	0.00	14543536.66	2063430.95	DROP
900.00	2.80	335.00	899.73	11.80	-5.50	12.27	0.50	14543538.50	2063430.10	
1000.00	2.30	335.00	999.63	15.83	-7.38	16.47	0.50	14543542.53	2063428.22	
1100.00	1.80	335.00	1099.57	19.07	-8.89	19.84	0.50	14543545.77	2063426.71	
1200.00	1.30	335.00	1199.53	21.52	-10.04	22.39	0.50	14543548.22	2063425.56	
1300.00	0.80	335.00	1299.51	23.18	-10.81	24.12	0.50	14543549.88	2063424.79	
1400.00	0.30	335.00	1399.51	24.05	-11.22	25.02	0.50	14543550.75	2063424.38	
1460.00	0.00	354.99	1459.51	24.20	-11.28	25.17	0.50	14543550.90	2063424.32	HOLD

Weatherford Drilling Services

DIRECTIONAL PLAN REPORT



Company: Anadarko-Kerr-McGee Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27) Site: NBU 922-18D3BS PAD CDEF Well: 922-18D3BS Wellpath: 1	Date: 10/4/2007 Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference: Survey Calculation Method:	Time: 09:07:59 Site: NBU 922-18D3BS PAD CDEF SITE 4908.0 Well (0.00N,0.00E,354.45Azi) Minimum Curvature	Page: 2 Db: Sybase
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Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
1500.00	0.00	354.99	1499.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
1600.00	0.00	354.99	1599.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
1700.00	0.00	354.99	1699.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
1800.00	0.00	354.99	1799.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
1900.00	0.00	354.99	1899.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2000.00	0.00	354.99	1999.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2100.00	0.00	354.99	2099.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2200.00	0.00	354.99	2199.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2300.00	0.00	354.99	2299.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2400.00	0.00	354.99	2399.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2500.00	0.00	354.99	2499.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2600.00	0.00	354.99	2599.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2700.00	0.00	354.99	2699.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2700.49	0.00	354.99	2700.00	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	9 5/8" CSG PT
2800.00	0.00	354.99	2799.51	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	
2800.49	0.00	354.99	2800.00	24.20	-11.28	25.17	0.00	14543550.90	2063424.32	BUILD
2900.00	2.49	354.99	2899.48	26.35	-11.47	27.33	2.50	14543553.05	2063424.13	
3000.00	4.99	354.99	2999.25	32.84	-12.04	33.85	2.50	14543559.54	2063423.56	
3100.00	7.49	354.99	3098.65	43.66	-12.99	44.71	2.50	14543570.36	2063422.61	
3200.00	9.99	354.99	3197.49	58.80	-14.32	59.90	2.50	14543585.50	2063421.28	
3300.00	12.49	354.99	3295.56	78.21	-16.02	79.39	2.50	14543604.91	2063419.58	
3400.00	14.99	354.99	3392.69	101.86	-18.09	103.13	2.50	14543628.56	2063417.51	
3500.00	17.49	354.99	3488.70	129.72	-20.54	131.09	2.50	14543656.42	2063415.06	
3600.00	19.99	354.99	3583.39	161.71	-23.34	163.21	2.50	14543688.41	2063412.26	
3700.00	22.49	354.99	3676.59	197.80	-26.51	199.43	2.50	14543724.50	2063409.09	
3800.00	24.99	354.99	3768.12	237.89	-30.02	239.68	2.50	14543764.59	2063405.58	
3800.73	25.01	354.99	3768.78	238.20	-30.05	239.99	2.50	14543764.90	2063405.55	HOLD
3900.00	25.01	354.99	3858.75	280.00	-33.72	281.95	0.00	14543806.70	2063401.88	
4000.00	25.01	354.99	3949.38	322.11	-37.41	324.22	0.00	14543848.81	2063398.19	
4100.00	25.01	354.99	4040.00	364.22	-41.10	366.49	0.00	14543890.92	2063394.50	
4200.00	25.01	354.99	4130.63	406.33	-44.79	408.76	0.00	14543933.03	2063390.81	
4300.00	25.01	354.99	4221.25	448.44	-48.49	451.03	0.00	14543975.14	2063387.11	
4400.00	25.01	354.99	4311.88	490.55	-52.18	493.30	0.00	14544017.25	2063383.42	
4500.00	25.01	354.99	4402.51	532.66	-55.87	535.57	0.00	14544059.36	2063379.73	
4600.00	25.01	354.99	4493.13	574.77	-59.56	577.84	0.00	14544101.47	2063376.04	
4700.00	25.01	354.99	4583.76	616.88	-63.26	620.11	0.00	14544143.58	2063372.34	
4701.76	25.01	354.99	4585.36	617.62	-63.32	620.85	0.00	14544144.32	2063372.28	DROP
4800.00	23.53	354.99	4674.91	657.85	-66.85	661.23	1.50	14544184.55	2063368.75	
4900.00	22.03	354.99	4767.11	696.42	-70.23	699.95	1.50	14544223.12	2063365.37	
5000.00	20.53	354.99	4860.28	732.58	-73.40	736.24	1.50	14544259.28	2063362.20	
5100.00	19.03	354.99	4954.38	766.29	-76.36	770.08	1.50	14544292.99	2063359.24	
5200.00	17.53	354.99	5049.33	797.54	-79.10	801.45	1.50	14544324.24	2063356.50	
5259.29	16.64	354.99	5106.00	814.89	-80.62	818.87	1.50	14544341.59	2063354.98	WASATCH
5300.00	16.03	354.99	5145.07	826.30	-81.62	830.32	1.50	14544353.00	2063353.98	
5400.00	14.53	354.99	5241.53	852.56	-83.92	856.68	1.50	14544379.26	2063351.68	
5500.00	13.03	354.99	5338.65	876.29	-86.01	880.50	1.50	14544402.99	2063349.59	
5600.00	11.53	354.99	5436.35	897.48	-87.86	901.77	1.50	14544424.18	2063347.74	
5700.00	10.03	354.99	5534.59	916.12	-89.50	920.48	1.50	14544442.82	2063346.10	
5772.41	8.95	354.99	5606.00	928.01	-90.54	932.42	1.50	14544454.71	2063345.06	ENTER TARGET
5800.00	8.53	354.99	5633.27	932.19	-90.91	936.61	1.50	14544458.89	2063344.69	
5900.00	7.03	354.99	5732.35	945.67	-92.09	950.15	1.50	14544472.37	2063343.51	
6000.00	5.53	354.99	5831.75	956.58	-93.05	961.09	1.50	14544483.28	2063342.55	
6100.00	4.03	354.99	5931.40	964.88	-93.77	969.43	1.50	14544491.58	2063341.83	

Weatherford Drilling Services

DIRECTIONAL PLAN REPORT



Company: Anadarko-Kerr-McGee Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27) Site: NBU 922-18D3BS PAD CDEF Well: 922-18D3BS Wellpath: 1	Date: 10/4/2007 Co-ordinate(NE) Reference: Site: NBU 922-18D3BS PAD CDEF Vertical (TVD) Reference: SITE 4908.0 Section (VS) Reference: Well (0.00N,0.00E,354.45Azi) Survey Calculation Method: Minimum Curvature Db: Sybase
---	--

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
6200.00	2.53	354.99	6031.23	970.58	-94.27	975.15	1.50	14544497.28	2063341.33	
6300.00	1.03	354.99	6131.18	973.68	-94.55	978.26	1.50	14544500.38	2063341.05	
6368.83	0.00	354.99	6200.00	974.30	-94.60	978.88	1.50	14544501.00	2063341.00	HOLD
6400.00	0.00	354.99	6231.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
6500.00	0.00	354.99	6331.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
6600.00	0.00	354.99	6431.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
6700.00	0.00	354.99	6531.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
6800.00	0.00	354.99	6631.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
6900.00	0.00	354.99	6731.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7000.00	0.00	354.99	6831.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7100.00	0.00	354.99	6931.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7200.00	0.00	354.99	7031.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7300.00	0.00	354.99	7131.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7400.00	0.00	354.99	7231.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7500.00	0.00	354.99	7331.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7600.00	0.00	354.99	7431.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7700.00	0.00	354.99	7531.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7800.00	0.00	354.99	7631.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
7900.00	0.00	354.99	7731.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8000.00	0.00	354.99	7831.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8007.83	0.00	354.99	7839.00	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	MESAVERDE
8100.00	0.00	354.99	7931.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8200.00	0.00	354.99	8031.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8300.00	0.00	354.99	8131.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8400.00	0.00	354.99	8231.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8500.00	0.00	354.99	8331.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8600.00	0.00	354.99	8431.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8700.00	0.00	354.99	8531.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8800.00	0.00	354.99	8631.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
8900.00	0.00	354.99	8731.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9000.00	0.00	354.99	8831.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9100.00	0.00	354.99	8931.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9200.00	0.00	354.99	9031.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9300.00	0.00	354.99	9131.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9400.00	0.00	354.99	9231.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9500.00	0.00	354.99	9331.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9600.00	0.00	354.99	9431.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9700.00	0.00	354.99	9531.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9800.00	0.00	354.99	9631.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
9900.00	0.00	354.99	9731.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
10000.00	0.00	354.99	9831.17	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	
10088.83	0.00	354.99	9920.00	974.30	-94.60	978.88	0.00	14544501.00	2063341.00	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec	<--- Longitude ---> Deg Min Sec
PBHL	-Circle (Radius: 100) -Plan hit target		9920.00	974.30	-94.60	14544501.00	2063341.00	40 2 26.997 N	109 29 20.402 W

Weatherford Drilling Services

DIRECTIONAL PLAN REPORT



Company: Anadarko-Kerr-McGee	Date: 10/4/2007	Time: 09:07:59	Page: 4
Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	Co-ordinate(NE) Reference:	Site: NBU 922-18D3BS PAD CDEF	
Site: NBU 922-18D3BS PAD CDEF	Vertical (TVD) Reference:	SITE 4908.0	
Well: 922-18D3BS	Section (VS) Reference:	Well (0.00N,0.00E,354.45Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
2700.49	2700.00	9.62	9.62	9 5/8" CSG PT

Annotation

MD ft	TVD ft	Description
500.00	500.00	NUDGE
800.00	799.86	HOLD
860.00	859.78	DROP
1460.00	1459.51	HOLD
2800.49	2800.00	BUILD
3800.73	3768.78	HOLD
5772.41	5606.00	ENTER TARGET
4701.76	4585.35	DROP
6368.83	6200.00	HOLD
10088.83	9920.00	PBHL

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
5259.29	5106.00	WASATCH		0.00	0.00
8007.83	7839.00	MESAVERDE		0.00	0.00

NBU 922-18D3BS
SW/NW LOT 2, SEC. 18, T9S, R22E
UINTAH COUNTY, UTAH
UTU-0359

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).

Approximately 170' +/- of access road is proposed. 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.

Approximately 20' +/- of 10" steel pipeline is proposed from the location to an existing pipeline. Refer to the attached Topo Map D.

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.

Culverts will be installed where needed.

A run off diversion for drainage will be constructed where needed.

The reserve pit will be lined. When the reserve pit is closed the pit liner will be buried below plow depth.

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.

11. **Surface Ownership:**

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

Ute Indian Tribe
P.O. Box 70
Fort Duchesne, Utah 84026
(435) 722-5141

12. **Other Information:**

A Class III Archaeological Survey Report has been conducted for this location and submitted to the Ute Indian Tribe prior to the on-site inspection.

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 boundaries of the unit.

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

Sheila Upcheho
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

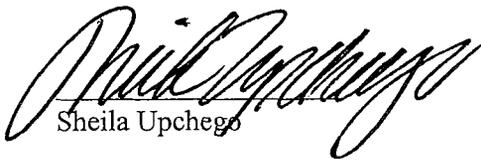
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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 Bureau of Indian Affairs Nationwide Bond #RLB0005239, Bureau of Land Management Nationwide Bond #WYB000291 and State of Utah 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 Upcheho

11/5/2007
Date

Kerr-McGee Oil & Gas Onshore LP
NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS,
D3BS, & D2S
SECTION 18, T9S, 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 DIRECTION APPROXIMATELY 0.3 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 DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 170' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 48.0 MILES.

orig.

Kerr-McGee Oil & Gas Onshore LP

NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, D3BS, & D2S

LOCATED IN UINTAH COUNTY, UTAH
SECTION 18, T9S, R22E, S.L.B.&M.

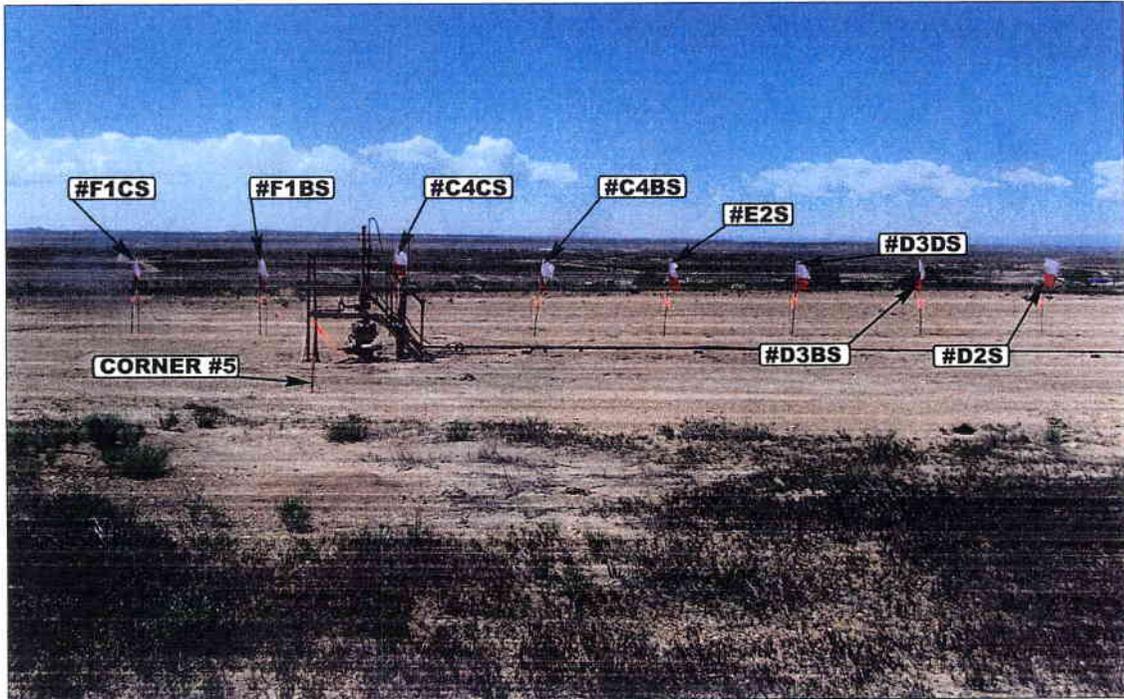


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

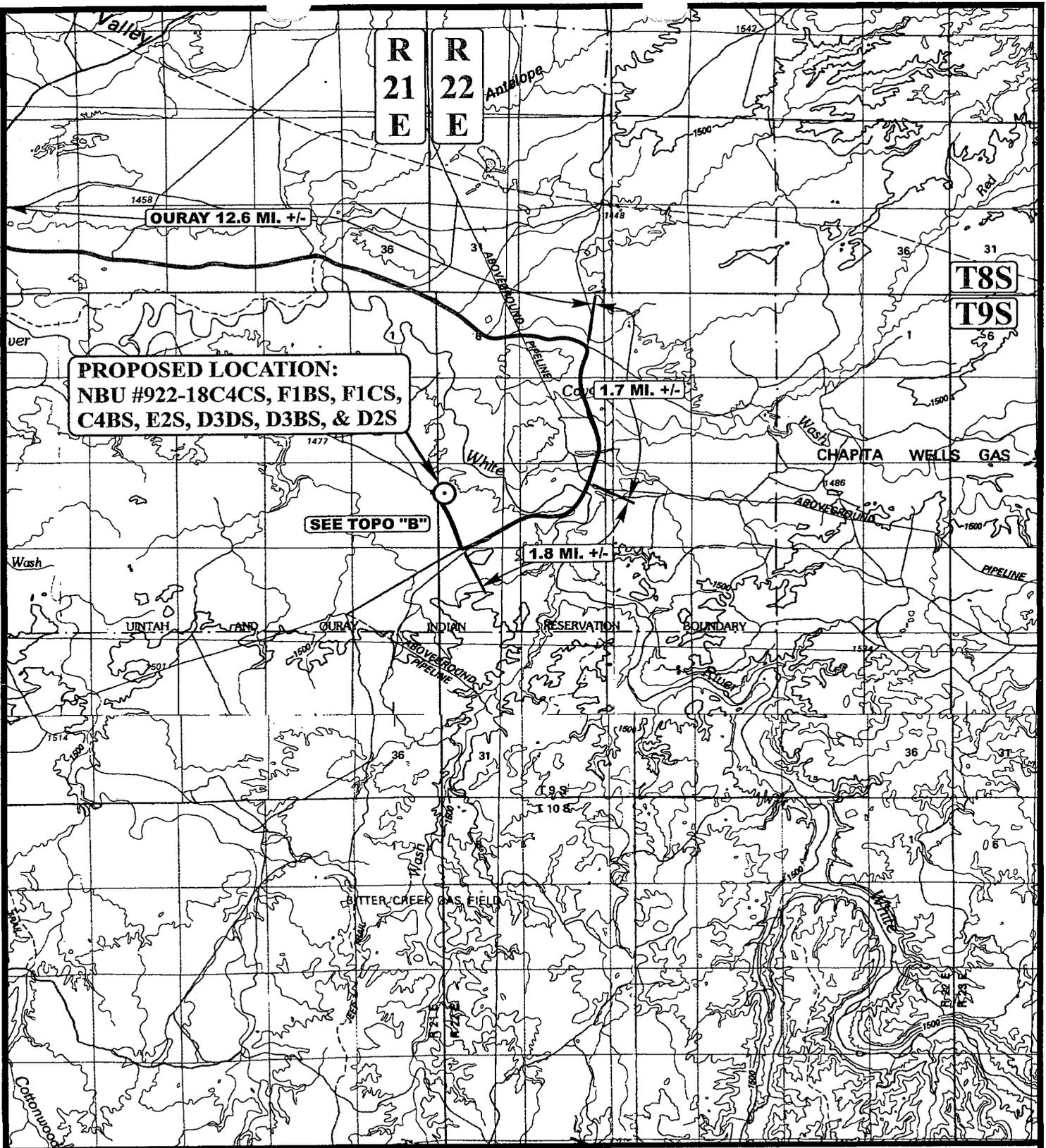
CAMERA ANGLE: EASTERLY



- Since 1964 -

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

LOCATION PHOTOS			05	16	07	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: L.K.	DRAWN BY: C.P.	REVISED: 00-00-00				



**PROPOSED LOCATION:
 NBU #922-18C4CS, F1BS, F1CS,
 C4BS, E2S, D3DS, D3BS, & D2S**

SEE TOPO "B"

LEGEND:

○ PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, D3BS, & D2S
 SECTION 18, T9S, R22E, S.L.B.&M.

LOT 2



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

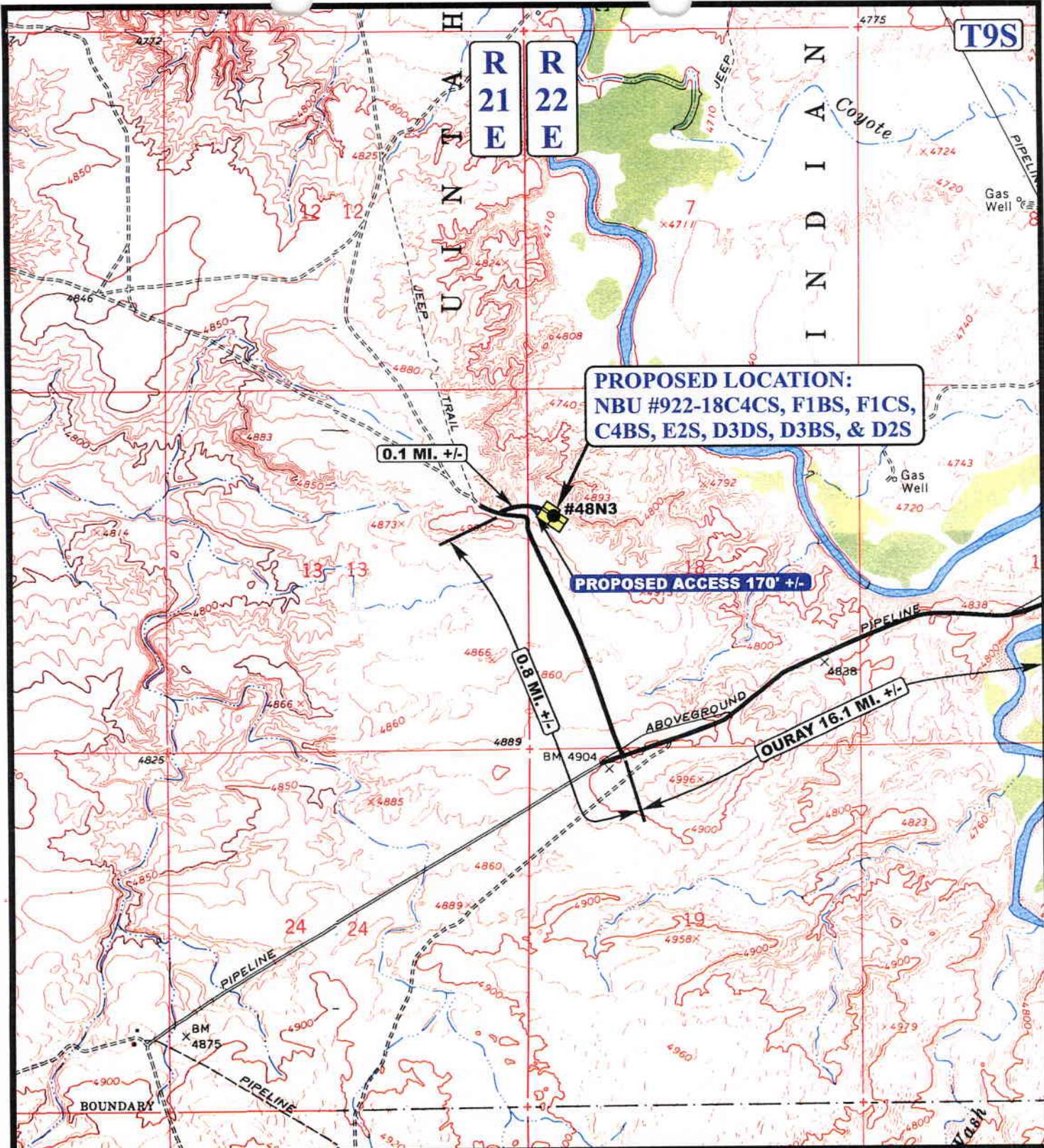


**TOPOGRAPHIC
 MAP**

05	16	07
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





PROPOSED LOCATION:
 NBU #922-18C4CS, F1BS, F1CS,
 C4BS, E2S, D3DS, D3BS, & D2S

0.1 MI. +/-

PROPOSED ACCESS 170' +/-

0.8 MI. +/-

OURAY 16.1 MI. +/-

LEGEND:

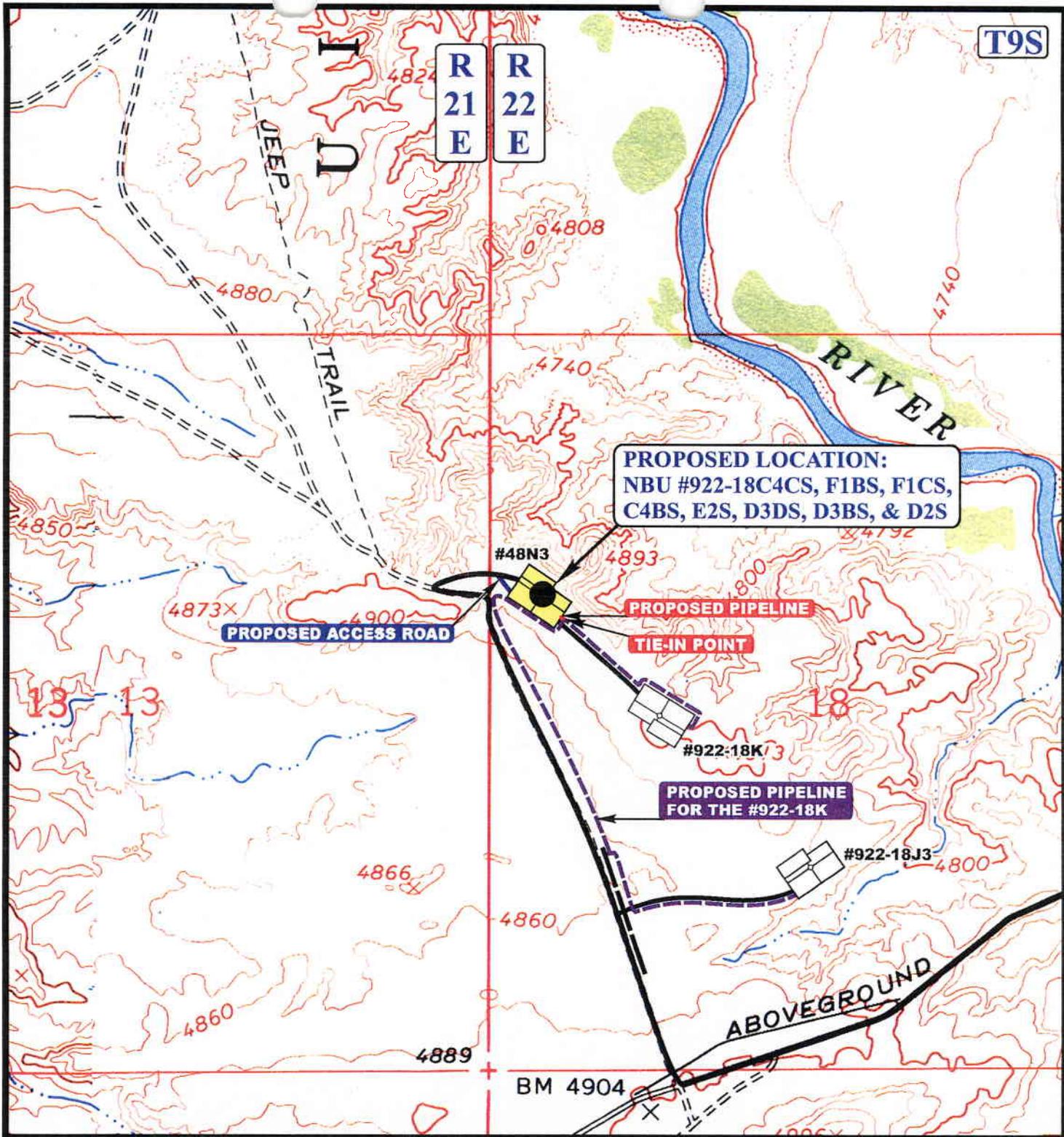
-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP
 NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, D3BS, & D2S
 SECTION 18, T9S, R22E, S.L.B.&M.
 LOT 2

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

TOPOGRAPHIC MAP 05 16 07
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **B TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 20' +/-

LEGEND:

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



Kerr-McGee Oil & Gas Onshore LP
 NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, D3BS, & D2S
 SECTION 18, T9S, R22E, S.L.B.&M.
 LOT 2



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

TOPOGRAPHIC MAP

05 16 07
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 10-25-07

D
 TOPO

Kerr-McGee Oil & Gas Onshore LP
NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, D3BS, & D2S
PIPELINE ALIGNMENT
LOCATED IN UINTAH COUNTY, UTAH
SECTION 18, T9S, R22E, S.L.B.&M.

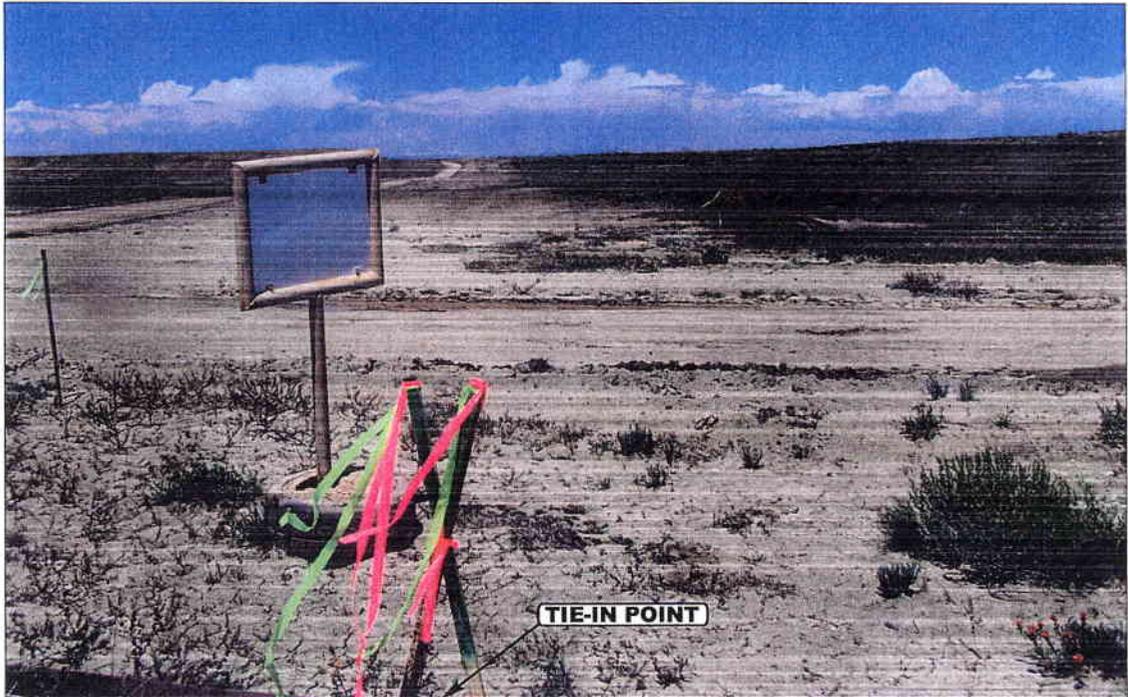


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHWESTERLY



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

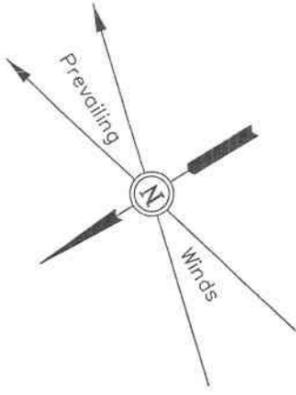
- Since 1964 -

PIPELINE PHOTOS	05	16	07	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: L.K.	DRAWN BY: C.P.		REVISED: 00-00-00	

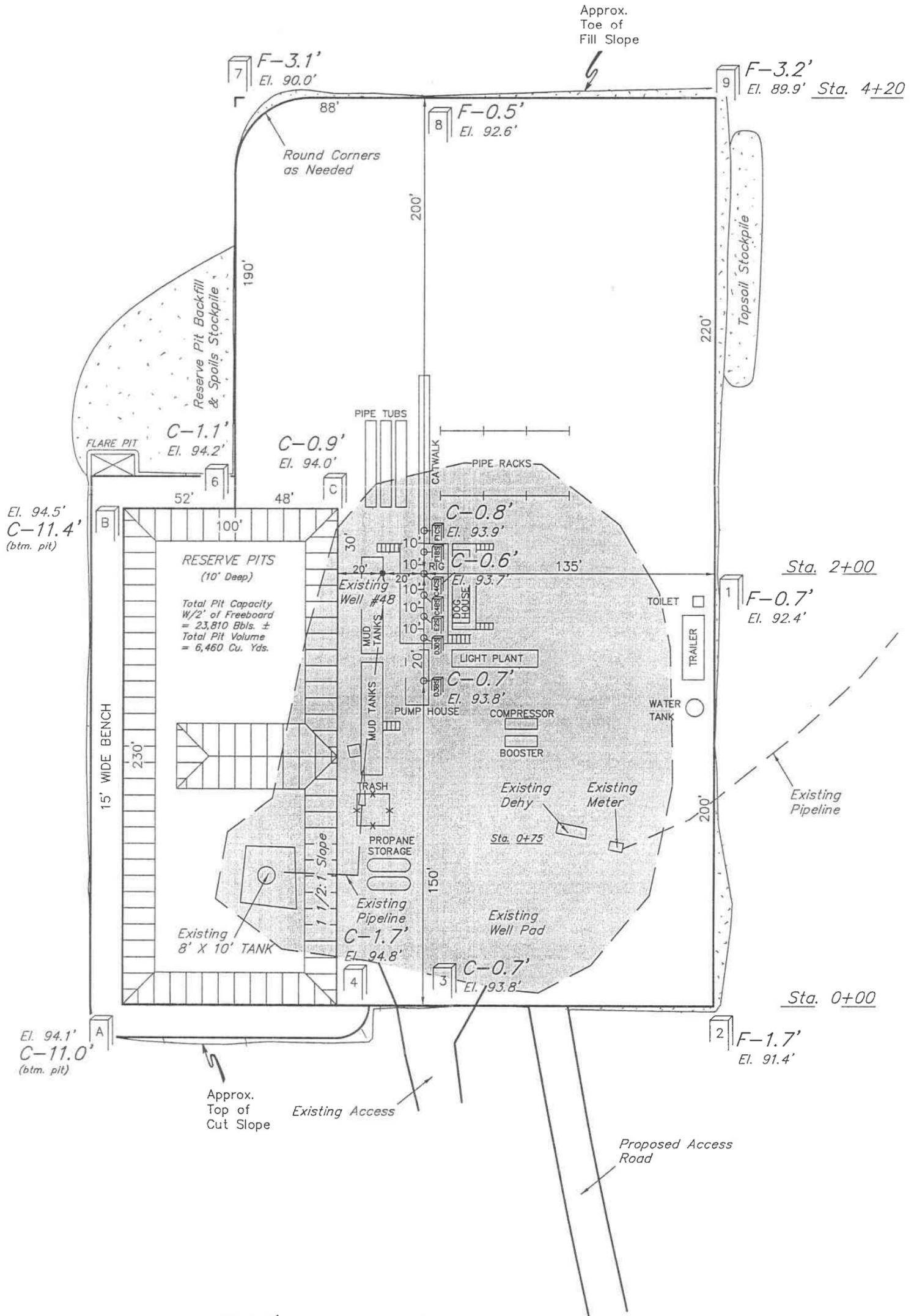
Kerr-McGee Oil & Gas Onshore LP

SITE PLAN LAYOUT FOR

NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, & D3BS
SECTION 18, T9S, R22E, S.L.B.&M.
LOT2



SCALE: 1" = 50'
DATE: 5-18-07
Drawn By: C.H.
REV: 10-22-07



NOTES:

Elev. Ungraded Ground At #18C4CS Loc. Stake = 4893.7'
FINISHED GRADE ELEV. AT #18C4CS LOC. STAKE = 4893.1'

Kerr-McGee Oil & Gas Onshore LP

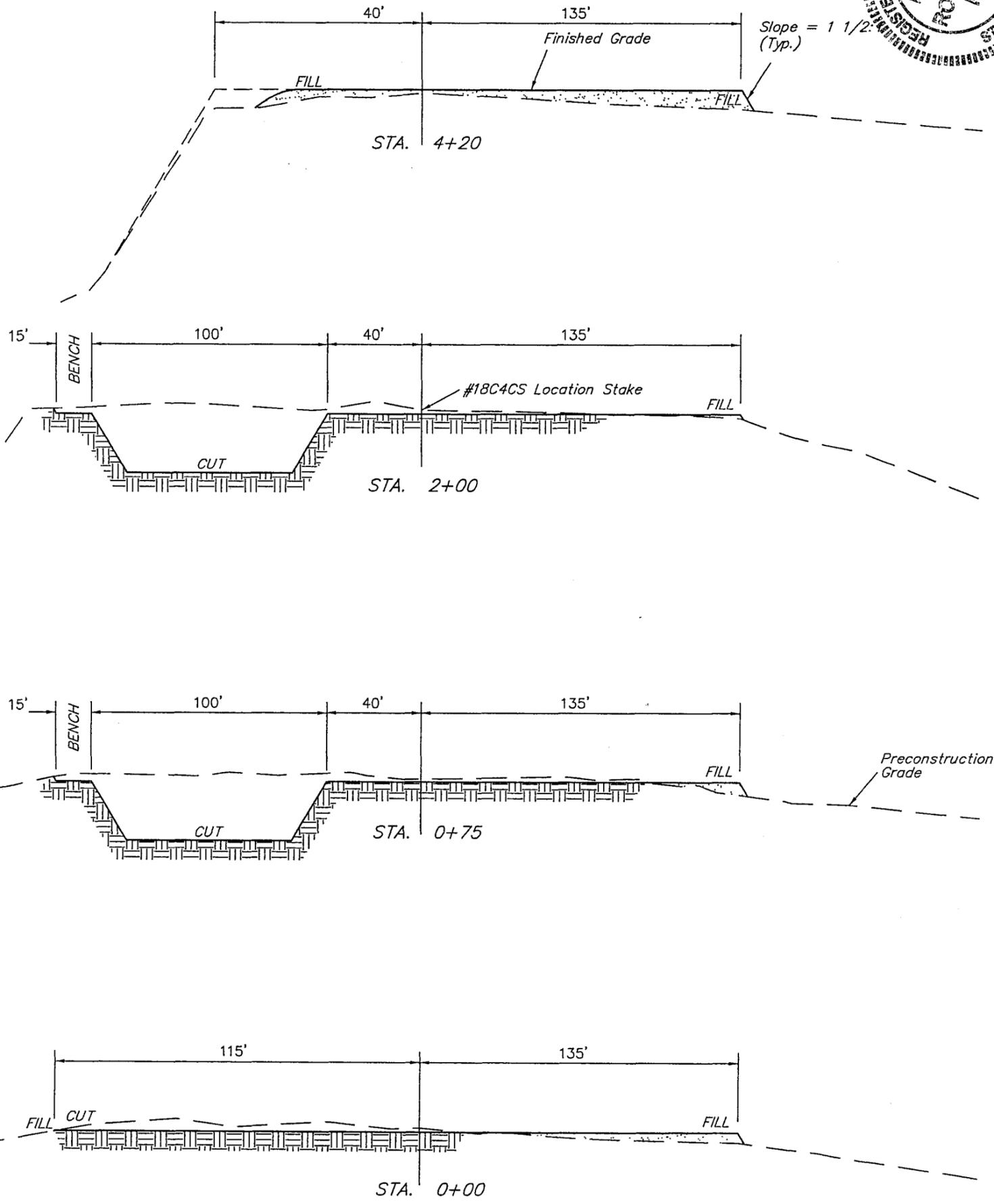
TYPICAL CROSS SECTIONS FOR

NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, & D3BS
SECTION 18, T9S, R22E, S.L.B.&M.
LOT2

FIGURE #2

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

DATE: 5-18-07
Drawn By: C.H.
REV: 10-22-07



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(12") Topsoil Stripping = 4,410 Cu. Yds.
Remaining Location = 6,670 Cu. Yds.
TOTAL CUT = 11,080 CU.YDS.
FILL = 3,440 CU.YDS.

EXCESS MATERIAL = 7,640 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 7,640 Cu. Yds.
EXCESS UNBALANCE = 0 Cu. Yds. (After Interim Rehabilitation)

Kerr-McGee Oil & Gas Onshore LP

SITE PLAN LAYOUT FOR

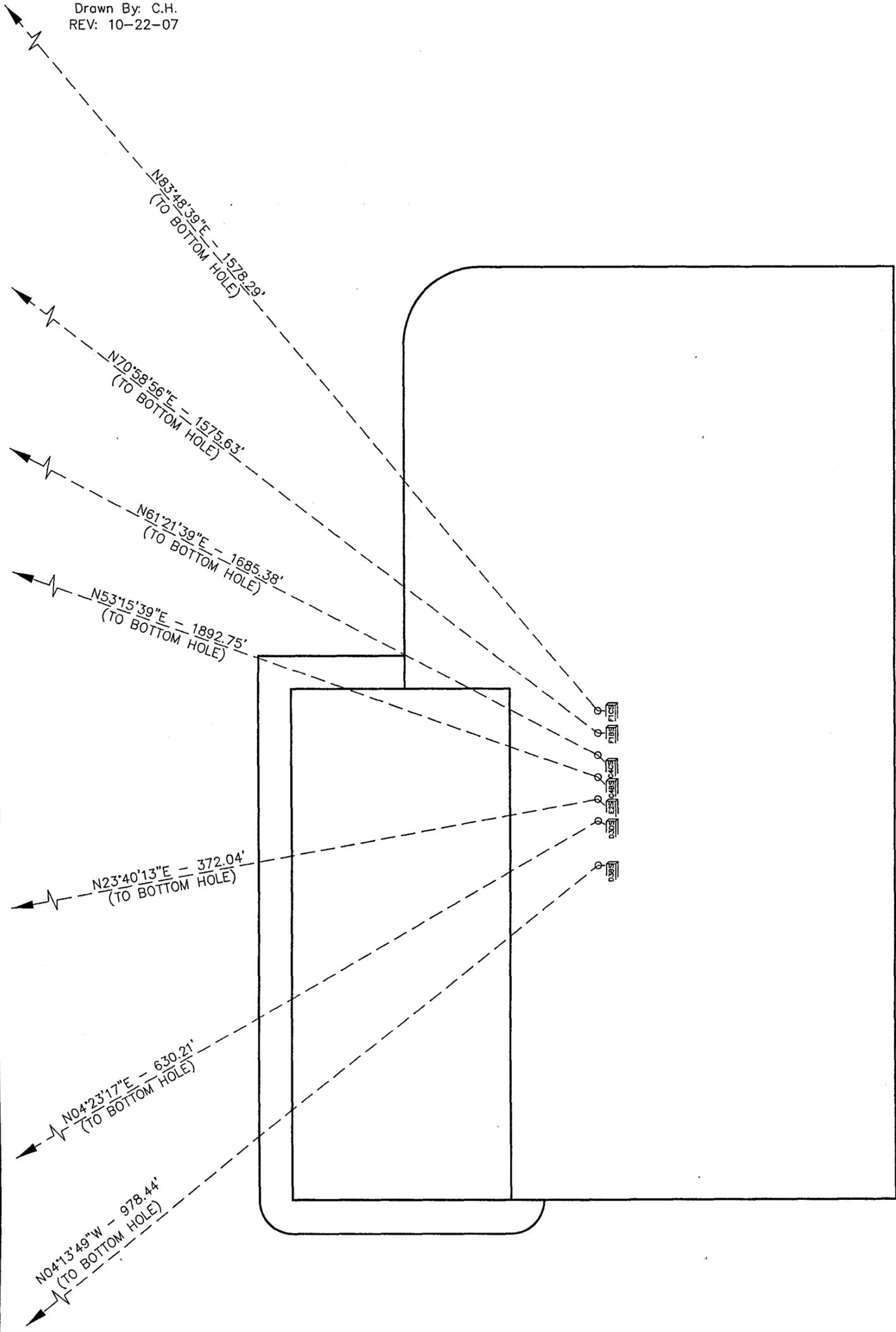
NBU #922-18C4CS, F1BS, F1CS, C4BS, E2S, D3DS, & D3BS

SECTION 18, T9S, R22E, S.L.B.&M.

LOT 2



SCALE: 1" = 50'
DATE: 5-18-07
Drawn By: C.H.
REV: 10-22-07



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/20/2007

API NO. ASSIGNED: 43-047-39841

WELL NAME: NBU 922-18D3BS
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:
 SWNW 18 090S 220E
 SURFACE: 1853 FNL 0329 FWL
NW1/4 BOTTOM: 0877 FNL 0256 FWL
 COUNTY: UINTAH
 LATITUDE: 40.03817 LONGITUDE: -109.4887
 UTM SURF EASTINGS: 628935 NORTHINGS: 4432877
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-0359
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[1] Ind[] Sta[] Fee[]
 (No. RLB0005239)
 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: 12-2-1994
 Siting: 460' fr W. side of Lincoln Tract
 R649-3-11. Directional Drill

COMMENTS: Sep, Separate file

STIPULATIONS: 1- Federal Approval
2- OIL SHALE

NATURAL BUTTES FIELD

STAGECOACH U 20-7
STAGECOACH U 91-7

SCU 55-7N

SCU 66-8N

T9S R21E T9S R22E

NATURAL BUTTES UNIT

CAUSE: 173-14 / 12/2-1999

STAGECOACH U 81-18

SCU 101-17

SCU 58-17N

NBU 921-13A
NBU 317

NBU 18N3

STAGECOACH 5
SCU 76-17

NBU 922-18G

NBU 921-13H

BHL 922-18D3BS
BHL 922-18C4BS
BHL 922-18C4CS
BHL 922-18E2S
BHL 922-18F1BS
BHL 922-18F1CS
NBU 922-18F1BS
NBU 922-18C4CS
NBU 922-18D3BS
NBU 922-18F4CS
NBU 922-18E3CS
NBU 922-18K1BS
NBU 922-18L2BS
BHL 922-18F4CS
BHL 922-18K1BS

NBU 922-18E2S

18

17

NBU 921-13I

BHL 922-18E3CS
BHL 922-18L2BS
BHL 922-18L2CS
NBU 922-18M3S
NBU 922-18L3S
NBU 922-18L2CS
NBU 922-18M2S
BHL 922-18L3S
BHL 922-18M2S
BHL 922-18M3S

NBU 922-18E3CS

NBU 922-18K2

BHL 922-18K1BS

NBU 12

BHL 922-18J1S

NBU 922-18L2BS

BHL 922-18K2DS

BHL 922-18J3S

NBU 922-18I

NBU 135

STAGECOACH U 95-17

NBU 922-18L2CS

NBU 922-18K

NBU 922-18O

BHL 922-18I3S

SCU 48-17F

NBU 922-18L3S

BHL 922-18N2S

NBU 922-18OBS

BHL 922-18I3S

NBU 922-18L2CS

NBU 922-18N2AS

NBU 922-18OBS

BHL 922-18I3S

NBU 922-18M2S

NBU 922-18N2CS

NBU 922-18OBS

BHL 922-18I3S

NBU 922-18L3S

NBU 922-18N2AS

NBU 922-18OBS

BHL 922-18I3S

NBU 922-18M2S

NBU 922-18N2CS

NBU 922-18OBS

BHL 922-18I3S

NBU 922-18M3S

NBU 922-18N2CS

NBU 922-18OBS

BHL 922-18I3S

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

November 30, 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)		
43-047-39821	NBU 922-18F4CS Sec 18	T09S R22E 2529 FSL 1248 FWL BHL Sec 18 T09S R22E 2406 FNL 1895 FWL
43-047-39822	NBU 922-18K2DS Sec 18	T09S R22E 2508 FSL 1282 FWL BHL Sec 18 T09S R22E 2099 FSL 1548 FWL
43-047-39823	NBU 922-18E3CS Sec 18	T09S R22E 2540 FSL 1231 FWL BHL Sec 18 T09S R22E 2632 FSL 0136 FWL
43-047-39824	NBU 922-18K1BS Sec 18	T09S R22E 2524 FSL 1256 FWL BHL Sec 18 T09S R22E 2602 FSL 1821 FWL
43-047-39825	NBU 922-18M3S Sec 18	T09S R22E 1688 FSL 0334 FWL BHL Sec 18 T09S R22E 0203 FSL 0571 FWL
43-047-39826	NBU 922-18L3S Sec 18	T09S R22E 1689 FSL 0274 FWL BHL Sec 18 T09S R22E 1390 FSL 0214 FWL
43-047-39827	NBU 922-18L2CS Sec 18	T09S R22E 1687 FSL 0344 FWL BHL Sec 18 T09S R22E 1994 FSL 0262 FWL

43-047-39828	NBU	922-18M2S	Sec 18	T09S	R22E	1689	FSL	0284	FWL
		BHL	Sec 18	T09S	R22E	1075	FSL	0232	FWL
43-047-39829	NBU	922-18P3S	Sec 18	T09S	R22E	1424	FSL	2605	FEL
		BHL	Sec 18	T09S	R22E	0203	FSL	0668	FEL
43-047-39830	NBU	922-18P2S	Sec 18	T09S	R22E	1436	FSL	2588	FEL
		BHL	Sec 18	T09S	R22E	0988	FSL	0745	FEL
43-047-39831	NBU	922-18N2S	Sec 18	T09S	R22E	1402	FSL	2637	FEL
		BHL	Sec 18	T09S	R22E	1278	FSL	1753	FWL
43-047-39832	NBU	922-18O3DS	Sec 18	T09S	R22E	1407	FSL	2629	FEL
		BHL	Sec 18	T09S	R22E	0165	FSL	2024	FEL
43-047-39833	NBU	922-18O3AS	Sec 18	T09S	R22E	1413	FSL	2621	FEL
		BHL	Sec 18	T09S	R22E	0465	FSL	1965	FEL
43-047-39834	NBU	922-18O1CS	Sec 18	T09S	R22E	1419	FSL	2613	FEL
		BHL	Sec 18	T09S	R22E	0687	FSL	1723	FEL
43-047-39835	NBU	922-18O1BS	Sec 18	T09S	R22E	1430	FSL	2596	FEL
		BHL	Sec 18	T09S	R22E	1046	FSL	1714	FEL
43-047-39836	NBU	922-18C4BS	Sec 18	T09S	R22E	1875	FNL	0362	FWL
		BHL	Sec 18	T09S	R22E	0745	FNL	1878	FWL
43-047-39837	NBU	922-18E2S	Sec 18	T09S	R22E	1870	FNL	0354	FWL
		BHL	Sec 18	T09S	R22E	1529	FNL	0503	FWL
43-047-39838	NBU	922-18F1CS	Sec 18	T09S	R22E	1892	FNL	0387	FWL
		BHL	Sec 18	T09S	R22E	1724	FNL	1956	FWL
43-047-39839	NBU	922-18N2AS	Sec 18	T09S	R22E	1396	FSL	2228	FWL
		BHL	Sec 18	T09S	R22E	1016	FSL	1617	FWL
43-047-39840	NBU	922-18L2BS	Sec 18	T09S	R22E	2513	FSL	1273	FWL
		BHL	Sec 18	T09S	R22E	2344	FSL	0223	FWL
43-047-39841	NBU	922-18D3BS	Sec 18	T09S	R22E	1853	FNL	0329	FWL
		BHL	Sec 18	T09S	R22E	0877	FNL	0256	FWL
43-047-39842	NBU	922-18J3S	Sec 18	T09S	R22E	1453	FSL	2564	FEL
		BHL	Sec 18	T09S	R22E	1888	FSL	2052	FEL
43-047-39843	NBU	922-18J1S	Sec 18	T09S	R22E	1447	FSL	2572	FEL
		BHL	Sec 18	T09S	R22E	2062	FSL	1665	FEL

43-047-39844 NBU 922-18I3S Sec 18 T09S R022E 1442 FSL 2580 FEL
BHL Sec 18 T09S R022E 1346 FSL 0726 FEL

43-047-39845 NBU 922-18C4CS Sec 18 T09S R22E 1881 FNL 0370 FWL
BHL Sec 18 T09S R22E 1075 FNL 1849 FWL

43-047-39846 NBU 922-18F1BS Sec 18 T09S R22E 1886 FNL 0379 FWL
BHL Sec 18 T09S R22E 1375 FNL 1868 FWL

43-047-39847 NBU 922-18N2CS Sec 18 T09S R22E 1390 FSL 2220 FWL
BHL Sec 18 T09S R22E 0775 FSL 1462 FWL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:11-30-07



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

December 3, 2007

Kerr McKee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

Re: NBU 922-18D3BS Well, Surface Location 1853' FNL, 329' FWL, SW NW, Sec. 18,
T. 9 South, R. 22 East, Bottom Location 877' FNL, 256' FWL, NW NW, Sec. 18,
T. 9 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 43-047-39841.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: Kerr McKee Oil and Gas Onshore LP
Well Name & Number NBU 922-18D3BS
API Number: 43-047-39841
Lease: UTU-0359

Surface Location: SW NW Sec. 18 T. 9 South R. 22 East
Bottom Location: NW NW Sec. 18 T. 9 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

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 Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
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.

4006m

RECEIVED
VERNAL FIELD OFFICE

2007 NOV 5 PM 12:35

Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-0359
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 TRIBAL SURFACE
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. UNIT #891008900A
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	3b. Phone No. (include area code) (435) 781-7024	8. Lease Name and Well No. NBU 922-18D3BS
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SW/NW 1853'FNL, 329'FWL (LOT 2) At proposed prod. Zone NW/NW 877'FNL, 256'FWL (LOT 1)		9. API Well No. 43 047 39841
14. Distance in miles and direction from nearest town or post office* 17 +/- MILES FROM OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 329'	16. No. of Acres in lease 162.39	11. Sec., T., R., M., or Blk. and Survey or Area SEC. 18, T9S, R22E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 10,089'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4894'GL	20. BLM/BIA Bond No. on file RLB0005239	13. State UTAH
22. Approximate date work will start* UPON APPROVAL		23. Estimated duration TO BE DETERMINED

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 11/16/2007
Title SENIOR LAND ADMIN SPECIALIST		
Approved by (Signature) 	Name (Printed/Typed) KELLY KEVZLA	SEP 08 2008
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to the land 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)

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

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

4006m
KERR MCGEE



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Kerr-McGee Oil and Gas Onshore LP	Location:	Lot 2, Sec. 18, T9S, R22E
Well No:	NBU 922-18D3BS	Lease No:	UTU-0359
API No:	43-047-39841	Agreement:	Natural Buttes Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

General Conditions of Approval

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- A 30' foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROWs.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
- You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
- The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
- All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.

- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the Ute Tribe Energy & Minerals Department should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
- All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
- Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- A mist system is approved in lieu of deduster equipment. All other equipment for air/gas drilling shall meet specifications in Onshore Order #2, III. Requirements, E. Special Drilling Operations.
- A formation integrity test shall be performed at the surface casing shoe before drilling more than twenty feet.
- Logging program: Gamma Ray shall be run from TD to surface.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB

or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ($\frac{1}{4}$ $\frac{1}{4}$, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-0359
2. Name of Operator Kerr-McGee Oil & Gas Onshore, LP		6. If Indian, Allottee, or Tribe Name Ute Tribe
3a. Address P.O. Box 173779, Denver, CO 80217-3779	3b. Phone No. (include area code) 720.929.6226	7. If Unit or CA. Agreement Name and/or No. UTU-63047A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SW NW 1/4 Sec. 18 T 9S R 22E 1881 FSL 370 FWL		8. Well Name and No. NBU 922-18D3BS
		9. API Well No. 43-047-39841
		10. Field and Pool, or Exploratory Area Natural Buttes
		11. County or Parish, State Utah

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

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

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

COPY SENT TO OPERATOR

Date: 12-14-2008

Initials: KS

Kerr-McGee Oil & Gas Onshore, LP, respectfully notifies that the center stakes for the surface location have been moved to SWNW 1881' FSL & 370' FWL. The bottomhole location has not been changed.

628748 X
4432868 Y

40.038084
-109.488583

Federal Approval
Action is Necessary

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-01-08

By: [Signature]

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

Name (Printed/ Typed) Kevin McIntyre	Title Regulatory Analyst
Signature <u>[Signature]</u>	Date 11/11/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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 any department of agency or instrumentality of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

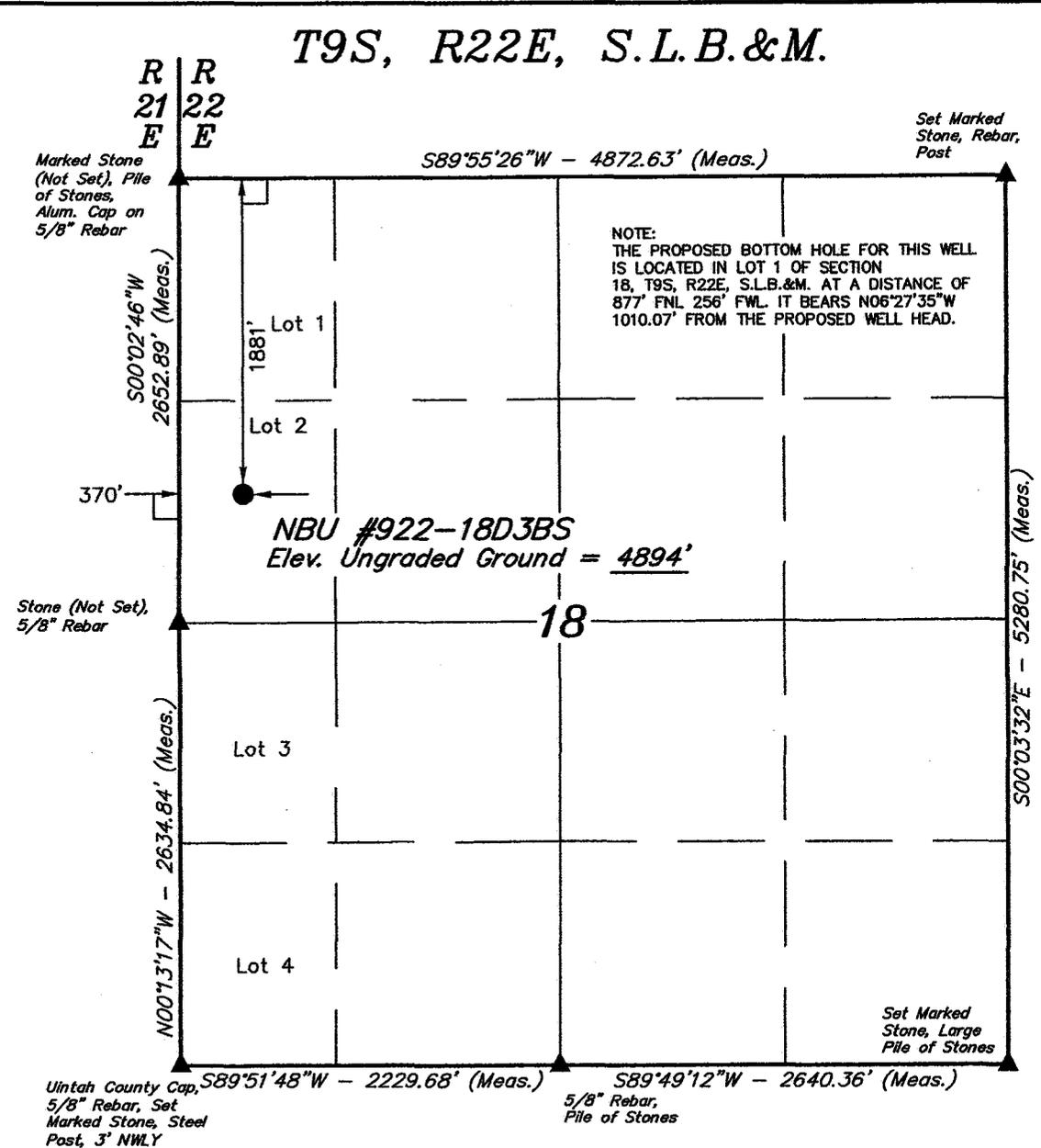
(Instructions on page 2)

RECEIVED

NOV 17 2008

DIV. OF OIL, GAS & MINING

T9S, R22E, S.L.B.&M.



NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN LOT 1 OF SECTION 18, T9S, R22E, S.L.B.&M. AT A DISTANCE OF 877' FNL 256' FWL. IT BEARS N06°27'35"W 1010.07' FROM THE PROPOSED WELL HEAD.

Kerr-McGee Oil & Gas Onshore LP

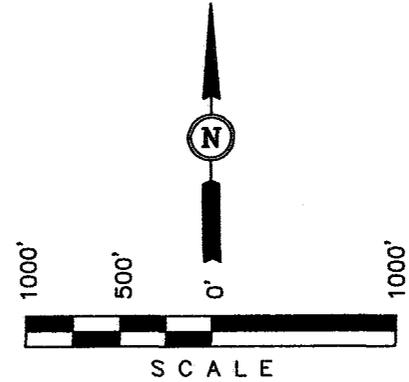
Well location, NBU #922-18D3BS, located as shown in Lot 2 of Section 18, T9S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

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



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 SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT KAY
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 10-29-08

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

LEGEND:

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

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 40°02'27.02" (40.040839)	LATITUDE = 40°02'17.10" (40.038083)
LONGITUDE = 109°29'23.32" (109.489811)	LONGITUDE = 109°29'21.86" (109.489406)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 40°02'27.15" (40.040875)	LATITUDE = 40°02'17.23" (40.038119)
LONGITUDE = 109°29'20.85" (109.489125)	LONGITUDE = 109°29'19.39" (109.488719)

SCALE 1" = 1000'	DATE SURVEYED: 05-07-07	DATE DRAWN: 05-17-07
PARTY D.K. L.K. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	



Kerr-McGee Oil & Gas Onshore LP
1999 Broadway, Suite 3700
Denver, CO 80205

July 30, 2008

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

Re: Directional Drilling R649-3-11
NBU 922-18D3BS
T9S-R22E
Section 18: Lot 1 (NWNW)
Surface: 1881' FNL, 370' FWL
Bottom Hole: 877' FNL, 256' FWL
Uintah County, Utah

Dear Mrs. Mason:

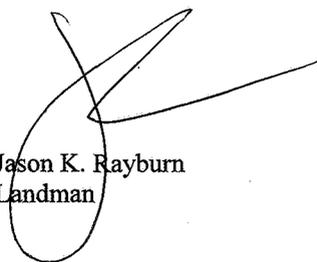
Pursuant to the filing of Kerr-McGee Oil & Gas Onshore LP's (Kerr-McGee) Application for Permit to Drill regarding the above referenced well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Kerr-McGee's NBU 922-18D3BS is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information Kerr-McGee Oil & Gas Onshore LP requests the permit be granted pursuant to R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP


Jason K. Rayburn
Landman

RECEIVED

NOV 26 2008

DIV. 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 10, 2009

Kerr McGee O&G Onshore LP
1368 South 1200 East
Vernal, UT 84078

Re: APD Rescinded – NBU 922-18D3BS, Sec.18, T.9S, R.22E
Uintah County, Utah API No. 43-047-39841

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 3, 2007. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 10, 2009.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

