



Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80127

November 21, 2008

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

Re: Directional Drilling R649-3-11
NBU 1022-24O2S
T10S R22E
Section 24: SESE
SWSE, 684' FSL, 2016' FEL (surface)
SESE, 830' FSL, 690' FEL (bottom hole)
Uintah County, Utah

Dear Mrs. Mason:

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

- Kerr-McGee's NBU 1022-24O2S is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore (Federal lease USA Utu 0471, Fee Lease w/ American Gilsonite).

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

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

James C. Colligan III
Landman

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DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: UT 10225	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: UTU-63047A	
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP		9. WELL NAME and NUMBER: NBU 1022-2402S	
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: 684' FSL & 2016' FEL LAT 39.928994 LON -109.3854 (NAD 27) AT PROPOSED PRODUCING ZONE: SESE 830' FSL & 690' FEL Sec. 24, T10S, R22E		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 24 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 35.1 miles north of Ouray, Utah		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 684'	16. NUMBER OF ACRES IN LEASE: 160	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: Unit Well	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 20'	19. PROPOSED DEPTH: 8,010	20. BOND DESCRIPTION: 22013542	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5023' GR	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		
12.25	9.625	J-55	36	4,000	Premium Cement	215	1.18 15.6
					Premium Cement	50	1.18 15.6
7.875	4.5	I-80	11.6	8,010	Premium Lite II	290	3.38 11.0
					50/50 Poz G	1240	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

SIGNATURE *Kevin McIntyre* DATE 11/12/2008

(This space for State use only)

API NUMBER ASSIGNED: 43-047-48439

Approved by the Utah Division of Oil, Gas and Mining

APPROVAL: _____

Date: 12-11-08

By: *[Signature]*

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DIV. OF OIL, GAS & MINING

(11/2001) **Federal Approval of this Action is Necessary**

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

KERR-McGEE OIL & GAS ONSHORE LP

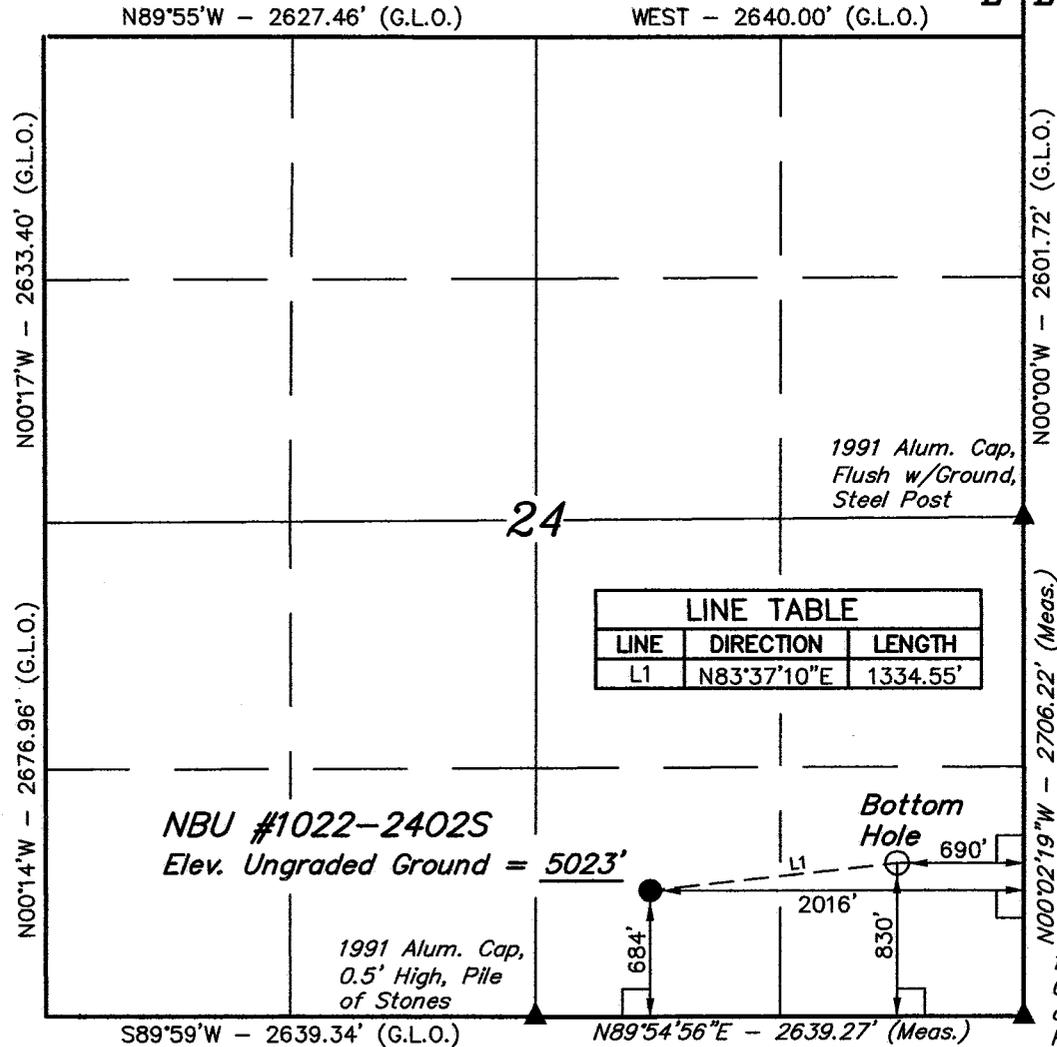
Well location, NBU #1022-2402S, located as shown in the SW 1/4 SE 1/4 of Section 24, T10S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

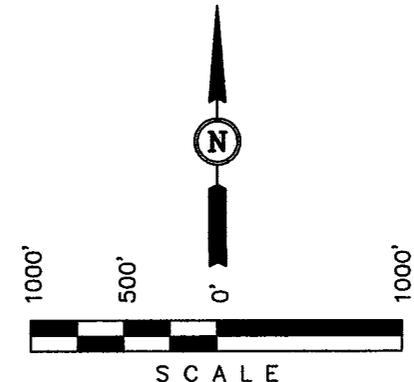
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING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

BASIS OF BEARINGS

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

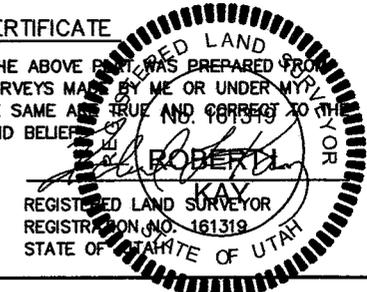


LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N83°37'10"E	1334.55'



CERTIFICATE

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



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

LEGEND:

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

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 39°55'45.71" (39.929364)	LATITUDE = 39°55'44.26" (39.928961)
LONGITUDE = 109°22'52.87" (109.381353)	LONGITUDE = 109°23'09.89" (109.386081)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 39°55'45.83" (39.929397)	LATITUDE = 39°55'44.38" (39.928994)
LONGITUDE = 109°22'50.42" (109.380672)	LONGITUDE = 109°23'07.44" (109.385400)

SCALE 1" = 1000'	DATE SURVEYED: 06-13-08	DATE DRAWN: 08-18-08
PARTY L.K. D.D. C.C.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE KERR-McGEE OIL & GAS ONSHORE LP	

**NBU 1022-2402S
SWSE Sec. 24, T10S,R22E
UINTAH COUNTY, UTAH
UT 10225**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	410'
Birds Nest	818'
Mahogany	1263'
Wasatch	3463'
Mesaverde	5543'
MVU2	6317'
MVL1	7125'
TVD	7700'
TD	8010'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	410'
Water	Birds Nest	818'
Water	Mahogany	1263'
Gas	Wasatch	3463'
Gas	Mesaverde	5543'
Gas	MVU2	6317'
Gas	MVL1	7125'
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 8010' TD, approximately equals 4966 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3204 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.

Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- *Blowout Prevention Equipment (BOPE) requirements;*
- *Mud program requirements; and*
- *Special drilling operation (surface equipment placement) requirements associated with air drilling.*

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet.

The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is

not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12-1/4 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 12-1/4 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 9-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement) Requirements

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A

booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

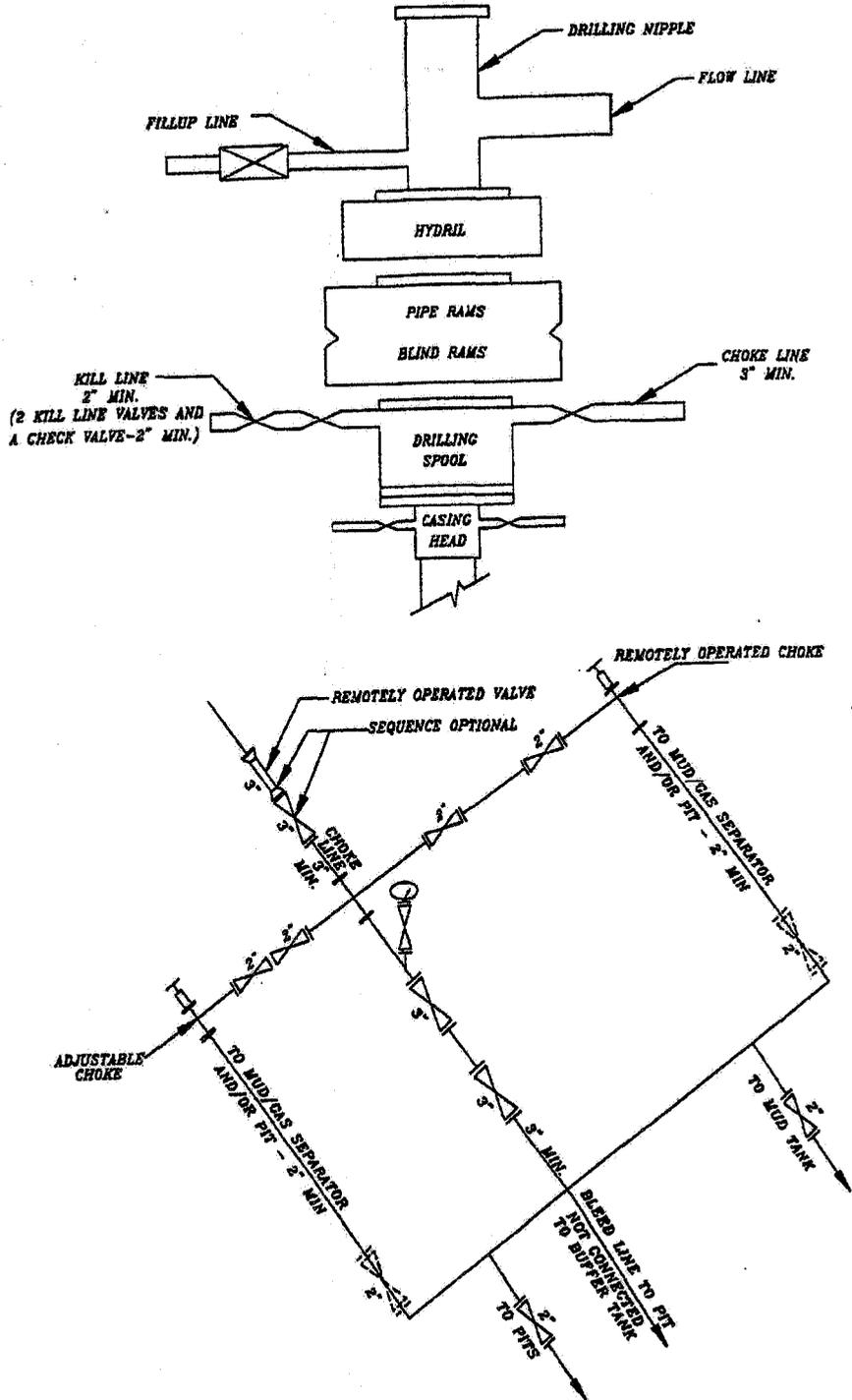
Conclusion

The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

10. Other Information:

Please refer to the attached Drilling Program.

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**NBU 1022-2402S
SWSE SEC. 24, T10S, R22E
UINTAH COUNTY, UTAH
UT 10225**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

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.

1. Existing Roads:

Refer to Topo Map A for directions to the location.

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

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

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

2. Planned Access Roads:

Approximately 70' +/- of new access road is proposed. Please refer to the attached Topo Map B.

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

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

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

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

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Shadow Gray, a non-reflective earthtone.

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

Approximately 40' of 4" pipeline is proposed. Refer to Topo D for the proposed pipeline.

5. Location and Type of Water Supply:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

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

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

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

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

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit

walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with

dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

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

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

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

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

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

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

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

8. **Ancillary Facilities:**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

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

10. Plans for Reclamation of the Surface:

Producing Location:

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

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

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

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

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

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

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

Dry Hole/Abandoned Location:

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

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

11. Surface/Mineral Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435)781-4400

12. Other Information:

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

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

A Class III archaeological survey will be submitted when report becomes available.

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

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

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 22013542.

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

11/12/2008
Date

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24O, #1022-24O2S, #1022-24P2S & #1022-24P4S
SECTION 24, T10S, R22E, S.L.B.&M.

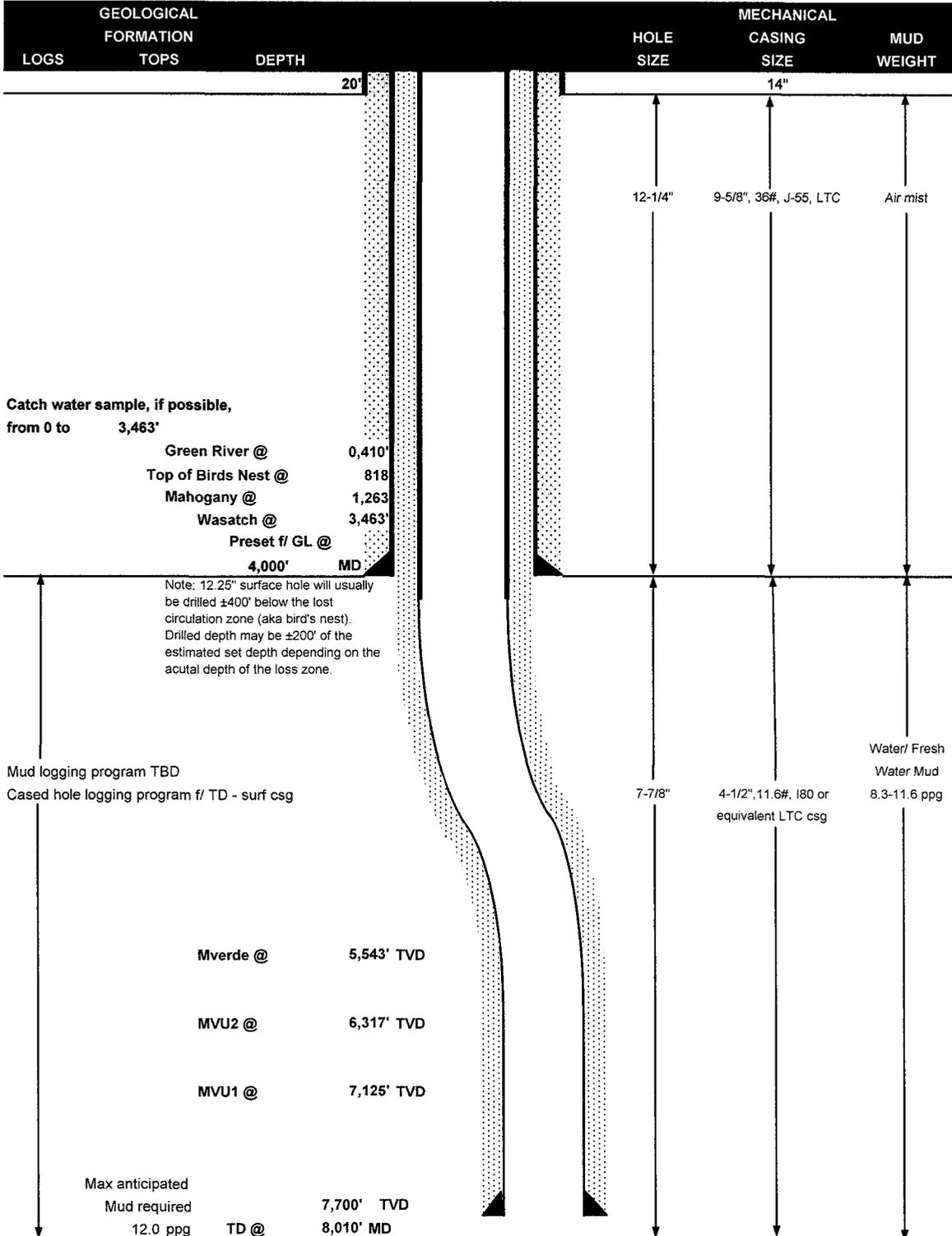
PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON 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 SOUTHEASTERLY, THEN NORTHWESTERLY 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 JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 4.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ACCESS TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 70' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 66.1 MILES.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	November 12, 2008		
WELL NAME	NBU 1022-2402S		TD	7,700'	TVD	8,010' MD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah	ELEVATION
						5,023' GL KB 5,038'
SURFACE LOCATION	SWSE 684' FSL & 2016' FEL, Sec. 24, T 10S R 22E					
	Latitude:	39.928994	Longitude:	-109.3854	NAD 27	
BTM HOLE LOCATION	SESE 830' FSL & 690' FEL, Sec. 24, T 10S R 22E					
	Latitude:	39.929397	Longitude:	-109.380672	NAD 27	
OBJECTIVE ZONE(S)	Wasatch/Mesaverde					
ADDITIONAL INFO	Regulatory Agencies: UDOGM (Minerals & Surface), BLM, Tri-County Health Dept.					



CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0 to 4000	36.00	J-55	LTC	3520 1.09 7780	2020 1.08 6350	453000 4.00 201000
PRODUCTION	4-1/2"	0 to 8010	11.60	I-80	LTC	2.40	1.27	2.48

- 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 = 12.0 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 3204 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	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	2,960'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	290	40%	11.00	3.38
	TAIL	5,050'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1240	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 & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.
 Drop Topco surveys every 2000'. Maximum allowable hole angle is 5 degrees.
 Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

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

Kerr McGee Oil & Gas Onshore LP

NBU #1022-24O, #1022-24O2S, #1022-24P2S & #1022-24P4S

LOCATED IN UTAH COUNTY, UTAH

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

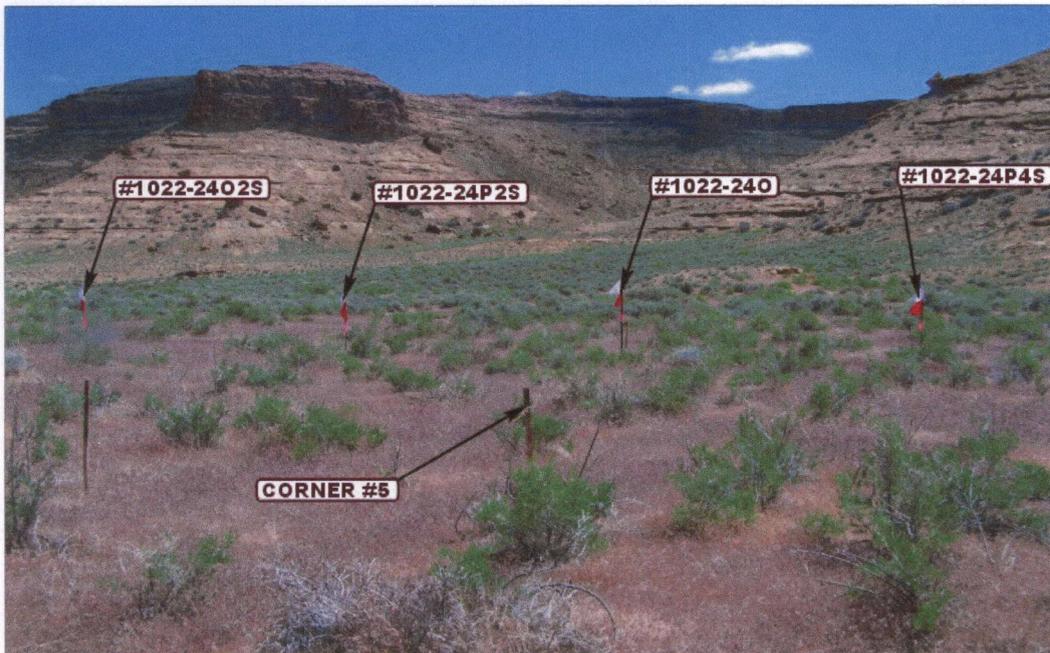


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

**U
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S**

Uintah Engineering & Land Surveying

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

LOCATION PHOTO

08 21 08
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: J.J.

REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

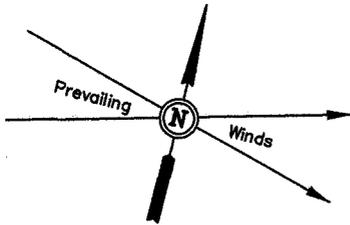
LOCATION LAYOUT FOR

NBU #1022-240, #1022-2402S,
#1022-24P2S & #1022-24P4S
SECTION 24, T10S, R22E, S.L.B.&M.
SW 1/4 SE 1/4

FIGURE #1

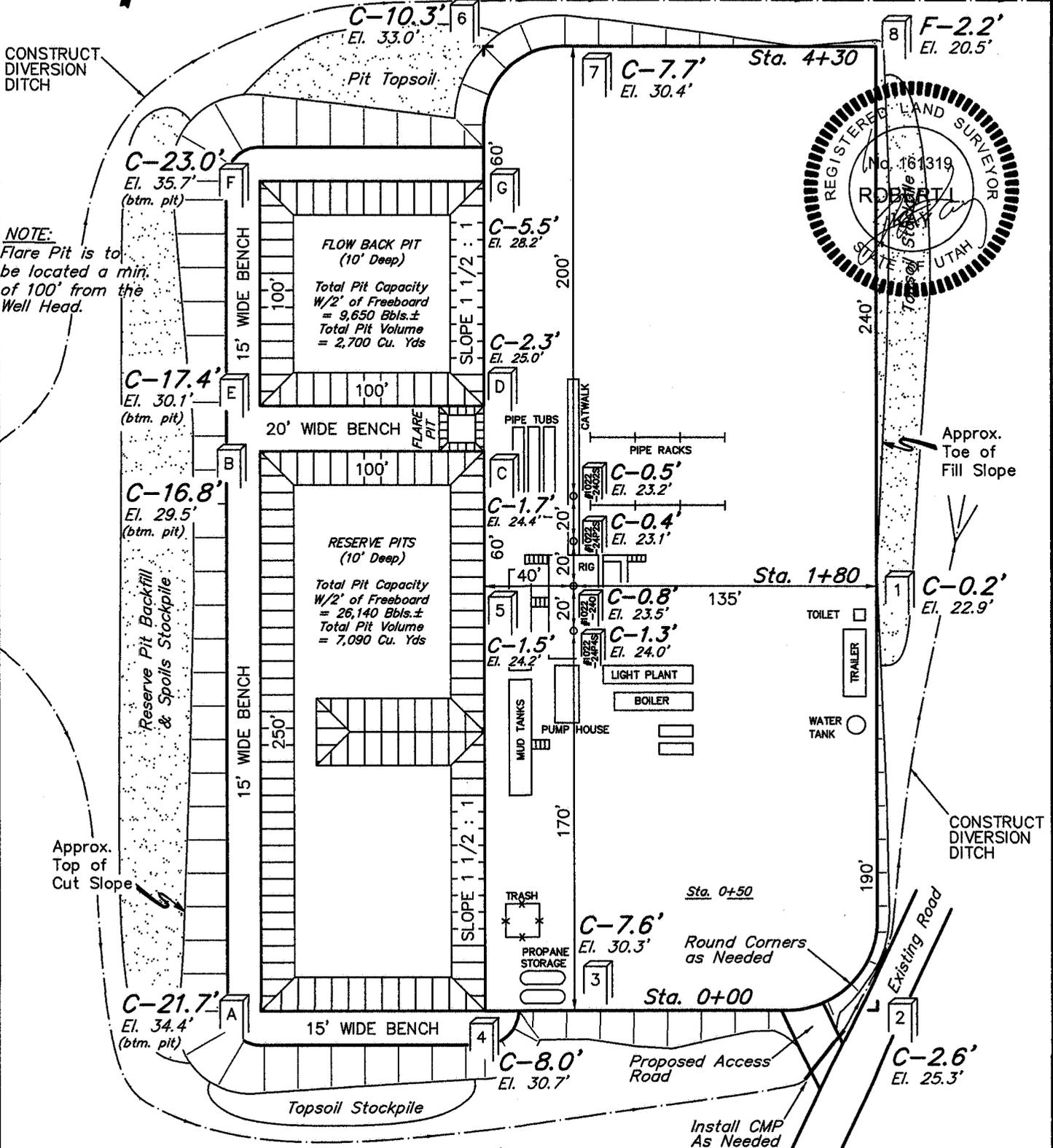
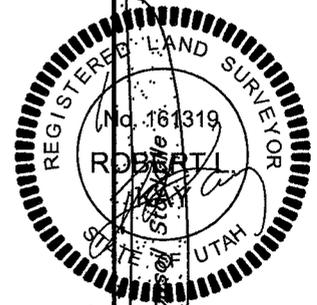
SCALE: 1" = 60'
DATE: 08-25-06

Drawn By: S.L.
REVISED: 07-10-08
REVISED: 08-18-08 C.C.



CONSTRUCT DIVERSION DITCH

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



Elev. Ungraded Ground at #1022-240 Location Stake = 5023.5'
Elev. Graded Ground at #1022-240 Location Stake = 5022.7'

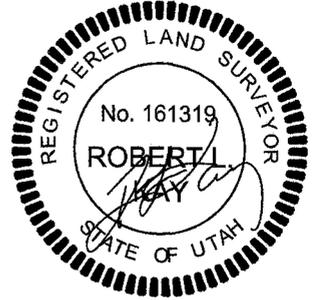
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85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

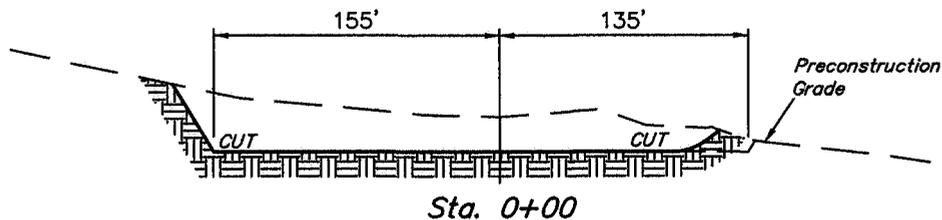
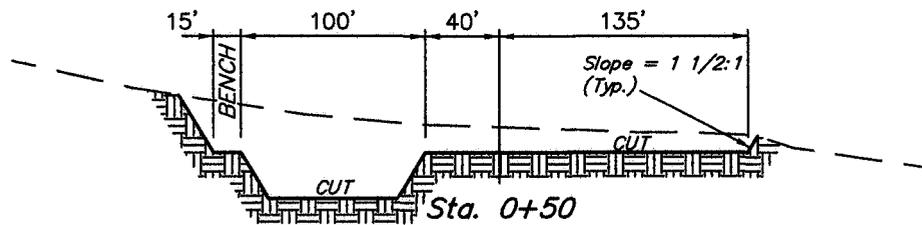
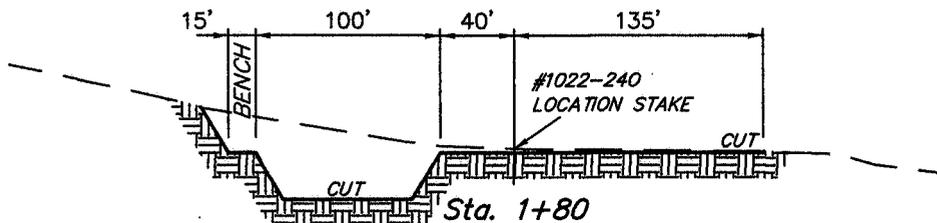
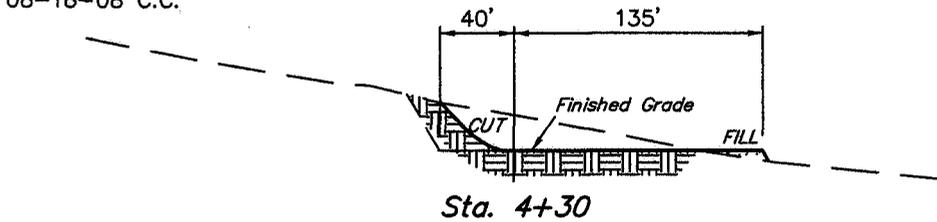
TYPICAL CROSS SECTIONS FOR

NBU #1022-240, #1022-2402S,
#1022-24P2S & #1022-24P4S
SECTION 24, T10S, R22E, S.L.B.&M.
SW 1/4 SE 1/4



1" = 40'
X-Section
Scale
1" = 100'

DATE: 08-25-06
Drawn By: S.L.
REVISED: 07-10-08
REVISED: 08-18-08 C.C.



NOTE:

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

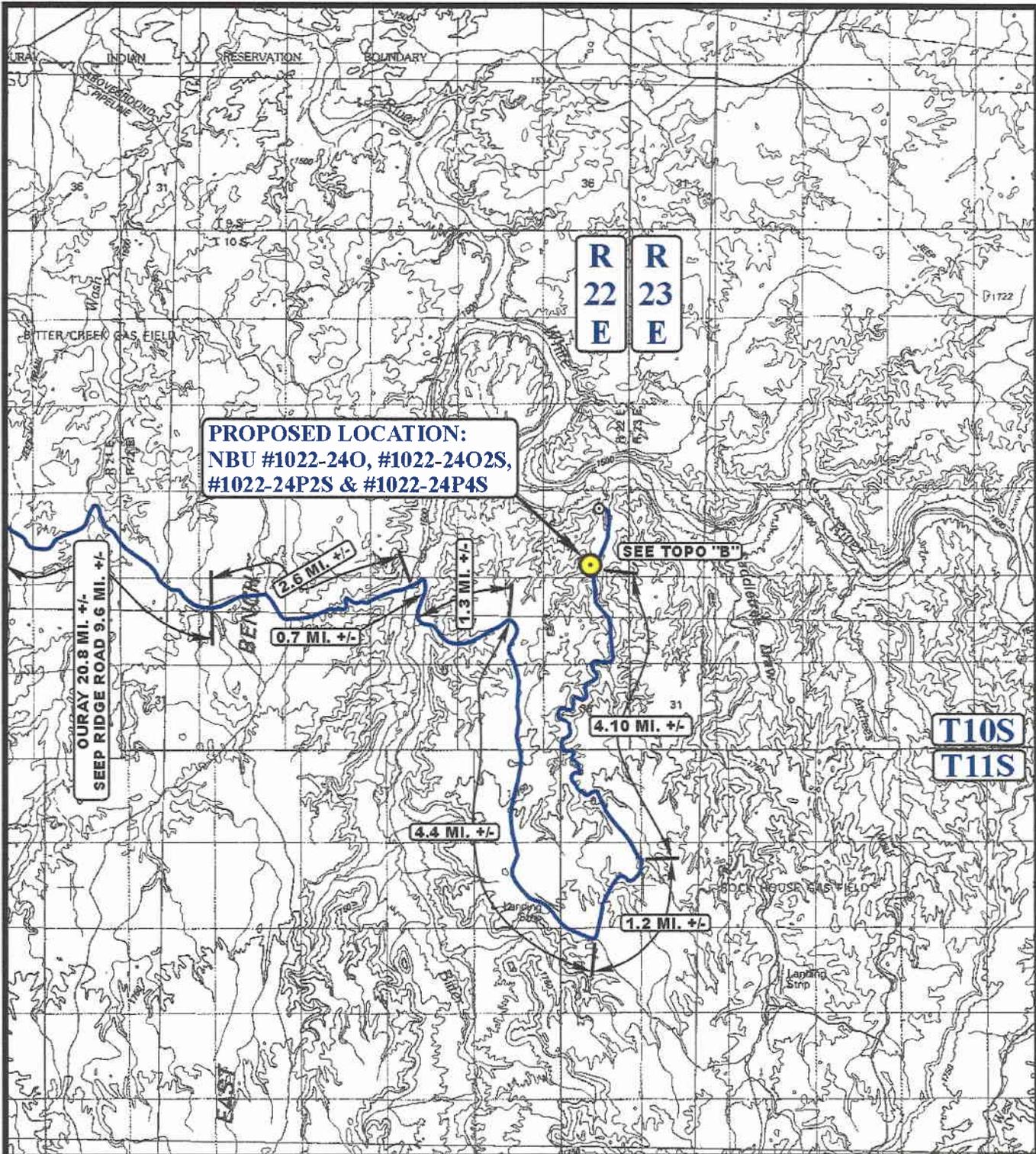
* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 2,670 Cu. Yds.
Remaining Location	= 28,490 Cu. Yds.
TOTAL CUT	= 31,160 CU.YDS.
FILL	= 1,610 CU.YDS.

EXCESS MATERIAL	= 29,550 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 7,570 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 21,980 Cu. Yds.

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85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



PROPOSED LOCATION:
 NBU #1022-24O, #1022-24O2S,
 #1022-24P2S & #1022-24P4S

**R
22
E** **R
23
E**

**T10S
T11S**

LEGEND:

 PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24O, #1022-24O2S, #1022-24P2S & #1022-24P4S
 SECTION 24, T10S, R22E, S.L.B.&M.
 SW 1/4 SE 1/4



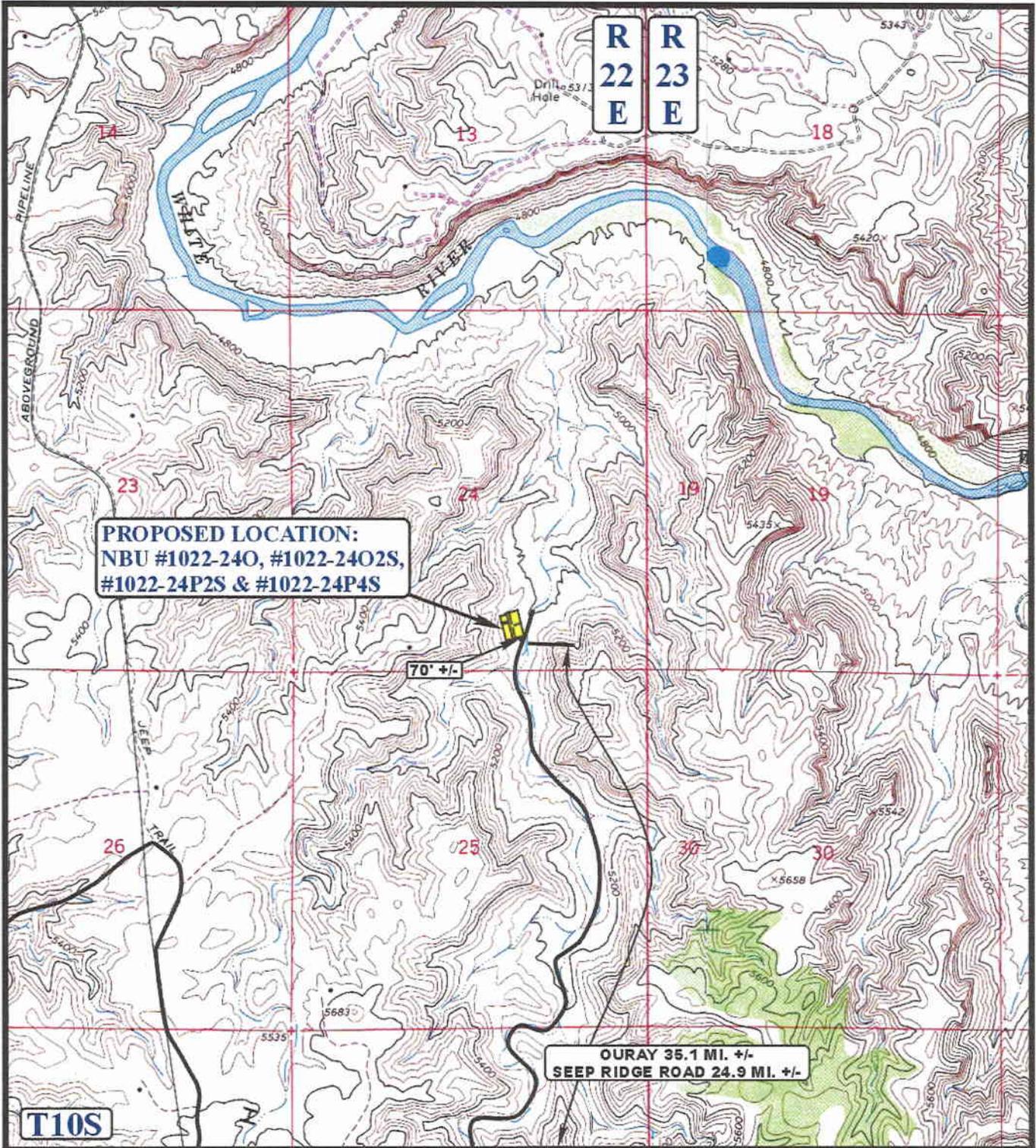
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TOPOGRAPHIC 08 25 06
MAP MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: A.A. REV: 08-21-08 J.J.





LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24O, #1022-24O2S, #1022-24P2S & #1022-24P4S
 SECTION 24, T10S, R22E, S.L.B.&M.
 SW 1/4 SE 1/4



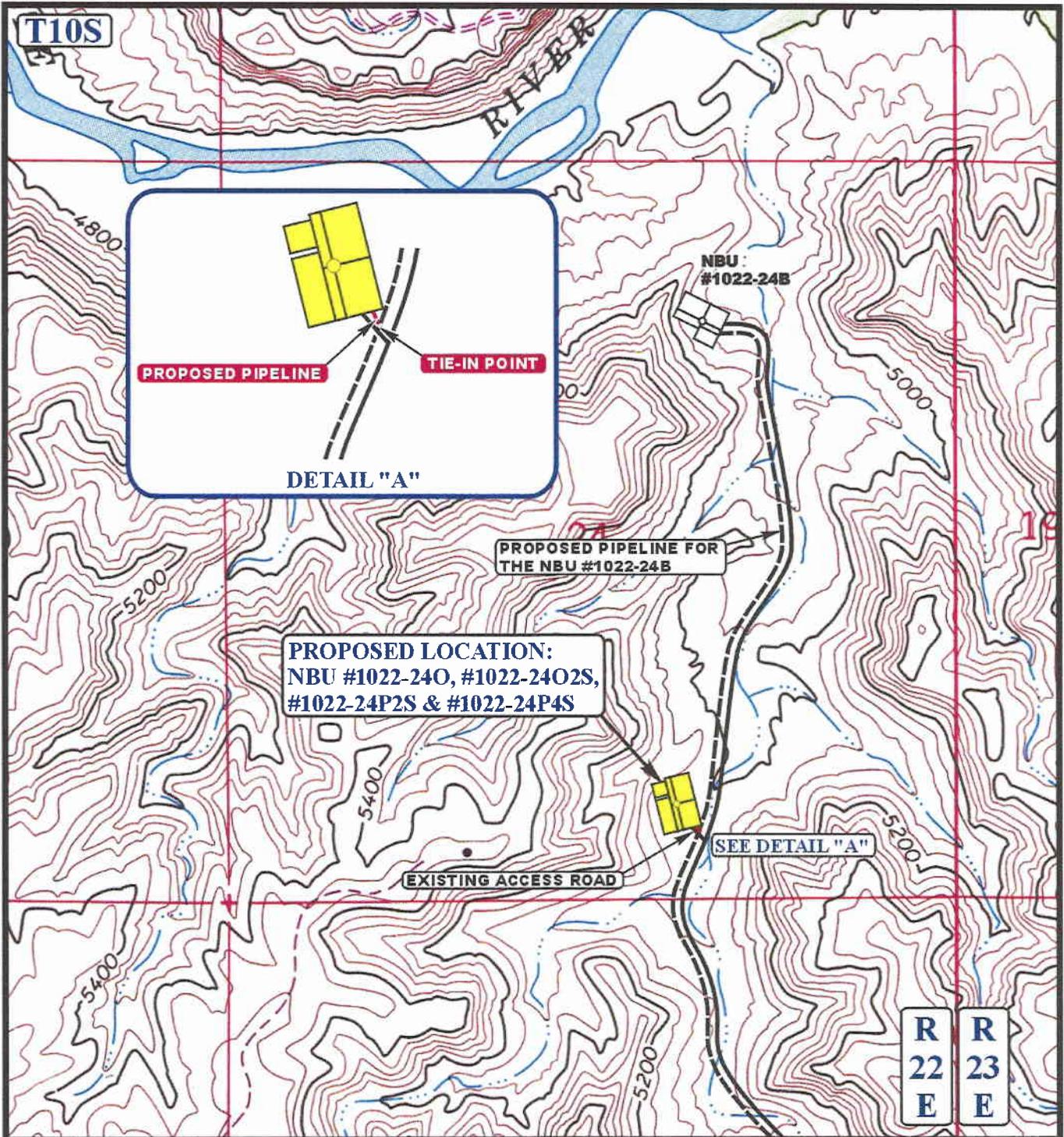
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TOPOGRAPHIC 08 25 06
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: A.A. REV: 08-21-08 J.J.





APPROXIMATE TOTAL PIPELINE DISTANCE = 40' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

KERR MCGEE OIL & GAS ONSHORE LP

NBU #1022-24O, #1022-24O2S, #1022-24P2S & #1022-24P4S
SECTION 24, T10S, R22E, S.L.B.&M.
SW 1/4 SE 1/4



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TOPOGRAPHIC MAP 08 25 06
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: A.A. REV: 08-21-08 J.J.

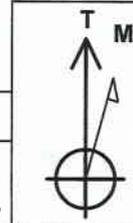
D
TOPO



Scientific Drilling
Rocky Mountain Operations

Project: Uintah County, UT NAD27
Site: NBU 1022-240 Pad
Well: NBU 1022-2402S
Wellbore: OH
Design: Plan #1

arr M see Oil and Gas Onshore LP

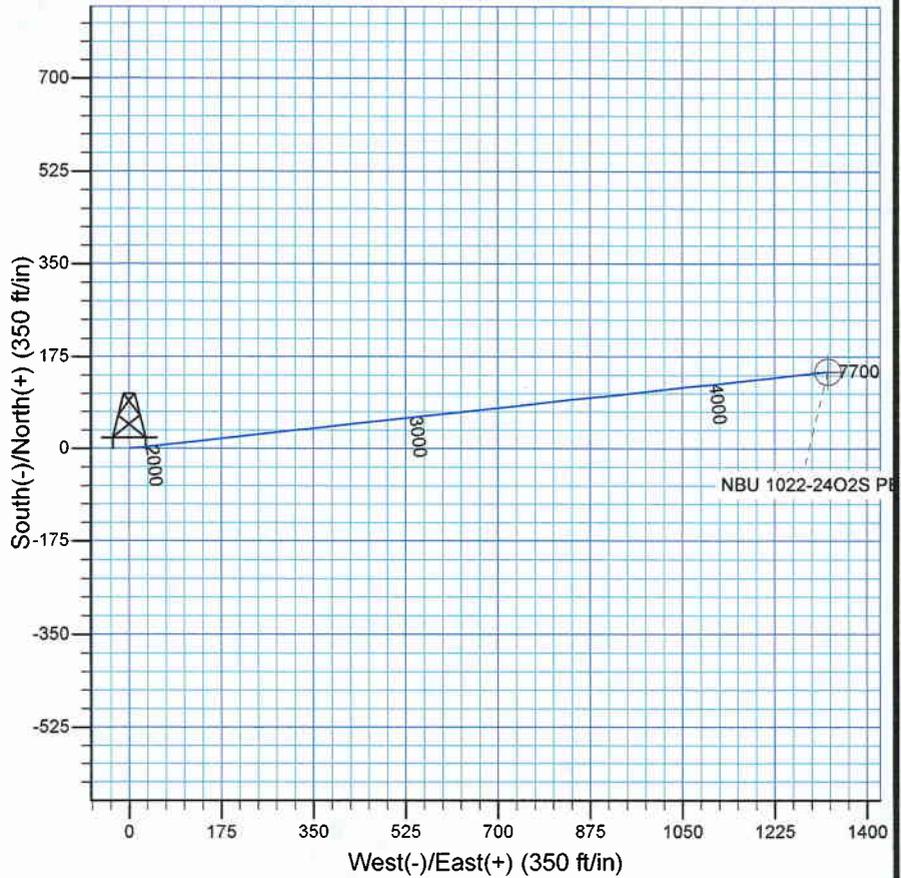
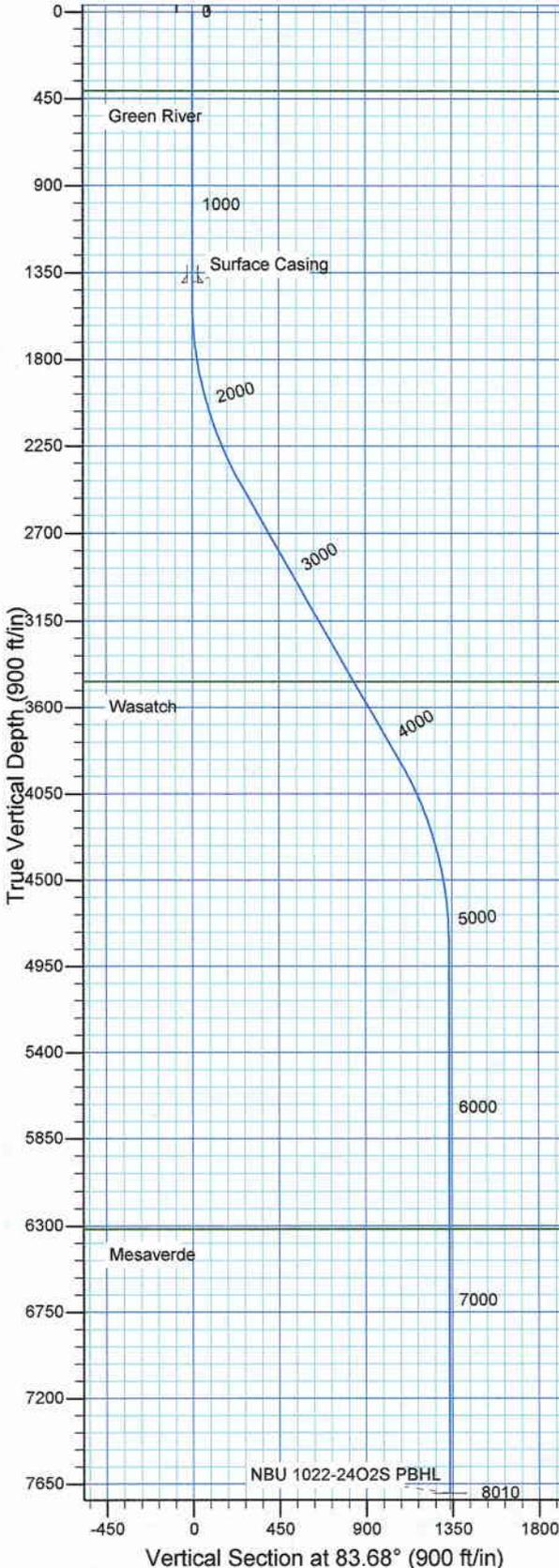


Azimuths to True North
Magnetic North: 11.34°

Magnetic Field
Strength: 52594.3snT
Dip Angle: 65.91°
Date: 10/21/2008
Model: IGRF2005-10

WELL DETAILS: NBU 1022-2402S

GL 5023' & RKB 18' @ 5041.00ft 5023.00
+N/-S 0.00 +E/-W 0.00 Northing 588192.70 Easting 2592952.17 Latitude 39° 55' 44.380 N Longitude 109° 23' 7.440 W



Plan: Plan #1 (NBU 1022-2402S/OH)
Created By: Julie Cruse Date: 2008-10-30
PROJECT DETAILS: Uintah County, UT NAD27
Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: Utah Central 4302
Location: Sec 24 T10S R22E
System Datum: Mean Sea Level
Local North: True

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	
2500.00	30.00	83.68	2454.93	28.15	254.32	3.00	83.68	255.87	
4144.34	30.00	83.68	3878.97	118.61	1071.50	0.00	0.00	1078.04	
5144.34	0.00	0.00	4833.90	146.76	1325.82	3.00	180.00	1333.92	
8010.44	0.00	0.00	7700.00	146.76	1325.82	0.00	0.00	1333.92	NBU 1022-2402S PBHL



Scientific Drilling
Rocky Mountain Operations

Kerr McGee Oil and Gas Onshore LP

**Uintah County, UT NAD27
NBU 1022-240 Pad
NBU 1022-2402S
OH**

Plan: Plan #1

Standard Planning Report

30 October, 2008

Database: EDM 2003.16 Multi User DB
Company: Kerr McGee Oil and Gas Onshore LP
Project: Uintah County, UT NAD27
Site: NBU 1022-24O Pad
Well: NBU 1022-24O2S
Wellbore: OH
Design: Plan #1

Local Co-ordinate Reference: Well NBU 1022-24O2S
TVD Reference: GL 5023' & RKB 18' @ 5041.00ft
MD Reference: GL 5023' & RKB 18' @ 5041.00ft
North Reference: True
Survey Calculation Method: Minimum Curvature

Project	Uintah County, UT NAD27		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah Central 4302		

Site	NBU 1022-24O Pad, Sec 24 T10S R22E				
Site Position:		Northing:	588,192.72 ft	Latitude:	39° 55' 44.380 N
From:	Lat/Long	Easting:	2,592,952.17 ft	Longitude:	109° 23' 7.440 W
Position Uncertainty:	0.00 ft	Slot Radius:	in	Grid Convergence:	1.35 °

Well	NBU 1022-24O2S, 684' FSL 2016' FEL					
Well Position	+N/-S	0.00 ft	Northing:	588,192.70 ft	Latitude:	39° 55' 44.380 N
	+E/-W	0.00 ft	Easting:	2,592,952.17 ft	Longitude:	109° 23' 7.440 W
Position Uncertainty		0.00 ft	Wellhead Elevation:	ft	Ground Level:	5,023.00 ft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2005-10	10/21/2008	11.34	65.91	52,594

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	83.68

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Buld Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,500.00	30.00	83.68	2,454.93	28.15	254.32	3.00	3.00	0.00	83.68	
4,144.34	30.00	83.68	3,878.97	118.61	1,071.50	0.00	0.00	0.00	0.00	
5,144.34	0.00	0.00	4,833.90	146.76	1,325.82	3.00	-3.00	0.00	180.00	
8,010.44	0.00	0.00	7,700.00	146.76	1,325.82	0.00	0.00	0.00	0.00	NBU 1022-24O2S PB

Database: EDM 2003.16 Multi User DB
Company: Kerr McGee Oil and Gas Onshore LP
Project: Uintah County, UT NAD27
Site: NBU 1022-24O Pad
Well: NBU 1022-24O2S
Wellbore: OH
Design: Plan #1

Local Co-ordinate Reference: Well NBU 1022-24O2S
TVD Reference: GL 5023' & RKB 18' @ 5041.00ft
MD Reference: GL 5023' & RKB 18' @ 5041.00ft
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Bulld Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
410.00	0.00	0.00	410.00	0.00	0.00	0.00	0.00	0.00	0.00
Green River									
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
Surface Casing									
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	3.00	83.68	1,599.95	0.29	2.60	2.62	3.00	3.00	0.00
1,700.00	6.00	83.68	1,699.63	1.15	10.40	10.46	3.00	3.00	0.00
1,800.00	9.00	83.68	1,798.77	2.59	23.37	23.51	3.00	3.00	0.00
1,900.00	12.00	83.68	1,897.08	4.59	41.48	41.74	3.00	3.00	0.00
2,000.00	15.00	83.68	1,994.31	7.16	64.68	65.08	3.00	3.00	0.00
2,100.00	18.00	83.68	2,090.18	10.28	92.91	93.48	3.00	3.00	0.00
2,200.00	21.00	83.68	2,184.43	13.96	126.08	126.85	3.00	3.00	0.00
2,300.00	24.00	83.68	2,276.81	18.17	164.11	165.12	3.00	3.00	0.00
2,400.00	27.00	83.68	2,367.06	22.90	206.90	208.16	3.00	3.00	0.00
2,500.00	30.00	83.68	2,454.93	28.15	254.32	255.87	3.00	3.00	0.00
2,600.00	30.00	83.68	2,541.53	33.65	304.02	305.87	0.00	0.00	0.00
2,700.00	30.00	83.68	2,628.13	39.16	353.71	355.87	0.00	0.00	0.00
2,800.00	30.00	83.68	2,714.74	44.66	403.41	405.87	0.00	0.00	0.00
2,900.00	30.00	83.68	2,801.34	50.16	453.10	455.87	0.00	0.00	0.00
3,000.00	30.00	83.68	2,887.94	55.66	502.80	505.87	0.00	0.00	0.00
3,100.00	30.00	83.68	2,974.54	61.16	552.50	555.87	0.00	0.00	0.00
3,200.00	30.00	83.68	3,061.15	66.66	602.19	605.87	0.00	0.00	0.00
3,300.00	30.00	83.68	3,147.75	72.16	651.89	655.87	0.00	0.00	0.00
3,400.00	30.00	83.68	3,234.35	77.66	701.59	705.87	0.00	0.00	0.00
3,500.00	30.00	83.68	3,320.96	83.17	751.28	755.87	0.00	0.00	0.00
3,600.00	30.00	83.68	3,407.56	88.67	800.98	805.87	0.00	0.00	0.00
3,664.02	30.00	83.68	3,463.00	92.19	832.80	837.88	0.00	0.00	0.00
Wasatch									
3,700.00	30.00	83.68	3,494.16	94.17	850.68	855.87	0.00	0.00	0.00
3,800.00	30.00	83.68	3,580.76	99.67	900.37	905.87	0.00	0.00	0.00
3,900.00	30.00	83.68	3,667.37	105.17	950.07	955.87	0.00	0.00	0.00
4,000.00	30.00	83.68	3,753.97	110.67	999.77	1,005.87	0.00	0.00	0.00
4,100.00	30.00	83.68	3,840.57	116.17	1,049.46	1,055.87	0.00	0.00	0.00
4,144.34	30.00	83.68	3,878.97	118.61	1,071.50	1,078.04	0.00	0.00	0.00
4,200.00	28.33	83.68	3,927.57	121.60	1,098.46	1,105.17	3.00	-3.00	0.00
4,300.00	25.33	83.68	4,016.80	126.56	1,143.31	1,150.30	3.00	-3.00	0.00
4,400.00	22.33	83.68	4,108.26	131.01	1,183.47	1,190.69	3.00	-3.00	0.00
4,500.00	19.33	83.68	4,201.71	134.92	1,218.81	1,226.25	3.00	-3.00	0.00
4,600.00	16.33	83.68	4,296.90	138.29	1,249.24	1,256.87	3.00	-3.00	0.00

Database: EDM 2003.16 Multi User DB
Company: Kerr McGee Oil and Gas Onshore LP
Project: Uintah County, UT NAD27
Site: NBU 1022-24O Pad
Well: NBU 1022-24O2S
Wellbore: OH
Design: Plan #1

Local Co-ordinate Reference: Well NBU 1022-24O2S
TVD Reference: GL 5023' & RKB 18' @ 5041.00ft
MD Reference: GL 5023' & RKB 18' @ 5041.00ft
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,700.00	13.33	83.68	4,393.56	141.10	1,274.67	1,282.46	3.00	-3.00	0.00
4,800.00	10.33	83.68	4,491.42	143.36	1,295.05	1,302.96	3.00	-3.00	0.00
4,900.00	7.33	83.68	4,590.23	145.05	1,310.30	1,318.31	3.00	-3.00	0.00
5,000.00	4.33	83.68	4,689.70	146.16	1,320.40	1,328.46	3.00	-3.00	0.00
5,100.00	1.33	83.68	4,789.56	146.71	1,325.31	1,333.40	3.00	-3.00	0.00
5,144.34	0.00	0.00	4,833.90	146.76	1,325.82	1,333.92	3.00	-3.00	0.00
5,200.00	0.00	0.00	4,889.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
5,300.00	0.00	0.00	4,989.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
5,400.00	0.00	0.00	5,089.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
5,500.00	0.00	0.00	5,189.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
5,600.00	0.00	0.00	5,289.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
5,700.00	0.00	0.00	5,389.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
5,800.00	0.00	0.00	5,489.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
5,900.00	0.00	0.00	5,589.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,000.00	0.00	0.00	5,689.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,100.00	0.00	0.00	5,789.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,200.00	0.00	0.00	5,889.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,300.00	0.00	0.00	5,989.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,400.00	0.00	0.00	6,089.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,500.00	0.00	0.00	6,189.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,600.00	0.00	0.00	6,289.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,627.44	0.00	0.00	6,317.00	146.76	1,325.82	1,333.92	0.00	0.00	0.00
Mesaverde									
6,700.00	0.00	0.00	6,389.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,800.00	0.00	0.00	6,489.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
6,900.00	0.00	0.00	6,589.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,000.00	0.00	0.00	6,689.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,100.00	0.00	0.00	6,789.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,200.00	0.00	0.00	6,889.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,300.00	0.00	0.00	6,989.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,400.00	0.00	0.00	7,089.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,500.00	0.00	0.00	7,189.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,600.00	0.00	0.00	7,289.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,700.00	0.00	0.00	7,389.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,800.00	0.00	0.00	7,489.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
7,900.00	0.00	0.00	7,589.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
8,000.00	0.00	0.00	7,689.56	146.76	1,325.82	1,333.92	0.00	0.00	0.00
8,010.44	0.00	0.00	7,700.00	146.76	1,325.82	1,333.92	0.00	0.00	0.00

Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
NBU 1022-24O2S PBHL	0.00	0.00	7,700.00	146.76	1,325.82	588,370.76	2,594,274.15	39° 55' 45.830 N	109° 22' 50.420 W
- hit/miss target									
- Shape									
- plan hits target center									
- Circle (radius 25.00)									

Database: EDM 2003.16 Multi User DB
Company: Kerr McGee Oil and Gas Onshore LP
Project: Uintah County, UT NAD27
Site: NBU 1022-24O Pad
Well: NBU 1022-24O2S
Wellbore: OH
Design: Plan #1

Local Co-ordinate Reference: Well NBU 1022-24O2S
TVD Reference: GL 5023' & RKB 18' @ 5041.00ft
MD Reference: GL 5023' & RKB 18' @ 5041.00ft
North Reference: True
Survey Calculation Method: Minimum Curvature

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
1,400.00	1,400.00	Surface Casing	9.625	13.500

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
410.00	410.00	Green River		0.00	
3,664.02	3,463.00	Wasatch		0.00	
6,627.44	6,317.00	Mesaverde		0.00	

**CLASS I REVIEW OF KERR-MCGEE OIL AND GAS
ONSHORE LP'S 73 PROPOSED NBU WELL LOCATIONS
IN TOWNSHIP 10S, RANGE 22E
UINTAH COUNTY, UTAH**

CLASS I REVIEW OF KERR-MCGEE OIL AND GAS
ONSHORE LP'S 73 PROPOSED NBU WELL LOCATIONS
IN TOWNSHIP 10S, RANGE 22E
UINTAH COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Bureau of Land Management
Vernal Field Office
and
School and Institutional
Trust Lands Administration

Prepared Under Contract With:

Kerr-McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, Utah 84078

Prepared By:

Montgomery Archaeological Consultants, Inc.
P.O. Box 219
Moab, Utah 84532

MOAC Report No. 08-268

October 16, 2008

United States Department of Interior (FLPMA)
Permit No. 08-UT-60122

Public Lands Policy Coordination Office
Archaeological Survey Permit No. 117

INTRODUCTION

A Class I literature review was completed by Montgomery Archaeological Consultants, Inc. (MOAC) in October 2008 of Kerr-McGee Onshore's 73 proposed NBU well locations in Township 10S, Range 22E. The project area is situated south of the White River and southeast of the Ouray, Uintah County, Utah. The wells are designated NBU 1022-1I, 1022-1J, 1022-1N, 1022-1P, 1022-2A2T, 1022-2A3S, 1022-2A4S, 1022-2B2S, 1022-2D, 1022-2F, 1022-2J1T, 1022-2J2S, 1022-2J3S, 1022-2O2S, 1022-03A2T, 1022-03A3S, 1022-03B2S, 1022-03B4T, 1022-03C1S, 1022-04H2CS, 1022-04H3BS, 1022-03H2T, 1022-03L4BS, 1022-03L3DS, 1022-03M1DS, 1022-03M2DS, 1022-03J3T, 1022-03L2T, 1022-03N4T, 1022-03P4T, 1022-03O3T, 1022-04K3S, 1022-04M1S, 1022-05H2BS, 1022-05H2CS, 1022-05E4S, 1022-05F2S, 1022-05K1S, 1022-05L1S, 1022-05IT, 1022-06DT, 1022-06ET, 1022-06FT, 1022-06I3AS, 1022-06J4CS, 1022-06O1BS, 1022-06P1CS, 1022-7AT, 1022-7A4BS, 1022-7A4CS, 1022-7B2DS, 1022-08GT, 1022-08IT, 1022-09AT, 1022-11F4S, 1022-11J3S, 1022-11K1T, 1022-11K2S, 1022-11K3S, 1022-11L2S, 1022-11L3S, 1022-11M1S, 1022-13H, 1022-24O, 1022-24O2S, 1022-24P2S, 1022-24P4S, 1022-25H, 1022-32B3S, 1022-32D1S, 1022-32D4AS, 1022-32D4DS, and 1022-35M.

The purpose of this Class I review is to identify, classify, and evaluate the previously conducted cultural resource inventories and archaeological sites in the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The project area in which Kerr-McGee Onshore's 73 proposed NBU well locations occur was previously inventoried by MOAC in 2007 for the Class III inventory of Township 10 South, Range 22 East (Montgomery 2008; U-07-MQ-1438b,s,p). A file search was completed by consulting MOAC's Class I existing data review of 459 square miles (293,805 acres) covering the Greater NBU study area between Bonanza and Ouray in Uintah County, northeastern Utah (Patterson et al. 2008). Kerr-McGee Oil & Gas Onshore LP proposes to explore and develop oil and natural gas resources throughout the area. Record searches were performed for this Class I project by Marty Thomas at the Utah State Historic Preservation Office (SHPO) on various dates between June 14, 2006 and January 27, 2007. The results of this Class I data review and Class III inventory indicated that no previously recorded sites occur in the current project area.

DESCRIPTION OF THE PROJECT AREA

The project area is situated west of the White River and both sides of Bitter Creek in the Uinta Basin. The legal description is Township 10S, Range 22E, Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 24, 25, 32, 36; Township 11S, Range 22E, Sections 1 and 2 (Figures 1, 2 and 3; Table 1). Land status is public land administered by the Bureau of Land Management (BLM) Vernal Field Office and School and Institutional Trust Lands Administration (SITLA) property.

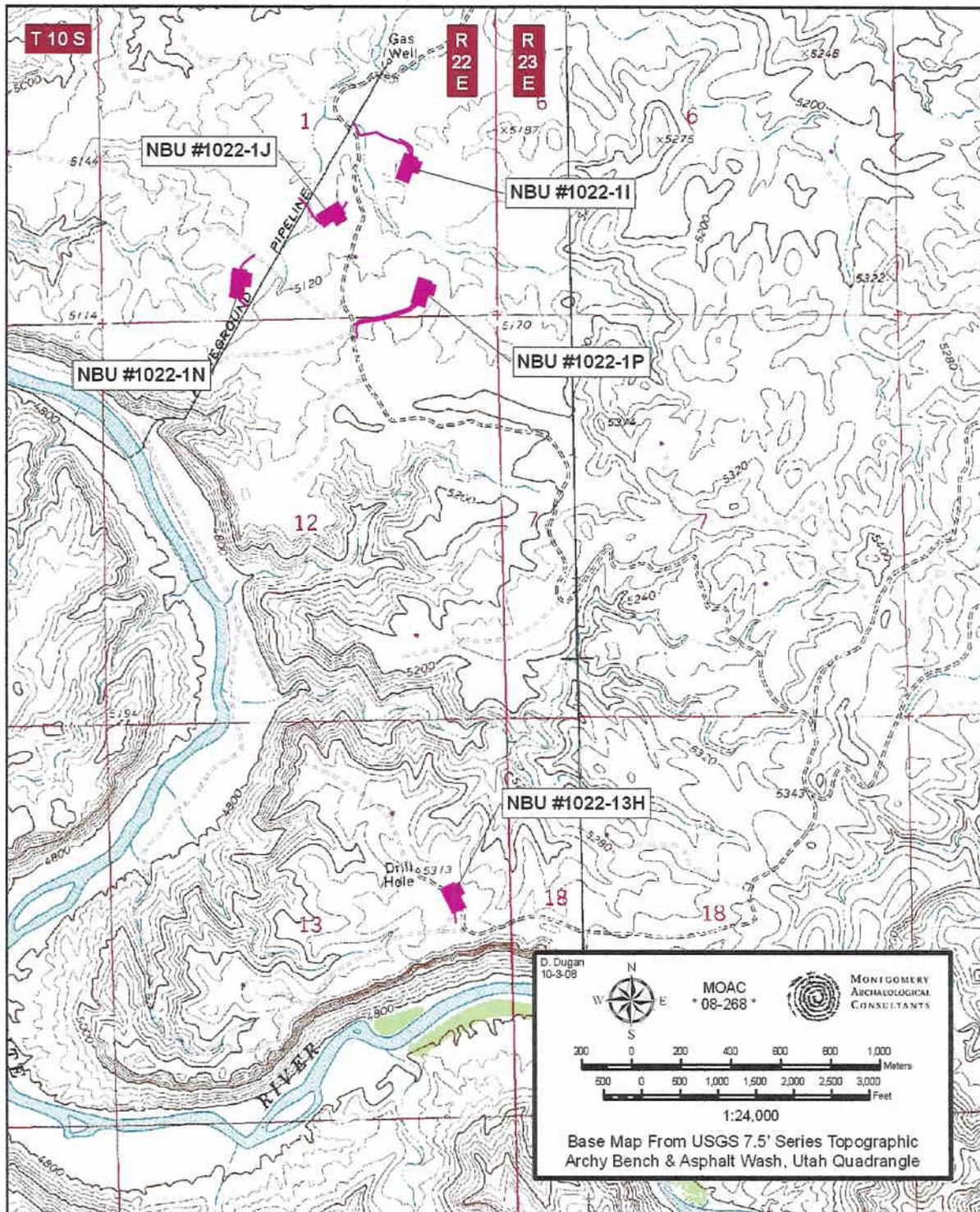


Figure 1. Location of Kerr-McGee Onshore's Well Pads in T10S, R22E.

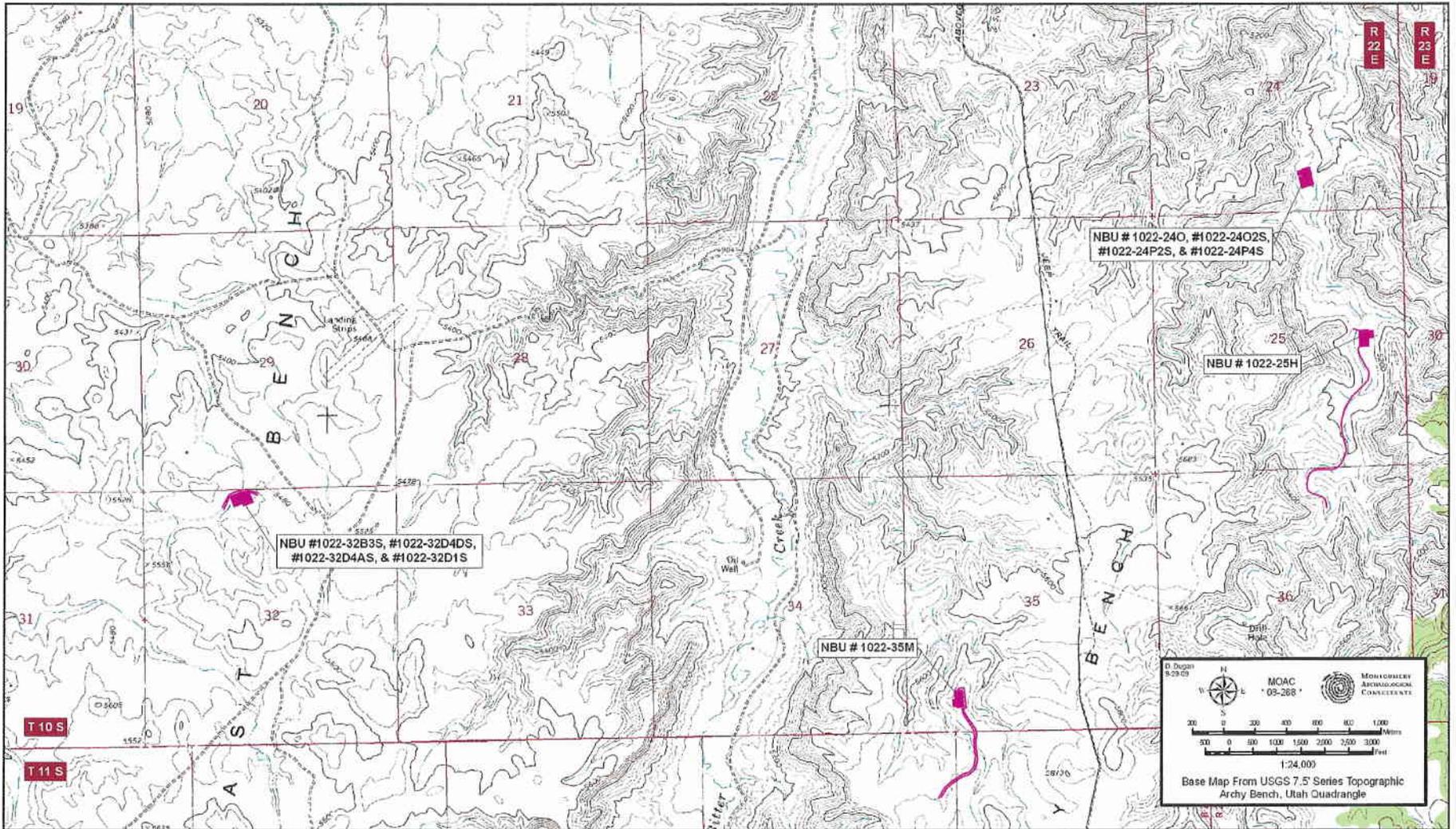


Table 1. Kerr-McGee Onshore's 73 NBU Well Locations.

Well Designation	Legal Description	Access/Pipeline Corridor	Cultural Resources
NBU 1022-1I	T10S, R22E, Sec. 1 NE/SE	Pipeline: 1000 ft Access: 200 ft	None
NBU 1022-1J	T10S, R22E, Sec. 1 NW/SE	Pipeline: 400 ft Access: 50 ft	None
NBU 1022-1N	T10S, R22E, Sec. 1 SE/SW	Pipeline: 150 ft Access: 200 ft	None
NBU 1022-1P	T10S, R22E, Sec. 1 SE/SE	Pipeline: 1050 ft Access: 1000 ft	None
NBU 1022-2A2T, 1022-2A4S 1022-243S, 1022-2B2S	T10S, R22E, Sec. 2 NE/NE	Access: 200 ft	None
NBU 1022-2D	T10S, R22E, Sec. 2 NW/NW	Pipeline: 1600 ft	None
NBU 1022-2F	T10S, R22E, Sec. 2 SE/NW	Pipeline: 800 ft Access: 1000 ft	None
NBU 1022-2J1T, 1022-2J2S, 1022-2J3S, 1022-202S	T10S, R22E, Sec. 2 NW/SE	Pipeline: 200 ft	None
NBU 1022-03A2T	T10S, R22E, Sec. 3 NE/NE	None	None
NBU1022-03A3S, 1022-03B2S 1022-03B4T, 1022-03C1S	T10S, R22E, Sec. 3 NW/NE	None	None
NBU 1022-04H2CS 1022-04H3BS	T10S, R22E, Sec. 3 SW/NE	Pipeline: 450 ft Access: 200 ft	None
NBU 1022-03H2T	T10S, R22E, Sec. 3 SE/NE	None	None
NBU 1022-03J3T	T10S, R22E, Sec. 3 NW/SE	None	None
NBU 1022-03L2T	T10S, R22E, Sec. 3 NW/SW	None	None
NBU 1022-03L4BS, 1022-03L3DS 1022-03M1DS, 1022-03M2DS	T10S, R22E, Sec. 3 NW/SW	Pipeline: 800 ft Access: 100 ft	None
NBU 1022-03N4T	T10S, R22E, Sec. 3 SE/SW	None	None
NBU 1022-03O3T	T10S, R22E, Sec. 3 SW/SE	None	None
NBU 1022-03P4T	T10S, R22E, Sec. 3 SE/SE	None	None

Well Designation	Legal Description	Access/Pipeline Corridor	Cultural Resources
NBU 1022-04K3S, 1022-04M1S	T10S, R22E, Sec. 4 NW/SW	Pipeline: 200 ft Access: 600 ft	None
NBU 1022-05H2CS, 1022-05H2BS	T10S, R22E, Sec. 5 SE/NE	Pipeline: 800 ft Access: 1200 ft	None
NBU 1022-05E4S, 1022-05F2S 1022-05K1S, 1022-05L1S	T10S, R22E Sec. 5 NE/SW	Pipeline: 4800 ft Access: 100 ft	None
NBU 1022-05IT	T10S, R22E, Sec. 5 NE/SE	None	None
NBU 1022-06DT	T10S, R22E, Sec. 6 NW/NW	None	None
NBU 1022-06ET	T10S, R22E, Sec. 6 SW/NW	None	None
NBU 1022-06FT	T10S, R22E, Sec. 6 SE/NW	None	None
NBU 1022-06I3AS, 1022-06J4CS 1022-06O1BS, 1022-06P1CS	T10S, R22E, Sec. 6 SW/SE	Pipeline: 1400 ft Access: 450 ft	None
NBU 1022-7A4BS, 1022-7AT 1022-7A4CS, 1022-7B2DS	T10S, R22E, Sec. 7 NE/NE	Pipeline: 1300 ft Access: 1000 ft	None
NBU 1022-08GT	T10SS, R22E, Sec. 8 SW/NE	None	None
NBU 1022-08IT	T10S, R22E, Sec. 8 NE/SE	None	None
NBU 1022-09AT	T10S, R22E, Sec. 9 NE/NE	None	None
NBU 1022-11F4S, 1022-11J3S, 1022-11K1T, 1022-11K2S	T10S, R22E, Sec. 11 NE/SW	Pipeline: 1600 ft	None
NBU 1022-11K3S, 1022-11L2S, 1022-11L3S, 1022-11M1S	T10S, R22E, Sec. 11 NE/SW	Pipeline: 500 ft Access: 250 ft	None
NBU 1022-13H	T10S, R22E, Sec. 13 SE/NE	Pipeline: 100 ft	
NBU 1022-24O, 1022-24O2S 1022-24P2S, 1022-24P4S	T10S, R22E, Sec. 24 SW/SE	None	None
NBU 1022-25H	T10S, R22E, Sec. 25 SE/NE	Pipeline: 4000 ft	None

Well Designation	Legal Description	Access/Pipeline Corridor	Cultural Resources
NBU 1022-32B3S, 1022-32D4DS 1022-3-2D4AS, 1022-32D1S	T10S, R22E, Sec. 32 NE/NW	Pipeline: 900 ft Access: 800 ft	None
NBU 1022-35M	T10S, R22E, Sec. 35 SW/SW	Pipeline: 2750 ft Access: 2200 ft	None

Environmental Setting

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The geology is comprised of Tertiary age deposits, which include Paleocene age deposits and Eocene age fluvial and lacustrine sedimentary rocks. The Uinta Formation, which is predominate in the project area, occurs as eroded outcrops (formed by fluvial deposited, stream laid interbedded sandstone and mudstone), and is known for its prolific paleontological localities. Specifically, the inventory area is situated south of the White River and on both sides of Cottonwood Wash. Elevation ranges from 5080 to 5680 ft asl. The project occurs within the Upper Sonoran Desert Shrub Association which includes sagebrush, shadscale, greasewood, mat saltbush, snakeweed, rabbitbrush, and prickly pear cactus. Modern disturbances include livestock grazing, roads, and oil/gas development.

CLASS I RESULTS AND RECOMMENDATIONS

The Class I literature review of Kerr-McGee Onshore's 73 proposed NBU well locations and associated pipeline/access corridors in Township 10S, Range 22E resulted in the location of no cultural resources. Based on the findings, a determination of "no adverse impact" is recommended for the undertaking pursuant to Section 106, CFR 800.

REFERENCES CITED

- Montgomery, J. A.
2007 Cultural Resource Management Report for Kerr-McGee Oil and Gas Onshore LP's Greater NBU Blocks in Township 10 South, Range 22 East, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-07-MQ-1438bsp.
- Patterson, J. J., J. Fritz, K. Lower-Eskelson, R. Stash and A. Thomas
2008 NBU Class I Existing Data Review for Kerr-McGee Oil & Gas Onshore LP, Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah.
- Stokes, W. L.
1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

Paleontological Reconnaissance Report

Kerr McGee's Proposed Pipeline for "NBU #1022-24B" and Well Pads, Access Roads and Pipelines for "NBU #1022-24O" & #1022-25O" (Sec. 24, 25 & 36, T 10 S, R 22 E)

Archy Bench
Topographic Quadrangle
Uintah County, Utah

December 28, 2006

Prepared by Stephen D. Sandau
Paleontologist for
Intermountain Paleo-Consulting
P. O. Box 1125
Vernal, Utah 84078

INTRODUCTION

At the request of Raleen White of Kerr McGee Oil & Gas Onshore LP and authorized by John Mayers of the BLM Vernal Field Office and James Kirkland of the Office of the State Paleontologist, a paleontological reconnaissance survey of Kerr McGee's proposed pipeline for "NBU #1022-24B" and well pads, access roads and pipelines for "NBU #1022-24O & #1022-250" (Sec. 24, 25 & 36, T 10 S, R 22 E) was conducted by Larry Trimble on December 12, 2006. The reconnaissance survey was conducted under the Utah BLM Paleontological Resources Use Permit #UT-S-05-33 and the Utah Paleontological Investigations Permit #04-345. This survey to locate, identify and evaluate paleontological resources was done to meet requirements of the National Environmental Policy Act of 1969 and other State and Federal laws and regulations that protect paleontological resources.

FEDERAL AND STATE REQUIREMENTS

As mandated by the US Department of the Interior Bureau of Land Management, paleontologically sensitive geologic formations in BLM lands that are considered for exchange or may be impacted due to ground disturbance require paleontological evaluation. This requirement complies with:

- 1) The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 et. Seq., P.L. 91-190);
- 2) The Federal Land Policy and Management Act (FLPMA) of 1976 (90 Stat. 2743, 43 U.S.C. § 1701-1785, et. Seq., P.L. 94-579).
- 3) The National Historic Preservation Act. 16 U.S.C. § 470-1, P.L. 102-575 in conjunction with 42 U.S.C. § 5320; and
- 4) The Utah Geological Survey. S. C. A.: 63-73-1. (1-21) and U.C.A.: 53B-17-603.

Under policy dictated by the BLM Manual and Handbook H-8270-1 (July, 1998) formations are ranked according to their paleontological potential:

- *Condition 1* is applied to those areas known to contain fossil localities, and special consideration of the known resources is in need of evaluation.
- *Condition 2* is applied to areas that have exposures of geologic rock units known to have produced fossils elsewhere.
- *Condition 3* is applied to areas unlikely to produce fossils based on surficial geology.

Although these guidelines apply mostly to vertebrate fossils, they are equally designed to help protect rare plant and invertebrate fossils and will be used here for State lands as well. It should be noted that many fossils, though common and unimpressive in and of themselves, can be important paleo-environmental, depositional, and chronostratigraphic indicators.

LOCATION

The proposed pipeline for "NBU #1022-24B" and well pads, access roads and pipelines for "NBU #1022-24O & #1022-25O" (Sec. 24, 25 & 36, T 10 S, R 22 E) are on land managed by the BLM and the State of Utah Trust Lands Administration (SITLA) approximately 20 miles from Bonanza, Utah. The project area can be found on the Archy Bench 7.5 minute U. S. Geological Survey Quadrangle Map, Uintah County, Utah.

PREVIOUS WORK

The basins of western North America have long produced some of the richest fossil collections in the world. Early Cenozoic sediments are especially well represented throughout the western interior. Paleontologists started field work in Utah's Uinta Basin as early as 1870 (Betts, 1871; Marsh, 1871, 1875a, 1875b). The Uinta Basin is located in the northeastern corner of Utah and covers approximately 31,000 sq. km (12,000 sq. miles) ranging in elevation from 1,465 to 2,130 m (4,800 to 7,000 ft) (Marsell, 1964; Hamblin et al., 1987). Middle to late Eocene time marked a period of dramatic change in the climate, flora, (Stucky, 1992) and fauna (Black and Dawson, 1966) of North America.

GEOLOGICAL AND PALEONTOLOGICAL OVERVIEW

Early in the geologic history of Utah, some 1,000 to 600 Ma, an east-west trending basin developed creating accommodation for 25,000 feet of siliclastics. Uplift of that filled-basin during the early Cenozoic formed the Uinta Mountains (Rasmussen et al., 1999). With the rise of the Uinta Mountains the asymmetrical synclinal Uinta Basin is thought to have formed through the effects of down warping in connection with the uplift. Throughout the Paleozoic and Mesozoic deposition fluctuated between marine and non-marine environments laying down a thick succession of sediments in the area now occupied by the Uinta Basin. Portions of these beds crop out on the margins of the basin due to tectonic events occurring during the late Mesozoic.

Early Tertiary Uinta Basin sediments were deposited in alternating lacustrine and fluvial environments. Large shallow lakes periodically covered most of the basin and surrounding areas during early to mid Eocene time (Abbott, 1957). These lacustrine sediments show up in the western part of the basin, dipping 2-3 degrees to the northeast and are lost in the subsurface on the east side. The increase of cross-bedded, coarse-grained sandstone and conglomerates preserved in paleo-channels indicates a transition to a fluvial environment toward the end of the epoch.

Four Eocene formations are recognized in the Uinta Basin: the Wasatch, Green River, Uinta and Duchesne River, respectively (Wood, 1941). The Uinta Formation is subdivided into two lithostratigraphic units namely: the Wagonhound Member (Wood, 1934), formerly known as Uinta A and B (Osborn, 1895, 1929) and the Myton Member previously regarded as the Uinta C.

Within the Uinta Basin in northeast Utah, the Uinta Formation in the western part of the basin is composed primarily of lacustrine sediments inter-fingering with over-bank deposits of silt and mudstone and westward flowing channel sands and fluvial clays, muds and sands in the east (Bryant et al, 1990; Ryder et al, 1976). Stratigraphic work done by early geologists and paleontologists within the Uinta Formation focused on the definition of rock units and attempted to define a distinction between early and late Uintan faunas (Riggs, 1912; Peterson and Kay, 1931; Kay 1934). More recent work focused on magnetostratigraphy, radioscopic chronology and continental biostratigraphy (Flynn, 1986; Prothero, 1996). Well known for its fossiliferous nature and distinctive mammalian fauna of mid-Eocene Age, the Uinta Formation is the type formation for the Uintan Land Mammal Age (Wood et al, 1941).

The Duchesne River Formation of the Uinta Basin in northeastern Utah is composed of a succession of fluvial and flood plain deposits composed of mud, silt and sandstone. The source area for these late Eocene deposits is from the Uinta Mountains indicated by paleocurrent data (Anderson and Picard, 1972). In Peterson's (1931c) paper, the name "Duchesne Formation" was applied to the formation and it was later changed to the "Duchesne River Formation" by Kay (1934). The formation is divided up into four members: the Brennan Basin, Dry Gulch Creek, LaPoint and Starr Flat (Anderson and Picard, 1972). Debates concerning the Duchesne River Formation, as to whether its age was late Eocene or early Oligocene, have surfaced throughout the literature of the last century (Wood et al., 1941; Scott 1945). Recent paleo-magnetostratigraphic work (Prothero, 1996) shows that the Duchesne River Formation is late Eocene in time.

FIELD METHODS

In order to determine if the proposed project area contained any paleontological resources, a reconnaissance survey was performed. An on-site observation of the proposed areas undergoing surficial disturbance is necessary because judgments made from topographic maps alone are often unreliable. Areas of low relief have potential to be erosional surfaces with the possibility of bearing fossil materials rather than surfaces covered by unconsolidated sediment or soils.

When found within the proposed construction areas, outcrops and erosional surfaces were checked to determine if fossils were present and to assess needs. Careful effort is made during surveys to identify and evaluate significant fossil materials or fossil horizons when they are found. Microvertebrates, although rare, are occasionally found in anthills or upon erosional surfaces and are of particular importance.

PROJECT AREA

The project area is situated in the Wagonhound Member (Uinta A & B) of the Uinta Formation and the Green River Formation. The following list provides a description of the individual wells and their associated pipelines and access roads.

NBU #1022-24B Pipeline

The proposed pipeline for "NBU #1022-24B" ties to an existing pipeline in SW/NW Sec. 36, T 10 S, R 22 E and parallels an existing pipeline northeast about 1000 feet then turns southeast over a canyon rim (Figure 1). The proposed pipeline then parallels the existing road northward along the canyon bottom to the proposed well pad for "NBU #1022-24B" in NW/NE Sec. 24, T 10 S, R 22 E.

The pipeline begins on colluvium derived from the Wagonhound Member of the Uinta Formation. It crosses good exposures of Wagonhound on the upper part of the canyon wall consisting of tan and gray fine-grained, thin to medium-bedded sandstone, gray mudstone and maroon siltstone. The proposed pipeline then crosses outcrops of the Green River Formation consisting often and gray, fine-grained, thin to thick-bedded sandstone with gray shale and gray mudstone interbeds. The portion of the pipeline that follows the canyon bottom is mostly on alluvium and colluvium, but it crosses a few outcrops of tan, fine-grained and thin-bedded sandstone from the Green River Formation. No fossils were found.

NBU #1022-240

The well pad for this location "NBU #1022-240" is situated in the SW/SE quarter-quarter section of Sec. 24, T 10 S R 22 E (Figure 1). The proposed access road, pipeline and well pad are on alluvium and colluvium. No fossils were found.

NBU #1022-250

The well pad for this location "NBU #1022-250" is situated in the NW/SW/SE quarter-quarter-quarter section of Sec. 25, T 10 S R 22 E (Figure 1). The proposed access road and pipeline are on alluvium and colluvium. The well pad is mostly on colluvium with some alluvium and a few outcrops of Green River Formation consisting of tan, fine-grained and thin to medium bedded sandstone. No fossils were found.

SURVEY RESULTS

PROJECT	GEOLOGY	PALEONTOLOGY
"NBU #1022-24B Pipeline" (Sec. 24, 25 & 36 T 10 S, R 22 E)	The pipeline begins on colluvium derived from the Wagonhound Member of the Uinta Formation. It crosses good exposures of Wagonhound on the upper part of the canyon wall consisting of tan and gray fine-grained, thin to medium-bedded sandstone, gray mudstone and maroon siltstone. The proposed pipeline then crosses outcrops of the Green River Formation consisting often and gray, fine-grained, thin to thick-bedded sandstone with gray shale and gray mudstone interbeds. The portion of the pipeline that follows the canyon bottom is mostly on alluvium and colluvium, but it crosses a few outcrops of tan, fine-grained and thin-bedded sandstone from the Green River Formation.	No fossils were found. Condition 2.

"NBU #1022-240" (Sec. 24, T 10 S, R 22 E)	The proposed access road, pipeline and well pad are on alluvium and colluvium.	No fossils were found. Condition 3.
"NBU # 1022-250" (Sec. 25, T 10 S, R 22 E)	The proposed access road and pipeline are on alluvium and colluvium. The well pad is mostly on colluvium with some alluvium and a few outcrops of Green River Formation consisting of tan, fine-grained and thin to medium bedded sandstone.	No fossils were found. Condition 3.

RECOMMENDATIONS

The reconnaissance surveys conducted for the proposed pipeline for "NBU #1022-24B" and well pads, access roads and pipelines for "NBU #1022-24O & #1022-25O" (Sec. 24, 25 & 36, T 10 S, R 22 E) were brief. The well pads, together with their associated access roads and pipelines covered in this report showed no signs of vertebrate fossils. Therefore, we recommend that no paleontological restrictions should be placed on the development of the projects included in this report.

Buried pipeline will encounter Uinta sediments along most of the staked pipeline corridors yet indications from surface fossils predict that little if any vertebrate fossils will be disturbed.

Nevertheless, if any vertebrate fossil(s) are found during construction within the project area, recommendations are that a paleontologist is immediately notified in order to collect fossil materials in danger of being destroyed. Any vertebrate fossils found should be carefully moved outside of the construction areas to be check by a permitted paleontologist.

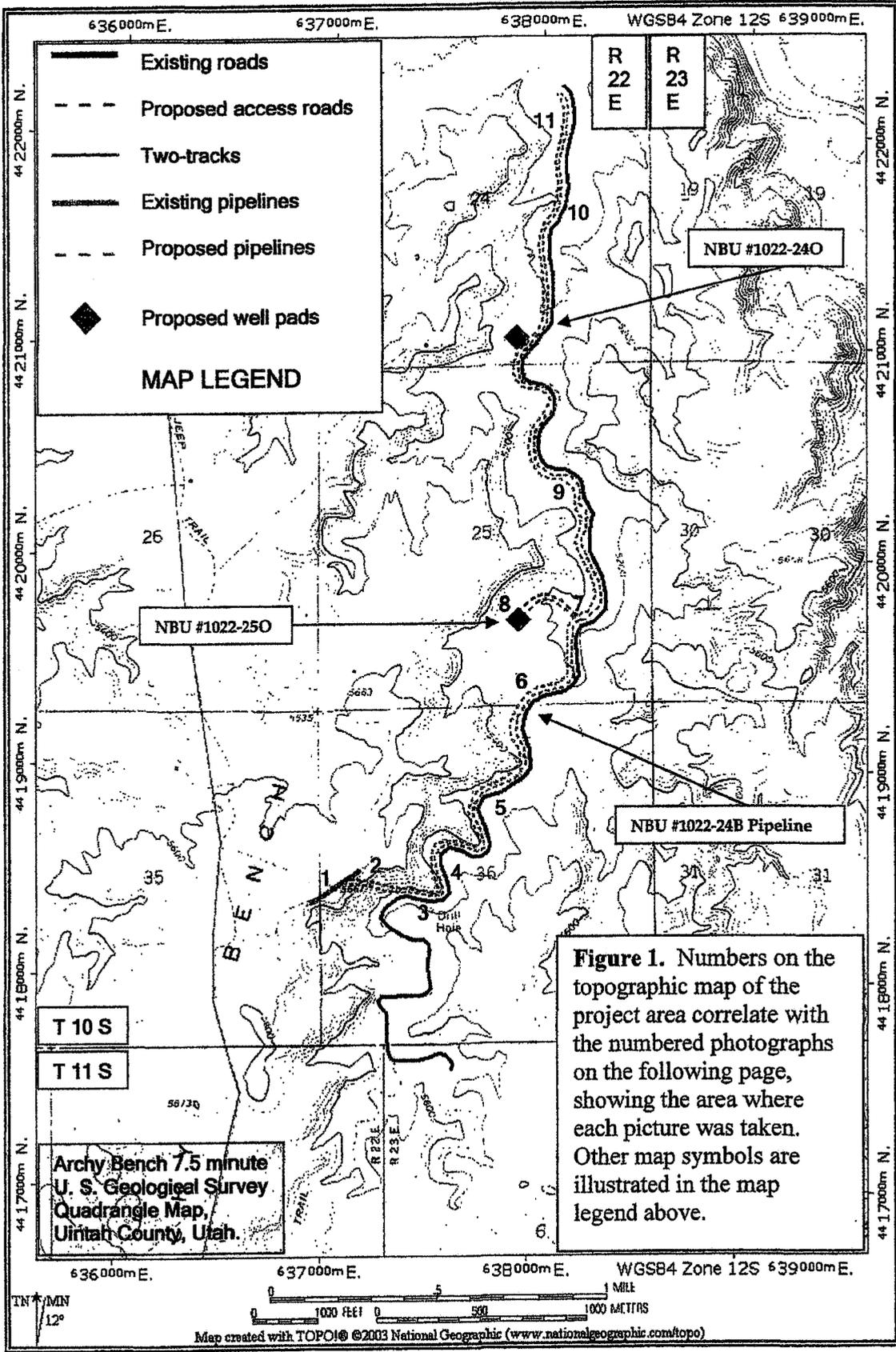
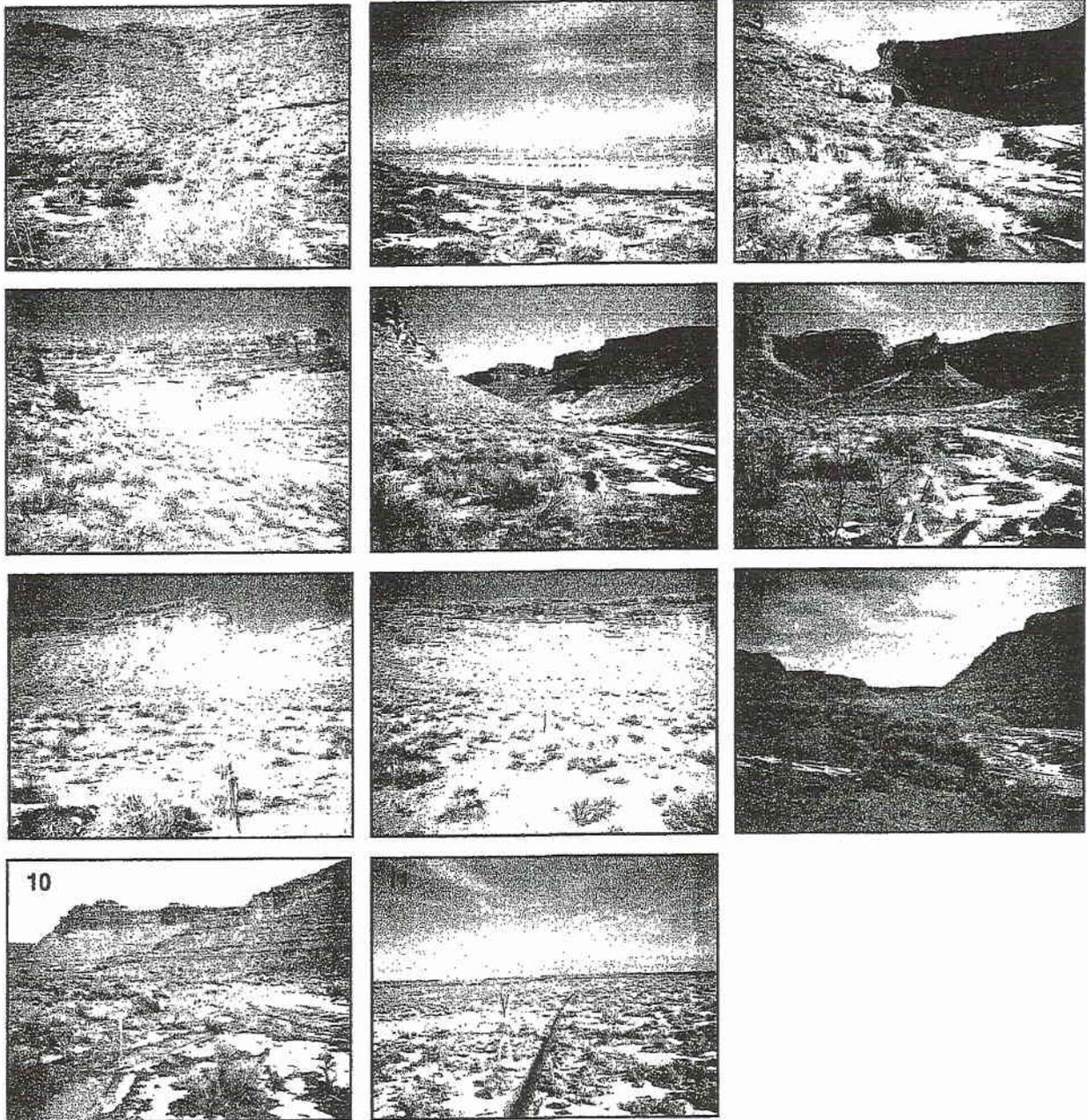


Figure 1. Numbers on the topographic map of the project area correlate with the numbered photographs on the following page, showing the area where each picture was taken. Other map symbols are illustrated in the map legend above.

Figure 1. *continued...*



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**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/01/2008

API NO. ASSIGNED: 43-047-40439

WELL NAME: NBU 1022-2402S
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: KEVIN MCINTYRE

PHONE NUMBER: 720-929-6226

PROPOSED LOCATION:

SWSE 24 100S 220E
 SURFACE: 0684 FSL 2016 FEL
 BOTTOM: 0830 FSL 0690 FEL
 COUNTY: UINTAH
 LATITUDE: 39.92902 LONGITUDE: -109.3854
 UTM SURF EASTINGS: 637975 NORTHINGS: 4420917
 FIELD NAME: NATURAL BUTTES (630)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UT 10225
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 22013542)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: _____

*1- Federal Approval
2- OIL SAME*

API Number: 4304740439

Well Name: NBU 1022-24O2S

Township 10.0 S Range 22.0 E Section 24

Meridian: SLBM

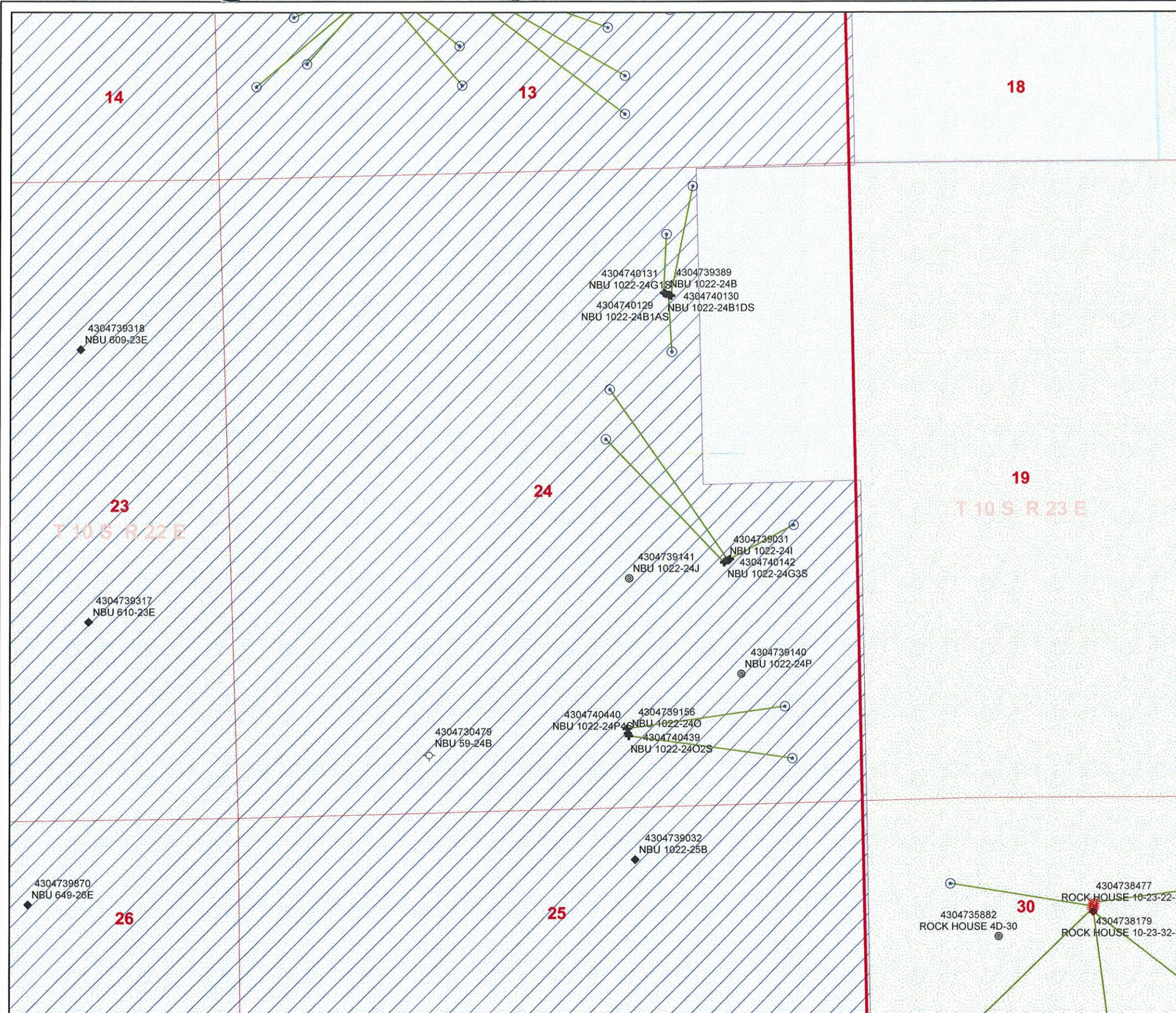
Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
Map Produced by Diana Mason

Units	Wells Query Events
STATUS	GIS_STAT_TYPE
ACTIVE	<all other values>
EXPLORATORY	<Null>
GAS STORAGE	APD
NF PP OIL	DRL
NF SECONDARY	GI
PI OIL	GS
PP GAS	LA
PP GEOTHERML	NEW
PP OIL	OPS
SECONDARY	PA
TERMINATED	PGW
Fields	POW
STATUS	RET
ACTIVE	SGW
COMBINED	SOW
Sections	TA
Township	TW
	WD
	WI
	WS



1:10,246



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)

December 5, 2008

Memorandum

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

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Wasatch/MesaVerde)		
43-047-40444	NBU 921-10G4S	Sec 10 T09S R21E 1937 FNL 1931 FWL
	BHL	Sec 10 T09S R21E 2158 FNL 1441 FEL
43-047-40445	NBU 921-10F2S	Sec 10 T09S R21E 1877 FNL 1927 FWL
	BHL	Sec 10 T09S R21E 1373 FNL 1959 FEL
43-047-40446	NBU 921-10E3S	Sec 10 T09S R21E 1917 FNL 1929 FWL
	BHL	Sec 10 T09S R21E 2080 FNL 0406 FWL
43-047-40447	NBU 921-10F3T	Sec 10 T09S R21E 1897 FNL 1928 FWL
43-047-40448	NBU 922-29D1T	Sec 29 T09S R22E 0571 FNL 1009 FWL
43-047-40423	NBU 921-10CT	Sec 10 T09S R21E 0811 FNL 1792 FWL
43-047-40428	NBU 921-13CT	Sec 13 T09S R21E 0655 FNL 1920 FWL
43-047-40435	NBU 1022-3B4T	Sec 03 T10S R22E 1022 FNL 1751 FEL
43-047-40434	NBU 1022-2A2T	Sec 02 T10S R22E 0203 FNL 0896 FEL
43-047-40424	NBU 921-10G2S	Sec 10 T09S R21E 0835 FNL 1824 FWL
	BHL	Sec 10 T09S R21E 1340 FNL 2462 FEL
43-047-40425	NBU 921-10D2S	Sec 10 T09S R21E 0799 FNL 1776 FWL

BHL Sec 10 T09S R21E 0543 FNL 0648 FWL

Page 2

43-047-40426 NBU 921-10B4S Sec 10 T09S R21E 0823 FNL 1808 FWL
BHL Sec 10 T09S R21E 0705 FNL 1929 FEL

43-047-40427 NBU 921-13G2S Sec 13 T09S R21E 0655 FNL 1940 FWL
BHL Sec 13 T09S R21E 1372 FNL 2523 FEL

43-047-40429 NBU 921-13B2S Sec 13 T09S R21E 0655 FNL 1960 FWL
BHL Sec 13 T09S R21E 0488 FNL 2541 FEL

43-047-40430 NBU 921-13D4S Sec 13 T09S R21E 0655 FNL 1900 FWL
BHL Sec 13 T09S R21E 0682 FNL 0912 FWL

43-047-40431 NBU 1022-2B2S Sec 02 T10S R22E 0202 FNL 0916 FEL
BHL Sec 02 T10S R22E 0065 FNL 2075 FEL

43-047-40432 NBU 1022-2A3S Sec 02 T10S R22E 0206 FNL 0857 FEL
BHL Sec 02 T10S R22E 0680 FNL 0820 FEL

43-047-40433 NBU 1022-2A4S Sec 02 T10S R22E 0207 FNL 0836 FEL
BHL Sec 02 T10S R22E 1175 FNL 0315 FEL

43-047-40436 NBU 1022-3A3S Sec 03 T10S R22E 1013 FNL 1734 FEL
BHL Sec 03 T10S R22E 0904 FNL 0822 FEL

43-047-40437 NBU 1022-3C1S Sec 03 T10S R22E 1040 FNL 1787 FEL
BHL Sec 03 T10S R22E 0380 FNL 2354 FWL

43-047-40438 NBU 1022-3B2S Sec 03 T10S R22E 1031 FNL 1769 FEL
BHL Sec 03 T10S R22E 0048 FNL 2516 FEL

43-047-40439 NBU 1022-24O2S Sec 24 T10S R22E 0684 FSL 2016 FEL
BHL Sec 24 T10S R22E 0830 FSL 0690 FEL

43-047-40440 NBU 1022-24P4S Sec 24 T10S R22E 0625 FSL 2002 FEL
BHL Sec 24 T10S R22E 0400 FSL 0635 FEL

43-047-40441 NBU 1022-25G2S Sec 25 T10S R22E 1768 FNL 1502 FEL
BHL Sec 25 T10S R22E 1900 FNL 2025 FEL

43-047-40442 NBU 1022-25G4S Sec 25 T10S R22E 1758 FNL 1443 FEL
BHL Sec 25 T10S R22E 2615 FNL 1955 FEL

43-047-40443 NBU 1022-25G3S Sec 25 T10S R22E 1765 FNL 1482 FEL
BHL Sec 25 T10S R22E 2250 FNL 2065 FEL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:12-5-08



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 11, 2008

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

Re: NBU 1022-2402S Well, Surface Location 684' FSL, 2016' FEL, SW SE, Sec. 24,
T. 10 South, R. 22 East, Bottom Location 830' FSL, 690' FEL, SE 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 43-047-40439.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Kerr-McGee Oil & Gas Onshore, LP
Well Name & Number NBU 1022-24O2S
API Number: 43-047-40439
Lease: UT 10225

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

Notify the Division with 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT -- for such proposals

6. Lease Designation and Serial Number
FEE

7. Indian Allottee or Tribe Name
N/A

8. Unit or Communitization Agreement
891008900A

1. Type of Well
Oil Well [] Gas Well [X] Other (specify) []

9. Well Name and Number
NBU 1022-24O2S

2. Name of Operator
KERR McGEE OIL AND GAS ONSHORE LP

10. API Well Number
43-047-40439

3. Address of Operator
PO BOX 173779, DENVER, CO 80217-3779

4. Telephone Number
720-929-6666

11. Field and Pool, or Wildcat
NATURAL BUTTES

5. Location of Well
Footage : 684' FSL, 2016' FEL County : UINTAH
QQ, Sec, T., R., M : SWSE, SEC. 24, T10S, R22E, SLB&M State : UTAH

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

NOTICE OF INTENT (Submit in Duplicate)
Abandonment [] New Construction []
Casing Repair [] Pull or Alter Casing []
Change of Plans [] Recompletion []
Conversion to Injection [] Shoot or Acidize []
Fracture Treat [] Vent or Flare []
Multiple Completion [] Water Shut-Off []
[X] Other NAME CHANGE

Approximate Date Work Will Start _____

SUBSEQUENT REPORT (Submit Original Form Only)
Abandonment * [] New Construction []
Casing Repair [] Pull or Alter Casing []
Change of Plans [] Shoot or Acidize []
Conversion to Injection [] Vent or Flare []
Fracture Treat [] Water Shut-Off []
Other _____

Date of Work Completion _____

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

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

KERR MCGEE OIL AND GAS ONSHORE LP IS REQUESTING TO CHANGE THE NAME OF THIS WELL TO
NBU 1022-24P2S

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

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

(State Use Only)

RECEIVED
JAN 07 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UT 10225
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-24P2S
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047404390000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0684 FSL 2016 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 24 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/11/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: December 14, 2009

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 12/10/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047404390000

API: 43047404390000

Well Name: NBU 1022-24P2S

Location: 0684 FSL 2016 FEL QTR SWSE SEC 24 TWP 100S RNG 220E MER S

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

Date Original Permit Issued: 12/11/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

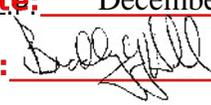
**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 12/10/2009

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

Date: December 14, 2009

By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UT 10225
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3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0684 FSL 2016 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 24 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/11/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

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

Date: 12/13/2010
 By: 

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



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 43047404390000

API: 43047404390000

Well Name: NBU 1022-24P2S

Location: 0684 FSL 2016 FEL QTR SWSE SEC 24 TWP 100S RNG 220E MER S

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- 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: 12/8/2010

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

Date: 12/13/2010
By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		5. LEASE DESIGNATION AND SERIAL NUMBER: UT 10225
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		STATE: UTAH
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TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/11/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
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<p>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.</p>		
		<p>Approved by the Utah Division of Oil, Gas and Mining</p> <p>Date: <u>11/30/2011</u></p> <p>By: <u></u></p>
NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 11/29/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

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Request for Permit Extension Validation Well Number 43047404390000

API: 43047404390000

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Signature: Danielle Piernot

Date: 11/29/2011

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



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 9, 2012

Jenn Hawkins
Anadarko Petroleum Corporation
1099 18th Street, Suite 1800
Denver, CO 80202

43 047 40439
NBU 1022-24P2S
10S 22E 24

Re: APDs Rescinded for Anadarko Petroleum Corporation
Uintah County

Dear Ms. Hawkins:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective May 2, 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
Bureau of Land Management, Vernal
SITLA, Ed Bonner



4304750055	NBU 753-32E	4304740374	NBU 705-26E
4304750683	NBU 634-12EX	4304750123	NBU 920-12N
4304740346	NBU 921-15N1S	4304750143	NBU 920-13J
4304740347	NBU 921-14M3S	4304750751	NBU 920-21G
4304740348	NBU 921-22A1S	4304750756	NBU 1022-35I1CS
4304750089	NBU 921-15O3T	4304750757	NBU 1022-35I4BS
4304740441	NBU 1022-25G2S	4304750758	NBU 1022-35J1CS
4304740442	NBU 1022-25G4S	4304750759	NBU 1022-35J4CS
4304740443	NBU 1022-25G3S	4304740380	NBU 920-13D
4304750852	FEDERAL 920-23O	4304750155	FEDERAL 920-24O
4304751026	NBU 921-12K	4304750769	NBU 1022-35K4CS
4304751027	NBU 921-12L	4304750770	NBU 1022-35N1CS
4304751028	NBU 921-12M	4304750771	NBU 1022-35O1BS
4304751039	NBU 920-21O	4304750772	NBU 1022-35O1CS
4304750697	NBU 687-30E	4304750791	NBU 921-10O
4304750811	NBU 699-25E	4304750792	NBU 921-10M
4304740153	NBU 1022-05JT	→ 4304740439	NBU 1022-24P2S
4304740135	NBU 921-15MT	4304740440	NBU 1022-24P4S
4304750468	NBU 738-30E		
4304739369	NBU 922-18O		
4304739372	NBU 922-20E		
4304740184	NBU 921-30FT		
4304740217	NBU 759-29E		
4304740218	NBU 737-30E		
4304750461	NBU 1022-24O2S		
4304740267	NBU 704-26E		
4304740240	NBU 702-26E		
4304740241	NBU 703-26E		
4304750578	NBU 920-14B		
4304750579	NBU 920-14A		
4304740268	NBU 701-26E		
4304750627	NBU 920-21P		
4304750628	NBU 920-21N		
4304750682	NBU 921-12J		
4304750695	NBU 921-12N		
4304750111	NBU 921-11GT		
4304750112	NBU 921-11HT		
4304750118	NBU 740-30E		



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



MAY 14 2012

IN REPLY REFER TO:
3160 (UTG011)

Julie Jacobson
Anadarko Petroleum Corporation
Kerr McGee Oil & Gas Onshore LP
1099 18th Street, Suite 600
Denver, CO 80202

43 047 40439

Re: Request to Return APD
Well No. NBU 1022-24P2S
SWSE, Sec. 24, T10S, R22E
Uintah County, Utah
Lease No. Fee
Natural Buttes Unit

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on June 2, 2009, is being returned unapproved per a request to this office in an email message from you received on April 23, 2012. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

If you have any questions regarding APD processing, please contact Cindy Severson at (435) 781-4455.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM

RECEIVED

MAY 22 2012

DIV. OF OIL, GAS & MINING