

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

| | | |
|--|--|---|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. UTU-142430 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name Ute Tribe |
| 2. Name of Operator Kerr-McGee Oil & Gas Onshore, LP | | 7. If Unit or CA Agreement, Name and No. 891008900A |
| 3a. Address PO Box 173779 Denver, CO 80217-3779 | | 8. Lease Name and Well No. NBU 920-290 |
| 3b. Phone No. (include area code) Raleen White 720-929-6666 | | 9. API Well No. 43047-40553 |
| 4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 746' FSL 2,465' FEL SW/4 SE/4 Lat. 40.00081 Long. -109.68987 At proposed prod. zone 611896x 44284524 40.000737 -109.689161 | | 10. Field and Pool, or Exploratory Natural Buttes Field |
| 14. Distance in miles and direction from the nearest town or post office* Approximately 37 miles south of Vernal, Utah | | 11. Sec., T., R., M., or Blk. and Survey or Area 29 T 9S R 20E S.L.B. & M. |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 746' | 16. No. of acres in lease 688.60 | 12. County or Parish Uintah |
| 17. Spacing Unit dedicated to this well Unit well | 13. State Utah | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. ±900' | 19. Proposed Depth 10,500' | 20. BLM/ BIA Bond No. on file 1048000291 |
| 21. Elevations (Show whether DF, RT, GR, etc.) 4,776' GR KB | 22. Aproximate date work will start* ASAP | 23. Estimated duration 10 days |

24. Attachments

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

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

| | | |
|---|--|------------------------|
| 25. Signature <i>Raleen White</i> | Name (Printed/ Typed) Raleen White | Date 12-13-2009 |
| Title Sr Regulatory Analyst | E-mail: raleen.white@anadarko.com | Phone: 720-929-6666 |
| Approved By (Signature) <i>Bradley G. Hill</i> | Name (Printed/ Typed) BRADLEY G. HILL | Date 03-02-09 |
| Title | Office ENVIRONMENTAL MANAGER | |

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

Conditions of approval, if any, are attached.

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

*(Instructions on page 2)

RECEIVED

FEB 17 2009

**Federal Approval of this
Action is Necessary**

DIV. OF OIL, GAS & MINING

T9S, R20E, S.L.B.&M.

Found 1957
Galvanized Pipe
& Cap under
N/S Fence

N89°46'W 40.51 (G.L.O.)
N89°43'02"W - 2676.21' (Meas.)

N89°23'W 40.42 (G.L.O.)
N89°22'16"W - 2666.47' (Meas.)

Found 1968
Brass Cap with
Pile of Stones

N0°44'W 41.12 (G.L.O.)
N00°40'49"W - 2714.24' (Meas.)

Found 1968
Brass Cap with
Pile of Stones

N00°34'00"W - 2719.58' (Meas.)

NBU 920-290 (Proposed Well Head)
NAD 83 LATITUDE = 40.00081" (40° 00' 02.91")
LONGITUDE = 109.68987" (109° 41' 23.52")
NAD 27 LATITUDE = 40.00084" (40° 00' 03.03")
LONGITUDE = 109.68917" (109° 41' 21.03")

Found 1957 Galvanized
Pipe & Cap under
N/S Fence with Pile
of Stones

Found 1968
Brass Cap in
Pile of Stones

29

**WELL LOCATION:
NBU 920-290**

ELEV. UNGRADED GROUND = 4777.0'

N0°46'W 41.37 (G.L.O.)
N00°43'18"W - 2730.47' (Meas.)

Found 1968
Brass Cap in
Pile of Stones

Found 1968
Brass Cap in
Pile of Stones

Proposed
Well
746'

2465'

N00°30'15"W (Basis of Bearings)
2720.82' (Measured)
N0°34'W 82.46 (G.L.O.)

Found 1968
Brass Cap in
Pile of Stones

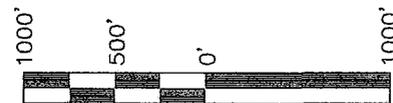
N89°35'09"W - 2662.45' (Meas.)

N89°35'22"W - 2664.40' (Meas.)

N89°40'W 80.74 (G.L.O.)

NOTES:

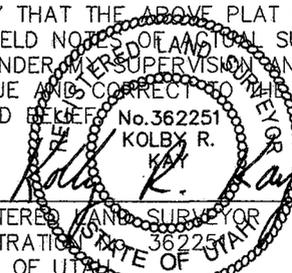
- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
- 3. Bearings are based on Global Positioning Satellite observations.
- 4. Basis of elevation is the Northwest Corner of Section 12, T9S, R20E, S.L.B.&M. The elevation of this Section Corner is shown on the Ouray SE 7.5 Min. Quadrangle as being 4676'.



SCALE

SURVEYOR'S CERTIFICATE

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



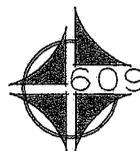
REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

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

1099 18th Street - Denver, Colorado 80202

NBU 920-290
WELL PLAT
746' FSL, 2465' FEL

SW ¼ SE ¼ OF SECTION 29, T9S, R20E,
S.L.B.&M. UTAH COUNTY, UTAH.



CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
38 WEST 100 NORTH - VERNAL, UTAH 84078

| | | |
|----------------------------|---------------------|---------------------------|
| DATE SURVEYED: 01-05-09 | SURVEYED BY: D.J.S. | SHEET 1 OF 9 |
| DATE DRAWN: 01-07-09 | DRAWN BY: E.M.S. | |
| SCALE: 1" = 1000' | | Date Last Revised: |

**NBU 920-290
SWSE Sec. 20 T9S R20E
UINTAH COUNTY, UTAH
UTU-142430**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. – 2. **Estimated Tops of Important Geologic Markers:**
Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

| <u>Formation</u> | <u>Depth</u> | <u>Resource</u> |
|------------------|--------------|-----------------|
| Uinta | 0 – Surface | |
| Green River | 1,613' | |
| Birds Nest | 1,843' | Water |
| Mahogany | 2,349' | Water |
| Wasatch | 5,110' | Gas |
| Mesaverde | 8,458' | Gas |
| MVU2 | 9,347' | Gas |
| MVL1 | 9,836' | Gas |
| TD | 10,500' | |

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

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

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

Please see the Natural Buttes Unit SOP. See attached drilling diagram.

5. **Drilling Fluids Program:**

Please see the Natural Buttes Unit SOP.

6. **Evaluation Program:**

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 10,500' TD, approximately equals 6,705 psi (calculated at 0.64 psi/foot).

Maximum anticipated surface pressure equals approximately 4,395 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

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

9. Variances:

Please see Natural Buttes Unit SOP 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.

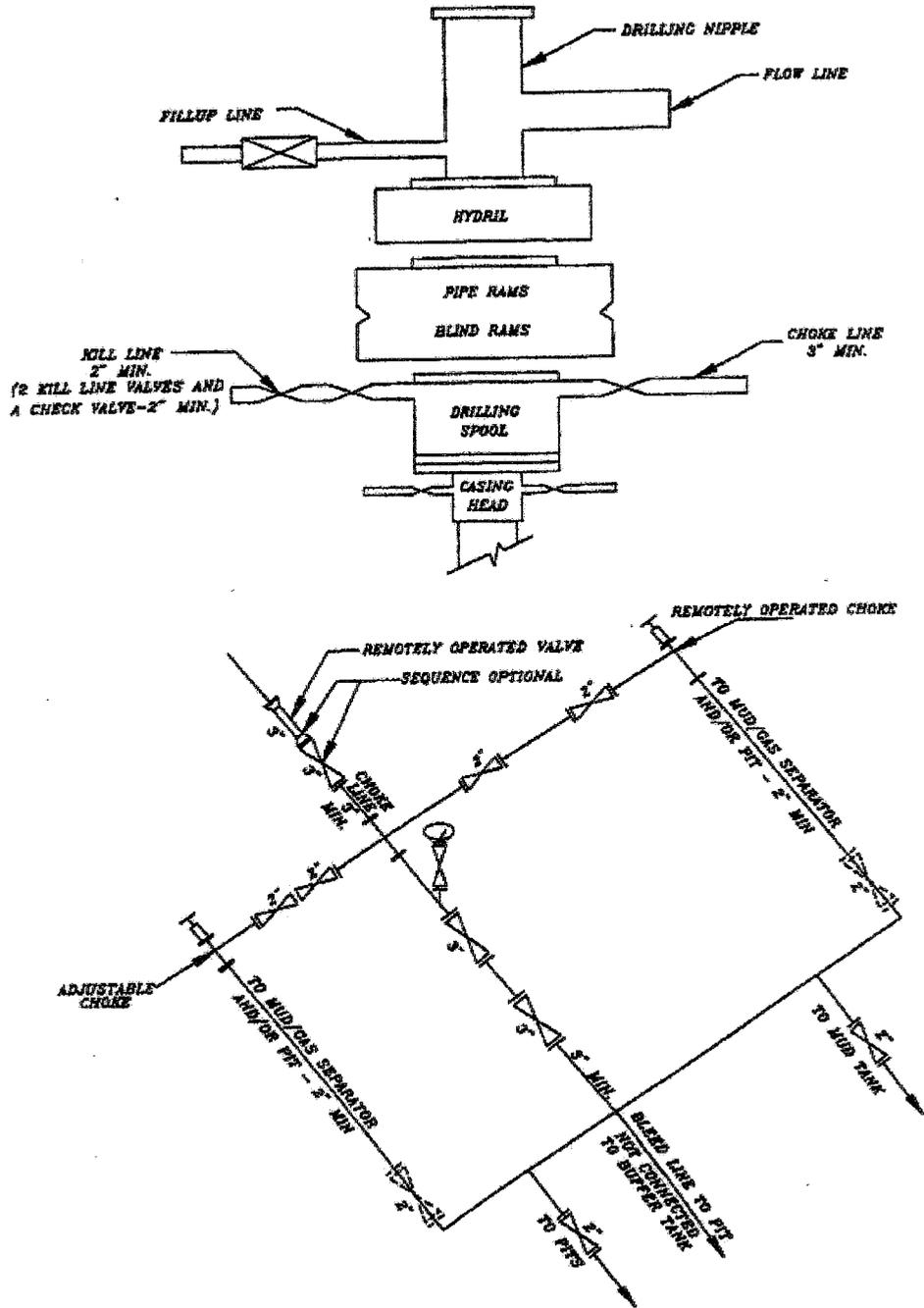
Conclusion

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 see Natural Buttes Unit SOP.

EXHIBIT A
NBU 920-290



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**NBU 920-290
SWSE Sec. 29 T9S R20E
UINTAH COUNTY, UTAH
UTU-142430**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to the attached location directions.

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

2. Planned Access Roads:

Approximately $\pm 1,100'$ of new access road is proposed. Refer to Topo Map B.

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.

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Refer to Topo Map D for the location of the proposed pipelines.

Variations to Best Management Practices (BMPs) Requested:

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Shadow gray (2.5Y 6/2), a non-reflective earthtone.

Interim Surface Reclamation Plan:

This exception is requested due to the current twin and multi-well program. If determined that this well will not be a candidate for either twinning &/or multi-well the operator shall spread the topsoil pile on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The operator will reseed the area using the BLM recommended seed mixture and reclamation methods.

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

Please see the Natural Buttes SOP.

6. **Source of Construction Materials:**

Please see the Natural Buttes SOP.

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

Please see the Natural Buttes SOP.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt, 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 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 (*Request is in lieu of filing Form 3160-5, after initial production*).

8. **Ancillary Facilities:**

Please see the Natural Buttes SOP.

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

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

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

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

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

Please see the Natural Buttes SOP.

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

11. Surface/Mineral Ownership:

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

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

The mineral ownership is listed below:

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

12. Stipulations/Notices/Mitigation:

There are no stipulations or notices for this location.

13. Other Information:

A Class III archaeological survey has been performed and will be submitted upon receipt. Paleo report is attached.

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

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

Tommy Thompson
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779
(720) 929-6724

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

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond # ~~WY800291~~ ~~WY800291~~.

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 I have full knowledge of the State and Federal laws applicable to this operation; 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 in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

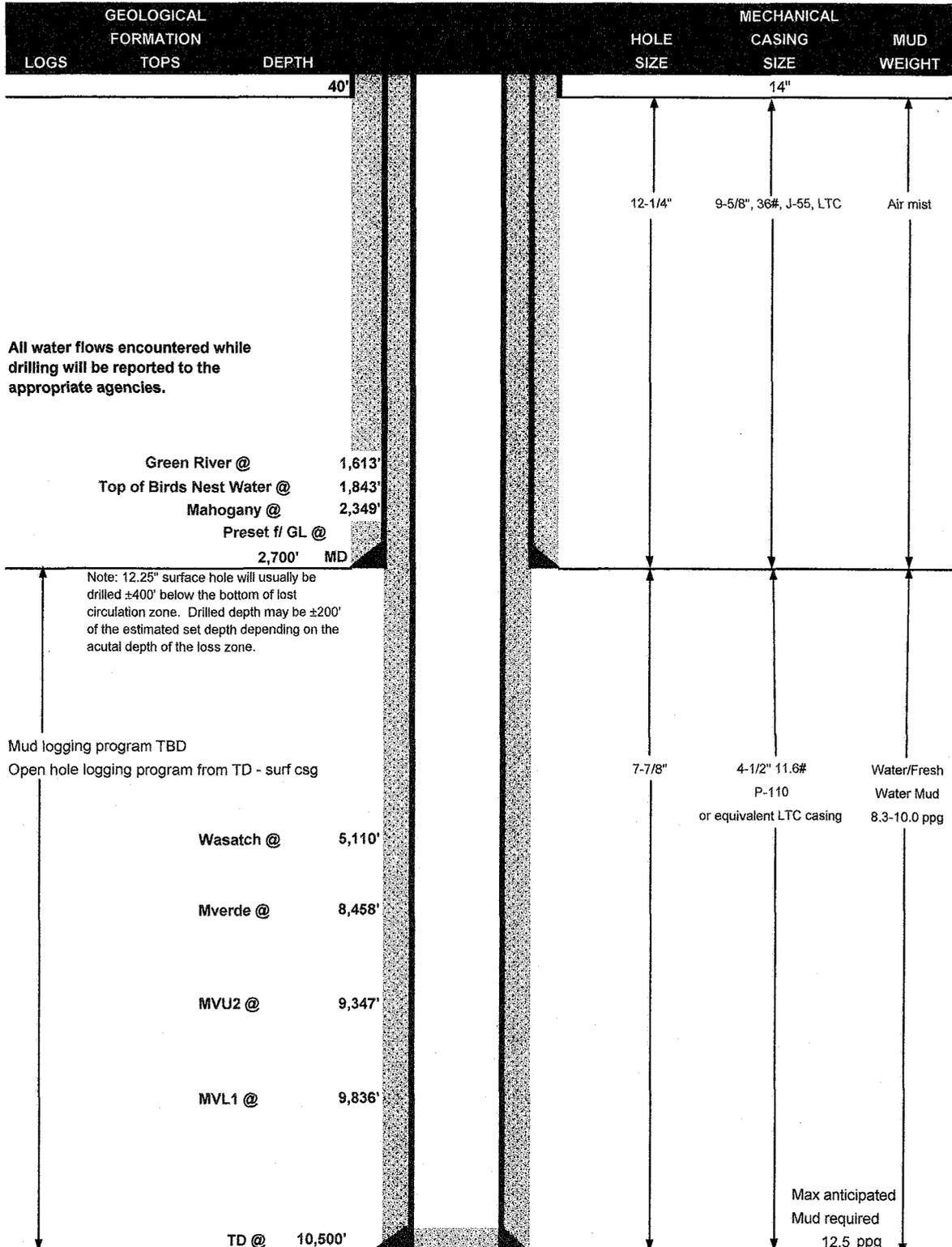
Raleen White
Raleen White

2-13-2009
Date



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

| | | | | | |
|-------------------|--|-----------|------------|-------------------|-------------------|
| COMPANY NAME | KERR-McGEE OIL & GAS ONSHORE LP | | DATE | February 5, 2009 | |
| WELL NAME | NBU 920-290 | | TD | 10,500' MD/TVD | |
| FIELD | Natural Buttes | COUNTY | Uintah | STATE | Utah |
| | | ELEVATION | 4,810' GL | | KB 4,825' |
| SURFACE LOCATION | SW/4 SE/4 | 746' FSL | 2,465' FEL | Sec 29 T 9S R 20E | BHL Straight Hole |
| | Latitude: | 40.000810 | Longitude: | -109.689870 | NAD 83 |
| OBJECTIVE ZONE(S) | Wasatch/Mesaverde | | | | |
| ADDITIONAL INFO | Regulatory Agencies: BLM (MINERALS), BIA (SURFACE), UDOGM, Tri-County Health Dept. | | | | |





KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|------------|--------|------------|-------|-------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 3,520 | 2,020 | 453,000 |
| SURFACE | 9-5/8" | 0 to 2700 | 36.00 | J-55 | LTC | 0.78 | 1.60 | 5.93 |
| PRODUCTION | 4-1/2" | 0 to 10500 | 11.60 | P-110 | LTC | 2.37 | 1.11 | 2.62 |

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 - (0.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 12.5 ppg) 0.22 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 4,395 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
 (Burst Assumptions: TD = 12.5 ppg) 0.64 psi/ft = bottomhole gradient
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MABHP 6,705 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 | Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC | 170 | 35% | 11.00 | 3.82 |
| | TAIL | 500 | Premium cmt + 2% CaCl + .25 pps flocele | 180 | 35% | 15.60 | 1.18 |
| | TOP OUT CMT | as required | Premium cmt + 2% CaCl | as req. | | 15.60 | 1.18 |
| PRODUCTION | LEAD | 4,610' | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 500 | 60% | 11.00 | 3.38 |
| | TAIL | 5,890' | 50/50 Poz/G + 10% salt + 2% gel + 1% R-3 | 1650 | 60% | 14.30 | 1.31 |

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip.

Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

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

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

DRILLING ENGINEER:

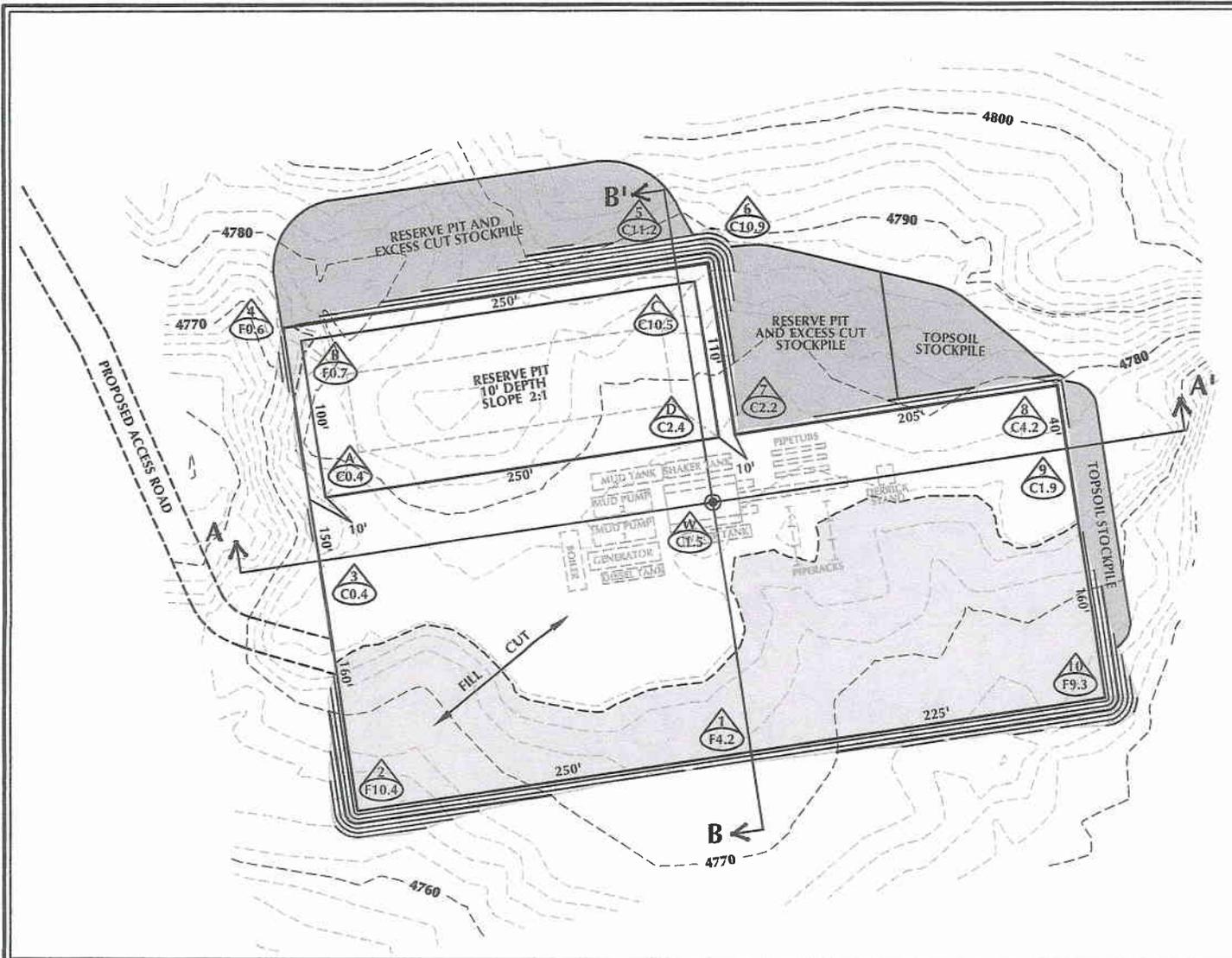
John Huycke / Grant Schluender

DATE:

DRILLING SUPERINTENDENT:

John Merkel / Lovel Young

DATE:



WELL PAD LEGEND

- WELL LOCATION
- - - EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)

WELL PAD NBU 920-290 QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4,777.0'
 FINISHED GRADE ELEVATION = 4,775.5'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 10,138 C.Y.
 TOTAL FILL FOR WELL PAD = 9,450 C.Y.
 TOPSOIL @ 6" DEPTH = 2,581 C.Y.
 EXCESS MATERIAL = 688 C.Y.
 TOTAL DISTURBANCE = 3.20 ACRES
 SHRINKAGE FACTOR = 1.10
 SWELL FACTOR = 1.00
 RESERVE PIT CAPACITY (2' OF FREEBOARD)
 +/- 25,880 BARRELS
 RESERVE PIT VOLUME
 +/- 7,185 CY

**KERR-MCGEE OIL & GAS
 ONSHORE L.P.**

1099 18th Street - Denver, Colorado 80202



CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

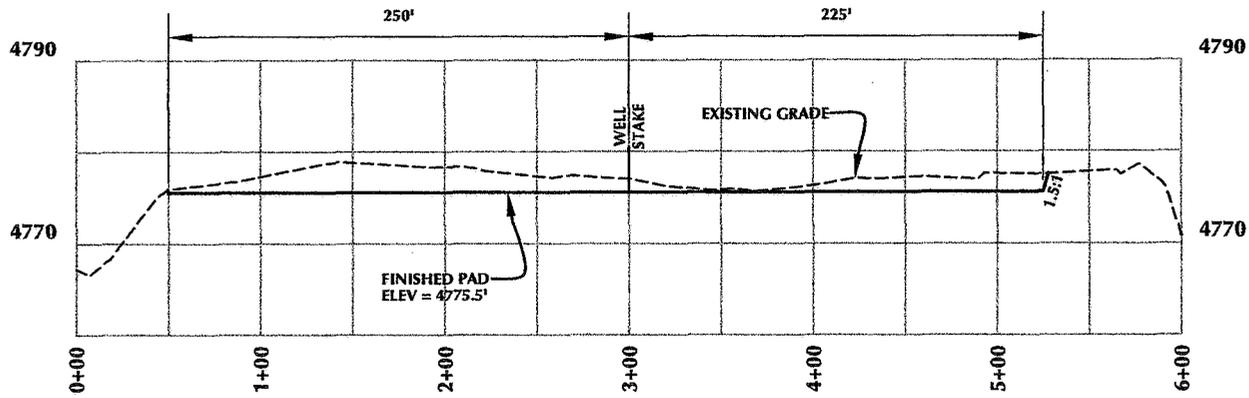
**NBU 920-290
 WELL PAD - LOCATION LAYOUT**
 746' FSL, 2465' FEL
 SW1/4SE1/4, SECTION 29, T.9S., R.20E.
 S.L.B.&M., UINTAH COUNTY, UTAH

| | | |
|----------------|---------------|-----------------|
| Scale: 1"=100' | Date: 1/12/09 | SHEET NO: |
| REVISED: | BY DATE | 2 2 OF 9 |

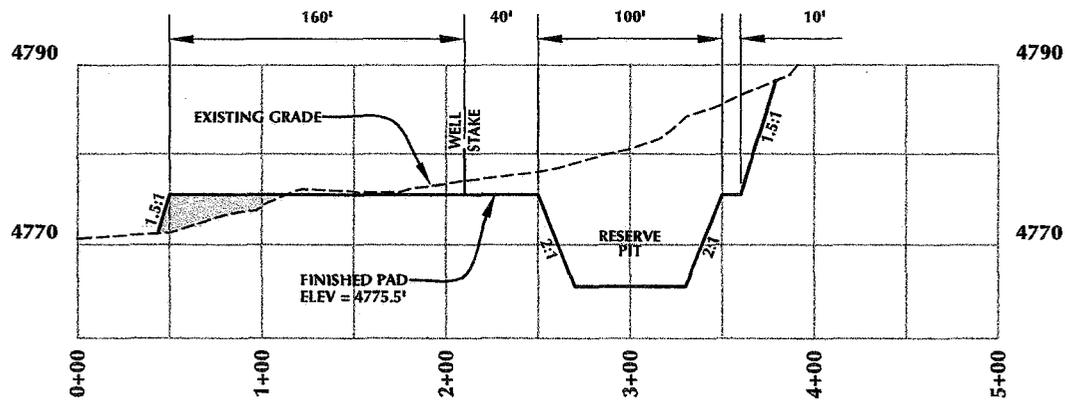


HORIZONTAL 0 50 100 1" = 100'
 2' CONTOURS

Timberline (435) 789-1365
Engineering & Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078



CROSS SECTION A-A'



CROSS SECTION B-B'

NOTE: CROSS SECTION B-B' DEPICTS
MAXIMUM RESERVE PIT DEPTH.

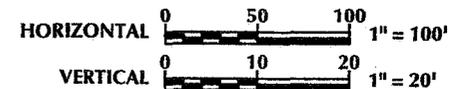
**KERR-MCGEE OIL & GAS
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1099 18th Street - Denver, Colorado 80202



CONSULTING, LLC
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Phone 307-674-0609
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**NBU 920-290
WELL PAD - CROSS SECTIONS
746' FSL, 2465' FEL
SW1/4SE1/4, SECTION 29, T.9S., R.20E.
S.L.B.&M., UINTAH COUNTY, UTAH**

| | | |
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| Scale: 1"=100' | Date: 1/12/09 | SHEET NO: |
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38 WEST 100 NORTH VERNAL, UTAH 84078

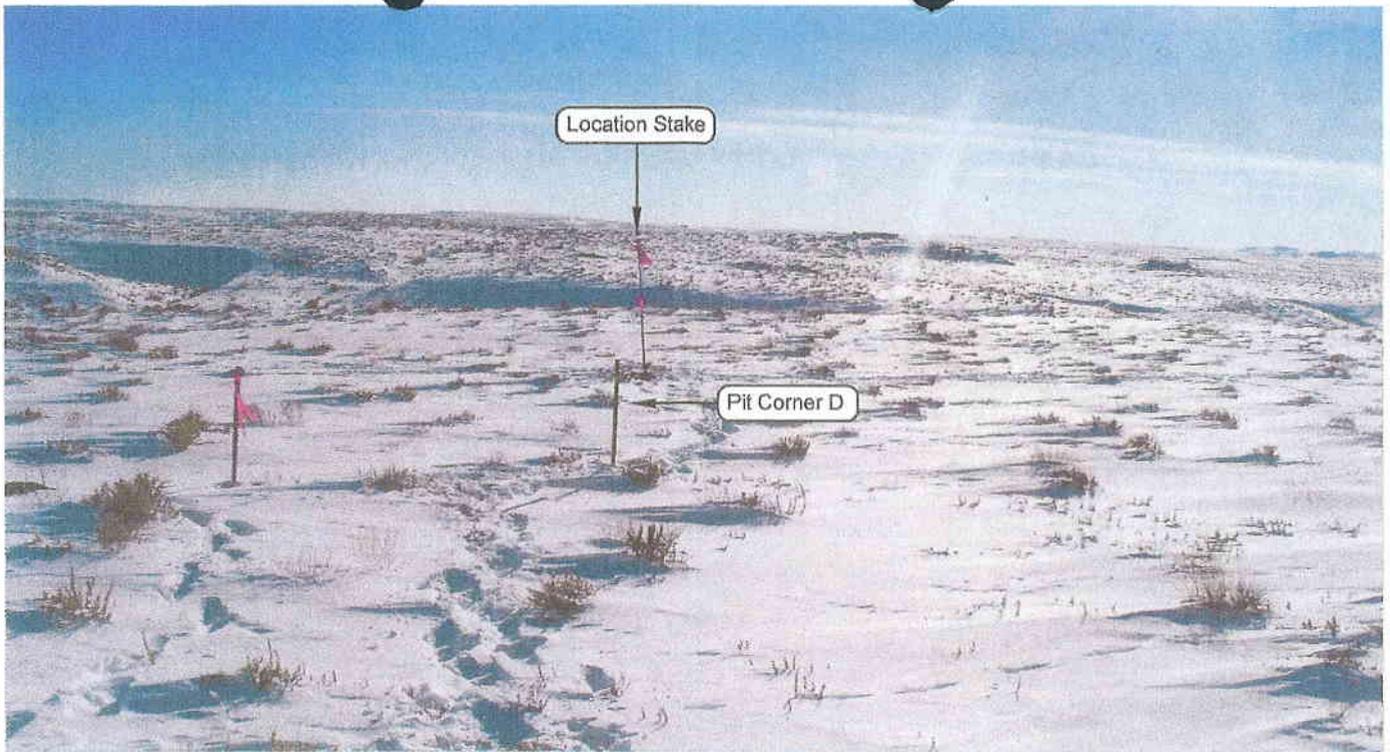


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

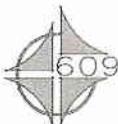


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHERLY

Kerr-McGee
Oil & Gas Onshore, LP
 1099 18th Street - Denver, Colorado 80202

NBU 920-290
 746' FSL, 2465' FEL
 SW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 29, T9S, R20E,
 S.L.B.&M. UTAH COUNTY, UTAH.



CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

LOCATION PHOTOS

TAKEN BY: D.J.S. DRAWN BY: E.M.S.

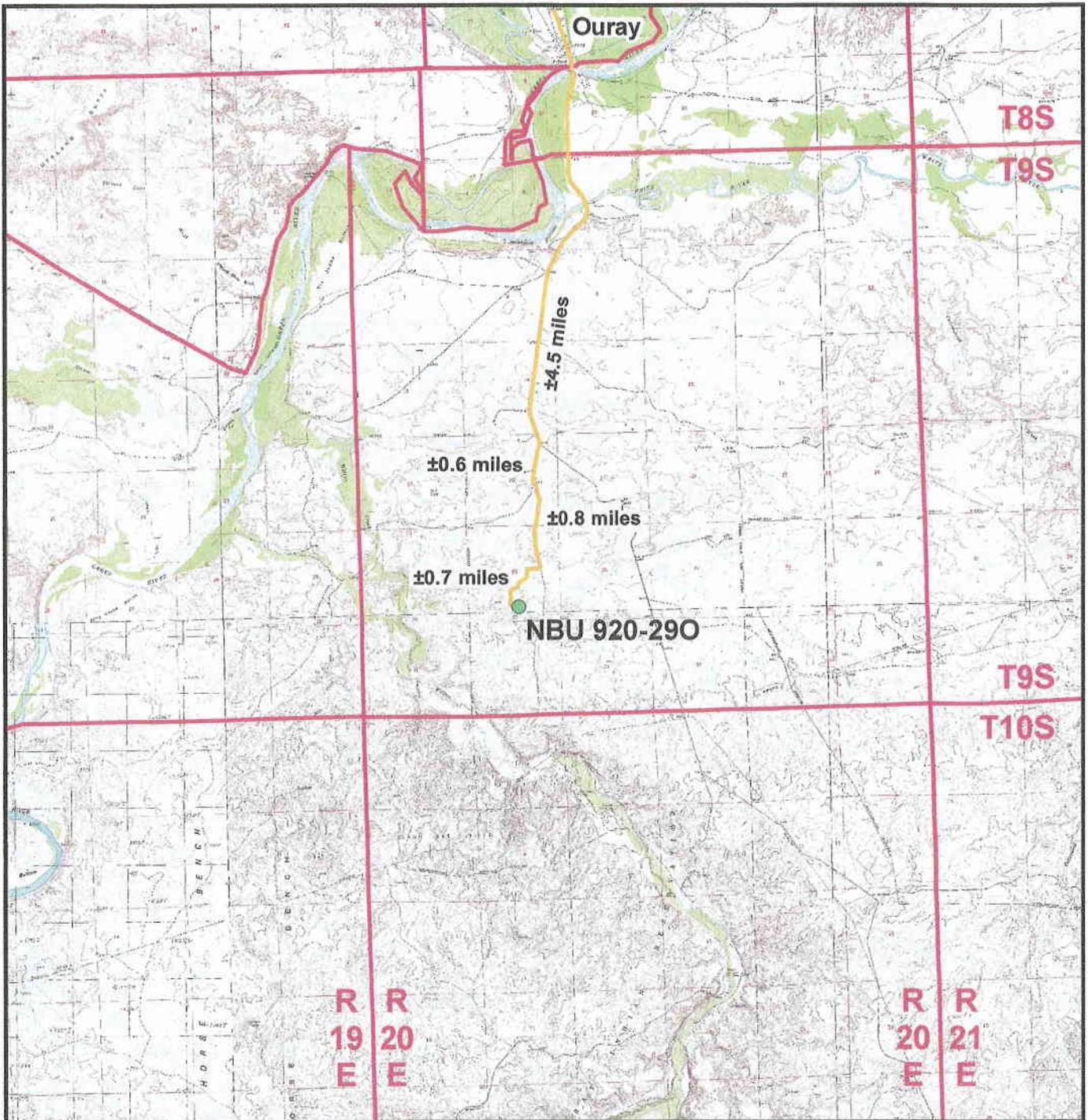
DATE TAKEN: 01-05-09

DATE DRAWN: 01-07-09

REVISED:

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 Engineering & Land Surveying, Inc.
 38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET
4
 OF 9



Legend

- Proposed NBU 920-290 Well Location
- Access Route - Proposed

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202

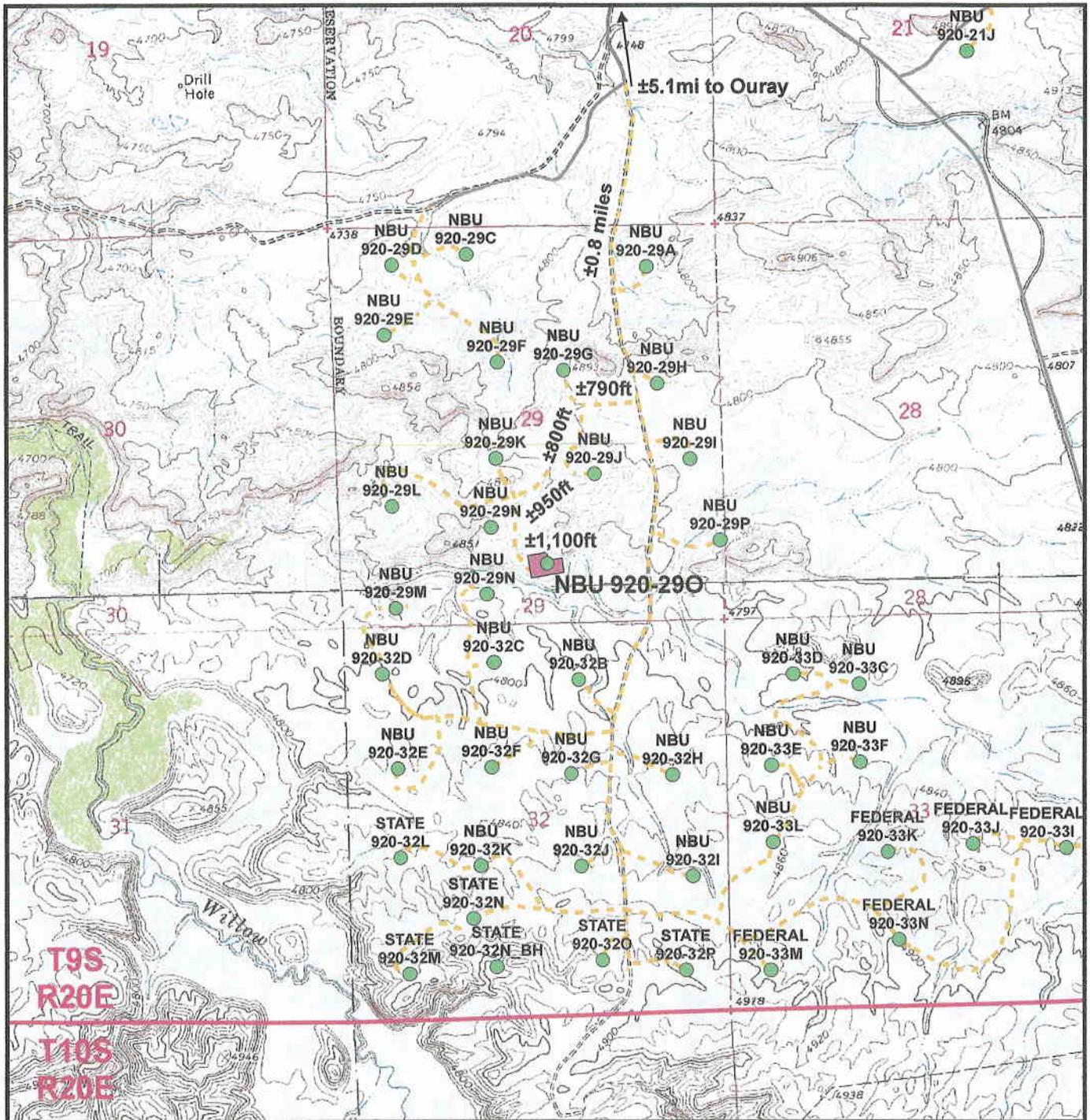
NBU 920-290
Topo A
 746' FSL, 2465' FEL
 SW¼ SE¼, Section 29, T9S, R20E
 S.L.B.&M., Uintah County, Utah



CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan, WY 82801
 Phone (307) 674-0609
 Fax (307) 674-0182



| | | |
|------------------|-------------------|-----------|
| Scale: 1:100,000 | NAD83 USP Central | Sheet No: |
| Drawn: JELo | Date: 12 Jan 2009 | 5 |
| Revised: | Date: | |



Legend

- Well - Proposed
- Well Pad
- - - Road - Proposed
- Road - Existing

Total Proposed Road Length: ±1,100ft

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202

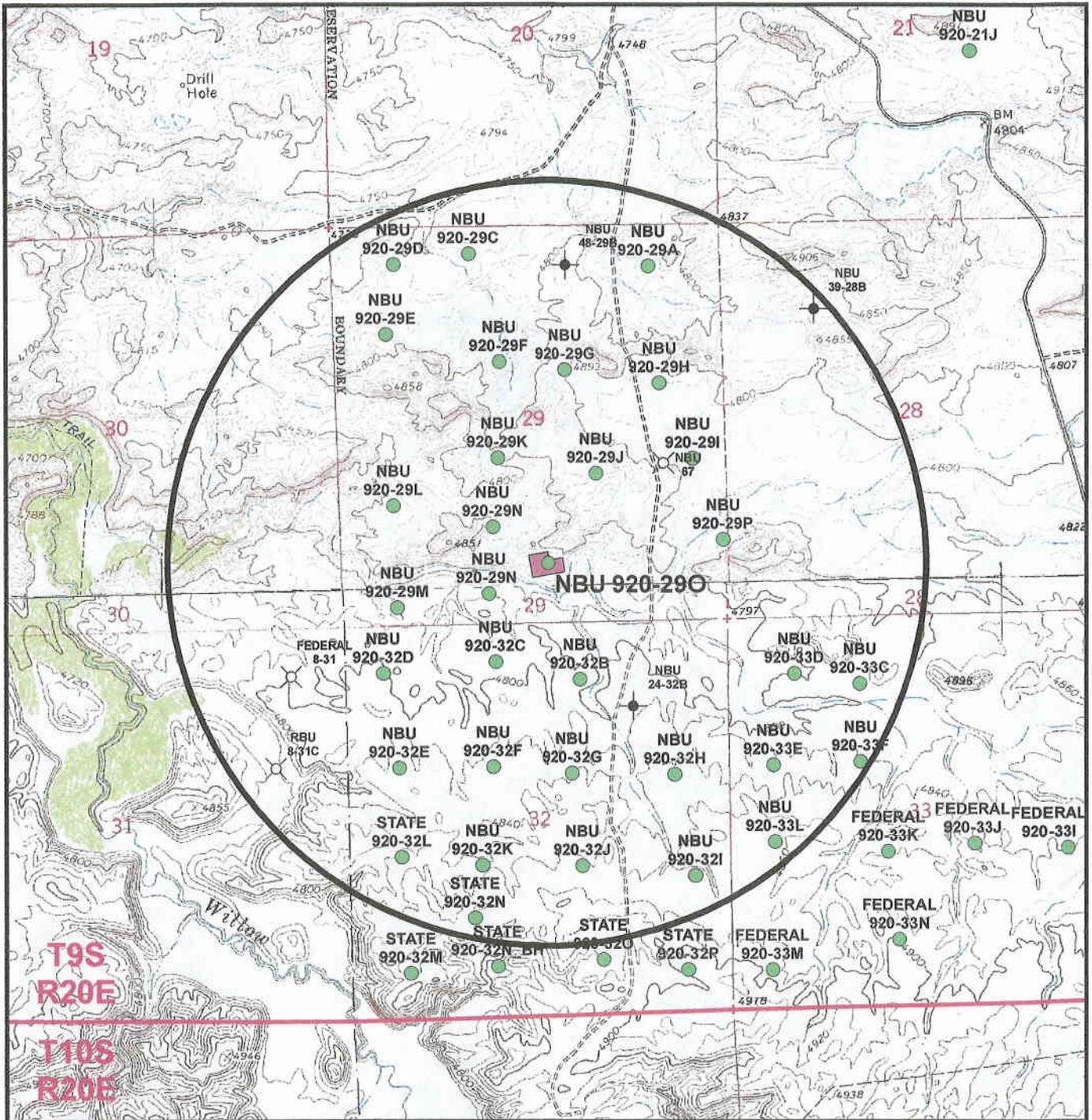
NBU 920-290
 Topo B
 746' FSL, 2465' FEL
 SW¼ SE¼, Section 29, T9S, R20E
 S.L.B.&M., Uintah County, Utah



CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan, WY 82801
 Phone (307) 674-0609
 Fax (307) 674-0182



| | | |
|--------------------|-------------------|-----------|
| Scale: 1" = 2000ft | NAD83 USP Central | Sheet No: |
| Drawn: JELo | Date: 12 Jan 2009 | 6 |
| Revised: | Date: | |



Legend

- Well - Proposed
- ◻ Well - 1 Mile Radius
- Producing
- ⊗ Location Abandoned
- ⬮ Well Pad
- ▲ Approved permit (APD); not yet spudded
- ⊖ Temporarily-Abandoned
- ⊙ Spudded (Drilling commenced; Not yet comple)
- ⬮ Plugged and Abandoned
- ⬮ Shut-In

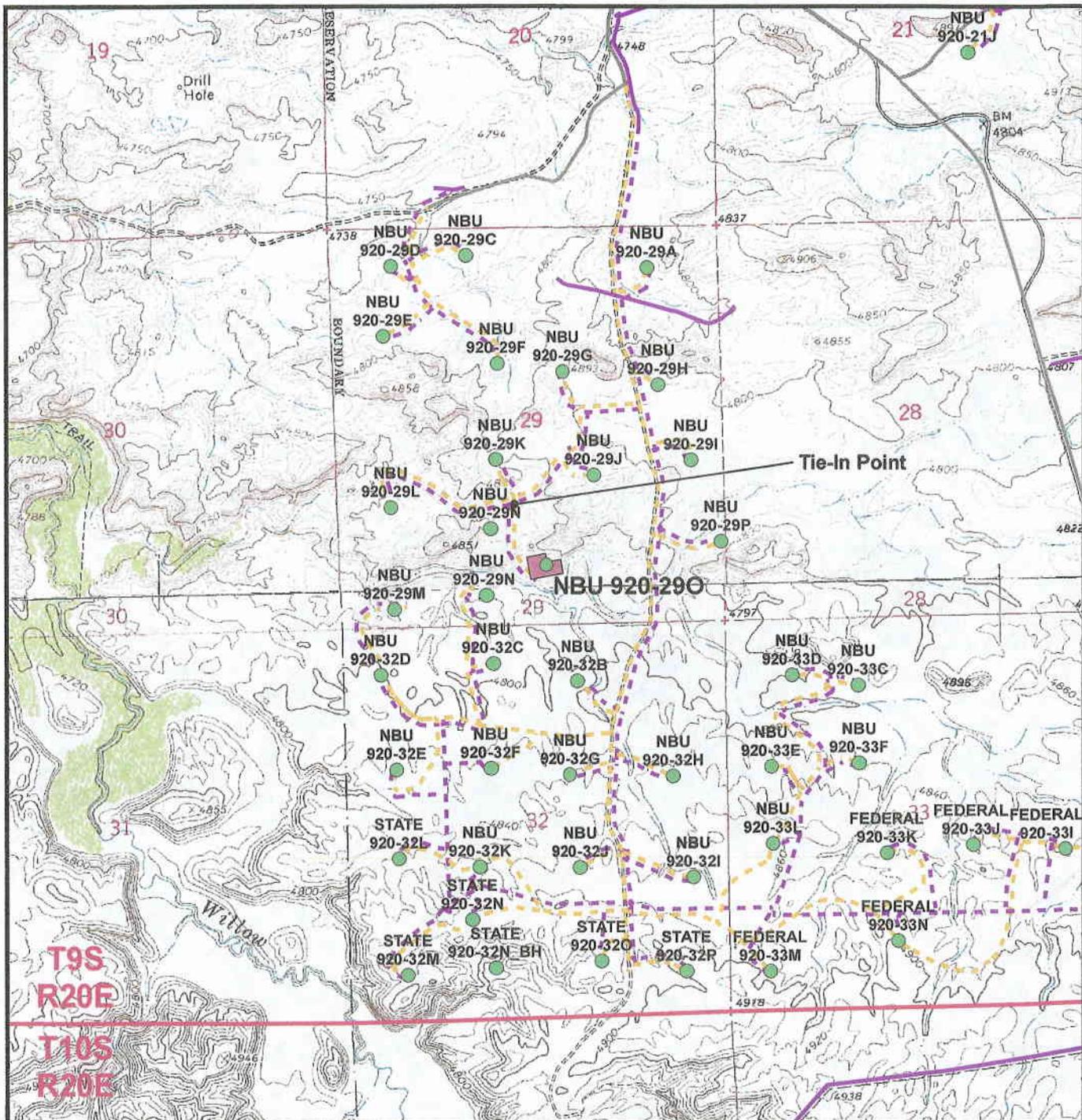
Well locations derived from State of Utah, Dept. of Natural Resources, Division of Oil, Gas and Mining

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Denver, Colorado 80202

NBU 920-290
Topo C
746' FSL, 2465' FEL
SW¼ SE¼, Section 29, T9S, R20E
S.L.B.&M., Uintah County, Utah

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Sheridan, WY 82801
Phone (307) 674-0609
Fax (307) 674-0182

| | | |
|--------------------|-------------------|-----------|
| Scale: 1" = 2000ft | NAD83 USP Central | Sheet No: |
| Drawn: JELo | Date: 12 Jan 2009 | 7 |
| Revised: | Date: | 7 of 9 |



Legend

- Well - Proposed
- Well Pad
- - - Pipeline - Proposed
- - - Road - Proposed
- Pipeline - Existing
- Road - Existing

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ±1,160ft
 Proposed Pipeline Length Around Pad: ±660ft

Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202

NBU 920-290
 Topo D
 746' FSL, 2465' FEL
 SW¼ SE¼, Section 29, T9S, R20E
 S.L.B.&M., Uintah County, Utah

CONSULTING, LLC
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 Sheridan, WY 82801
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 Fax (307) 674-0182



| | | | |
|--------------------|-------------------|---------------|----------|
| Scale: 1" = 2000ft | NAD83 USP Central | Sheet No: | 8 |
| Drawn: JELo | Date: 12 Jan 2009 | 8 of 9 | |
| Revised: | Date: | | |

Kerr-McGee Oil & Gas Onshore, LP
NBU 920-290
Section 29, T9S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 4.5 MILES TO THE INTERSECTION OF THE WILD HORSE BENCH ROAD (A CLASS D COUNTY ROAD). EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG THE WILD HORSE BENCH ROAD APPROXIMATELY 0.6 MILES TO THE INTERSECTION OF THE WILLOW CREEK ROAD (A CLASS D COUNTY ROAD). EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG THE WILLOW CREEK ROAD APPROXIMATELY 0.8 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A WESTERLY, THEN SOUTHWESTERY, THEN SOUTHERLY DIRECTION APPROXIMATELY 3,640 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 37.3 MILES IN A SOUTHERLY DIRECTION.

**Paleontological Assessment for
Anadarko Proposed Well Pad NBU
922-290 and Associated
Infrastructure**

**Redwash SW Quadrangle
Uintah County, Utah**

Prepared for

**Anadarko Petroleum Corp.
and
School and Institutional Trust Land
Administration**

Prepared by

SWCA Environmental Consultants

1/12/2009
SWCA #UT08-14314-46

**Paleontological Assessment for Anadarko Proposed Well Pad NBU 922-290 and
Associated Infrastructure**

Prepared for

Anadarko Petroleum Corp.

Granite Tower
1099 18th St. #1200
Denver, CO 80202

and

State of Utah

School & Institutional Trust Lands Administration

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

Prepared by:

Margaret Imhof M.S., Stephanie M. Lukowski M.S. and Paul C. Murphey, Ph.D.
Utah State Permit 07-363

SWCA Environmental Consultants

2028 West 500 North

Vernal, UT 84078

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SWCA #UT08-14314-46

1/12/2009

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1.0 PROJECT SUMMARY

- Paleontological assessment conducted at the request of Anadarko Petroleum Corp. and the State of Utah School & Institutional Trust Lands Administration (SITLA). Performed by SWCA Environmental Consultants.
 - Utah State Permit 07-363
- Paleontological records search and field survey for the proposed well NBU 922-290 pad, 170 foot access road, and 0.1 mile surface pipeline.
- Field survey of proposed well pad and access route completed on 9/22/2008 within T9S-R22E-Sec29 SWSE in Uintah County, Utah (USGS 7.5 Minute Redwash SW quadrangle).
 - 100-foot survey buffer around well pad.
 - 100-foot-wide corridors (50 ft on either side of existing pipelines or staked route).
- Geology
 - Geologic Units (mapped and observed):
 - Alluvium and colluvium (PFYC Class 2)
 - Lower unit of the Uinta Formation (PFYC Class 5)
- Paleontology
 - Six previously recorded localities within one-mile radius (outside of area of potential effect)
 - No new localities recorded
 - One non significant fossil occurrence recorded.
- Recommendation
 - Recommend spot checking pit during construction. Recommendation based on large volume of disturbed potentially fossiliferous bedrock.
 - Clearance without further mitigation for the remainder of the well pad, access road and pipeline.
 - However, if any subsurface bones or other potential fossils are encountered during construction anywhere within the project area, work in the immediate vicinity should cease, the SITLA should be notified, and a qualified and Utah State-permitted paleontologist should inspect the location before work continues.
- Distribution of Survey Report
 - Hard copies sent SITLA and Anadarko Petroleum Corp. Hard copy and electronic copies on file at the SWCA Vernal office.

2.0 INTRODUCTION

At the request of Anadarko Petroleum Corp. and the State of Utah School & Institutional Trust Lands Administration (SITLA), SWCA Environmental Consultants conducted a paleontological records search and field survey of a proposed well pad, access road, and pipeline for proposed well NBU 922-290.

The proposed well pad and access route are located in T9S-R22E-Sec29 SWSE in Uintah County, Utah (USGS 7.5 Minute Redwash SW quadrangle; See Map 1).

3.0 METHODS

The paleontological survey and evaluation procedures for this assessment were conducted according to State guidelines under Utah State Permit 07-363.

3.1 Personnel

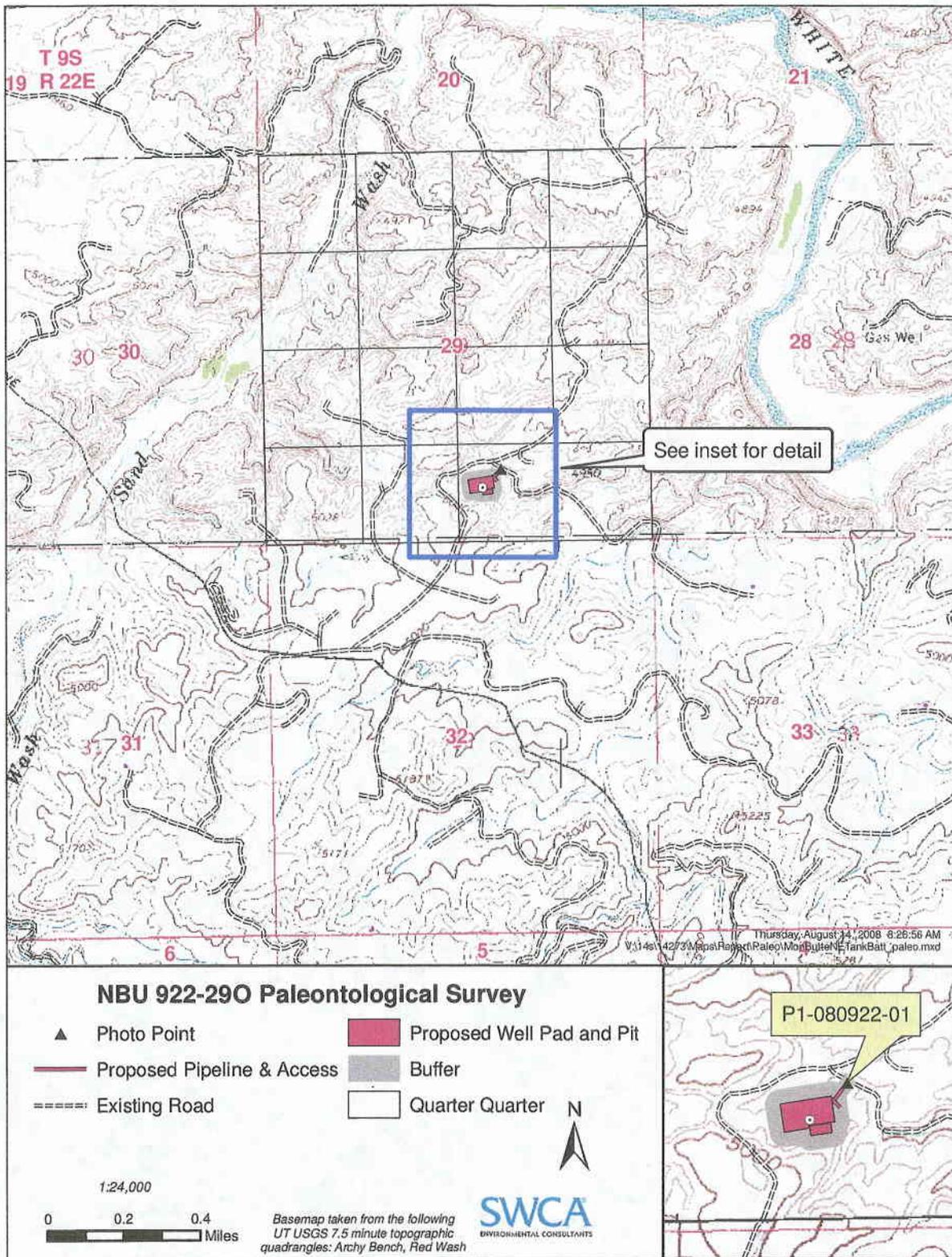
Peter Kloess and Wendi Shaver completed the field survey of the project. Margaret Imhof, M.S., conducted the file searches and Stephanie M Lukowski, M.S. prepared the final report. Dr. Paul C. Murphey, Principal Investigator on the Utah State permit under which this survey was conducted, supervised the research, field work, and reviewed the final report. Rachel Johnson produced the maps.

3.2 Records Search Methods

Records searches were conducted in order to 1) determine whether any previously recorded fossil localities occur within the project areas; 2) assess the potential for disturbance of these localities during construction; and 3) evaluate the paleontological sensitivity within the area of potential effect (APE). Electronic paleontological records maintained by the Utah Geological Survey, Paleontology Department were searched in order to determine the presence of previously documented fossil localities within the project APE.

3.3 Resource Assessment Methods

The paleontological sensitivity of each geologic unit to be impacted was evaluated using the Potential Fossil Yield Classification System (PFYC), originally developed by the U.S. Forest Service (1996) and recently significantly revised and adopted as policy by the BLM (BLM IM 2008-009) to replace its previous resource management classification system (BLM *Conditions 1-3*). The PFYC utilizes the close relationship between paleontological resource occurrences and the geologic units in which they are preserved. The PFYC designations for the affected geologic units for this project were assigned by the BLM Regional Paleontologist.



Map 1. Location of Anadarko Petroleum Corp. proposed well NBU 922-290 and associated infrastructure.

3.4 Field Methods

The survey was designed to 1) determine the surface presence of previously unknown significant vertebrate fossils and/or noteworthy occurrences of invertebrate, plant, or trace fossils; 2) evaluate the condition of documented paleontological localities and the potential for disturbance of these localities during the proposed construction; and 3) evaluate potential adverse impacts to subsurface paleontological resources during construction.

The paleontological field survey consisted of 100-foot-wide buffer around well pad and a 100-ft corridor (50-ft on either side) of the access road and pipeline. The area of potential effect was inspected for 1) surface fossils; 2) exposures of potentially fossiliferous rocks; and 3) areas in which fossiliferous rocks will be exposed or otherwise impacted during construction. The survey was 100% pedestrian of outcrop.

A paleontological locality documents the location, identification and description of a scientifically significant fossil(s) along with its geologic context. In addition, however, we record the presence of highly weathered, fragmentary or otherwise unidentifiable fossils as non-significant fossil occurrences which typically consist of fragments of turtle shell, unidentifiable bone and tooth fragments, and unidentifiable plant fossils in order to communicate the presence of fossils in a manner that does not trigger mitigation measures. Typically, fossil locality forms and maps are provided only for significant fossil localities which are either collected at the time of discovery or recommended for avoidance and/or later mitigation.

3.5 Distribution of Data

Copies of this report will be submitted to SITLA and Anadarko Petroleum Corp. Any newly recorded locality data will be submitted to the Utah Geological Survey, State Paleontologist. A hard-copy file will be retained at SWCA Environmental Consultants, Vernal office, along with relevant field notes, maps, and other data. No fossils were collected during this project.

4.0 GEOLOGY AND PALEONTOLOGY

The East-West trending Uinta Mountains were uplifted during the Rocky Mountain-forming Laramide orogeny (Rasmussen et al. 1999) in the Paleocene Epoch (Stokes 1986), exposing the Paleozoic-age rocks in the core of the mountains and Mesozoic-age rocks along their flanks. In conjunction with the uplift, the southerly-adjacent synclinal Uinta Basin formed (Rasmussen et al. 1999). From the Paleocene to the middle Eocene, sediments from freshwater lakes and later from river channels, river deltas and floodplains filled the basin with sediments and accompanying fossils (Stokes 1986, Townsend 2004). From oldest to youngest, these rock units include the Wasatch, Green River, Uinta and Duchesne River formations. Collectively, these units represent the primary source of middle Eocene-aged vertebrate, invertebrate and plant fossils from Utah and Colorado, and are thus of great scientific importance. Locally, Pleistocene- and Holocene-aged sediments deposited by rivers, streams, gravity, and wind overlie the bedrock geologic units.

The project APE contains one mapped geologic unit (Rowley et al 1985): Eocene-age lower Uinta Formation. In addition to this unit, Holocene-age alluvium and colluvium deposits were observed during the survey.

4.1 Uinta Formation

In the Uinta Basin, the Uinta Formation consists of greenish-gray, reddish-brown, yellow, grayish-orange, and purple fluvial and lacustrine shale marlstone, siltstone, and sandstone beds which are locally tuffaceous (Cashion 1973; Dane 1954; Rowley et al. 1985). The Uinta Formation is scientifically important because it is the stratotype for the Uintan NALMA and represents nearly all of Uintan time (46.5-40.0 Ma) (Murphey and Evanoff 2007; Townsend 2004; Walsh 1996). In general terms, the Uinta Formation conformably overlies and interfingers with the Green River Formation in the Uinta and Piceance Creek Basins, and is overlain by the Duchesne River Formation in the Uinta Basin. Despite its historical and scientific importance to vertebrate paleontology, the detailed stratigraphy of the Uinta Formation is complex and not yet fully understood.

The Uinta Formation was named by O. C. Marsh in 1871. Based on lithologic differences, O. A. Peterson (as quoted in Osborn 1895:72-74) was the first worker to subdivide the Uinta Formation, from stratigraphically lowest to highest, into Horizons A, B, and C. The Wood Committee (Wood et al. 1941) formally divided the Uinta Formation into the older Wagonhound Member (Horizons A and B) and younger Myton Member (Horizon C), and discarded the older tripartite subdivision. However, the older terminology is still widely used because 1) the Wagonhound Member combined two lithologically distinct units: the sandstone-dominated Uinta A, which contains few fossils, and the mudstone and claystone-dominated Uinta B, which contains locally abundant fossils; and 2) fossil collections made prior to the recommendations of the Wood Committee were made using the tripartite scheme. The specific location of the subunit boundaries has shifted slightly with almost each successive publication on the stratigraphy of the area, resulting in a well-understood broad picture for which the stratigraphic details are hazy and the biostratigraphy unresolved (Walsh 1996). The most recent stratigraphic and paleontologic work in the Uinta Formation has included important efforts to better characterize and document the lithostratigraphy, biostratigraphy paleoecology, and paleoenvironments of the Uinta Formation and time-equivalent strata (see Rasmussen et al. 1999; Townsend 2004; Walsh 1996; Townsend et al. 2006).

Approximately 31 percent of modern mammalian families appear in the fossil record of North America during the Uintan NALMA (Black and Dawson 1966). Many of the new taxa are thought to have either originated in North America or emigrated in from Asia (Black and Dawson 1966; Stucky 1992; Beard 1998). The distinctive shift in the composition and diversity of mammalian communities which occurred during the Uintan is marked by the disappearance or decline of more archaic groups such as condylarths, some types of insectivores and marsupials, plesiadapoids, and oxyaenid creodonts. At the same time, more modern groups including lagomorphs, selenodont artiodactyls, advanced carnivorans, and non-ischyromyine rodents began to dominate mammalian communities. See Rasmussen et al. (1999), Townsend (2004), Murphey and Daitch (2007), and Walsh (1996) for further discussions of the mammalian faunas and biostratigraphy of the Uinta Formation.

4.2 Holocene Alluvium and Colluvium

Holocene-age alluvium is composed primarily of poorly consolidated silt, sand, and cobbles derived from eroded bedrock and older alluvial and colluvial deposits. These sediments are deposited by rivers and streams in stream channels and on active alluvial floodplains.

Holocene-age colluvium consists of earthflow, mudflow, landslide, and talus deposits (Cashion 1973, Rowley et al. 1985). Both colluvium and landslide deposits consist of rock material that has moved under the influence of gravity. Lithologies of these units vary and are dependent upon the type of source rock. They form on unstable slopes and on older colluvial deposits. In general, colluvium is much less likely to contain well-preserved animal and plant remains than intact native sediments.

While Pleistocene-age surficial deposits may contain fossils, surficial deposits of Holocene age such as alluvium and colluvium contain the unfossilized remains of modern taxa, and are too young to contain in situ fossils.

5.0 RESULTS

The following section presents the results of the records search and field survey conducted for the Anadarko Petroleum Corp. well pad, pipeline, and access road.

5.1 Previously Documented Localities

Six previously documented fossil localities are known within a one-mile radius of the project area. Further information on all the previously recorded localities within a one-mile radius is provided in Appendix A.

5.2 Paleontological Sensitivities

The paleontological sensitivities of the one mapped geologic unit (Rowley et al 1985) and one observed unit in the project APE have been classified according to the PFYC by the BLM and are summarized in Table 1.

Table 1. Paleontological Sensitivities of Geologic Units Within the Project APE.

| Geologic Unit | Map Symbol* | Age | Typical Fossils | PFYC |
|-------------------------------|-------------|----------|--|---------|
| Alluvium and colluvium | Qa | Holocene | Unfossilized remains of modern taxa, too young to contain in situ fossils. | Class 2 |
| Uinta Formation, lower part** | Tul | Eocene | Locally abundant plants (leaves, seeds, wood); invertebrates (insects, mollusks); and a highly diverse and scientifically important vertebrate fauna (reptiles, mammals) | Class 5 |

* Rowley et al 1985

5.3 Field Survey

| | | | |
|---------------------------------|---|--|----------------------------|
| NBU 922-290 | | Well Pad, Access Road, Pipeline | |
| Location: | T9S-R22E-Sec29 SWSE | | |
| Surveyed on: | 9/22/2008 | By: | Peter Kloess, Wendi Shaver |
| Survey Remarks: | 100% pedestrian survey of well pad plus a 100-ft buffer and access route with a 100-ft corridor (50-ft buffer). All infrastructure staked at time of survey. | | |
| Photos: | Figures 1-5 | | |
| Geologic Formation(s): | Alluvium and colluvium | Quaternary | PFYC Class 2 |
| | Uinta Fm, Lower Mbr | Eocene | PFYC Class 5 |
| Reference: | Rowley et al 1985 | | |
| Topography: | Very little change in topography with the exception of a small East-West trending ridge West of the proposed well pad. Ridge intersects with area of proposed pit. | | |
| Bedrock Exposure Status: | Exposures present only on small ridge. | | |
| Geologic Description: | Mudstone and claystone beds of the Uinta Formation exposed on the small ridge. Flat areas with partial colluvium cover and some vegetation. | | |
| Fossil Status: | 1 non significant fossil occurrence recorded | | |
| Fossil Description: | Turtle shell material in poor condition | | |
| Recommendation: | <p>Recommend spot checking pit during construction. Recommendation based on large volume of disturbed potentially fossiliferous bedrock.</p> <p>Clearance without further mitigation for the remainder of the well pad, access road and pipeline.</p> <p>However, if any subsurface bones or other potential fossils are encountered during construction anywhere within the project area, work in the immediate vicinity should cease, the State should be notified, and a qualified and Utah State-permitted paleontologist should inspect the location <i>before</i> work continues.</p> | | |



Figure 1. View to the Southwest from the access road



Figure 2. View to the North from the Center Stake



Figure 3. View to the East from the Center Stake



Figure 4. View to the South from the Center Stake

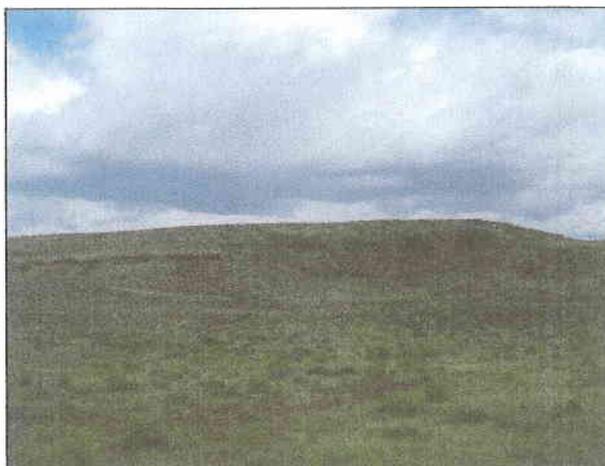


Figure 5. View to the West from the Center Stake

6.0 REFERENCES

- Beard, K. C. 1998. East of Eden: Asia as an important center of taxonomic origination in mammalian evolution: In: K. C. Beard and M. R. Dawson (eds.): Dawn of the Age of Mammals in Asia, Bulletin of Carnegie Museum of Natural History, no. 34, p. 5-39.
- Black, C. C., and M. R. Dawson. 1966. A review of late Eocene mammalian faunas from North America: American Journal of Science, v. 264, p. 321-349.
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- Dane, C. H. 1954. Stratigraphic and facies relationships of upper part of Green River Formation and lower part of Uinta Formation in Duchesne, Uintah, Wasatch Counties, Utah: American Association of Petroleum Geologists Bulletin, v. 38, no. 2, p. 405-425.
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**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/17/2009

| |
|--------------------------------|
| API NO. ASSIGNED: 43-047-40553 |
|--------------------------------|

WELL NAME: NBU 920-290
 OPERATOR: KERR-MCGEE OIL & GAS (N2995)
 CONTACT: RALEEN WHITE

PHONE NUMBER: 720-929-6666

PROPOSED LOCATION:

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

SWSE 29 090S 200E
 SURFACE: 0746 FSL 2465 FEL
 BOTTOM: 0746 FSL 2465 FEL
 COUNTY: UINTAH
 LATITUDE: 40.00074 LONGITUDE: -109.6892
 UTM SURF EASTINGS: 611896 NORTHINGS: 4428452
 FIELD NAME: NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-142430
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSMVD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYB000291)
- 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' for 460' & uncompr. Tract
- _____ R649-3-11. Directional Drill

COMMENTS: Sup, Separate file

STIPULATIONS: 1- Sealed Approval
2- OIL SHALE

API Number: 4304740553

Well Name: NBU 920-29O

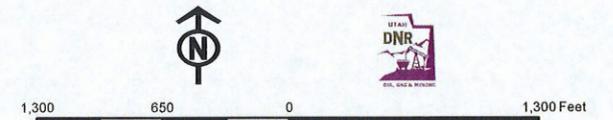
Township 09.0 S Range 20.0 E Section 29

Meridian: SLBM

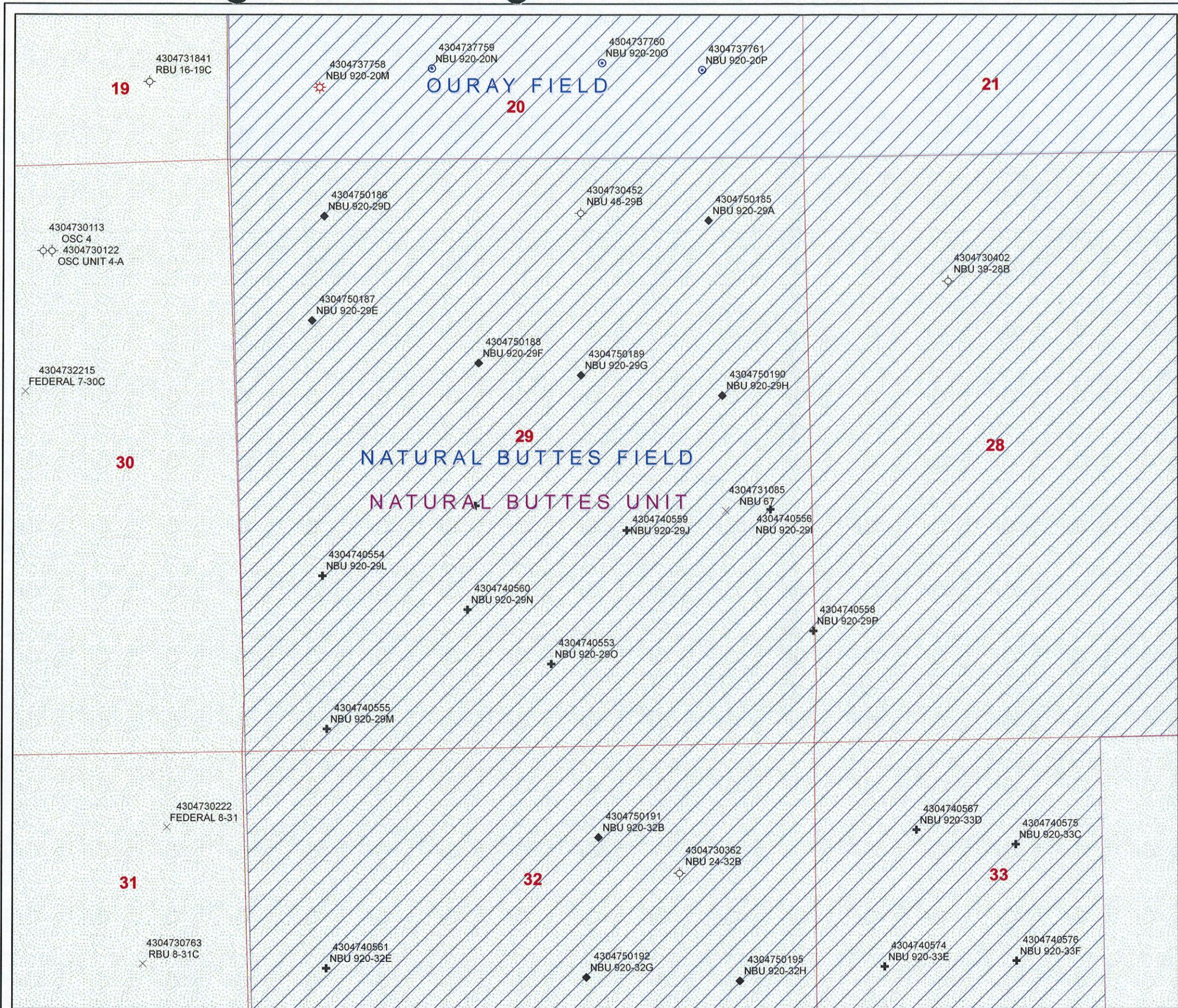
Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
Map Produced by Diana Mason

| Units | Wells Query Events |
|--------------|--------------------|
| STATUS | <all other values> |
| ACTIVE | GIS_STAT_TYPE |
| 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 |
| | TW |
| | WD |
| | WI |
| | WS |



1:11,349



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)

March 2, 2009

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 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 2009 within the Natural Buttes Unit, Uintah County, Utah.

| API # | WELL NAME | LOCATION |
|-------|-----------|----------|
|-------|-----------|----------|

(Proposed PZ Wasatch/MesaVerde)

| | | |
|--------------|-------------|------------------------------------|
| 43-047-40553 | NBU 920-29O | Sec 29 T09S R20E 0746 FSL 2465 FEL |
| 43-047-40554 | NBU 920-29L | Sec 29 T09S R20E 1572 FSL 0754 FWL |
| 43-047-40555 | NBU 920-29M | Sec 29 T09S R20E 0159 FSL 0757 FWL |
| 43-047-40556 | NBU 920-29I | Sec 29 T09S R20E 2164 FSL 0400 FEL |
| 43-047-40557 | NBU 920-29K | Sec 29 T09S R20E 2208 FSL 2197 FWL |
| 43-047-40558 | NBU 920-29P | Sec 29 T09S R20E 1038 FSL 0018 FEL |
| 43-047-40559 | NBU 920-29J | Sec 29 T09S R20E 1977 FSL 1747 FEL |
| 43-047-40560 | NBU 920-29N | Sec 29 T09S R20E 1254 FSL 2098 FWL |
| 43-047-40542 | NBU 920-22O | Sec 22 T09S R20E 0198 FSL 2487 FEL |
| 43-047-40543 | NBU 920-22K | Sec 22 T09S R20E 2128 FSL 2497 FWL |
| 43-047-40544 | NBU 920-22I | Sec 22 T09S R20E 1965 FSL 0599 FEL |
| 43-047-40545 | NBU 920-22J | Sec 22 T09S R20E 2086 FSL 1575 FEL |
| 43-047-40538 | NBU 920-20B | Sec 20 T09S R20E 1229 FNL 1580 FEL |
| 43-047-40536 | NBU 920-20C | Sec 20 T09S R20E 0963 FNL 1754 FWL |
| 43-047-40537 | NBU 920-20F | Sec 20 T09S R20E 1794 FNL 2199 FWL |
| 43-047-40539 | NBU 920-20E | Sec 20 T09S R20E 1644 FNL 1084 FWL |
| 43-047-40540 | NBU 920-20D | Sec 20 T09S R20E 0646 FNL 0686 FWL |
| 43-047-40541 | NBU 920-21J | Sec 21 T09S R20E 2346 FSL 1748 FEL |
| 43-047-40561 | NBU 920-32E | Sec 32 T09S R20E 2052 FNL 0707 FWL |
| 43-047-40562 | NBU 920-32K | Sec 32 T09S R20E 2095 FSL 1813 FWL |
| 43-047-40567 | NBU 920-33D | Sec 33 T09S R20E 0821 FNL 0925 FWL |
| 43-047-40568 | NBU 920-33L | Sec 33 T09S R20E 2299 FSL 0625 FWL |
| 43-047-40574 | NBU 920-33E | Sec 33 T09S R20E 2079 FNL 0611 FWL |
| 43-047-40575 | NBU 920-33C | Sec 33 T09S R20E 0971 FNL 1851 FWL |

43-047-40576 NBU 920-33F Sec 33 T09S R20E 2048 FNL 1845 FWL
43-047-40535 NBU 920-15PT Sec 15 T09S R20E 0591 FSL 0696 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:3-2-09



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

March 2, 2009

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

Re: NBU 920-290 Well, 746' FSL, 2465' FEL, SW SE, Sec. 29, T. 9 South, R. 20 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40553.

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 920-290

API Number: 43-047-40553

Lease: UTU-142430

Location: SW SE Sec. 29 T. 9 South R. 20 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

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

3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

| | |
|---|---|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-142430 |
|---|---|

| | |
|--|---|
| 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: UTE 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES |
|--|---|

| | |
|------------------------------------|--|
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: NBU 920-290 |
|------------------------------------|--|

| | |
|---|---|
| 2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. | 9. API NUMBER: 43047405530000 |
|---|---|

| | | |
|---|--|--|
| 3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | PHONE NUMBER: 720 929-6007 Ext | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES |
|---|--|--|

| | |
|---|---|
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0746 FSL 2465 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 29 Township: 09.0S Range: 20.0E Meridian: S | 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: 3/2/2010 <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: |

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: March 01, 2010

By:

| | | |
|--|-------------------------------------|------------------------------------|
| NAME (PLEASE PRINT) Danielle Piernot | PHONE NUMBER 720 929-6156 | TITLE Regulatory Analyst |
| SIGNATURE N/A | DATE 2/25/2010 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047405530000

API: 43047405530000

Well Name: NBU 920-290

Location: 0746 FSL 2465 FEL QTR SWSE SEC 29 TWP 090S RNG 200E MER S

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

Date Original Permit Issued: 3/2/2009

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

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
- Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
- Is bonding still in place, which covers this proposed well? Yes No

Approved by the Utah Division of Oil, Gas and Mining

Signature: Danielle Piernot

Date: 2/25/2010

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

Date: March 01, 2010

By: [Signature]



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>



OCT 28 2010

IN REPLY REFER TO:
3160 (UTG011)

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

43 047 40553

Re: Request to Return APD
Well No. NBU 920-29O
SWSE, Sec. 29, T9S, R20E
Uintah County, Utah
Lease No. UTU-0142430
Natural Buttes Unit

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on February 17, 2009, is being returned unapproved per your request to this office in an email message received on September 30, 2010. If you intend to drill at this location at a future date, a new APD must be submitted.

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

Sincerely,

James H. Sparger
Acting Assistant Field Manager
Lands & Mineral Resources

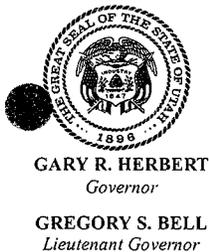
Enclosures

cc: UDOGM

RECEIVED

NOV 03 2010

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 15, 2011

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

43 047 40553
NBU 920-290
9S 20E 29

Re: APDs Rescinded for Kerr McGee O&G Onshore, L.P. Company,
Uintah County

Dear Ms. Piernot:

Enclosed find the list of APDs that are being rescinded per your request to Kerr-McGee Oil & Gas Onshore, L.P. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective March 14, 2011.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

| | |
|----------------|-----------------|
| 43-047-50275 | NBU 605-35E |
| 43-047-40547 | FEDERAL 920-27K |
| 43-047-40549 | FEDERAL 920-27J |
| 43-047-40550 | FEDERAL 920-27O |
| 43-047-40551 | FEDERAL 920-27L |
| 43-047-40552 | FEDERAL 920-27N |
| 43-047-40570 | FEDERAL 920-33M |
| 43-047-40571 | FEDERAL 920-33I |
| 43-047-40578 | FEDERAL 920-34M |
| 43-047-40579 | FEDERAL 920-34N |
| 43-047-50767 | FEDERAL 920-27M |
| → 43-047-40553 | NBU 920-29O |
| 43-047-40554 | NBU 920-29L |
| 43-047-40555 | NBU 920-29M |
| 43-047-40556 | NBU 920-29I |
| 43-047-40557 | NBU 920-29K |
| 43-047-40558 | NBU 920-29P |
| 43-047-40559 | NBU 920-29J |
| 43-047-40560 | NBU 920-29N |
| 43-047-40568 | NBU 920-33L |
| 43-047-40574 | NBU 920-33E |
| 43-047-40575 | NBU 920-33C |
| 43-047-40576 | NBU 920-33F |