

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-22649	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: NATURAL BUTTES UNIT	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE LP				9. WELL NAME and NUMBER: NBU 922-32MT	
3. ADDRESS OF OPERATOR: PO BOX 173779 CITY DENVER STATE CO ZIP 80217-3779			PHONE NUMBER: (720) 929-6666	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1153' FSL, 717' FWL AT PROPOSED PRODUCING ZONE: SAME				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 9S 22E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 55 MILES FROM VERNAL, UTAH				12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 717'	16. NUMBER OF ACRES IN LEASE: 640		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 20'	19. PROPOSED DEPTH: 9,376		20. BOND DESCRIPTION: RLB0005237		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5157.2	22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION: 10 DAYS		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J-55	36 LTC	2,350	PREMIUM +2%CaCl	215 SK	1.18	15.60
					20 GAS SODIUM S	100	1018	15.6
7 7/8	4 1/2	1-80	11.6	9,376	PREMIUM LITE II+3%	450	3.38	11.6
					50/50 POZ/G	1480	1.31	14.3

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) RALEEN WHITE TITLE SR. REGULATORY ANALYST
 SIGNATURE Raleen White DATE 6/3/2008

(This space for State use only)
 API NUMBER ASSIGNED: 43-047-40117

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

**RECEIVED
JUN 05 2008**

APPROVAL:
 Date: 06-13-08
 By: [Signature]

DIV. OF OIL, GAS & MINING

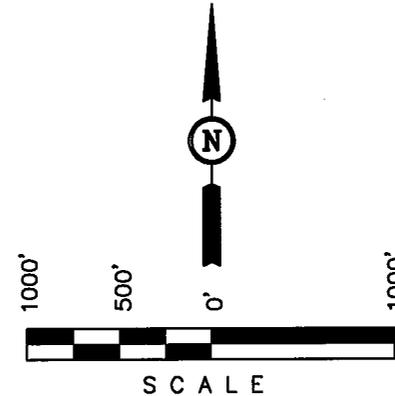
T9S, R22E, S.L.B.&M.

KERR MCGEE OIL & GAS ONSHORE LP

Well location, NBU #922-32MT, located as shown in the SW 1/4 SW 1/4 of Section 32, T9S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

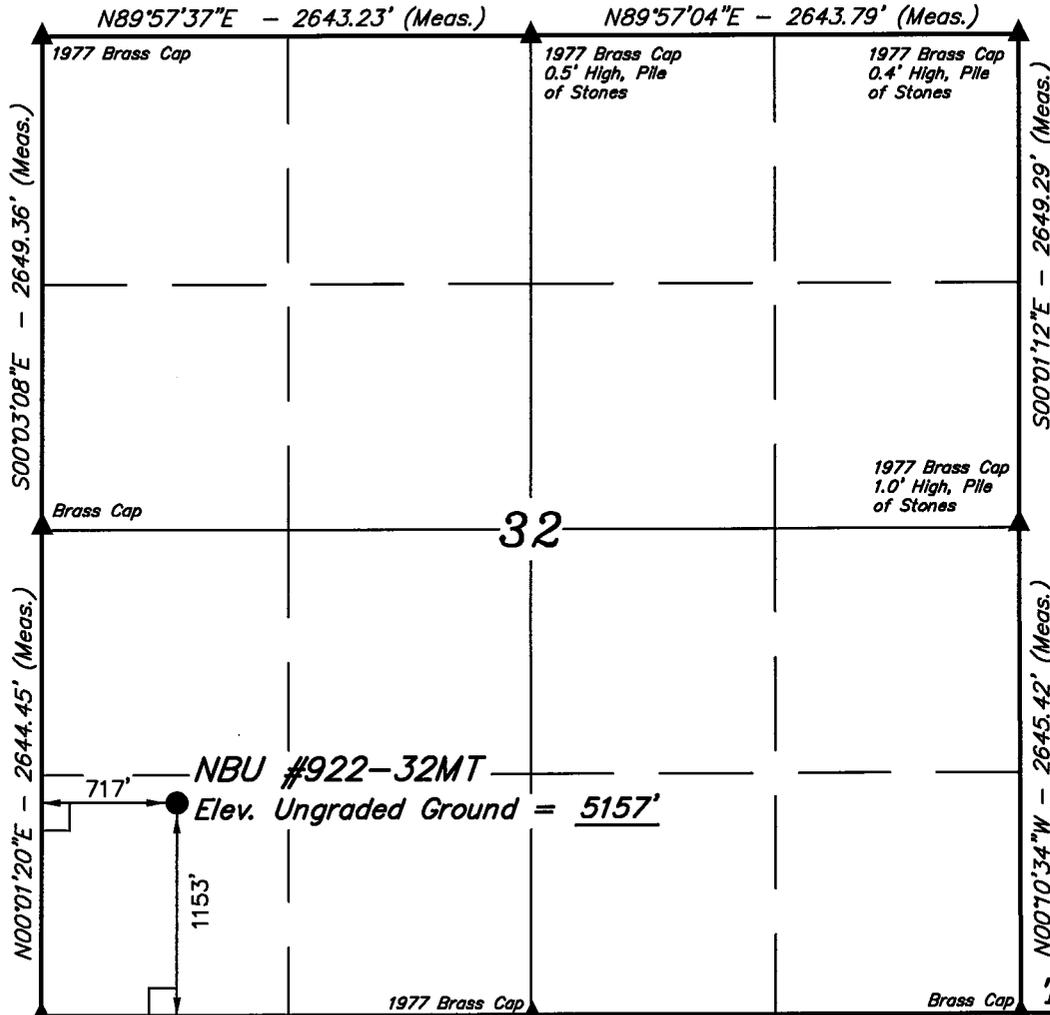
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING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



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.

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH



1977 Brass Cap N89°59'14"E - 2647.21' (Meas.)
 2.0' High, Pile of Stones

N89°56'37"E - 2647.47' (Meas.)

1977 Brass Cap N89°57'04"E - 2643.79' (Meas.)
 0.5' High, Pile of Stones

1977 Brass Cap N89°57'37"E - 2643.23' (Meas.)
 0.4' High, Pile of Stones

500°03'08"E - 2649.36' (Meas.)

500°01'12"E - 2649.29' (Meas.)

500°01'20"E - 2644.45' (Meas.)

500°10'34"W - 2645.42' (Meas.)

1977 Brass Cap N00°01'20"E - 2644.45' (Meas.)
 2.0' High, Pile of Stones

1977 Brass Cap N00°01'12"E - 2645.42' (Meas.)
 1.0' High, Pile of Stones

LEGEND:

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

(NAD 83)
 LATITUDE = 39°59'18.29" (39.988414)
 LONGITUDE = 109°28'14.61" (109.470725)

(NAD 27)
 LATITUDE = 39°59'18.42" (39.988450)
 LONGITUDE = 109°28'12.14" (109.470039)

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

SCALE 1" = 1000'	DATE SURVEYED: 05-23-08	DATE DRAWN: 05-28-08
PARTY T.A. S.K. L.K.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr McGee Oil & Gas Onshore LP	

NBU 922-32MT
SWSW, SECTION 32, T9S, R22E
UINTAH COUNTY, UTAH
ML-22649

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1398'
Birds Nest	1719'
Mahogany	2069'
Wasatch	4604'
Mesaverde	8029'
TD	9376'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1398'
Water	Birds Nest	1719'
Water	Mahogany	2069'
Gas	Wasatch	4604'
Gas	Mesaverde	8029'
Water	N/A	
Other Minerals	N/A	

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

Please refer to the attached Drilling Program.

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

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9376' TD, approximately equals 5813 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3750 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variations:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

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 2,350'	36.00	J-55	LTC	0.98	1.84	6.11
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 9376	11.60	I-80	LTC	2.17	1.12	2.12

- 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 = 11.6 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoys.Fact. of water)
- MASP 3593 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
	TOP OUT CMT (1)	250	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	100		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
NOTE: If well will circulate water to surface, option 2 will be utilized							
SURFACE	LEAD	2000	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	230	35%	11.60	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,096'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	450	60%	11.60	3.38
	TAIL	5,280'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1480	60%	14.30	1.31

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

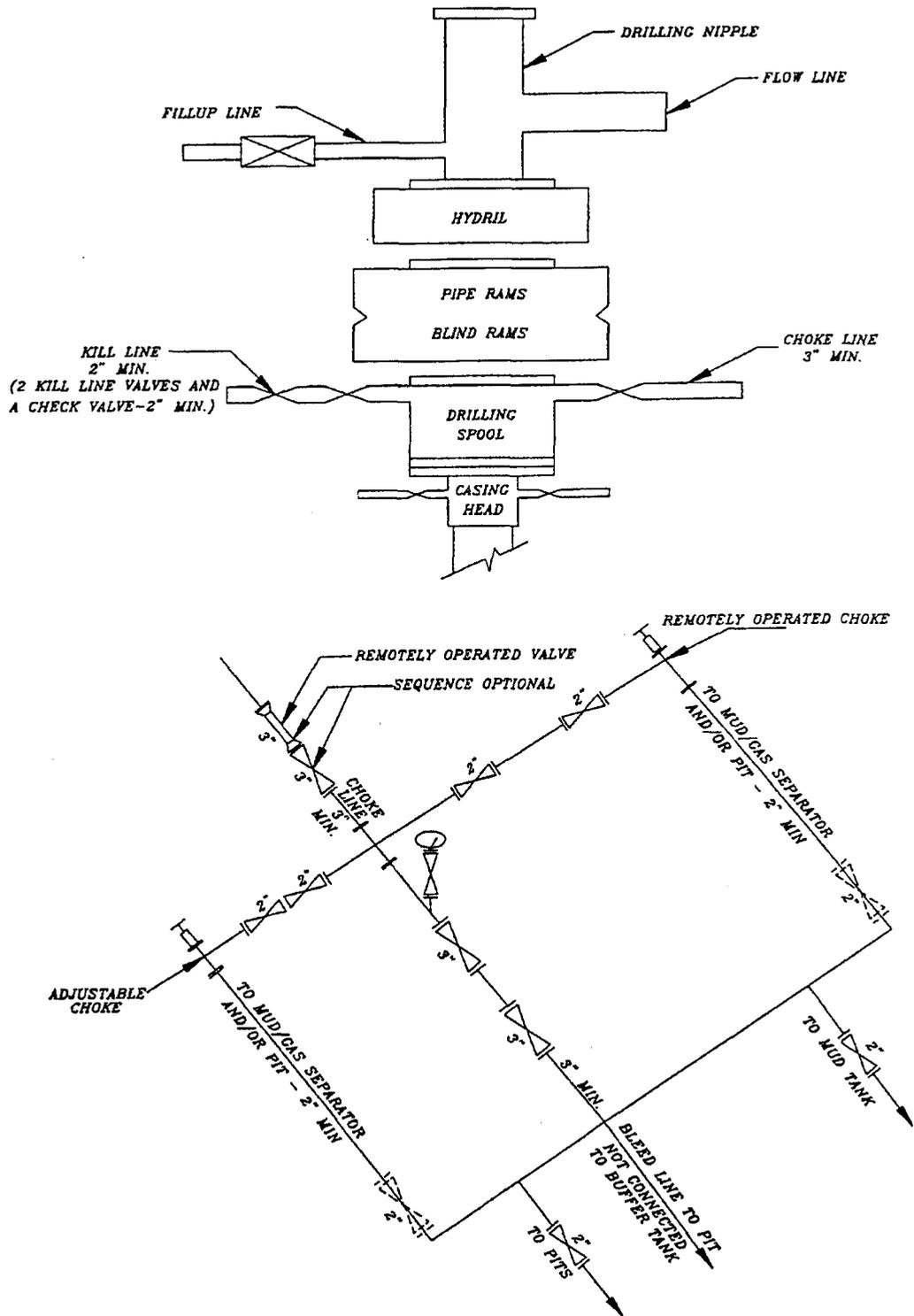
DRILLING ENGINEER: _____
Brad Laney

DATE: _____

DRILLING SUPERINTENDENT: _____
Randy Bayne dhd 922-32MT

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 922-32MT
SWSW SEC 32-T9S-R22E
Uintah County, UT
ML-22649

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

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

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

2. **Planned Access Roads:**

No new access road is proposed. Refer to Topo Map B for the location of existing access road.

The upgraded portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

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

Please refer to Topo Map C.

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

The following guidelines will apply if the well is productive.

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

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

All permanent (on-site six months or longer) above the ground structures constructed or

installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

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

No new pipeline is proposed for this location.

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

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

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

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

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

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

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

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

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

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

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

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E , Pipeline Facility Sec. 36, T9S, R20E, Goat Pasture Evaporation Pond SW/4 Sec. 16, T10S, R22E, Bonanza Evaporation Pond Sec. 2, T10S, R23E

8. Ancillary Facilities:

None are anticipated.

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

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

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

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

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

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

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

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

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

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

10. Plans for Reclamation of the Surface:

Producing Location:

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

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

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

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

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

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

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

Dry Hole/Abandoned Location:

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

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

11. **Surface and Mineral Ownership:**

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

12. **Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been completed and is attached.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it Within 460' of any non-committed tract lying within the boundaries of the Unit.

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

Raleen White
Sr. Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6666

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

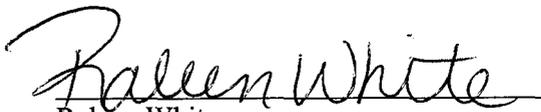
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005236.

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.


Raleen White

Date 6-3-2008

Kerr-McGee Oil & Gas Onshore LP
NBU #922-32MT
SECTION 32, 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 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHWESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.95 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #922-32MT

LOCATED IN UINTAH COUNTY, UTAH
SECTION 32, T9S, R22E, S.L.B.&M.



PHOTO: VIEW FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

- Since 1964 -

LOCATION PHOTOS

05 28 08
MONTH DAY YEAR

PHOTO

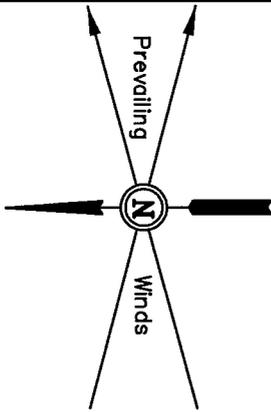
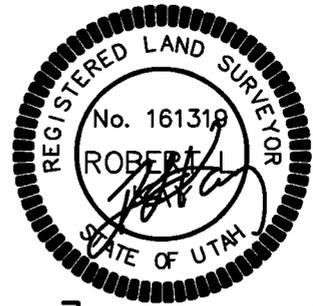
TAKEN BY: T.A. | DRAWN BY: L.K. | REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

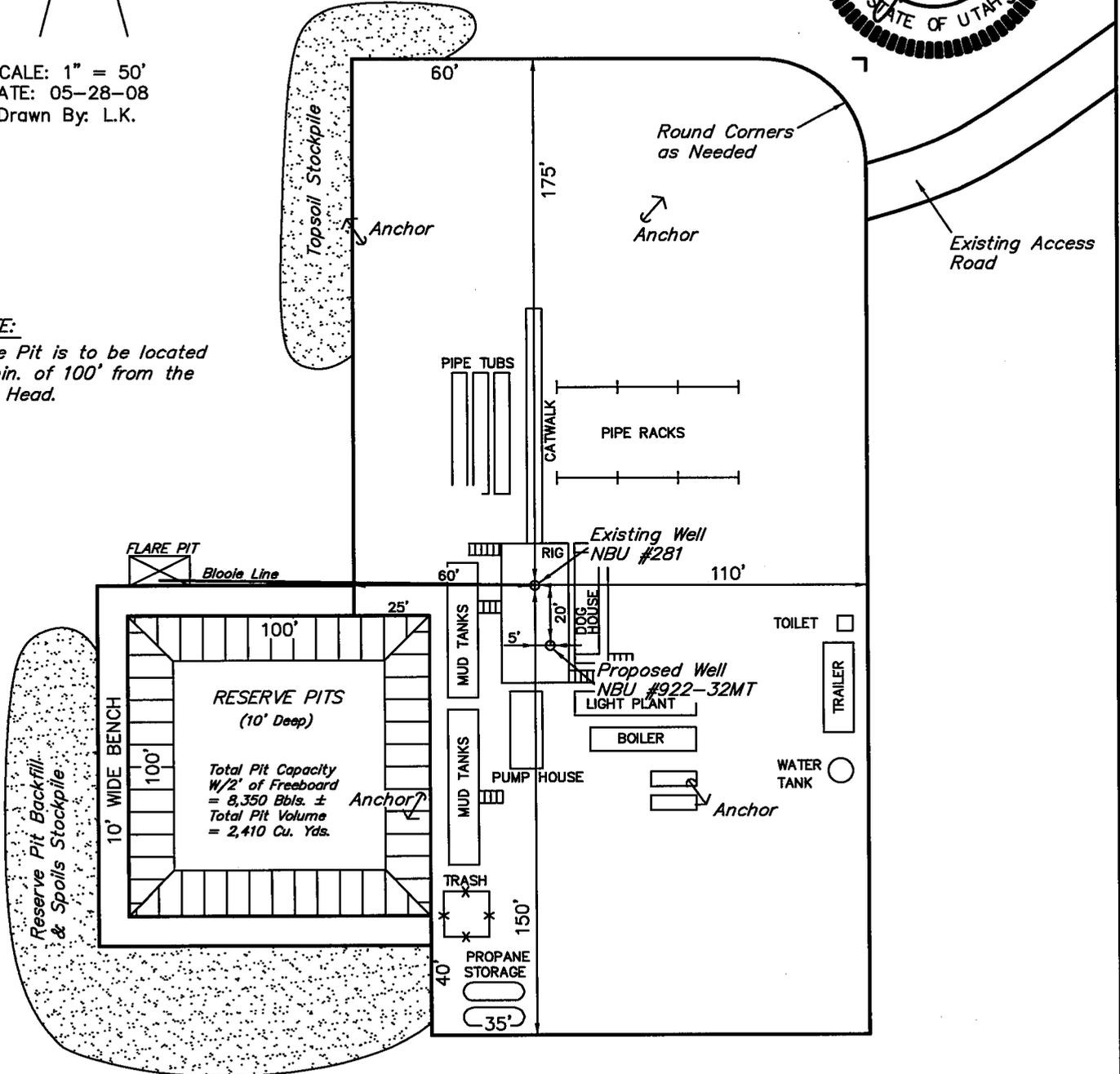
NBU #922-32MT
SECTION 32, T9S, R22E, S.L.B.&M.
1153' FSL 717' FWL



SCALE: 1" = 50'
DATE: 05-28-08
Drawn By: L.K.

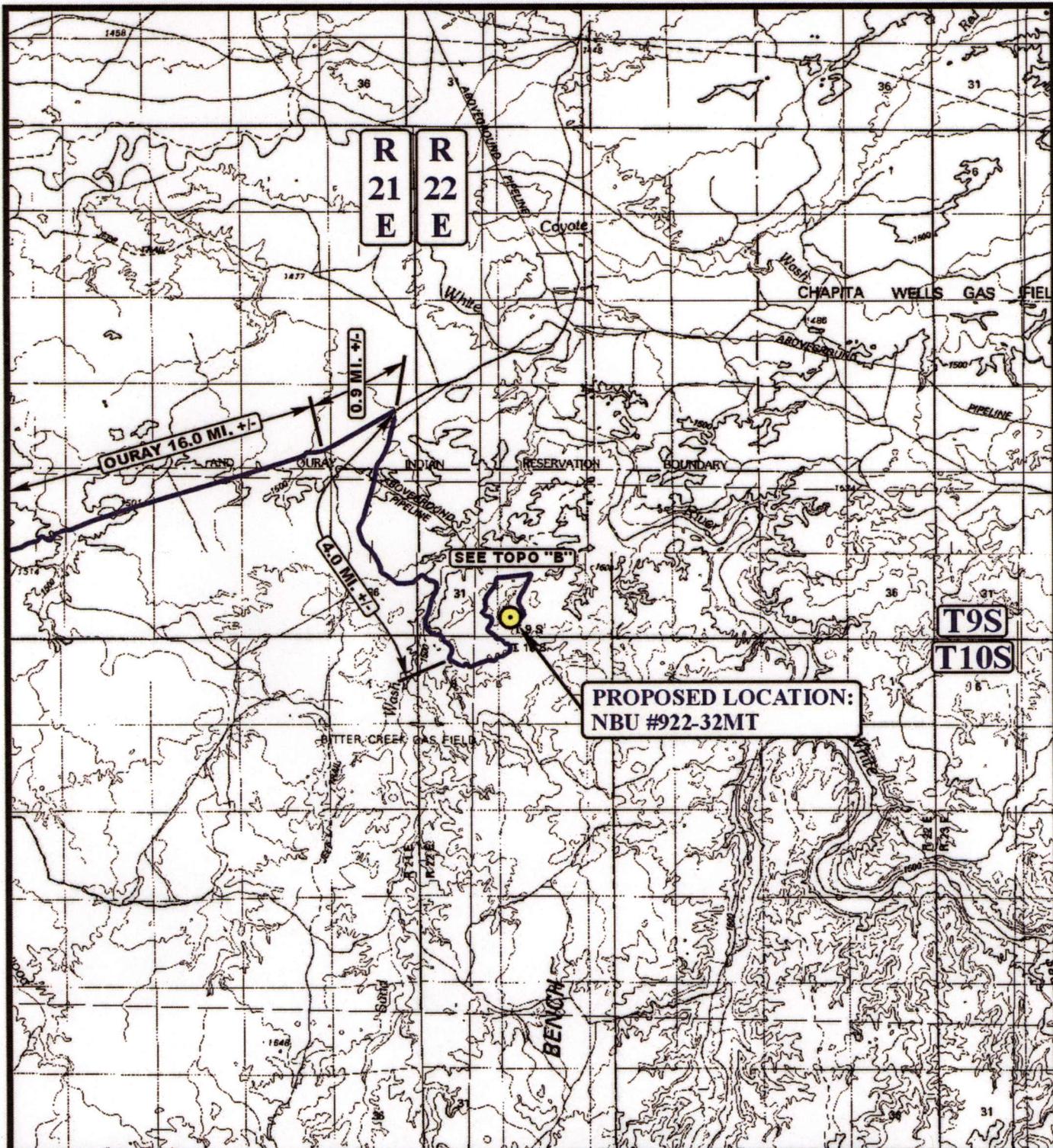
NOTE:

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



NOTES:

FINISHED GRADE ELEV. AT LOC. STAKE = 5157.2'



**PROPOSED LOCATION:
NBU #922-32MT**

LEGEND:

 PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

**NBU #922-32MT
SECTION 32, T9S, R22E, S.L.B.&M.
1153' FSL 717' FWL**

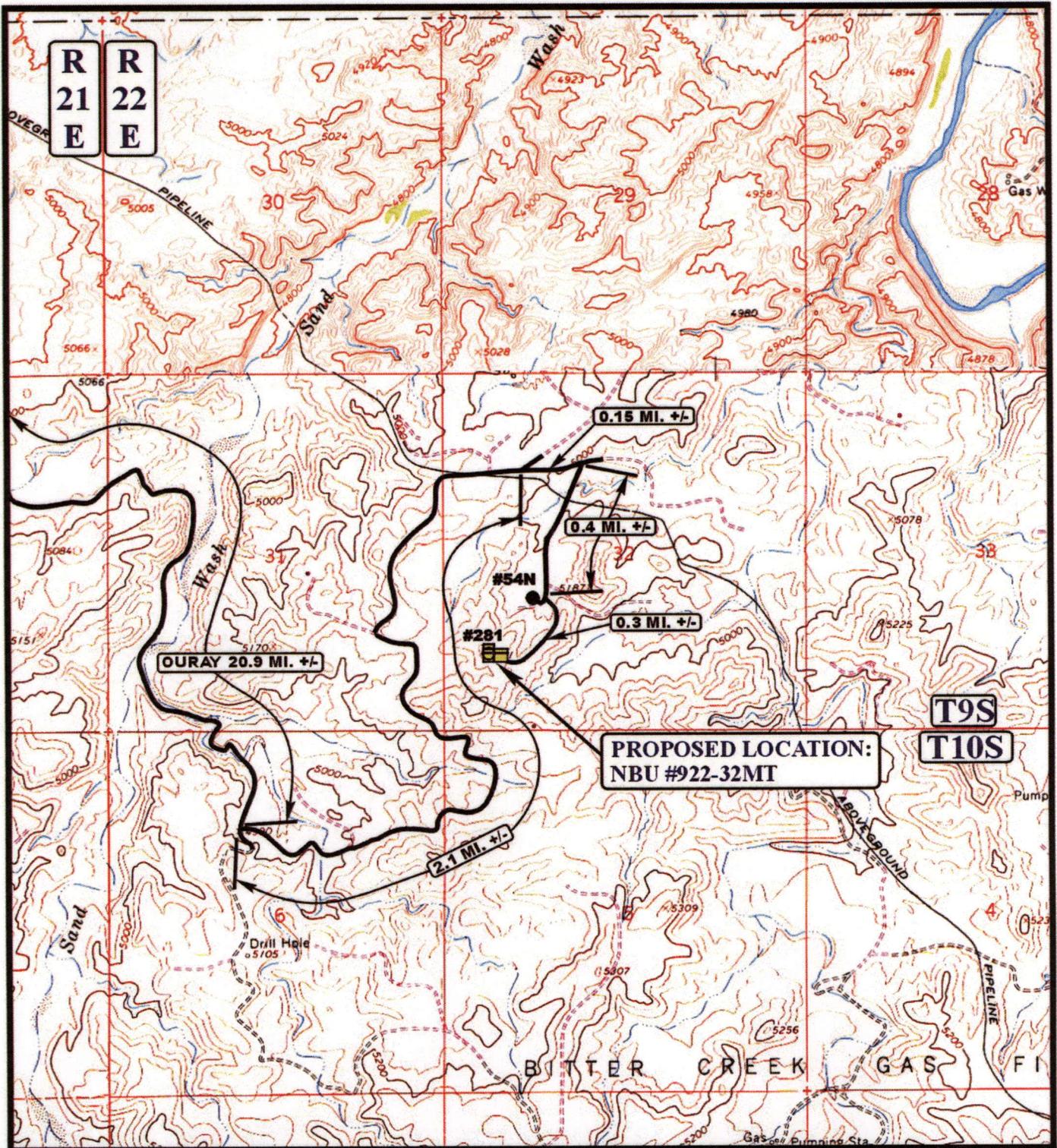


**Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813**

TOPOGRAPHIC MAP **05 28 08**
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

NBU #922-32MT
 SECTION 32, T9S, R22E, S.L.B.&M.
 1153' FSL 717' FWL

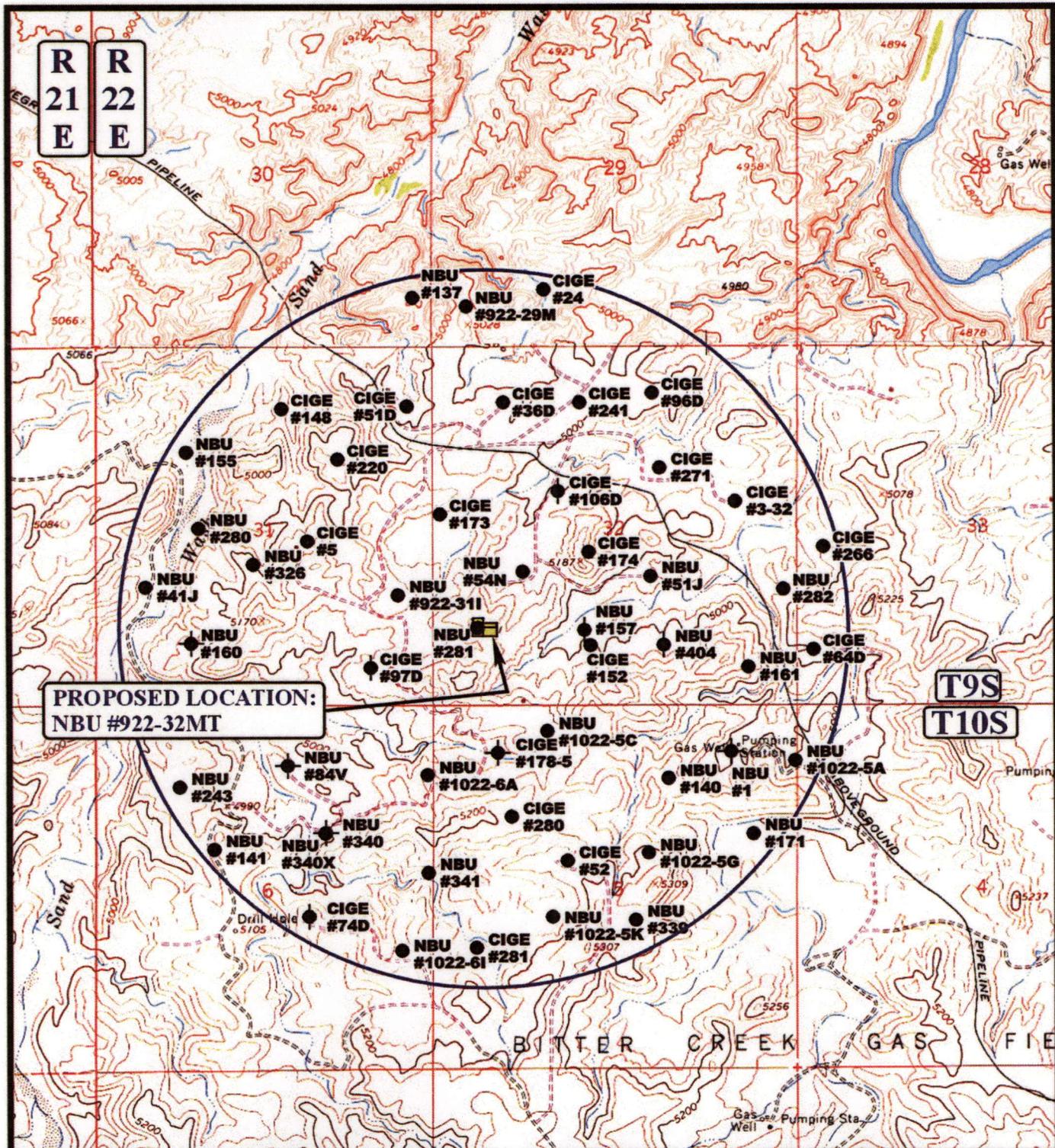


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 05 28 08
MAP MONTH DAY YEAR

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





**PROPOSED LOCATION:
NBU #922-32MT**

**T9S
T10S**

LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

**NBU #922-32MT
SECTION 32, T9S, R22E, S.L.B.&M.
1153' FSL 717' FWL**

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

TOPOGRAPHIC MAP **05 28 08**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **C TOPO**

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/05/2008

API NO. ASSIGNED: 43-047-40117

WELL NAME: NBU 922-32MT
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: RALEEN WHITE

PHONE NUMBER: 720-929-6666

PROPOSED LOCATION:

SWSW 32 090S 220E
 SURFACE: 1153 FSL 0717 FWL
 BOTTOM: 1153 FSL 0717 FWL
 COUNTY: UINTAH
 LATITUDE: 39.98845 LONGITUDE: -109.4699
 UTM SURF EASTINGS: 630635 NORTHINGS: 4427386
 FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	D&D	7/16/08
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-22649
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

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

COMMENTS: Needs Permit (06-19-08)

STIPULATIONS: 1- STATEMENT OF BASIS
2- OIL SHALE
3- Surface Csg Cont Strip

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

7/3/2008

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
807	43-047-40117-00-00		GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.		Surface Owner-APD		
Well Name	NBU 922-32MT	Unit	NATURAL BUTTES		
Field	NATURAL BUTTES		Type of Work		
Location	SWSW 32 9S 22E S 1153 FSL 717 FWL GPS Coord (UTM) 630635E 4427386N				

Geologic Statement of Basis

Kerr McGee proposes to set 2,350' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,600'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The production casing cement should be brought up above the base of the moderately saline ground water in order to isolate it from fresher waters up hole. The proposed casing and cement should adequately protect. Any usable ground water.

Brad Hill
APD Evaluator

7/3/2008
Date / Time

Surface Statement of Basis

The proposed NBU 922-32MT gas well is on the existing location of the NBU 281 gas well. This well is planned to be plugged. A reserve pit 100' x 100' x 10' deep will be re-dug in the northwest corner of the location. The existing pad appears to be stable and should present no problems for drilling and operating the proposed well. Kerr McGee has an electronic site with solar panels and a tower on the east end of the location. No interference is expected with this equipment.

Floyd Bartlett
Onsite Evaluator

6/19/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.
Well Name NBU 922-32MT
API Number 43-047-40117-0 **APD No** 807 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SWSW **Sec** 32 **Tw** 9S **Rng** 22E 1153 FSL 717 FWL
GPS Coord (UTM) **Surface Owner**

Participants

Floyd Bartlett and David Hackford (DOG M), Jim Davis (SITLA), Raleen White, Clay Einerson and Tony Kzneck (Kerr McGee) and David Kay (Utah Engineering and Land Surveying).

Regional/Local Setting & Topography

The proposed NBU 922-32MT gas well is on the existing location of the NBU 281 gas well. This well is planned to be plugged. A reserve pit 100' x 100' x 10' deep will be re-dug in the northwest corner of the location. The existing pad appears to be stable and should present no problems for drilling and operating the proposed well. Kerr McGee has an electronic site with solar panels and a tower on the east end of the location. No interference is expected with this equipment.

Surface Use Plan

Current Surface Use
Existing Well Pad

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0	Width	Length		

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland

Flora / Fauna

Soil Type and Characteristics

Erosion Issues N

Sedimentation Issues

Site Stability Issues

Drainage Diversion Required

Berm Required?

Erosion Sedimentation Control Required?

Reserve Pit

Site-Specific Factors

Site Ranking

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

Final Score 25 1 **Sensitivity Level**

Characteristics / Requirements

A reserve pit 100' x 100' x 10' deep will be re-dug in the northwest corner of the location

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y

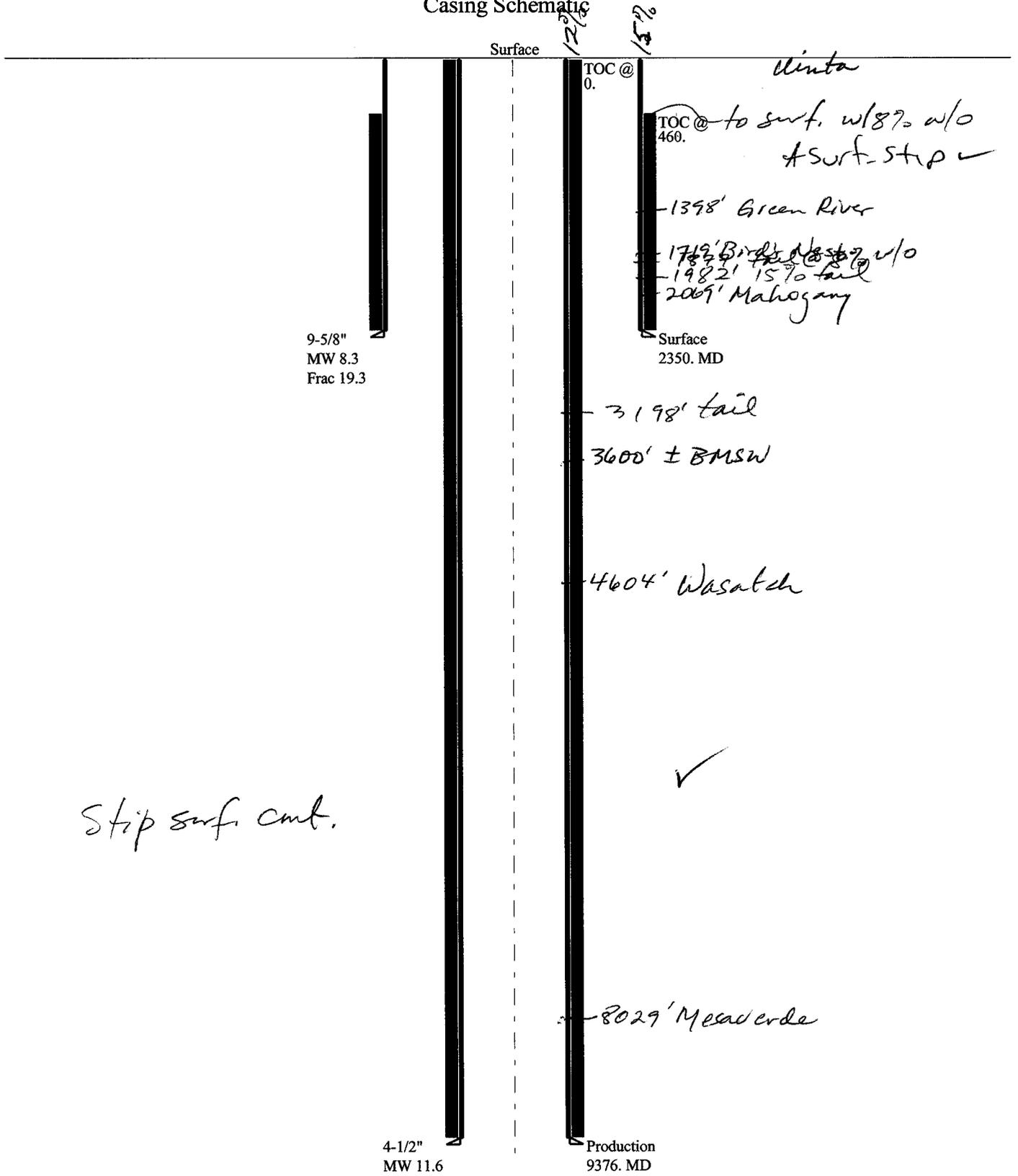
Other Observations / Comments

Floyd Bartlett
Evaluator

6/19/2008
Date / Time

2008-07 Kerr McGee NBU 922-32MT

Casing Schematic



Surface

12 1/2%
15 1/2%

TOC @ 0.

Clinta

TOC @ 460.

to surf. w/87% w/o
A surf. stop ✓

1398' Green River

1762' Birds Nest w/o
1982' 1570 tail
2009' Mahogany

Surface
2350. MD

9-5/8"
MW 8.3
Frac 19.3

3198' tail

3600' ± BMSW

4604' Wasatch

Strip surf. cont.



8029' Mesaverde

4-1/2"
MW 11.6

Production
9376. MD

Well name:

2008-07 Kerr McGee NBU 922-32MTOperator: **Kerr McGee Oil & Gas Onshore L.P.**String type: **Surface**

Project ID:

43-047-40117

Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.330 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 108 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,300 ft

Cement top: 460 ft

BurstMax anticipated surface
pressure: 2,068 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,350 psi

No backup mud specified.

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

Tension is based on buoyed weight.

Neutral point: 2,060 ft

Non-directional string.**Re subsequent strings:**Next setting depth: 9,376 ft
Next mud weight: 11.600 ppg
Next setting BHP: 5,650 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,350 ft
Injection pressure: 2,350 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	2350	9.625	36.00	J-55	LT&C	2350	2350	8.796	1020.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1017	2020	1.986	2350	3520	1.50	74	453	6.11 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: (801) 538-5357
FAX: (801) 359-3940Date: July 8, 2008
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2350 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	2008-07 Kerr McGee NBU 922-32MT	
Operator:	Kerr McGee Oil & Gas Onshore L.P.	
String type:	Production	Project ID: 43-047-40117
Location:	Uintah County, Utah	

Design parameters:

Collapse
Mud weight: 11.600 ppg
Internal fluid density: 2.300 ppg

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 206 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst:
Design factor 1.00

Cement top: Surface

Burst

Max anticipated surface pressure: 3,587 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,650 psi

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

Non-directional string.

No backup mud specified.

Tension is based on buoyed weight.
Neutral point: 7,750 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9376	4.5	11.60	I-80	LT&C	9376	9376	3.875	818.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4530	6360	1.404	5650	7780	1.38	90	212	2.36 J

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

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

Date: July 8, 2008
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 9376 ft, a mud weight of 11.6 ppg. An internal gradient of .119 psi/ft was used for collapse from TD. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

BOPE REVIEW

Kerr-McGee NBU 922-32MT API 43-047-40117

INPUT		Kerr-McGee NBU 922-32MT API 43-047-40117	
Well Name		String 1	String 2
Casing Size (")		9 5/8	4 1/2
Setting Depth (TVD)		2350	9376
Previous Shoe Setting Depth (TVD)		40	2350
Max Mud Weight (ppg)		8.4	11.6
BOPE Proposed (psi)		500	5000
Casing Internal Yield (psi)		3520	7780
Operators Max Anticipated Pressure (psi)		5813	11.9 ppg

Calculations	String 1	9 5/8 "	
Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	1026	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	744	NO Air Drill to surface shoe with diverter -
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	509	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	518	← NO - common set depth in gas - no pressure
Required Casing/BOPE Test Pressure		2350 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		40 psi	*Assumes 1psi/ft frac gradient

Calculations	String 2	4 1/2 "	
Max BHP [psi]	$.052 * \text{Setting Depth} * \text{MW} =$	5656	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	4530	YES ✓
MASP (Gas/Mud) [psi]	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	3593	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	4110	← NO Reasonable
Required Casing/BOPE Test Pressure		5000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		2350 psi	*Assumes 1psi/ft frac gradient

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 9, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2008 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 2008 within the Natural Buttes Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Wasatch/MesaVerde)		
43-047-40110	NBU 921-26N2AS Sec 26	T09S R21E 0463 FSL 1302 FWL
	BHL Sec 26	T09S R21E 1160 FSL 1940 FWL
43-047-40111	NBU 921-26M4AS Sec 26	T09S R21E 0458 FSL 1282 FWL
	BHL Sec 26	T09S R21E 0425 FSL 1165 FWL
43-047-40112	NBU 921-26N2DS Sec 26	T09S R21E 0468 FSL 1321 FWL
	BHL Sec 26	T09S R21E 0830 FSL 1875 FWL
43-047-40113	NBU 921-26M2AS Sec 26	T09S R21E 0454 FSL 1263 FWL
	BHL Sec 26	T09S R21E 1095 FSL 0475 FWL
43-047-40114	NBU 921-35AT	Sec 35 T09S R21E 0504 FNL 0524 FEL
43-047-40120	NBU 920-15FT	Sec 15 T09S R20E 1964 FNL 1991 FWL
43-047-40119	NBU 922-29J	Sec 29 T09S R22E 2383 FSL 1736 FEL
43-047-40115	NBU 922-29FT	Sec 29 T09S R22E 2323 FNL 2022 FWL
43-047-40116	NBU 922-32O1T	Sec 32 T09S R22E 0900 FSL 1915 FEL
43-047-40117	NBU 922-32MT	Sec 32 T09S R22E 1153 FSL 0717 FWL
43-047-40118	NBU 922-36NT	Sec 36 T09S R22E 1118 FSL 2308 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:6-9-08

From: Jim Davis
To: Bonner, Ed; Whitney, Diana
Date: 8/13/2008 8:26 AM
Subject: Kerr Mc Gee Approvals

CC: Raleen.White@anadarko.com

The following wells have been granted SITLA approval, including arch and paleo clearance.

4304740180 S	NBU 922-32IT	Kerr-McGee Oil & Gas	Natural Buttes	NESE	32	090S	220E
4304740147 S	NBU 922-32AT	Kerr-McGee Oil & Gas	Natural Buttes	NENE	32	090S	220E
4304740116 S	NBU 922-32O1T	Kerr-McGee Oil & Gas	Natural Buttes	SWSE	32	090S	220E
4304740117 S	NBU 922-32MT	Kerr-McGee Oil & Gas	Natural Buttes	SWSW	32	090S	220E
4304740118 S	NBU 922-36NT	Kerr-McGee Oil & Gas	Natural Buttes	SESW	36	090S	220E

-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156



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

August 13, 2008

Kerr-McGee Oil & Gas Onshore, LP
P O Box 173779
Denver, CO 80123

Re: NBU 922-32MT Well, 1153' FSL, 717' FWL, SW SW, Sec. 32, 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 43-047-40117.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore, LP

Well Name & Number NBU 922-32MT

API Number: 43-047-40117

Lease: ML-22649

Location: SW SW Sec. 32 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

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

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

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

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

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

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

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

Page 2

43-047-40117

August 13, 2008

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
7. Surface casing shall be cemented to the surface.

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

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals		6. Lease Designation and Serial Number ML-22649
		7. Indian Allottee or Tribe Name N/A
		8. Unit or Communitization Agreement 891008900A
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)	9. Well Name and Number NBU 922-32MT	
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP		10. API Well Number 43-047-40117
3. Address of Operator PO BOX 173779, DENVER, CO 80217-3779	4. Telephone Number 720-929-6666	11. Field and Pool, or Wildcat NATURAL BUTTES
5. Location of Well Footage : 1153' FSL, 717' FWL County : UINTAH QQ, Sec. T., R., M : SWSW, SEC. 32, T9S, R22E SLB&M State : UTAH		

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandonment	<input type="checkbox"/> Abandonment *
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Casing Repair
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Conversion to Injection
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Fracture Treat
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Other _____
<input checked="" type="checkbox"/> Other FOOTAGE CHANGE	
<input type="checkbox"/> New Construction	<input type="checkbox"/> New Construction
<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Water Shut-Off	

Approximate Date Work Will Start _____

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

KERR MCGEE OIL AND GAS ONSHORE LP IS REQUESTING TO CHANGE THE FOOTAGE OF THIS WELL TO ACCOMMODATE OUR NEW DRILLING RIG LAYOUTS. THERE WILL BE NO NEW DISTURBANCE

NEW FOOTAGES: 1153' FSL, 762' FWL

630649X
4427386Y
39.988446
-109.469758

COPY SENT TO OPERATOR
Date: 1-27-2009
Initials: KS

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

Name & Signature RALEEN WHITE *Raleen White* Title SR. REG. ANALYST Date 1/5/2009

(State Use Only) APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 1/26/09
BY: D. Johnson See Instructions on Reverse Side

RECEIVED
JAN 07 2009
DIV. OF OIL, GAS & MINING

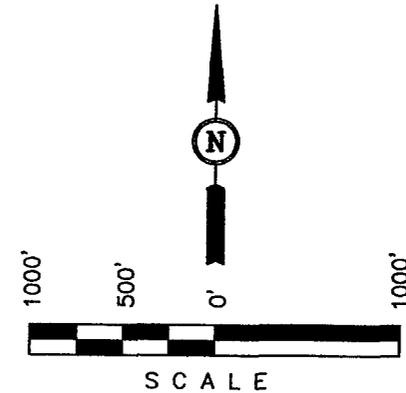
T9S, R22E, S.L.B.&M.

KERR McGEE OIL & GAS ONSHORE LP

Well location, NBU #922-32MT, located as shown in the SW 1/4 SW 1/4 of Section 32, T9S, R22E, S.L.B.&M., Uintah County, Utah.

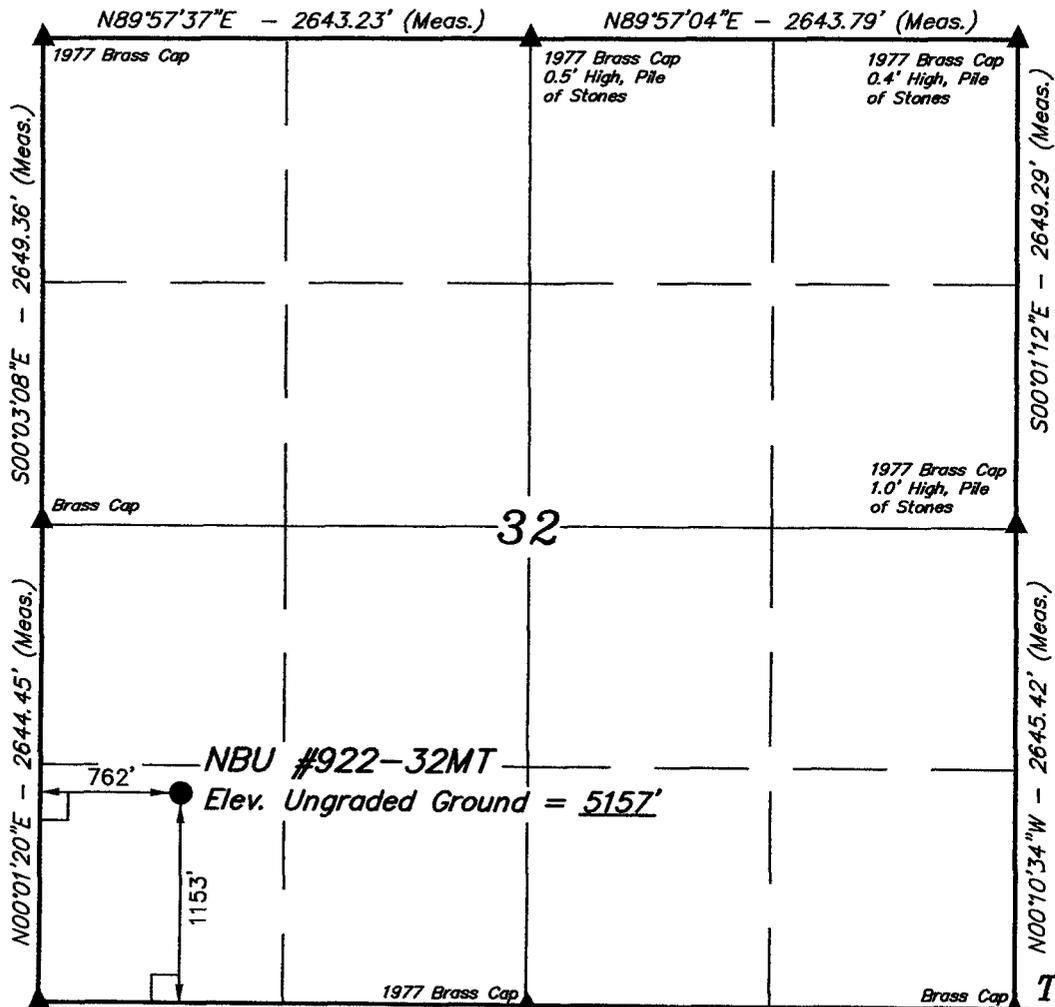
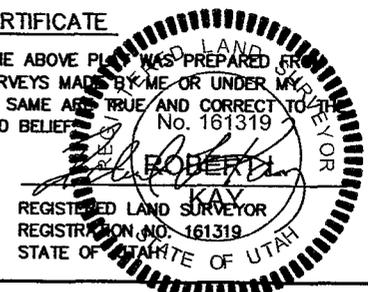
BASIS OF ELEVATION

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



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.



1977 Brass Cap
2.0' High, Pile
of Stones

LEGEND:

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

(NAD 83)
 LATITUDE = 39°59'18.29" (39.988414)
 LONGITUDE = 109°28'14.03" (109.470564)
 (NAD 27)
 LATITUDE = 39°59'18.42" (39.988450)
 LONGITUDE = 109°28'11.56" (109.469878)

T9S
T10S

REVISED: 12-10-08 C.C.

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

SCALE 1" = 1000'	DATE SURVEYED: 05-23-08	DATE DRAWN: 05-28-08
PARTY T.A. S.K. L.K.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr McGee Oil & Gas Onshore LP	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 922-32MT
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047401170000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1153 FSL 0762 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSW Section: 32 Township: 09.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/31/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: July 29, 2009

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 7/28/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401170000

API: 43047401170000

Well Name: NBU 922-32MT

Location: 1153 FSL 0762 FWL QTR SWSW SEC 32 TWP 090S RNG 220E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 8/13/2008

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 rightof- 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

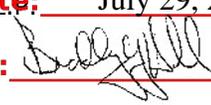
**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 7/28/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: July 29, 2009

By: 

RECEIVED July 28, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22649
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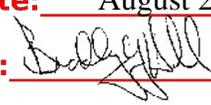
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/12/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

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

Date: August 23, 2010
 By: 

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 8/12/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401170000

API: 43047401170000

Well Name: NBU 922-32MT

Location: 1153 FSL 0762 FWL QTR SWSW SEC 32 TWP 090S RNG 220E MER S

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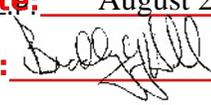
**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 8/12/2010

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: August 23, 2010

By: 

RECEIVED August 12, 2010



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 8, 2011

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

43 047 40117
NBU 922-32MT
9S 22E 32

Re: APDs Rescinded for Kerr McGee Oil & Gas Onshore, L.P.
Uintah County

Dear Mr. Lytle:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective August 4, 2011.

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
SITLA, Ed Bonner

43-047-38167	NBU 1022-28J
43-047-40269	NBU 715-35E
43-047-40270	NBU 714-35E
43-047-40242	NBU 713-35E
43-047-40243	NBU 710-35E
43-047-38926	FEDERAL 1022-33J
43-047-38492	NBU 1022-6O-3
43-047-38486	NBU 1022-3C-2
43-047-40209	NBU 722-26E
43-047-40210	NBU 718-26E
43-047-40183	NBU 742-30E
43-047-40265	NBU 720-26E
→ 43-047-40117	NBU 922-32MT
43-047-38485	NBU 922-34L-1
43-047-50041	NBU 745-31E