



June 10, 2008

Diana Mason  
State of Utah  
Department of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Directional Drilling R649-3-11  
NBU 1022-24I1S  
Surface: NESE Sec 24-T10S-R22E 2062' FSL & 1130' FEL  
Bottomhole: NESE Sec 24-T10S-R22E 2330' FSL & 585' FEL

Dear Ms. Mason:

Pursuant to the filing of Kerr-McGee Oil & Gas Onshore, L.P.'s Application for Permit to Drill regarding the above referenced well on June 10, 2008, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling of Wells.

- Kerr-McGee's NBU 1022-24I1S is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to access portions of our lease which are otherwise inaccessible due to topography.
- Furthermore, Kerr-McGee hereby 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 requests the permit be granted pursuant to R649-3-11.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin McIntyre', with a horizontal line underneath.

Kevin McIntyre  
Regulatory Analyst

RECEIVED  
JUN 11 2008  
DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: ST ML 23610	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: NA	
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: 891008900A	
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP				9. WELL NAME and NUMBER: NBU 1022-241S	
3. ADDRESS OF OPERATOR: P.O. Box 173779 CITY Denver STATE CO ZIP 80217-3779			PHONE NUMBER: (720) 929-6226	10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2062' FSL & 1130' FEL AT PROPOSED PRODUCING ZONE: NESE 2330' FSL & 585' FEL				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 24 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 35.4 miles north of Ouray, Utah				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1130'	16. NUMBER OF ACRES IN LEASE: 200		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 20		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2500'	19. PROPOSED DEPTH: 7,795		20. BOND DESCRIPTION: RLB0005237		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4977	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#	1,500	Premium Cement	215 sx	1.18	15.6
					Premium Cement	50 sx	1.18	15.6
7 7/8"	4 1/2"	I-80	11.6#	<del>8,115</del> 7,795	Premium Lite II	290 sx	3.38	11.0
					50/50 Poz/G	1240 sx	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) Kevin McIntyre TITLE Regulatory Analyst I

SIGNATURE *Kevin McIntyre* DATE 6/10/2008

(This space for State use only)

API NUMBER ASSIGNED: 43047-40141

Approved by the  
Utah Division of  
Oil, Gas and Mining

APPROVAL:

Date: 06-28-08  
By: *[Signature]*

(See Instructions on Reverse Side)

**RECEIVED**  
**JUN 11 2008**  
DIV. OF OIL, GAS & MINING

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

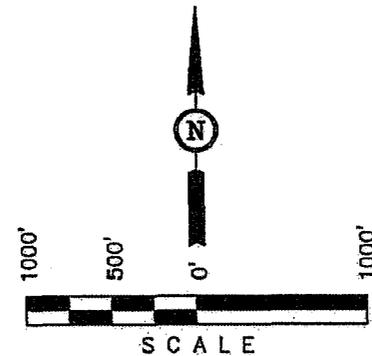
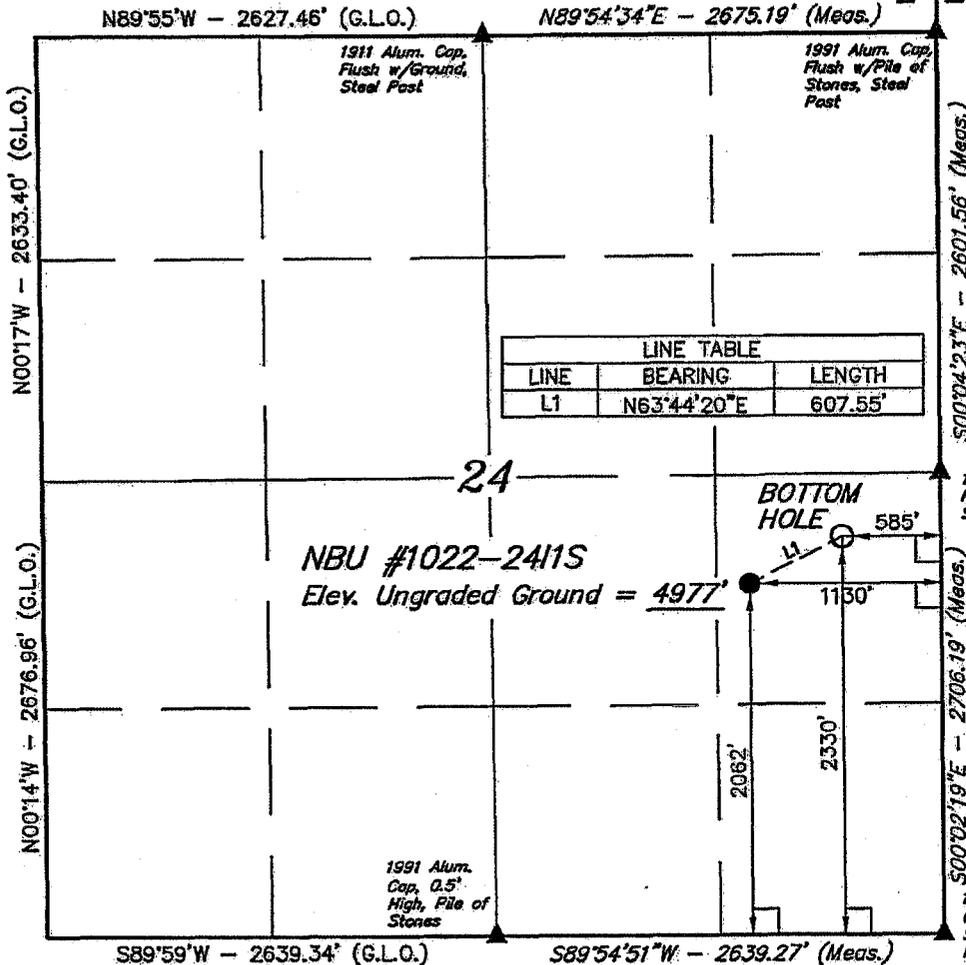
Kerr-McGee Oil & Gas Onshore LP  
Well location, NBU #1022-2411S, located as shown in the NE 1/4 SE 1/4 of Section 24, T10S, R22E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

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

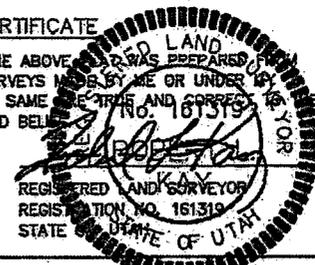
**BASIS OF BEARINGS**

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



**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE SURVEY WAS PREPARED BY ME OR UNDER MY SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REVISED: 05-16-08

**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 (SURFACE LOCATION)		NAD 83 (TARGET BOTTOM HOLE)	
LATITUDE = 39°55'57.88" (39.932744)	LONGITUDE = 109°22'58.52" (109.382922)	LATITUDE = 39°56'00.53" (39.933481)	LONGITUDE = 109°22'51.52" (109.380978)
NAD 27 (SURFACE LOCATION)		NAD 27 (TARGET BOTTOM HOLE)	
LATITUDE = 38°55'58.00" (38.932778)	LONGITUDE = 109°22'58.07" (109.382242)	LATITUDE = 39°56'00.65" (39.933514)	LONGITUDE = 109°22'49.07" (109.380297)

SCALE 1" = 1000'	DATE SURVEYED: 04-29-08	DATE DRAWN: 05-02-08
PARTY L.D.K. J.R. L.A.K.		REFERENCES G.L.O. PLAT
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

NBU 1022-2411S  
NESE Sec. 24, T 10S R 22E  
UINTAH COUNTY, UTAH  
ST ML 23610

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

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

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	449'
Top of Birds Nest Water	809'
Mahogany	1159'
Wasatch	3493'
Mesaverde	5671'
MVU2	6517'
MVL1	7106'
TVD	7700'
MD	7795'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	449'
	Top of Birds Nest Water	809'
	Mahogany	1159'
Gas	Wasatch	3493'
Gas	Mesaverde	5671'
Gas	MVU2	6517'
Gas	MVL1	7106'
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 7700' TVD, approximately equals 4774 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3080 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

*Please refer to the attached Drilling Program.*

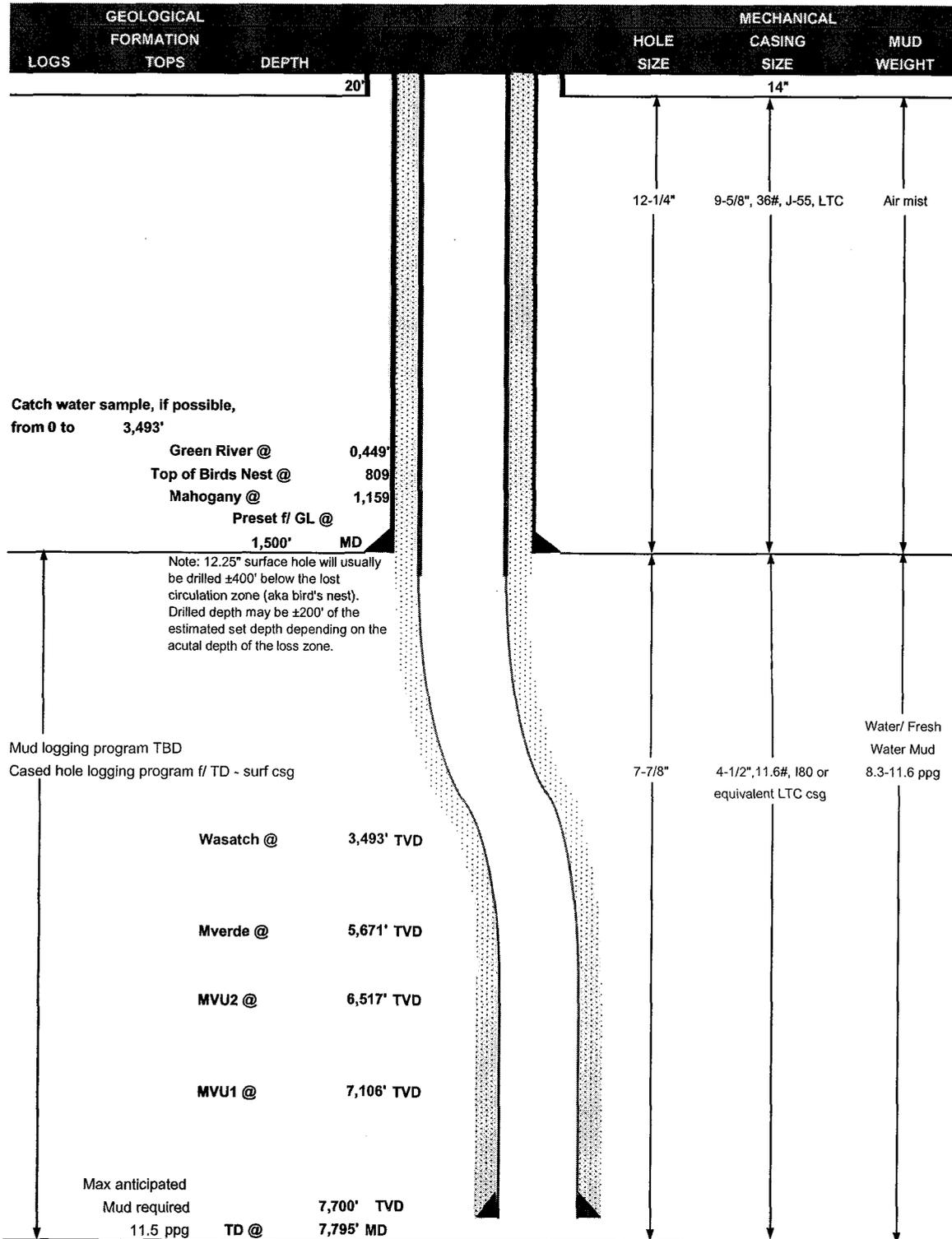
10. **Other Information:**

*Please refer to the attached Drilling Program.*



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	June 10, 2008	
WELL NAME	NBU 1022-2411S		TD	7,700' TVD	7,795' MD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
		ELEVATION	4,977' GL KB 4,992'		
SURFACE LOCATION	NESE 2062' FSL & 1130' FEL, Sec. 24, T 10S R 22E				
	Latitude: 39.932778	Longitude: -109.382242	NAD 27		
BTM HOLE LOCATION	NESE 2330' FSL & 585' FEL, Sec. 24, T 10S R 22E				
	Latitude: 39.933514	Longitude: -109.380297	NAD 27		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: UDOGM (MINERALS AND SURFACE), BLM, Tri-County Health Dept.				



**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 1500	36.00	J-55	LTC	1.21	2.88	10.68
PRODUCTION	4-1/2"	0 to 7700	11.60	I-80	LTC	2.67	1.38	2.55

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)  
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
 MASP 3080 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
<b>Option 1</b>	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		<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>					
<b>Option 2</b>	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	2,985'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	290	40%	11.00	3.38
	TAIL	4,810'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1180	40%	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 & four 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.

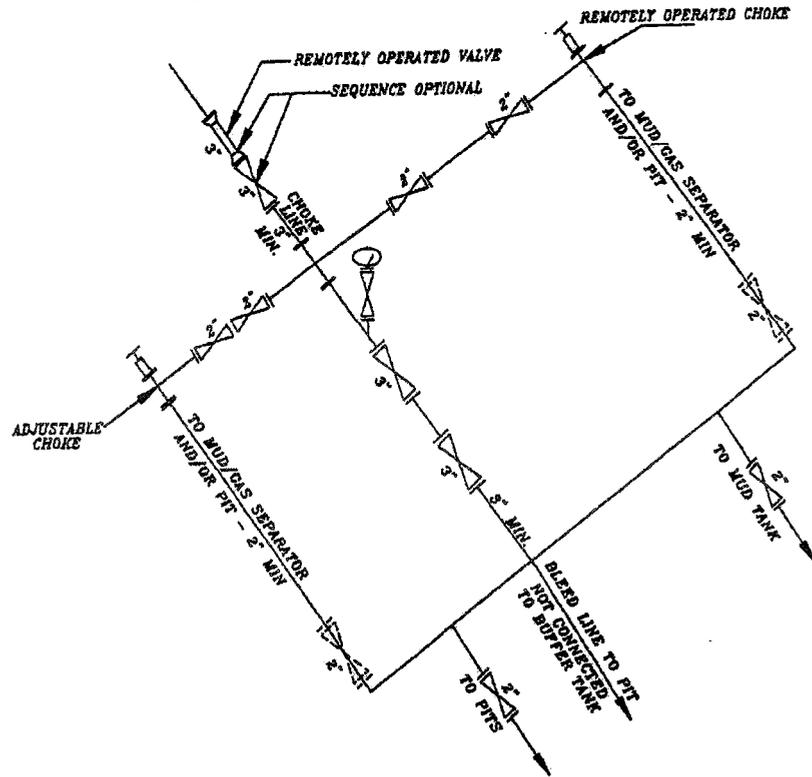
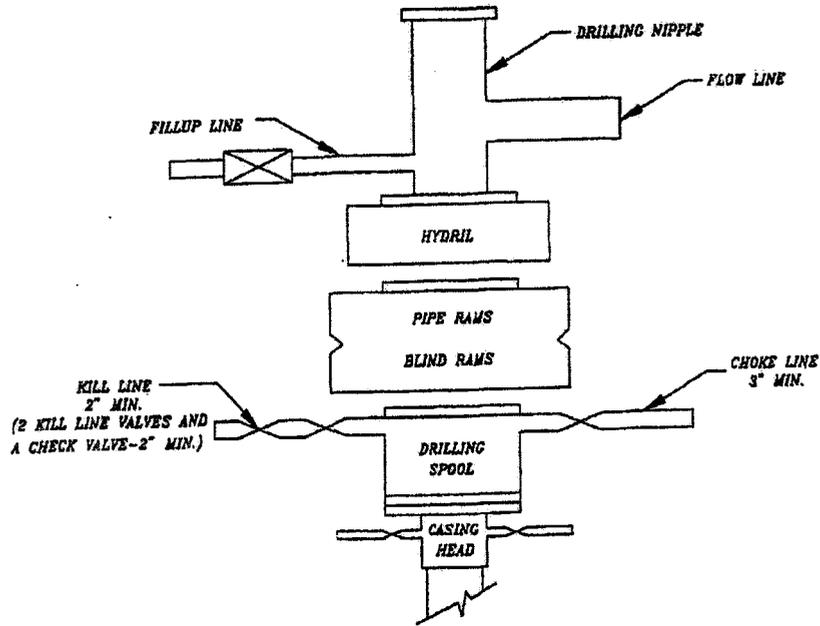
DRILLING ENGINEER: \_\_\_\_\_  
Brad Laney

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

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

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

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**NBU 1022-2411S  
NESE Sec. 24, T 10S R 22E  
Uintah County, UT  
ST ML 23610**

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

**1. Directional Drilling:**

In accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, this well will be directionally drilled in order to access portions of our lease which are otherwise inaccessible due to topography.

**2. Existing Roads:**

Refer to Topo Map A for directions to the location.

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

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

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

**3. Planned Access Roads:**

Approximately 67' +/- of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

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

*The following guidelines will apply if the well is productive.*

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

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

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

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

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

Approximately 17,450' of 10" pipeline is proposed. Refer to Topo D for the proposed pipeline.

**6. 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.

**7. Source of Construction Materials:**

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

Any gravel will be obtained from a commercial source.

**8. 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.

9. **Ancillary Facilities:**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

#### **11. 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.

**12. Surface/Mineral Ownership:**

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

**13. 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.

**14. Lessee's or Operators's Representative & Certification:**

Kevin McIntyre  
Regulatory Analyst  
Kerr-McGee Oil & Gas Onshore LP  
P.O. Box 173779  
Denver, CO 80217-3779  
(720) 929-6226

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

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

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

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

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

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

  
\_\_\_\_\_  
Kevin McIntyre

6/10/2008  
\_\_\_\_\_  
Date



**Weatherford<sup>®</sup>**

**Drilling Services**

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**Proposal**

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**ANADARKO - KERR McGEE**

NBU#1022-24I1S (1022-24I PAD)

UINTAH COUNTY, UTAH

WELL FILE: PLAN 1

JUNE 5, 2008

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**Weatherford International, Ltd.**

15710 John F. Kennedy Blvd

Houston, Texas 77032 USA

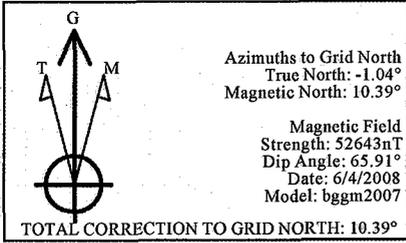
+1.281.260.1300 Main

+1.281.260.4730 Fax

[www.weatherford.com](http://www.weatherford.com)

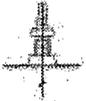


**KERR MCGEE OIL & GAS**  
**NBU #1022-2411S**  
**UINTAH COUNTY, UTAH**



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	62.76	0.00	0.00	0.00	0.00	0.00	0.00	
2	1560.00	0.00	62.76	1560.00	0.00	0.00	0.00	0.00	0.00	
3	2291.65	21.95	62.76	2273.89	63.37	123.09	3.00	62.76	138.44	
4	2990.60	21.95	62.76	2922.17	182.95	355.37	0.00	0.00	399.70	
5	4088.08	0.00	62.76	3993.00	278.00	540.00	2.00	180.00	607.36	
6	7795.08	0.00	62.76	7700.00	278.00	540.00	0.00	0.00	607.36	PBHL-2411S

WELL DETAILS								
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot	
NBU 1022-2411S	8.00	18.00	14505677.00	2093938.00	39°55'58.000N	109°22'56.070W	N/A	



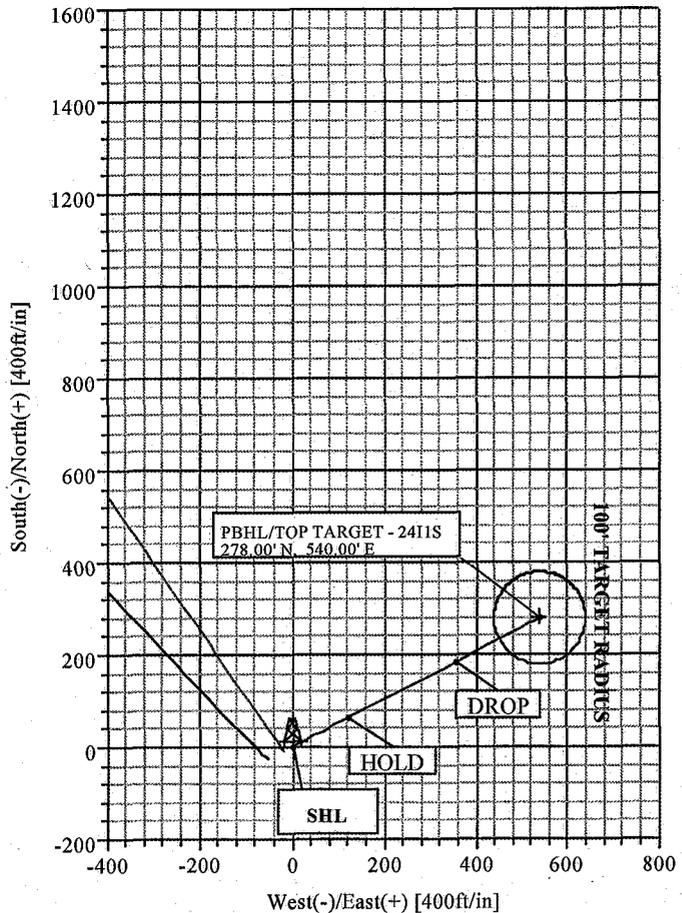
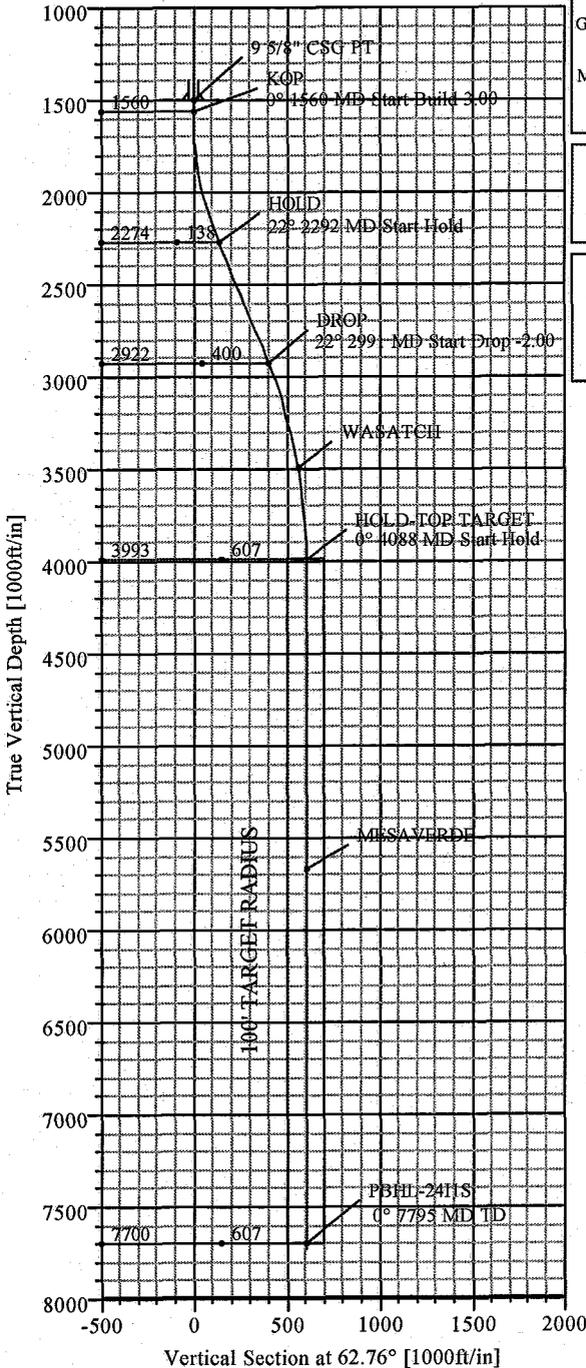
KB ELEV = 4994'  
 GR ELEV = 4974'

**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: bggm2007  
 System Datum: Mean Sea Level  
 Local North: Grid North

**SITE DETAILS**  
 NBU 1022-241 PAD  
 SECT 22-T10S-R24E  
 Site Centre Northing: 14505669.00  
 Easting: 2093920.00  
 Ground Level: 4974.00  
 Positional Uncertainty: 0.00  
 Convergence: 1.04

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL-2411S	7700.00	278.00	540.00	14505955.00	2094478.00	Circle (Radius: 100)

FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	449.00	449.00	GREEN RIVER
2	3493.00	3585.50	WASATCH
3	5671.00	5766.08	MESAVERDE





**Directional Plan Report**

<b>Company:</b> Anadarko-Kerr-McGee	<b>Date:</b> 6/4/2008	<b>Time:</b> 16:45:43	<b>Page:</b> 1
<b>Field:</b> UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	<b>Co-ordinate(NE) Reference:</b> Well: NBU 1022-241S, Grid North		
<b>Site:</b> NBU 1022-241 PAD	<b>Vertical (TVD) Reference:</b> SITE 4994.0		
<b>Well:</b> NBU 1022-241S	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,62.76Azi)		
<b>Wellpath:</b> 1	<b>Survey Calculation Method:</b> Minimum Curvature	<b>Db:</b> Sybase	

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

<b>Map System:</b> Universal Transverse Mercator (USfeet)	<b>Map Zone:</b> UTM Zone 12, North 114W to 108W
<b>Geo Datum:</b> NAD27 (Clarke 1866)	<b>Coordinate System:</b> Well Centre
<b>Sys Datum:</b> Mean Sea Level	<b>Geomagnetic Model:</b> bggm2007

**Site:** NBU 1022-241 PAD

SECT 22-T10S-R24E

<b>Site Position:</b>	<b>Northing:</b> 14505669.00 ft	<b>Latitude:</b> 39 55 57.924 N
<b>From:</b> Map	<b>Easting:</b> 2093920.00 ft	<b>Longitude:</b> 109 22 56.303 W
<b>Position Uncertainty:</b> 0.00 ft		<b>North Reference:</b> Grid
<b>Ground Level:</b> 4974.00 ft		<b>Grid Convergence:</b> 1.04 deg

**Well:** NBU 1022-241S

**Slot Name:**

<b>Well Position:</b> +N/-S 8.00 ft	<b>Northing:</b> 14505677.00 ft	<b>Latitude:</b> 39 55 58.000 N
+E/-W 18.00 ft	<b>Easting:</b> 2093938.00 ft	<b>Longitude:</b> 109 22 56.070 W
<b>Position Uncertainty:</b> 0.00 ft		

**Wellpath:** 1

**Drilled From:** Surface

<b>Current Datum:</b> SITE	<b>Height</b> 4994.00 ft	<b>Tie-on Depth:</b> 0.00 ft
<b>Magnetic Data:</b> 6/4/2008		<b>Above System Datum:</b> Mean Sea Level
<b>Field Strength:</b> 52643 nT		<b>Declination:</b> 11.43 deg
<b>Vertical Section:</b> Depth From (TVD)	+N/-S	<b>Mag Dip Angle:</b> 65.91 deg
ft	ft	+E/-W
		ft
0.00	0.00	0.00
		deg
		62.76

**Plan:** Plan #1

**Date Composed:** 6/4/2008

**Principal:** Yes

**Version:** 1  
**Tied-to:** From Surface

**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	62.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1560.00	0.00	62.76	1560.00	0.00	0.00	0.00	0.00	0.00	0.00	
2291.65	21.95	62.76	2273.89	63.37	123.09	3.00	3.00	0.00	62.76	
2990.60	21.95	62.76	2922.17	182.95	355.37	0.00	0.00	0.00	0.00	
4088.08	0.00	62.76	3993.00	278.00	540.00	2.00	-2.00	0.00	180.00	
7795.08	0.00	62.76	7700.00	278.00	540.00	0.00	0.00	0.00	0.00	PBHL-241S

**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	62.76	1500.00	0.00	0.00	0.00	0.00	14505677.00	2093938.00	9 5/8" CSG PT
1560.00	0.00	62.76	1560.00	0.00	0.00	0.00	0.00	14505677.00	2093938.00	KOP
1600.00	1.20	62.76	1600.00	0.19	0.37	0.42	3.00	14505677.19	2093938.37	
1700.00	4.20	62.76	1699.87	2.35	4.56	5.13	3.00	14505679.35	2093942.56	
1800.00	7.20	62.76	1799.37	6.89	13.39	15.06	3.00	14505683.89	2093951.39	
1900.00	10.20	62.76	1898.21	13.82	26.84	30.18	3.00	14505690.82	2093964.84	
2000.00	13.20	62.76	1996.12	23.10	44.86	50.46	3.00	14505700.10	2093982.86	
2100.00	16.20	62.76	2092.83	34.71	67.42	75.83	3.00	14505711.71	2094005.42	
2200.00	19.20	62.76	2188.09	48.63	94.45	106.23	3.00	14505725.63	2094032.45	
2291.65	21.95	62.76	2273.89	63.37	123.09	138.44	3.00	14505740.37	2094061.09	HOLD
2300.00	21.95	62.76	2281.63	64.79	125.86	141.56	0.00	14505741.79	2094063.86	
2400.00	21.95	62.76	2374.38	81.90	159.09	178.94	0.00	14505758.90	2094097.09	
2500.00	21.95	62.76	2467.13	99.01	192.33	216.32	0.00	14505776.01	2094130.33	
2600.00	21.95	62.76	2559.88	116.12	225.56	253.70	0.00	14505793.12	2094163.56	
2700.00	21.95	62.76	2652.63	133.23	258.79	291.08	0.00	14505810.23	2094196.79	

<b>Company:</b> Anadarko-Kerr-McGee <b>Field:</b> UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27) <b>Site:</b> NBU 1022-241 PAD <b>Well:</b> NBU 1022-241S <b>Wellpath:</b> 1	<b>Date:</b> 6/4/2008 <b>Co-ordinate(NE) Reference:</b> <b>Vertical (TVD) Reference:</b> <b>Section (VS) Reference:</b> <b>Survey Calculation Method:</b>	<b>Time:</b> 16:45:43 Well: NBU 1022-241S, Grid North SITE 4994.0 Well (0.00N,0.00E,62.76Azi)	<b>Page:</b> 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
2800.00	21.95	62.76	2745.39	150.34	292.03	328.45	0.00	14505827.34	2094230.03	
2900.00	21.95	62.76	2838.14	167.45	325.26	365.83	0.00	14505844.45	2094263.26	
2990.60	21.95	62.76	2922.17	182.95	355.37	399.70	0.00	14505859.95	2094293.37	DROP
3000.00	21.76	62.76	2930.89	184.55	358.48	403.20	2.00	14505861.55	2094296.48	
3100.00	19.76	62.76	3024.40	200.78	390.00	438.64	2.00	14505877.78	2094328.00	
3200.00	17.76	62.76	3119.08	215.50	418.59	470.81	2.00	14505892.50	2094356.59	
3300.00	15.76	62.76	3214.82	228.70	444.23	499.64	2.00	14505905.70	2094382.23	
3400.00	13.76	62.76	3311.52	240.36	466.88	525.12	2.00	14505917.36	2094404.88	
3500.00	11.76	62.76	3409.04	250.47	486.52	547.21	2.00	14505927.47	2094424.52	
3585.50	10.05	62.76	3493.00	257.87	500.91	563.39	2.00	14505934.87	2094438.91	WASATCH
3600.00	9.76	62.76	3507.28	259.02	503.12	565.88	2.00	14505936.02	2094441.12	
3700.00	7.76	62.76	3606.11	265.99	516.67	581.11	2.00	14505942.99	2094454.67	
3800.00	5.76	62.76	3705.41	271.38	527.13	592.89	2.00	14505948.38	2094465.13	
3900.00	3.76	62.76	3805.06	275.18	534.51	601.19	2.00	14505952.18	2094472.51	
4000.00	1.76	62.76	3904.94	277.38	538.80	606.00	2.00	14505954.38	2094476.80	
4088.08	0.00	62.76	3993.00	278.00	540.00	607.36	2.00	14505955.00	2094478.00	HOLD-TOP TARGET
4100.00	0.00	62.76	4004.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4200.00	0.00	62.76	4104.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4300.00	0.00	62.76	4204.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4400.00	0.00	62.76	4304.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4500.00	0.00	62.76	4404.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4600.00	0.00	62.76	4504.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4700.00	0.00	62.76	4604.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4800.00	0.00	62.76	4704.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
4900.00	0.00	62.76	4804.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5000.00	0.00	62.76	4904.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5100.00	0.00	62.76	5004.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5200.00	0.00	62.76	5104.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5300.00	0.00	62.76	5204.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5400.00	0.00	62.76	5304.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5500.00	0.00	62.76	5404.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5600.00	0.00	62.76	5504.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5700.00	0.00	62.76	5604.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5766.08	0.00	62.76	5671.00	278.00	540.00	607.36	0.00	14505955.00	2094478.00	MESAVERDE
5800.00	0.00	62.76	5704.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
5900.00	0.00	62.76	5804.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6000.00	0.00	62.76	5904.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6100.00	0.00	62.76	6004.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6200.00	0.00	62.76	6104.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6300.00	0.00	62.76	6204.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6400.00	0.00	62.76	6304.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6500.00	0.00	62.76	6404.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6600.00	0.00	62.76	6504.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6700.00	0.00	62.76	6604.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6800.00	0.00	62.76	6704.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
6900.00	0.00	62.76	6804.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7000.00	0.00	62.76	6904.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7100.00	0.00	62.76	7004.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7200.00	0.00	62.76	7104.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7300.00	0.00	62.76	7204.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7400.00	0.00	62.76	7304.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7500.00	0.00	62.76	7404.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7600.00	0.00	62.76	7504.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	

<b>Company:</b> Anadarko-Kerr-McGee	<b>Date:</b> 6/4/2008	<b>Time:</b> 16:45:43	<b>Page:</b> 3
<b>Field:</b> Uintah County, Utah (UTM Zone 12N-NAD 27)	<b>Co-ordinate(NE) Reference:</b> Well: NBU 1022-2411S, Grid North		
<b>Site:</b> NBU 1022-241 PAD	<b>Vertical (TVD) Reference:</b> SITE 4994.0		
<b>Well:</b> NBU 1022-2411S	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,62.76Azi)		
<b>Wellpath:</b> 1	<b>Survey Calculation Method:</b> Minimum Curvature	<b>Db:</b> 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
7700.00	0.00	62.76	7604.92	278.00	540.00	607.36	0.00	14505955.00	2094478.00	
7795.08	0.00	62.76	7700.00	278.00	540.00	607.36	0.00	14505955.00	2094478.00	PBHL-2411S

### Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude --->			<--- Longitude --->				
								Deg	Min	Sec	Deg	Min	Sec		
PBHL-2411S			7700.00	278.00	540.00	14505955.00	2094478.00	39	56	0.651	N	109	22	49.073	W
	-Circle (Radius: 100)														
	-Plan hit target														

### Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
1500.00	1500.00	9.625	12.250	9 5/8" CSG PT

### Annotation

MD ft	TVD ft	
1560.00	1560.00	KOP
2291.65	2273.88	HOLD
2990.60	2922.17	DROP
4088.08	3993.00	HOLD-TOP TARGET
7795.08	7700.00	PBHL-2411S

### Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
449.00	449.00	GREEN RIVER		0.00	0.00
3585.50	3493.00	WASATCH		0.00	0.00
5766.08	5671.00	MESAVERDE		0.00	0.00

Company: Anadarko-Kerr-McGee Date: 6/5/2008 Time: 08:42:14 Page: 1  
 Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)  
 Reference Site: NBU 1022-24I PAD Co-ordinate(NE) Reference: Well: NBU 1022-24I1S, Grid North  
 Reference Well: NBU 1022-24I1S Vertical (TVD) Reference: SITE 4994.0  
 Reference Wellpath: 1 Db: Sybase

NO GLOBAL SCAN: Using user defined selection & scan criteria  
 Interpolation Method: TVD Interval: 100.00 ft  
 Depth Range: 0.00 to 7795.08 ft  
 Maximum Radius: 10000.00 ft  
 Reference: Plan: Plan #1  
 Error Model: ISCWSA Ellipse  
 Scan Method: Closest Approach 3D  
 Error Surface: Ellipse

Plan: Plan #1 Date Composed: 6/4/2008  
 Principal: Yes Version: 1  
 Tied-to: From Surface

**Summary**

Site	Offset Wellpath Well	Wellpath	Reference MD ft	Offset MD ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
NBU 1022-24I PAD	NBU 1022-24G2S	1 V0 Plan: Plan #1 V1	1600.00	1599.91	20.20	13.75	3.13	
NBU 1022-24I PAD	NBU 1022-24G3S	1 V0 Plan: Plan #1 V1	1600.00	1599.62	59.58	53.13	9.24	

Site: NBU 1022-24I PAD  
 Well: NBU 1022-24G2S  
 Wellpath: 1 V0 Plan: Plan #1 V1  
 Inter-Site Error: 0.00 ft

Reference MD ft	TVD ft	Offset MD ft	TVD ft	Semi-Major Axis Ref ft	Offset ft	TFO-HS deg	Offset Location North ft	East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
0.00	0.00	0.00	0.00	0.00	0.00	246.04	-8.00	-18.00	19.70			No Data
100.00	100.00	100.00	100.00	0.08	0.08	246.04	-8.00	-18.00	19.70	19.53	117.56	
200.00	200.00	200.00	200.00	0.29	0.29	246.04	-8.00	-18.00	19.70	19.11	33.59	
300.00	300.00	300.00	300.00	0.50	0.50	246.04	-8.00	-18.00	19.70	18.69	19.59	
400.00	400.00	400.00	400.00	0.71	0.71	246.04	-8.00	-18.00	19.70	18.27	13.83	
500.00	500.00	500.00	500.00	0.92	0.92	246.04	-8.00	-18.00	19.70	17.85	10.69	
600.00	600.00	600.00	600.00	1.13	1.13	246.04	-8.00	-18.00	19.70	17.44	8.71	
700.00	700.00	700.00	700.00	1.34	1.34	246.04	-8.00	-18.00	19.70	17.02	7.35	
800.00	800.00	800.00	800.00	1.55	1.55	246.04	-8.00	-18.00	19.70	16.60	6.35	
900.00	900.00	900.00	900.00	1.76	1.76	246.04	-8.00	-18.00	19.70	16.18	5.60	
1000.00	1000.00	1000.00	1000.00	1.97	1.97	246.04	-8.00	-18.00	19.70	15.76	5.00	
1100.00	1100.00	1100.00	1100.00	2.18	2.18	246.04	-8.00	-18.00	19.70	15.34	4.52	
1200.00	1200.00	1200.00	1200.00	2.39	2.39	246.04	-8.00	-18.00	19.70	14.92	4.12	
1300.00	1300.00	1300.00	1300.00	2.60	2.60	246.04	-8.00	-18.00	19.70	14.50	3.79	
1400.00	1400.00	1400.00	1400.00	2.81	2.81	246.04	-8.00	-18.00	19.70	14.08	3.51	
1500.00	1500.00	1500.00	1500.00	3.02	3.02	246.04	-8.00	-18.00	19.70	13.67	3.27	
1600.00	1600.00	1599.91	1599.91	3.23	3.22	184.37	-7.66	-18.24	20.20	13.75	3.13	
1700.13	1700.00	1699.44	1699.32	3.44	3.43	193.70	-3.81	-20.88	26.20	19.33	3.82	
1800.64	1800.00	1798.07	1797.45	3.66	3.65	203.69	4.21	-26.40	40.03	32.76	5.51	
1901.82	1900.00	1895.19	1893.47	3.90	3.88	210.23	16.17	-34.63	62.14	54.45	8.08	
2003.99	2000.00	1990.25	1986.62	4.18	4.14	214.23	31.76	-45.35	92.38	84.24	11.36	
2107.47	2100.00	2082.75	2076.25	4.53	4.44	216.86	50.57	-58.30	130.63	122.01	15.15	
2212.63	2200.00	2172.27	2161.84	4.97	4.79	218.81	72.16	-73.16	176.86	167.67	19.25	
2319.81	2300.00	2258.48	2243.01	5.51	5.19	220.13	96.06	-89.59	230.92	221.07	23.44	
2427.62	2400.00	2341.31	2319.70	6.12	5.63	220.81	121.83	-107.33	289.21	278.61	27.27	
2535.44	2500.00	2420.73	2391.88	6.77	6.12	221.75	149.10	-126.09	350.22	338.80	30.67	
2643.25	2600.00	2496.68	2459.58	7.45	6.65	222.78	177.47	-145.61	413.85	401.57	33.70	
2751.07	2700.00	2570.86	2524.33	8.16	7.23	223.85	207.27	-166.11	479.98	466.78	36.36	
2858.88	2800.00	2654.90	2597.12	8.88	7.93	224.89	241.89	-189.93	547.11	532.85	38.37	
2966.70	2900.00	2738.95	2669.90	9.62	8.66	225.71	276.51	-213.75	614.33	598.99	40.05	
3074.03	3000.00	2823.08	2742.76	10.06	9.40	225.52	311.16	-237.59	680.65	664.54	42.26	
3179.94	3100.00	2907.47	2815.85	10.38	10.16	225.26	345.93	-261.51	744.04	727.28	44.41	
3284.58	3200.00	2992.12	2889.16	10.67	10.94	225.17	380.80	-285.50	804.61	787.22	46.27	
3388.13	3300.00	3077.02	2962.68	10.94	11.73	225.21	415.77	-309.56	862.53	844.53	47.91	
3490.76	3400.00	3162.16	3036.41	11.16	12.53	225.36	450.84	-333.69	917.98	899.39	49.38	
3592.61	3500.00	3247.54	3110.35	11.35	13.33	225.61	486.01	-357.89	971.10	951.95	50.73	

Company: Anadarko-Kerr-McGee Date: 6/5/2008 Time: 08:42:14 Page: 2  
 Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)  
 Reference Site: NBU 1022-24I PAD Co-ordinate(NE) Reference: Well: NBU 1022-24I1S, Grid North  
 Reference Well: NBU 1022-24I1S Vertical (TVD) Reference: SITE 4994.0  
 Reference Wellpath: 1 Db: Sybase

Site: NBU 1022-24I PAD  
 Well: NBU 1022-24G2S  
 Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD ft	Reference TVD ft	Offset MD ft	Offset TVD ft	Semi-Major Axis Ref ft	Semi-Major Axis Offset ft	Semi-Major Axis TFO-HS deg	Offset Location North ft	Offset Location East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
3693.83	3600.00	3333.15	3184.49	11.49	14.15	225.93	521.27	-382.15	1022.03	1002.38	52.00	
3794.56	3700.00	3418.98	3258.83	11.59	14.97	226.32	556.63	-406.48	1070.92	1050.80	53.22	
3894.93	3800.00	3505.05	3333.36	11.64	15.80	226.79	592.08	-430.87	1117.88	1097.34	54.41	
3995.06	3900.00	3591.33	3408.09	11.64	16.63	227.31	627.62	-455.33	1163.06	1142.14	55.60	
4095.08	4000.00	3677.84	3483.01	11.60	17.46	290.69	663.26	-479.84	1206.56	1183.66	52.68	
4195.08	4100.00	3764.44	3558.01	11.66	18.31	291.95	698.93	-504.39	1249.67	1226.44	53.78	
4295.08	4200.00	3851.04	3633.01	11.74	19.15	293.13	734.60	-528.93	1293.28	1269.71	54.86	
4395.08	4300.00	3937.64	3708.01	11.82	19.99	294.24	770.28	-553.48	1337.34	1313.43	55.92	
4495.08	4400.00	4024.25	3783.01	11.90	20.84	295.28	805.95	-578.02	1381.80	1357.55	56.96	
4595.08	4500.00	4110.85	3858.01	11.98	21.69	296.26	841.62	-602.56	1426.63	1402.03	57.99	
4695.08	4600.00	4197.45	3933.01	12.07	22.53	297.18	877.30	-627.11	1471.80	1446.84	58.98	
4795.08	4700.00	4284.06	4008.01	12.16	23.38	298.05	912.97	-651.65	1517.26	1491.95	59.95	
4895.08	4800.00	4370.66	4083.01	12.25	24.23	298.87	948.64	-676.20	1563.00	1537.34	60.90	
4995.08	4900.00	4457.26	4158.01	12.35	25.09	299.65	984.32	-700.74	1609.00	1582.97	61.81	
5095.08	5000.00	4543.86	4233.01	12.45	25.94	300.39	1019.99	-725.29	1655.23	1628.83	62.70	
5195.08	5100.00	4630.47	4308.01	12.55	26.79	301.09	1055.66	-749.83	1701.67	1674.90	63.56	
5295.08	5200.00	4717.07	4383.01	12.65	27.65	301.75	1091.34	-774.37	1748.31	1721.15	64.39	
5395.08	5300.00	4803.67	4458.01	12.76	28.50	302.38	1127.01	-798.92	1795.12	1767.59	65.19	
5495.08	5400.00	4890.27	4533.01	12.87	29.35	302.98	1162.68	-823.46	1842.11	1814.19	65.97	
5595.08	5500.00	4976.88	4608.01	12.98	30.21	303.55	1198.36	-848.01	1889.25	1860.93	66.71	
5695.08	5600.00	6014.87	5600.00	13.09	33.47	306.46	1412.00	-995.00	1908.45	1868.83	48.16	
5795.08	5700.00	6114.87	5700.00	13.21	33.53	306.46	1412.00	-995.00	1908.45	1868.63	47.93	
5895.08	5800.00	6214.87	5800.00	13.33	33.58	306.46	1412.00	-995.00	1908.45	1868.44	47.70	
5995.08	5900.00	6314.87	5900.00	13.45	33.63	306.46	1412.00	-995.00	1908.45	1868.24	47.46	
6095.08	6000.00	6414.87	6000.00	13.57	33.69	306.46	1412.00	-995.00	1908.45	1868.04	47.23	
6195.08	6100.00	6514.87	6100.00	13.70	33.75	306.46	1412.00	-995.00	1908.45	1867.83	46.99	
6295.08	6200.00	6614.87	6200.00	13.82	33.81	306.46	1412.00	-995.00	1908.45	1867.62	46.75	
6395.08	6300.00	6714.87	6300.00	13.95	33.87	306.46	1412.00	-995.00	1908.45	1867.41	46.50	
6495.08	6400.00	6814.87	6400.00	14.08	33.93	306.46	1412.00	-995.00	1908.45	1867.20	46.26	
6595.08	6500.00	6914.87	6500.00	14.22	33.99	306.46	1412.00	-995.00	1908.45	1866.98	46.02	
6695.08	6600.00	7014.87	6600.00	14.35	34.05	306.46	1412.00	-995.00	1908.45	1866.76	45.77	
6795.08	6700.00	7114.87	6700.00	14.49	34.12	306.46	1412.00	-995.00	1908.45	1866.53	45.53	
6895.08	6800.00	7214.87	6800.00	14.63	34.18	306.46	1412.00	-995.00	1908.45	1866.30	45.28	
6995.08	6900.00	7314.87	6900.00	14.77	34.25	306.46	1412.00	-995.00	1908.45	1866.07	45.04	
7095.08	7000.00	7414.87	7000.00	14.91	34.32	306.46	1412.00	-995.00	1908.45	1865.84	44.79	
7195.08	7100.00	7514.87	7100.00	15.05	34.39	306.46	1412.00	-995.00	1908.45	1865.60	44.54	
7295.08	7200.00	7614.87	7200.00	15.20	34.46	306.46	1412.00	-995.00	1908.45	1865.36	44.30	
7395.08	7300.00	7714.87	7300.00	15.34	34.53	306.46	1412.00	-995.00	1908.45	1865.12	44.05	
7495.08	7400.00	7814.87	7400.00	15.49	34.60	306.46	1412.00	-995.00	1908.45	1864.88	43.80	
7595.08	7500.00	7914.87	7500.00	15.64	34.67	306.46	1412.00	-995.00	1908.45	1864.63	43.56	
7695.08	7600.00	8014.87	7600.00	15.79	34.75	306.46	1412.00	-995.00	1908.45	1864.38	43.31	
7795.08	7700.00	8114.87	7700.00	15.94	34.82	306.46	1412.00	-995.00	1908.45	1864.13	43.06	

Site: NBU 1022-24I PAD  
 Well: NBU 1022-24G3S  
 Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD ft	Reference TVD ft	Offset MD ft	Offset TVD ft	Semi-Major Axis Ref ft	Semi-Major Axis Offset ft	Semi-Major Axis TFO-HS deg	Offset Location North ft	Offset Location East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
0.00	0.00	0.00	0.00	0.00	0.00	243.87	-26.00	-53.00	59.03			No Data
100.00	100.00	100.00	100.00	0.08	0.08	243.87	-26.00	-53.00	59.03	58.87	352.33	
200.00	200.00	200.00	200.00	0.29	0.29	243.87	-26.00	-53.00	59.03	58.45	100.67	



**Anticollision Report**

<b>Company:</b>	Anadarko-Kerr-McGee	<b>Date:</b> 6/5/2008	<b>Time:</b> 08:42:14	<b>Page:</b> 3
<b>Field:</b>	UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	<b>Co-ordinate(NE) Reference:</b>	Well: NBU 1022-241S, Grid North	
<b>Reference Site:</b>	NBU 1022-241 PAD	<b>Vertical (TVD) Reference:</b>	SITE 4994.0	
<b>Reference Well:</b>	NBU 1022-241S	<b>Db:</b> Sybase		
<b>Reference Wellpath:</b>	1			

**Site:** NBU 1022-241 PAD  
**Well:** NBU 1022-24G3S  
**Wellpath:** 1 V0 Plan: Plan #1 V1

**Inter-Site Error:** 0.00 ft

Reference MD ft	TVD ft	Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
		MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft				
300.00	300.00	300.00	300.00	0.50	0.50	243.87	-26.00	-53.00	59.03	58.03	58.72	
400.00	400.00	400.00	400.00	0.71	0.71	243.87	-26.00	-53.00	59.03	57.61	41.45	
500.00	500.00	500.00	500.00	0.92	0.92	243.87	-26.00	-53.00	59.03	57.19	32.03	
600.00	600.00	600.00	600.00	1.13	1.13	243.87	-26.00	-53.00	59.03	56.77	26.10	
700.00	700.00	700.00	700.00	1.34	1.34	243.87	-26.00	-53.00	59.03	56.35	22.02	
800.00	800.00	800.00	800.00	1.55	1.55	243.87	-26.00	-53.00	59.03	55.93	19.05	
900.00	900.00	900.00	900.00	1.76	1.76	243.87	-26.00	-53.00	59.03	55.52	16.78	
1000.00	1000.00	1000.00	1000.00	1.97	1.97	243.87	-26.00	-53.00	59.03	55.10	14.99	
1100.00	1100.00	1100.00	1100.00	2.18	2.18	243.87	-26.00	-53.00	59.03	54.68	13.55	
1200.00	1200.00	1200.00	1200.00	2.39	2.39	243.87	-26.00	-53.00	59.03	54.26	12.36	
1300.00	1300.00	1300.00	1300.00	2.60	2.60	243.87	-26.00	-53.00	59.03	53.84	11.37	
1400.00	1400.00	1400.00	1400.00	2.81	2.81	243.87	-26.00	-53.00	59.03	53.42	10.52	
1500.00	1500.00	1500.00	1500.00	3.02	3.02	243.87	-26.00	-53.00	59.03	53.00	9.79	
1600.00	1600.00	1599.62	1599.62	3.23	3.22	181.48	-25.70	-53.28	59.58	53.13	9.24	
1700.13	1700.00	1698.37	1698.25	3.44	3.43	185.21	-22.37	-56.45	65.86	59.00	9.60	
1800.64	1800.00	1796.07	1795.47	3.66	3.65	191.11	-15.43	-63.03	79.82	72.56	10.99	
1901.82	1900.00	1892.02	1890.35	3.90	3.88	196.97	-5.12	-72.82	102.21	94.53	13.32	
2003.99	2000.00	1985.56	1982.04	4.18	4.13	201.80	8.24	-85.51	133.29	125.19	16.46	
2107.47	2100.00	2076.12	2069.86	4.53	4.42	205.57	24.27	-100.72	173.04	164.48	20.23	
2212.63	2200.00	2163.23	2153.25	4.97	4.76	208.53	42.52	-118.05	221.37	212.30	24.42	
2319.81	2300.00	2246.51	2231.82	5.51	5.13	210.71	62.52	-137.04	278.03	268.37	28.78	
2427.62	2400.00	2326.11	2305.73	6.12	5.55	212.03	83.95	-157.38	339.04	328.69	32.78	
2535.44	2500.00	2402.14	2375.11	6.77	6.00	213.32	106.48	-178.77	402.74	391.66	36.36	
2643.25	2600.00	2474.60	2440.04	7.45	6.51	214.56	129.81	-200.92	469.02	457.16	39.55	
2751.07	2700.00	2543.55	2500.65	8.16	7.03	215.72	153.65	-223.55	537.77	525.10	42.45	
2858.88	2800.00	2621.02	2567.78	8.88	7.68	216.92	181.69	-250.18	608.25	594.65	44.70	
2966.70	2900.00	2701.98	2637.89	9.62	8.37	217.93	211.05	-278.05	678.94	664.34	46.49	
3074.03	3000.00	2783.12	2708.16	10.06	9.10	217.94	240.47	-305.98	748.69	733.39	48.95	
3179.94	3100.00	2864.84	2778.93	10.38	9.84	217.83	270.11	-334.11	815.29	799.42	51.36	
3284.58	3200.00	2947.13	2850.19	10.67	10.60	217.84	299.94	-362.44	878.86	862.41	53.45	
3388.13	3300.00	3029.97	2921.93	10.94	11.38	217.93	329.98	-390.96	939.55	922.56	55.27	
3490.76	3400.00	3113.34	2994.14	11.16	12.17	218.11	360.22	-419.66	997.53	980.00	56.90	
3592.61	3500.00	3197.24	3066.80	11.35	12.97	218.36	390.64	-448.54	1052.94	1034.90	58.37	
3693.83	3600.00	3281.65	3139.90	11.49	13.78	218.66	421.25	-477.60	1105.89	1087.38	59.74	
3794.56	3700.00	3366.56	3213.43	11.59	14.60	219.03	452.04	-506.83	1156.52	1137.57	61.02	
3894.93	3800.00	3451.97	3287.40	11.64	15.43	219.45	483.01	-536.24	1204.94	1185.58	62.25	
3995.06	3900.00	3537.87	3361.79	11.64	16.27	219.93	514.16	-565.81	1251.24	1231.52	63.46	
4095.08	4000.00	3624.26	3436.61	11.60	17.12	283.25	545.48	-595.55	1295.54	1272.76	56.86	
4195.08	4100.00	3710.87	3511.61	11.66	17.97	284.38	576.89	-625.36	1339.25	1316.10	57.83	
4295.08	4200.00	3797.47	3586.61	11.74	18.82	285.45	608.29	-655.17	1383.39	1359.86	58.78	
4395.08	4300.00	3884.07	3661.61	11.82	19.68	286.45	639.69	-684.99	1427.92	1404.01	59.72	
4495.08	4400.00	3970.67	3736.61	11.90	20.54	287.39	671.10	-714.80	1472.80	1448.51	60.65	
4595.08	4500.00	4057.28	3811.61	11.98	21.39	288.29	702.50	-744.61	1518.00	1493.33	61.55	
4695.08	4600.00	4143.88	3886.61	12.07	22.25	289.13	733.90	-774.43	1563.49	1538.45	62.44	
4795.08	4700.00	4230.48	3961.61	12.16	23.12	289.93	765.31	-804.24	1609.25	1583.82	63.30	
4895.08	4800.00	4317.08	4036.61	12.25	23.98	290.68	796.71	-834.05	1655.25	1629.44	64.14	
4995.08	4900.00	4568.49	4259.24	12.35	25.75	292.53	881.19	-914.25	1699.78	1673.30	64.19	
5095.08	5000.00	5143.43	4811.49	12.45	27.66	294.59	991.37	-1018.86	1724.67	1698.09	64.89	
5195.08	5100.00	5432.46	5100.00	12.55	27.76	294.75	1001.00	-1028.00	1726.66	1689.24	46.15	
5295.08	5200.00	5532.46	5200.00	12.65	27.81	294.75	1001.00	-1028.00	1726.66	1689.07	45.94	
5395.08	5300.00	5632.46	5300.00	12.76	27.87	294.75	1001.00	-1028.00	1726.66	1688.90	45.73	

Company:	Anadarko-Kerr-McGee	Date:	6/5/2008	Time:	08:42:14	Page:	4
Field:	UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	Co-ordinate(NE) Reference:	Well: NBU 1022-241S, Grid North				
Reference Site:	NBU 1022-241 PAD	Vertical (TVD) Reference:	SITE 4994.0				
Reference Well:	NBU 1022-241S					Db:	Sybase
Reference Wellpath:	1						

Site: NBU 1022-241 PAD  
 Well: NBU 1022-24G3S  
 Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD ft	TVD ft	Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
		MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft				
5495.08	5400.00	5732.46	5400.00	12.87	27.92	294.75	1001.00	-1028.00	1726.66	1688.73	45.52	
5595.08	5500.00	5832.46	5500.00	12.98	27.98	294.75	1001.00	-1028.00	1726.66	1688.55	45.30	
5695.08	5600.00	5932.46	5600.00	13.09	28.04	294.75	1001.00	-1028.00	1726.66	1688.36	45.08	
5795.08	5700.00	6032.46	5700.00	13.21	28.10	294.75	1001.00	-1028.00	1726.66	1688.17	44.86	
5895.08	5800.00	6132.46	5800.00	13.33	28.16	294.75	1001.00	-1028.00	1726.66	1687.98	44.64	
5995.08	5900.00	6232.46	5900.00	13.45	28.23	294.75	1001.00	-1028.00	1726.66	1687.78	44.42	
6095.08	6000.00	6332.46	6000.00	13.57	28.29	294.75	1001.00	-1028.00	1726.66	1687.59	44.19	
6195.08	6100.00	6432.46	6100.00	13.70	28.36	294.75	1001.00	-1028.00	1726.66	1687.38	43.96	
6295.08	6200.00	6532.46	6200.00	13.82	28.43	294.75	1001.00	-1028.00	1726.66	1687.18	43.73	
6395.08	6300.00	6632.46	6300.00	13.95	28.50	294.75	1001.00	-1028.00	1726.66	1686.97	43.50	
6495.08	6400.00	6732.46	6400.00	14.08	28.57	294.75	1001.00	-1028.00	1726.66	1686.75	43.27	
6595.08	6500.00	6832.46	6500.00	14.22	28.64	294.75	1001.00	-1028.00	1726.66	1686.54	43.03	
6695.08	6600.00	6932.46	6600.00	14.35	28.72	294.75	1001.00	-1028.00	1726.66	1686.32	42.80	
6795.08	6700.00	7032.46	6700.00	14.49	28.79	294.75	1001.00	-1028.00	1726.66	1686.09	42.56	
6895.08	6800.00	7132.46	6800.00	14.63	28.87	294.75	1001.00	-1028.00	1726.66	1685.87	42.33	
6995.08	6900.00	7232.46	6900.00	14.77	28.95	294.75	1001.00	-1028.00	1726.66	1685.64	42.09	
7095.08	7000.00	7332.46	7000.00	14.91	29.02	294.75	1001.00	-1028.00	1726.66	1685.41	41.85	
7195.08	7100.00	7432.46	7100.00	15.05	29.11	294.75	1001.00	-1028.00	1726.66	1685.17	41.62	
7295.08	7200.00	7532.46	7200.00	15.20	29.19	294.75	1001.00	-1028.00	1726.66	1684.93	41.38	
7395.08	7300.00	7632.46	7300.00	15.34	29.27	294.75	1001.00	-1028.00	1726.66	1684.69	41.14	
7495.08	7400.00	7732.46	7400.00	15.49	29.35	294.75	1001.00	-1028.00	1726.66	1684.45	40.91	
7595.08	7500.00	7832.46	7500.00	15.64	29.44	294.75	1001.00	-1028.00	1726.66	1684.20	40.67	
7695.08	7600.00	7932.46	7600.00	15.79	29.53	294.75	1001.00	-1028.00	1726.66	1683.96	40.43	
7795.08	7700.00	8032.46	7700.00	15.94	29.61	294.75	1001.00	-1028.00	1726.66	1683.70	40.20	

**Kerr-McGee Oil & Gas Onshore LP**  
**NBU #1022-24I, 1022-24G2S, #1022-24I1S & #1022-24G3S**  
**SECTION 24, T10S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE NBU #1022-24B TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE EAST; FOLLOW ROAD FLAGS IN A EASTERLY DIRECTION APPROXIMATELY 67' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 66.4 MILES.

# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24I, 1022-24G2S,  
 #1022-24I1S & #1022-24G3S  
 LOCATED IN UINTAH COUNTY, UTAH  
 SECTION 24, T10S, R22E, S.L.B.&M.

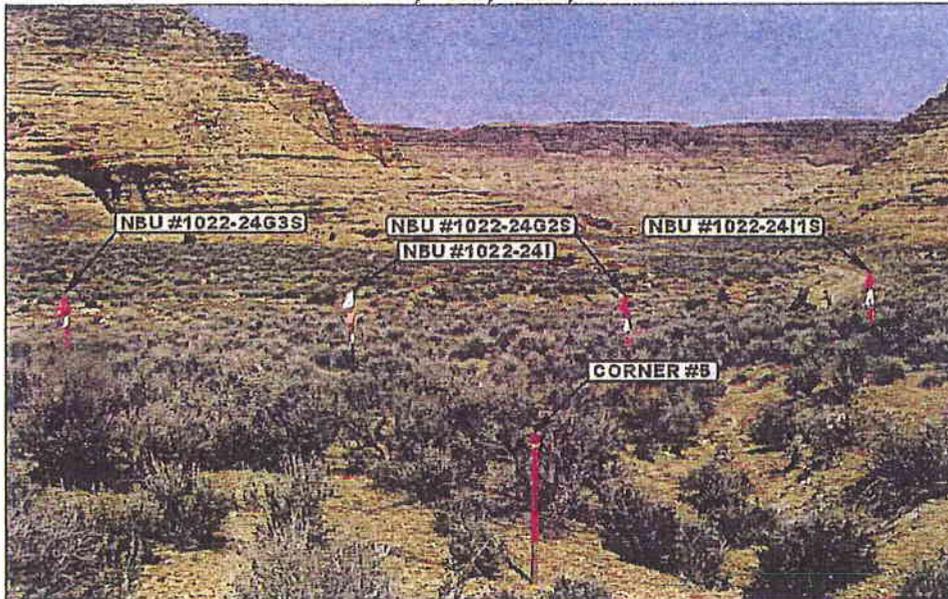


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



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

LOCATION PHOTOS	12	04	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: G.O.	DRAWN BY: A.A.	REV: 05-12-08 Z.L.		

# Kerr-McGee Oil and Gas Onshore LP

NBU #1022-24I, 1022-24G2S,  
#1022-24I1S & #1022-24G3S

PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH  
SECTION 24, T10S, R22E, S.L.B.&M.

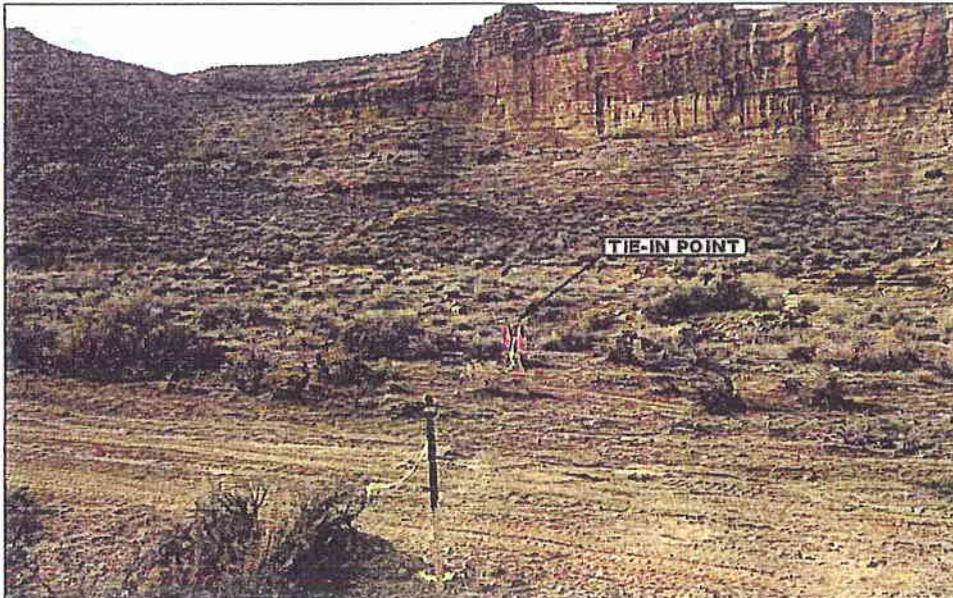


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: EASTERLY



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

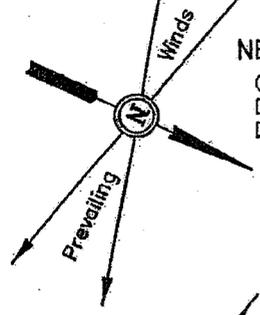
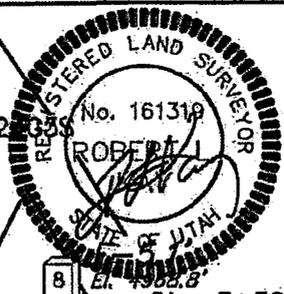
PIPELINE PHOTOS	12	04	05	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: G.O.	DRAWN BY: A.A.	REV: 05-12-08 Z.L.		

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

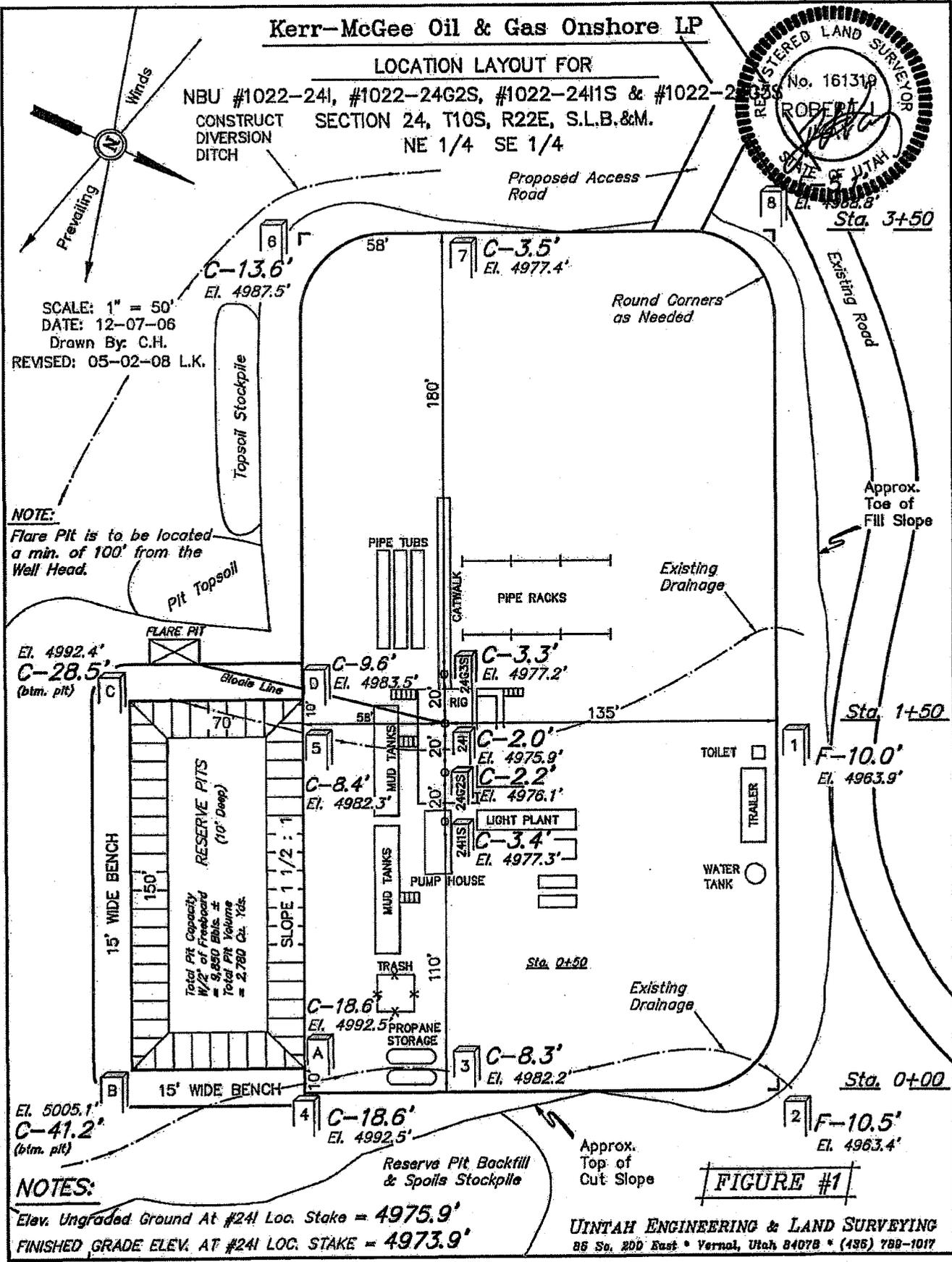
NBU #1022-24I, #1022-24G2S, #1022-24I1S & #1022-24I3S

CONSTRUCT SECTION 24, T10S, R22E, S.L.B.&M.  
NE 1/4 SE 1/4



SCALE: 1" = 50'  
DATE: 12-07-06  
Drawn By: C.H.  
REVISED: 05-02-08 L.K.

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



**NOTES:**  
Elev. Ungraded Ground At #24I Loc. Stake = 4975.9'  
FINISHED GRADE ELEV. AT #24I LOC. STAKE = 4973.9'

Approx. Top of Cut Slope

**FIGURE #1**

UINTAH ENGINEERING & LAND SURVEYING  
86 So. 200<sup>th</sup> East • Vernal, Utah 84078 • (435) 788-1017

# Kerr-McGee Oil & Gas Onshore LP

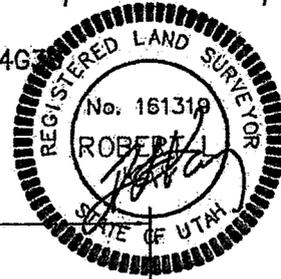
FIGURE #2

## TYPICAL CROSS SECTIONS FOR

NBU #1022-241, #1022-24G2S, #1022-241S & #1022-24G3

SECTION 24, T10S, R22E, S.L.B.&M.

NE 1/4 SE 1/4

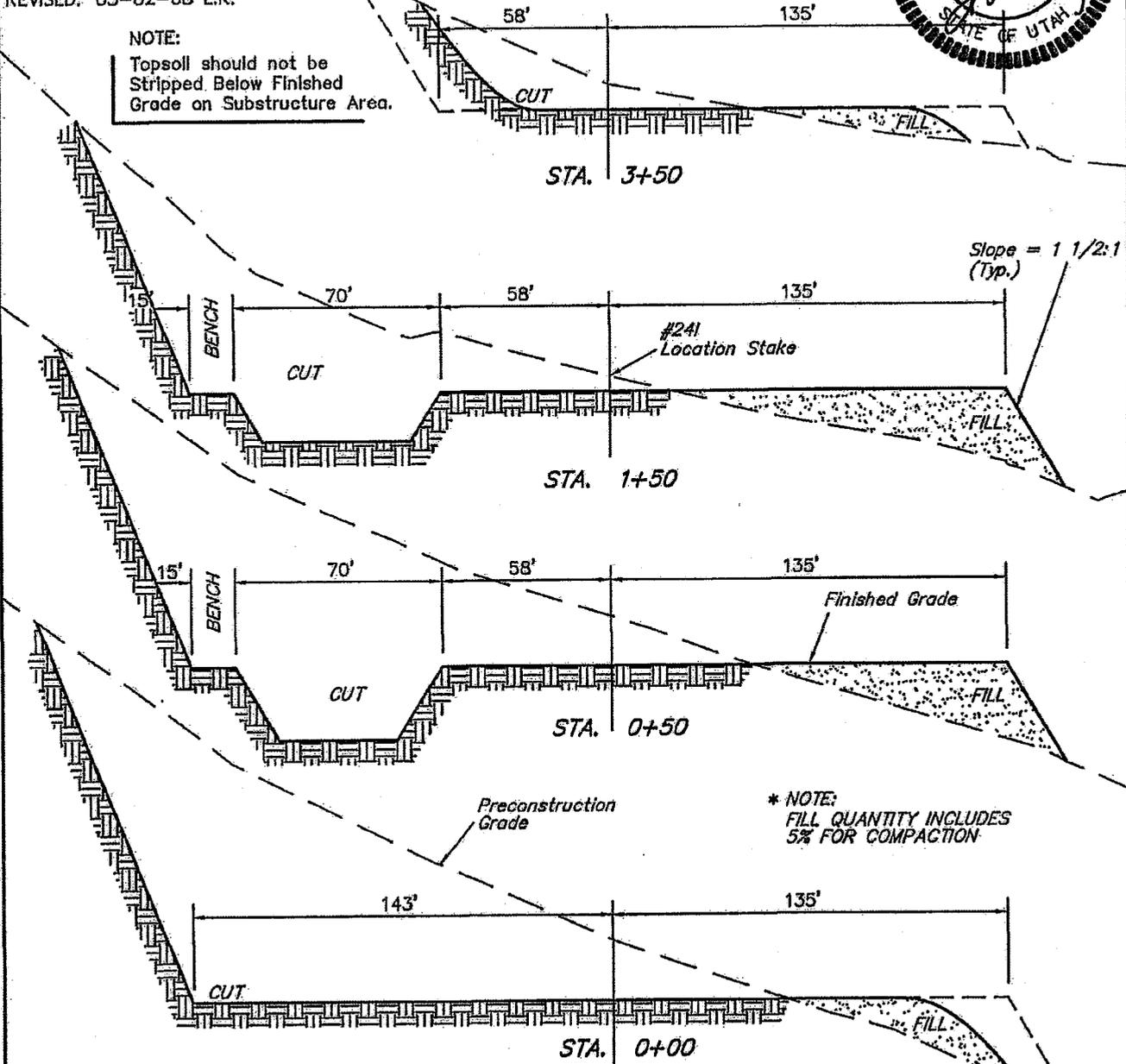


1" = 20'  
X-Section Scale  
1" = 50'

DATE: 12-07-06  
Drawn By: C.H.  
REVISED: 05-02-08 L.K.

**NOTE:**

Topsoll should not be Stripped Below Finished Grade on Substructure Area.



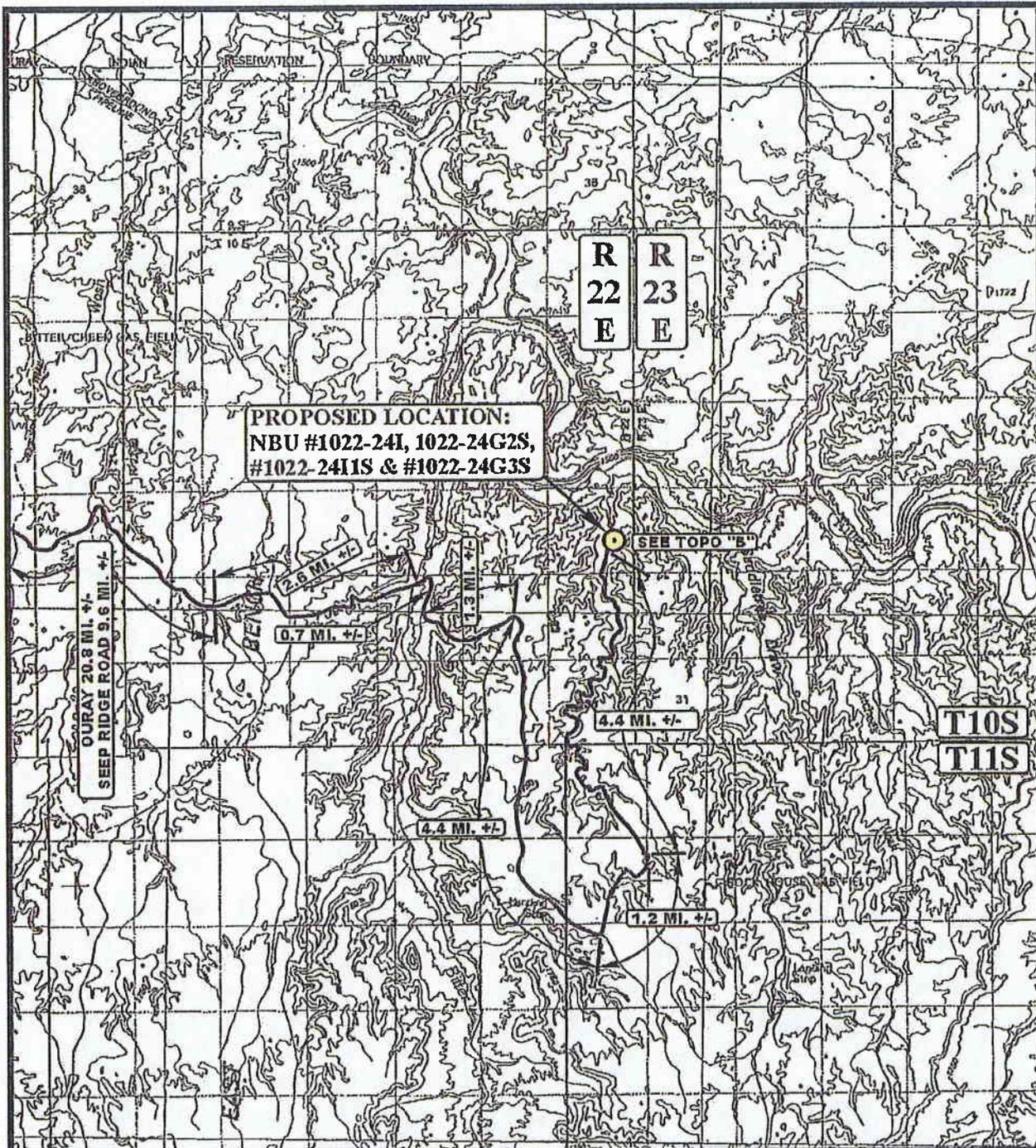
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

**APPROXIMATE YARDAGES**

<b>CUT</b>	
(6") Topsoll Stripping	= 2,210 Cu. Yds.
Remaining Location	= 28,340 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 30,550 CU.YDS.</b>
<b>FILL</b>	<b>= 8,580 CU.YDS.</b>

<b>EXCESS MATERIAL</b>	<b>= 21,970 Cu. Yds.</b>
Topsoll & Pit Backfill (1/2 Pit Vol.)	= 3,600 Cu. Yds.
<b>EXCESS UNBALANCE</b>	<b>= 18,370 Cu. Yds.</b>
(After Interim Rehabilitation)	

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 788-1017



**PROPOSED LOCATION:  
 NBU #1022-24I, 1022-24G2S,  
 #1022-24I1S & #1022-24G3S**

**R  
22  
E**    **R  
23  
E**

**T10S  
T11S**

**OURAY 20.8 MI. +/-  
SEEP RIDGE ROAD 9.6 MI. +/-**

**SEE TOPO "E"**

**0.7 MI. +/-**

**2.6 MI. +/-**

**4.4 MI. +/-**

**4.4 MI. +/-**

**1.2 MI. +/-**

**LEGEND:**

PROPOSED LOCATION



**Kerr-McGee Gas & Onshore LP**

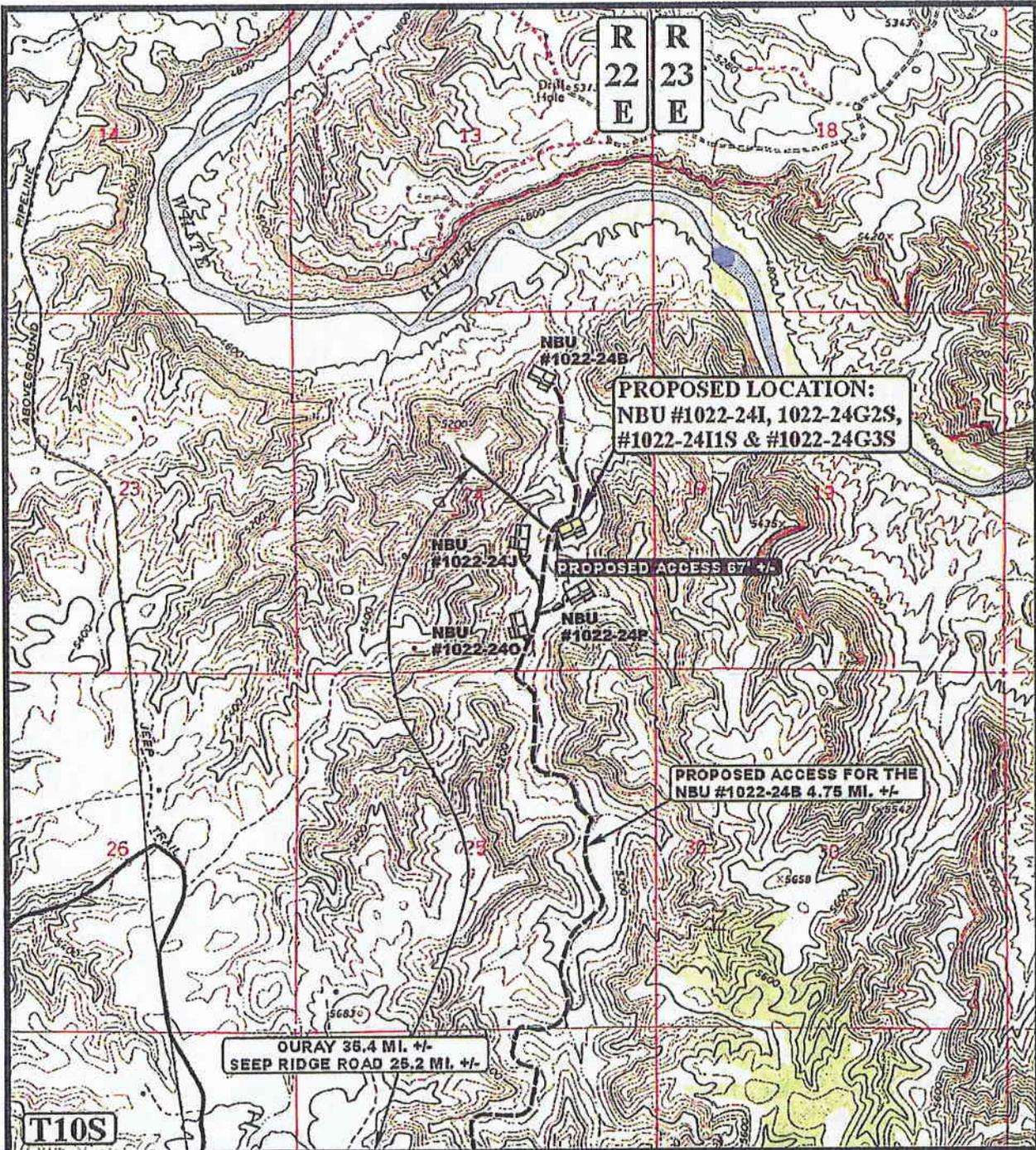
NBU #1022-24I, 1022-24G2S,  
 #1022-24I1S & #1022-24G3S  
 SECTION 24, T10S, R22E, S.L.B.&M.  
 NE 1/4 SE 1/4



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

**TOPOGRAPHIC** **12 04 06**  
**MAP** MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: A.A. REV: 05-12-08 Z.L.





**T10S**

**LEGEND:**

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD



**Kerr-McGee Gas & Onshore LP**

NBU #1022-24I, 1022-24G2S,  
 #1022-24I1S & #1022-24G3S  
 SECTION 24, T10S, R22E, S.L.B.&M.  
 NE 1/4 SE 1/4



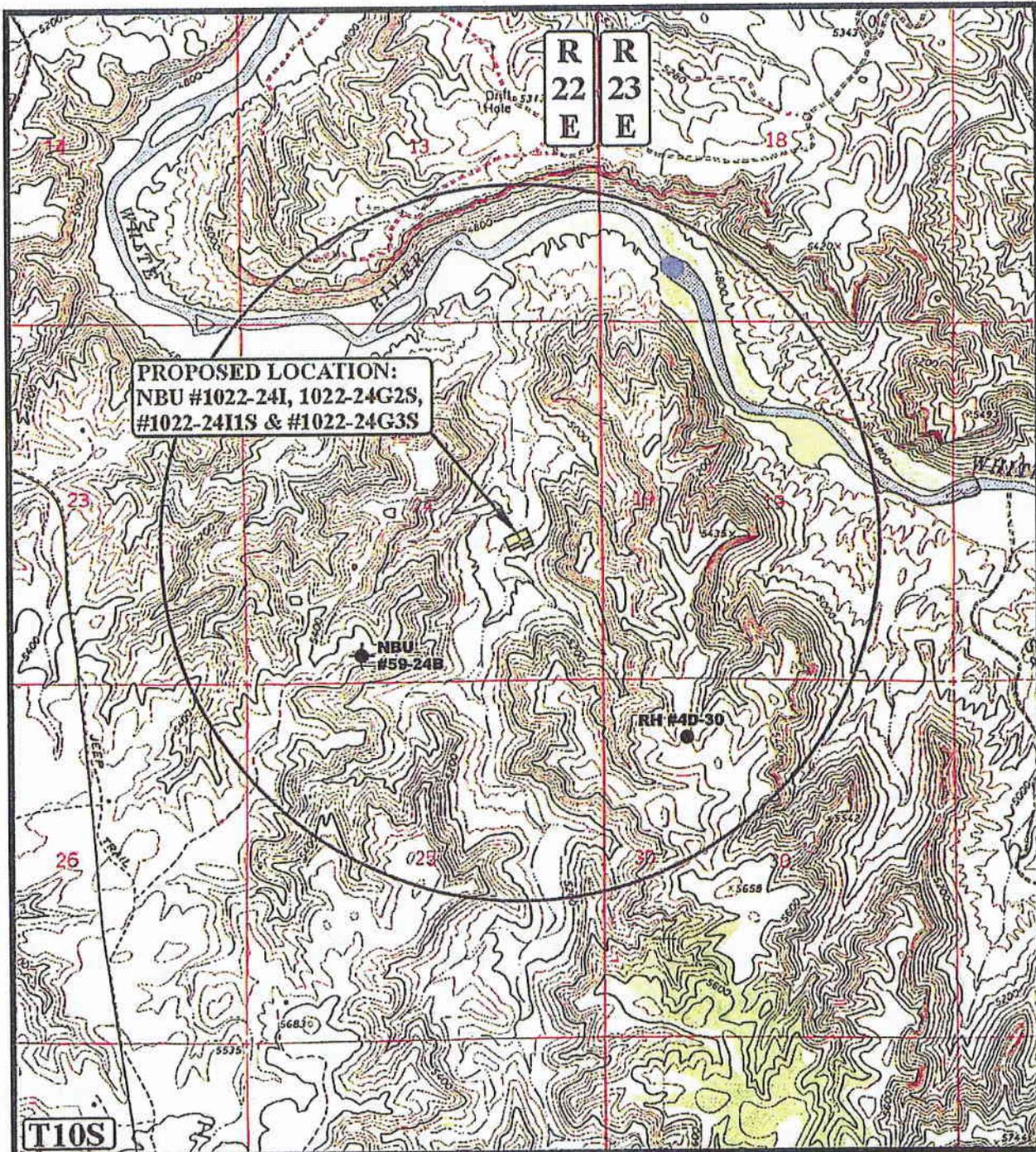
Utah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
 MAP**

**12 04 06**  
 MONTH DAY YEAR



SCALE: 1" = 2000' DRAWN BY: A.A. REV: 05-12-08 Z.L.



**LEGEND:**

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



**Kerr-McGee Gas & Onshore LP**

NBU #1022-24I, 1022-24G2S,  
 #1022-24I1S & #1022-24G3S  
 SECTION 24, T10S, R22E, S.L.B.&M.  
 NE 1/4 SE 1/4



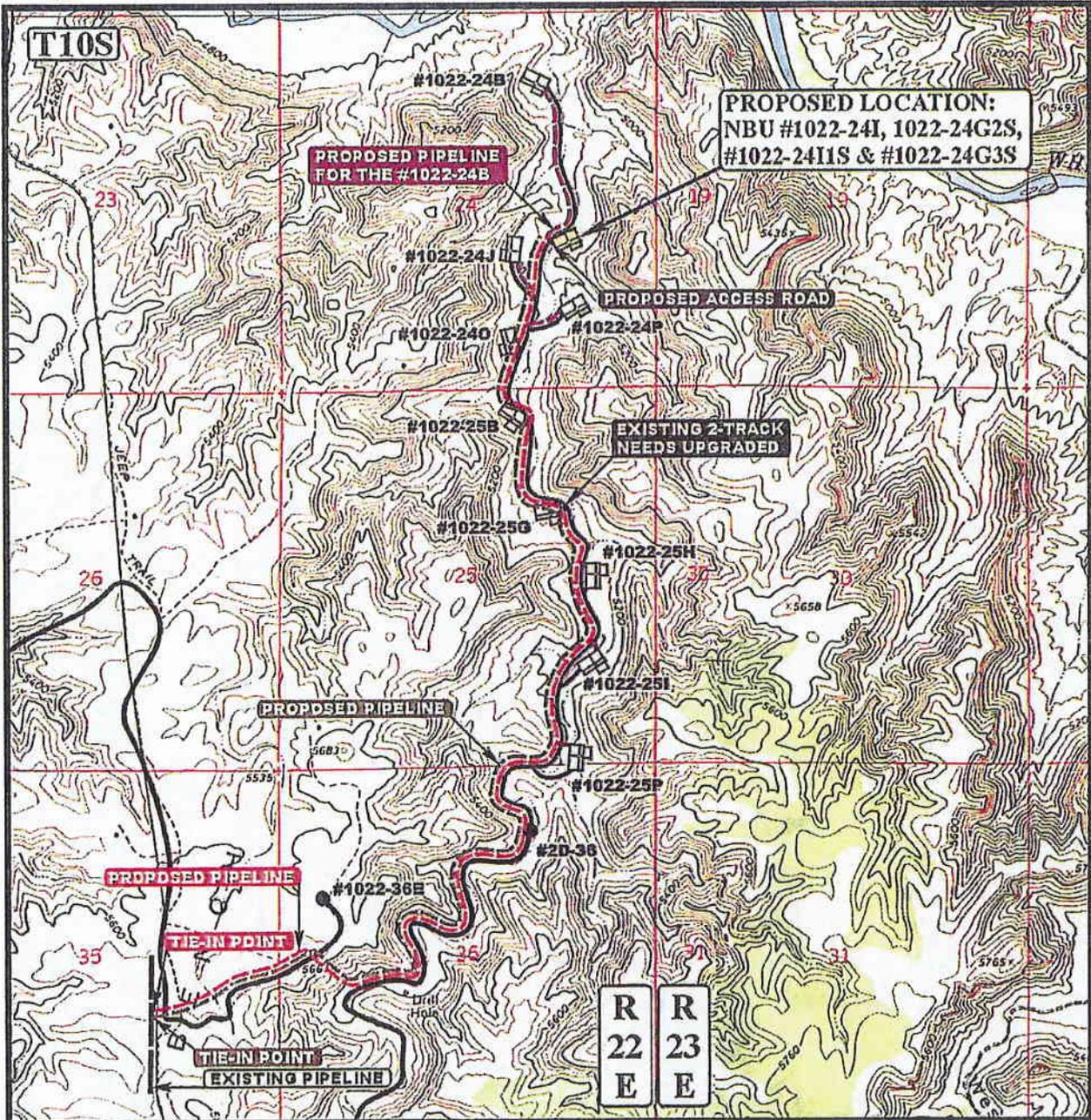
Utah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
 MAP**

12	04	06
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: A.A. REV: 05-12-08 Z.L.





**PROPOSED LOCATION:**  
 NBU #1022-24I, 1022-24G2S,  
 #1022-24I1S & #1022-24G3S

APPROXIMATE TOTAL 6" PIPELINE DISTANCE = 17,450' +/-  
 APPROXIMATE TOTAL 10" PIPELINE DISTANCE = 17,450' +/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



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

NBU #1022-24I, 1022-24G2S,  
 #1022-24I1S & #1022-24G3S  
 SECTION 24, T10S, R22E, S.L.B.&M.  
 NE 1/4 SE 1/4



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

**TOPOGRAPHIC MAP** 12 04 06  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: A.A. REV: 05-12-08 Z.L.



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/11/2008

API NO. ASSIGNED: 43-047-40141

WELL NAME: NBU 1022-2411S  
 OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )  
 CONTACT: KEVIN MCINTYRE

PHONE NUMBER: 720-929-6226

PROPOSED LOCATION:

NESE 24 100S 220E  
 SURFACE: 2062 FSL 1130 FEL  
 BOTTOM: 2330 FSL 0585 FEL  
 COUNTY: UINTAH  
 LATITUDE: 39.93282 LONGITUDE: -109.3822  
 UTM SURF EASTINGS: 638237 NORTHINGS: 4421344  
 FIELD NAME: NATURAL BUTTES ( 630 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DVD	7/29/08
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ST ML 23610  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 2293542 )
- 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 u l drg S inc comm. Track
- R649-3-11. Directional Drill

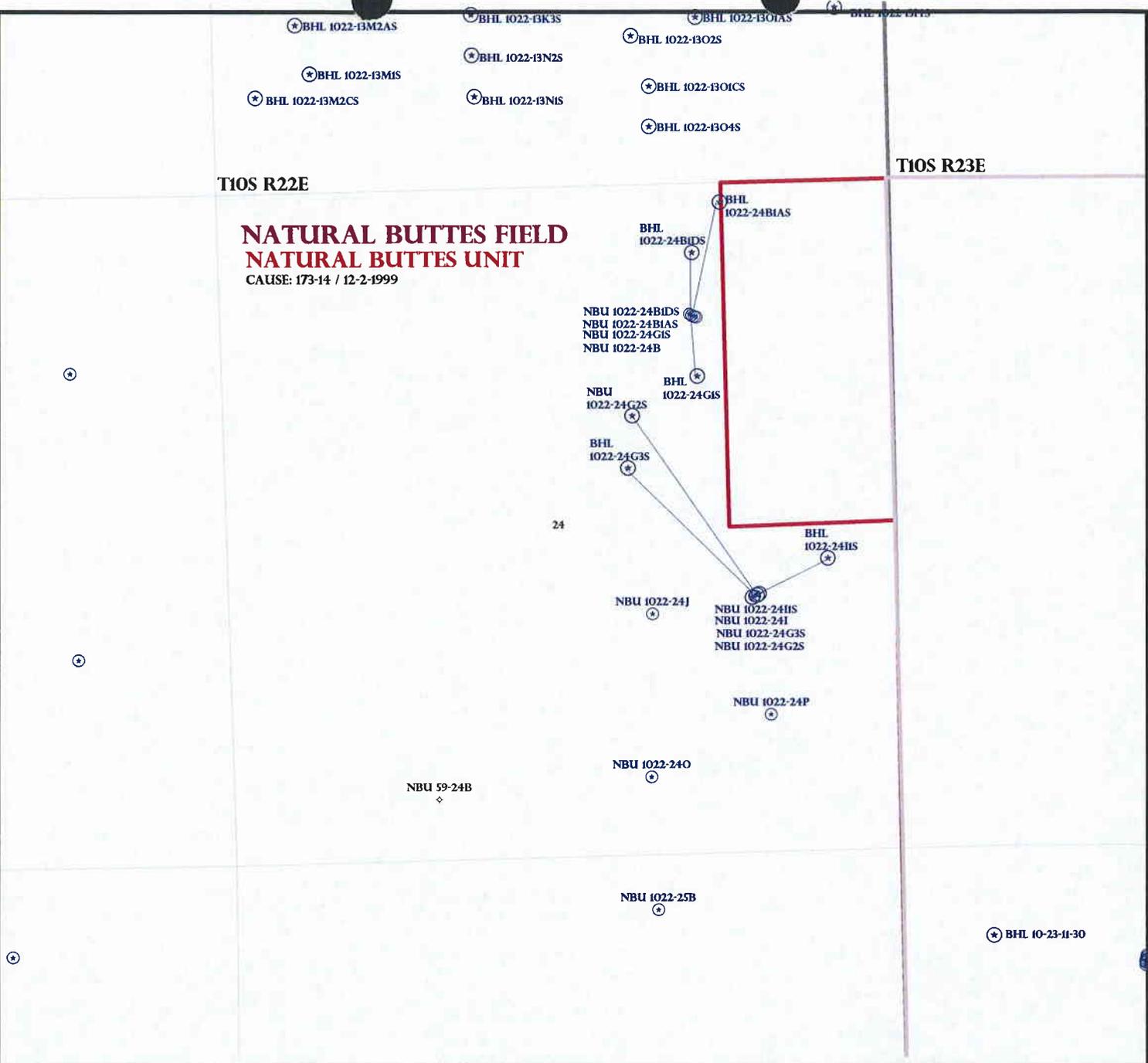
COMMENTS: Needs Permit (02-14-08)

STIPULATIONS: 1- STATEMENT OF BASIS  
2- OIL SHALE

T10S R22E

T10S R23E

**NATURAL BUTTES FIELD**  
**NATURAL BUTTES UNIT**  
 CAUSE: 173-14 / 12-2-1999



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 24 T.10S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999



**Wells Status**

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

**Field Status**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

**Unit Status**

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



PREPARED BY: DIANA MASON  
 DATE: 13-JUNE-2008

# Application for Permit to Drill

## Statement of Basis

7/10/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
816	43-047-40141-00-00		GW	S	No
<b>Operator</b>	KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>Surface Owner-APD</b>		
<b>Well Name</b>	NBU 1022-24I1S	<b>Unit</b>	NATURAL BUTTES		
<b>Field</b>	NATURAL BUTTES		<b>Type of Work</b>		
<b>Location</b>	NESE 24 10S 22E S 2062 FSL 1130 FEL GPS Coord (UTM) 638237E 4421344N				

### Geologic Statement of Basis

Kerr McGee proposes to set 1,300' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,000'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 24. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill  
APD Evaluator

7/10/2008  
Date / Time

### Surface Statement of Basis

The general area is Archy Wash located south of the White River in Uintah County, Utah. Vernal, Utah is approximately 37 miles to the northwest and Bonanza, Utah approximately 12 miles to the northeast. Archy Bench is approximately 1 mile to the west and West Fork of Saddle Tree Draw 1-2 miles to the east. The topography in the area is characterized by steep sidehills bordering winding narrow to moderately narrow draws. Many side-slopes are rimmed with sandstone bedrock forming vertical cliffs. Numerous small side draws lead away from the main divides. All drainages are ephemeral only flowing during winter snowmelt and following intense summer rainstorms. Roads are commonly constructed in the bottom of the washes and are subject to washing out following runoff events. Erosion from side-slopes is moderate. No streams seeps or springs are known to exist in the area.

The proposed NBU 1022-24I gas well pad is approximately 36 road miles south of Ouray, Utah accessed by Uintah County roads to within approximately 67 feet of the site where a new road will be constructed to the location.

This location was originally staked for 1 well, the NBU 1022-24I. This well has not yet been drilled. Three additional wells have been added. The location is in the bottom of Archy Wash on a northeast side-slope of a high near vertical ridge, which begins near the southeast corner of the location. Several washes intersect the location and are planned to be diverted around the southwest end. The White River is approximately 1 mile down drainage.

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

Floyd Bartlett  
Onsite Evaluator

2/14/2007  
Date / Time

---

# Application for Permit to Drill

## Statement of Basis

7/10/2008

Utah Division of Oil, Gas and Mining

Page 2

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### Conditions of Approval / Application for Permit to Drill

<b>Category</b>	<b>Condition</b>
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
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 1022-24IIS  
**API Number** 43-047-40141-0      **APD No** 816      **Field/Unit** NATURAL BUTTES  
**Location:** 1/4,1/4 NESE      **Sec** 24    **Tw** 10S    **Rng** 22E    2062 FSL 1130 FEL  
**GPS Coord (UTM)**      **Surface Owner**

### Participants

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

### Regional/Local Setting & Topography

The general area is Archy Wash located south of the White River in Uintah County, Utah. Vernal, Utah is approximately 37 miles to the northwest and Bonanza, Utah approximately 12 miles to the northeast. Archy Bench is approximately 1 mile to the west and West Fork of Saddle Tree Draw 1-2 miles to the east. The topography in the area is characterized by steep sidehills bordering winding narrow to moderately narrow draws. Many side-slopes are rimmed with sandstone bedrock forming vertical cliffs. Numerous small side draws lead away from the main divides. All drainages are ephemeral only flowing during winter snowmelt and following intense summer rainstorms. Roads are commonly constructed in the bottom of the washes and are subject to washing out following runoff events. Erosion from side-slopes is moderate. No streams seeps or springs are known to exist in the area.

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### Surface Use Plan

#### **Current Surface Use**

Grazing  
Recreational  
Wildlife Habitat

#### **New Road**

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

**Ancillary Facilities** N

### Waste Management Plan Adequate?

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

Snow covered the vegetation on the area. Identifiable vegetation consisted of big sagebrush, greasewood, spiny hopsage and broom snakeweed. Vegetation is sparse.

Antelope, rabbits, coyotes, and small mammals, birds and raptors.

**Soil Type and Characteristics**

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diversion Required** Y

Diversion is needed around southwest end of location.

**Berm Required?** N

**Erosion Sedimentation Control Required?** N

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

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

<b>Distance to Groundwater (feet)</b>	100 to 200	5
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	<300	20
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5
<b>Affected Populations</b>	<10	0
<b>Presence Nearby Utility Conduits</b>	Not Present	0

**Final Score**      45      **Sensitivity Level**

**Characteristics / Requirements**

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

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

**Other Observations / Comments**

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

Floyd Bartlett  
**Evaluator**

2/14/2007  
**Date / Time**

2008-07 Kerr McGee NBU 1022-2411S

Casing Schematic

Surface

1276  
1526

9-5/8"  
MW 8.3  
Frac 19.3

4-1/2"  
MW 11.6

TOC @  
0.

TOC @  
3.

Uinta

449' Green River

809' Bird's Nest ✓

1132' tail  
1159' Mahogany

Surface  
1500. MD  
1500. TVD

2870' tail

3493' Wasatch ✓

5000' ± BMSW

5671' Mesaverde

6517' MV U2

7106' MV L1

Production  
7795. MD  
7700. TVD

Well name:	<b>2008-07 Kerr McGee NBU 1022-241S</b>	
Operator:	<b>Kerr McGee Oil &amp; Gas Onshore L.P.</b>	
String type:	Surface	Project ID: 43-047-40141
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: 96 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,300 ft

Cement top: 3 ft

**Burst**

Max anticipated surface pressure: 1,320 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 1,500 psi

No backup mud specified.

**Tension:**

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

Tension is based on buoyed weight.  
Neutral point: 1,315 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 7,700 ft  
Next mud weight: 11.600 ppg  
Next setting BHP: 4,640 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 1,500 ft  
Injection pressure: 1,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1500	9.625	36.00	J-55	LT&C	1500	1500	8.796	651.1
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	649	2020	3.112	1500	3520	2.35	47	453	9.57 J

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

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

Date: July 16, 2008  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 1500 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.

Well name:	<b>2008-07 Kerr McGee NBU 1022-241S</b>	
Operator:	<b>Kerr McGee Oil &amp; Gas Onshore L.P.</b>	
String type:	Production	Project ID: 43-047-40141
Location:	Uintah County, Utah	

<b>Design parameters:</b>	<b>Minimum design factors:</b>	<b>Environment:</b>
<b>Collapse</b>	<b>Collapse:</b>	H2S considered? No
Mud weight: 11.600 ppg	Design factor 1.125	Surface temperature: 75 °F
Internal fluid density: 2.300 ppg		Bottom hole temperature: 183 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 1,500 ft
	<b>Burst:</b>	Cement top: Surface
	Design factor 1.00	
<b>Burst</b>		
Max anticipated surface pressure: 2,946 psi	<b>Tension:</b>	<b>Directional well information:</b>
Internal gradient: 0.220 psi/ft	8 Round STC: 1.80 (J)	Kick-off point 1560 ft
Calculated BHP 4,640 psi	8 Round LTC: 1.80 (J)	Departure at shoe: 607 ft
No backup mud specified.	Buttress: 1.60 (J)	Maximum dogleg: 3 °/100ft
	Premium: 1.50 (J)	Inclination at shoe: 0 °
	Body yield: 1.50 (B)	
	Tension is based on buoyed weight.	
	Neutral point: 6,460 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	7795	4.5	11.60	I-80	LT&C	7700	7795	3.875	680.2

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	3720	6360	1.710	4640	7780	1.68	74	212	2.87 J

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

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

Date: July 16, 2008  
 Salt Lake City, Utah

Remarks:  
 Collapse is based on a vertical depth of 7700 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.  
 Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

**BOPE REVIEW**

**Kerr-McGee NBU 1022-2411S API 43-047-40141**

**INPUT**

Well Name	Kerr-McGee NBU 1022-2411S API 43-047-40141		
Casing Size (")	String 1	String 2	
Setting Depth (TVD)	9 5/8	4 1/2	
Previous Shoe Setting Depth (TVD)	1500	7700	
Max Mud Weight (ppg)	20	1500	
BOPE Proposed (psi)	8.4	11.6 ✓	
Casing Internal Yield (psi)	500	5000	
Operators Max Anticipated Pressure (psi)	3520	7780	
	4774	11.9 ppg ✓	

<b>Calculations</b>	<b>String 1</b>	<b>9 5/8 "</b>	
Max BHP [psi]	.052*Setting Depth*MW =	655	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	475	YES ✓ Air Drill to surface shoe with diverter
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	325	YES
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	330	← NO Reasonable depth - no expected pressure
Required Casing/BOPE Test Pressure		1500 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		20 psi	*Assumes 1psi/ft frac gradient

<b>Calculations</b>	<b>String 2</b>	<b>4 1/2 "</b>	
Max BHP [psi]	.052*Setting Depth*MW =	4645	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3721	YES ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2951	YES
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	3281	← NO Reasonable
Required Casing/BOPE Test Pressure		5000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		1500 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 16, 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 MesaVerde)		
43-047-40136	NBU 921-20IT Sec 20	T09S R21E 1902 FSL 0822 FEL
43-047-40135	NBU 921-15MT Sec 15	T09S R21E 0697 FSL 0406 FWL
43-047-40134	NBU 922-31GT Sec 31	T09S R22E 1664 FNL 1349 FEL
43-047-40133	NBU 922-32CT Sec 32	T09S R22E 0809 FNL 2154 FWL
(Proposed PZ Wasatch/MesaVerde)		
43-047-40129	NBU 1022-24B1AS Sec 24	T10S R22E 1052 FNL 1583 FEL
	BHL Sec 24	T10S R22E 0150 FNL 1375 FEL
43-047-40130	NBU 1022-24B1DS Sec 24	T10S R22E 1026 FNL 1637 FEL
	BHL Sec 24	T10S R22E 0540 FNL 1605 FEL
43-047-40131	NBU 1022-24G1S Sec 24	T10S R22E 1044 FNL 1601 FEL
	BHL Sec 24	T10S R22E 1515 FNL 1580 FEL
43-047-40141	NBU 1022-24I1S Sec 24	T10S R22E 2062 FSL 1130 FEL
	BHL Sec 24	T10S R22E 2330 FSL 0585 FEL
43-047-40142	NBU 1022-24G3S Sec 24	T10S R22E 2037 FSL 1184 FEL
	BHL Sec 24	T10S R22E 2225 FNL 2140 FEL
43-047-40140	NBU 1022-24G2S Sec 24	T10S R22E 2053 FSL 1148 FEL
	BHL Sec 24	T10S R22E 1815 FNL 2100 FEL

Our records indicate the 1022-24B1AS, 1022-24B1DS, 1022-24G1S and the 1022-24I1 bottom hole location is closer than 460 feet from the Natural Buttes Unit boundary.

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:6-16-08



Kerr-McGee Oil & Gas Onshore LP  
1099 18 STREET, SUITE 1200  
DENVER, CO 80202

June 16, 2008

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

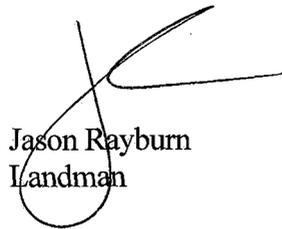
RE: NBU 1022-24I1S  
T10S-24E  
Section 24: NESE  
2330' FSL, 585' FEL  
Uintah County, Utah

Dear Mrs. Mason:

Kerr-McGee Oil & Gas Onshore LP has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to Spacing Order 173-14. The well location was moved for topographic reasons. Kerr-McGee owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-929-6262. Thank you for your assistance.

Sincerely,



Jason Rayburn  
Landman

**RECEIVED**  
**JUN 24 2008**  
**DIV. OF OIL, GAS & MINING**

**From:** Jim Davis  
**To:** Bonner, Ed; Mason, Diana  
**Date:** 1/28/2009 10:59 AM  
**Subject:** APD approvals- A bunch of Kerr McGee

**CC:** Garrison, LaVonne; Raleen.White@anadarko.com  
The following wells have been approved by SITLA including arch and paleo clearance.

Condition of approval: Spot-checking of pad construction/ extension for paleo resources:

NBU 1022-24B1AS 4304740129  
NBU 1022-24B1DS 4304740130  
NBU 1022-24G1S 4304740131  
and  
NBU 1022-25J3S 4304750070  
NBU 1022-25J1S 4304750069  
NBU 1022-25O2S 4304750071

No COA's:

NBU 1022-24G2S 4304740140  
NBU 1022-24G3S 4304740142  
NBU 1022-24I1S 4304740141

FYI: These wells had been approved by SITLA previously. The APDs have been extended. Kerr McGee recently sent paleo reports to SITLA- there were no recommendations from the surveying paleontologist. Just in case anyone needs it, SITLA (still) approves of these APDs.

NBU 1022-25G 4304739142  
NBU 1022-25G3S 4304740443  
NBU 1022-25G4S 4304740442  
NBU 1022-25G2S 4304740441

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

January 28, 2009

Kerr-McGee Oil & Gas Onshore, LP  
P O Box 173779  
Denver, CO 80217-3779

Re: NBU 1022-2411S Well, 2062' FSL, 1130' FEL, NE SE, Sec. 24, T. 10 South, R. 22 East,  
Bottom Location 2330' FSL, 585' FEL, NE SE, Sec. 24, T. 10 South, R. 22 East,  
Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40141.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore, LP  
Well Name & Number NBU 1022-2411S  
API Number: 43-047-40141  
Lease: ST ML 23610

Location: NE SE Sec. 24 T. 10 South R. 22 East  
Bottom Location: NE SE Sec. 24 T. 10 South R. 22 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

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

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

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

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

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

- Dan Jarvis at: (801) 538-5338 office (801) 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.

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 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.
7. 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.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ST ML 23610
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> NBU 1022-2411S
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047401410000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2062 FSL 1130 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 24 Township: 10.0S Range: 22.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 1/28/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> 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:** January 25, 2010

**By:**

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/25/2010	



**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 43047401410000**

**API:** 43047401410000

**Well Name:** NBU 1022-24I1S

**Location:** 2062 FSL 1130 FEL QTR NESE SEC 24 TWNP 100S RNG 220E MER S

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

**Date Original Permit Issued:** 1/28/2009

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:** 1/25/2010

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

**Date:** January 25, 2010

**By:** 

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ST ML 23610
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> NBU 1022-24I1S
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047401410000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6515 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2062 FSL 1130 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NESE Section: 24 Township: 10.0S Range: 22.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 1/28/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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: 02/03/2011  
 By: 

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A		<b>DATE</b> 1/28/2011



**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 43047401410000**

**API:** 43047401410000

**Well Name:** NBU 1022-24I1S

**Location:** 2062 FSL 1130 FEL QTR NESE SEC 24 TWNP 100S RNG 220E MER S

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

**Date Original Permit Issued:** 1/28/2009

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

**Signature:** Danielle Piernot

**Date:** 1/28/2011

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

**RECEIVED** January 28, 2011



GARY R. HERBERT  
Governor

GREG 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

February 10, 2012

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

Re: APD Rescinded – NBU 1022-2411S, Sec. 24, T. 10S, R. 22E  
Uintah County, Utah API No. 43-047-40141

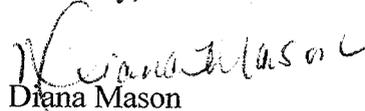
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 28, 2009. On January 25, 2010 and February 3, 2011 the Division granted a one-year APD extension. On February 10, 2012, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 10, 2012.

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  
SITLA, Ed Bonner

