

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER NBU 1022-25J3S	
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT NATURAL BUTTES	
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME NATURAL BUTTES	
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.						7. OPERATOR PHONE 720 929-6587	
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217						9. OPERATOR E-MAIL mary.mondragon@anadarko.com	
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) ST ML 22447			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')	
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')	
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN	
LOCATION AT SURFACE	1311 FSL 2108 FEL	SWSE	25	10.0 S	22.0 E	S	
Top of Uppermost Producing Zone	1740 FSL 2000 FEL	NWSE	25	10.0 S	22.0 E	S	
At Total Depth	1740 FSL 2000 FEL	NWSE	25	10.0 S	22.0 E	S	
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 1311			23. NUMBER OF ACRES IN DRILLING UNIT 640	
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 2500			26. PROPOSED DEPTH MD: 7748 TVD: 7700	
27. ELEVATION - GROUND LEVEL 5253			28. BOND NUMBER 22013542			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Water permit # 43-8496	

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORCANCE 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 type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

NAME Kevin McIntyre	TITLE Regulatory Analyst I	PHONE 720 929-6226
SIGNATURE	DATE 02/02/2009	EMAIL Kevin.McIntyre@anadarko.com
API NUMBER ASSIGNED 43047500700000	APPROVAL  Permit Manager	

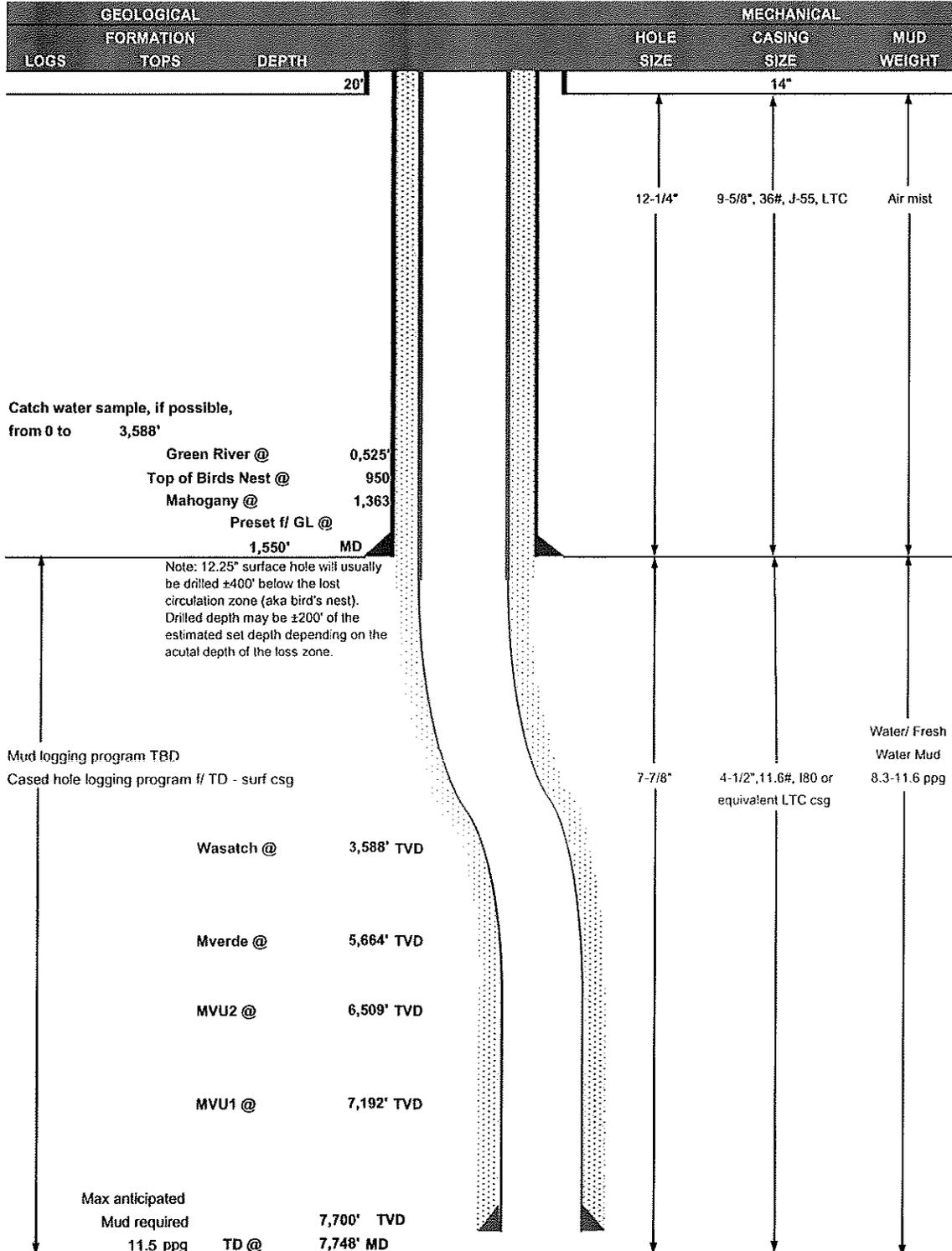
Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	1550		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	1550	36.0			
	Cement Interval	Top (MD)	Bottom (MD)			
		0	1550			
		Cement Description	Class	Sacks	Yield	Weight
			Premium Foamed Cement	215	1.18	15.6

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	7748		
Pipe	Grade	Length	Weight			
	Grade I-80 LT&C	7748	11.6			
	Cement Interval	Top (MD)	Bottom (MD)			
		0	7748			
		Cement Description	Class	Sacks	Yield	Weight



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	August 7, 2008	
WELL NAME	NBU 1022-25J3S		TD	7,700'	TVD 7,748' MD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
		ELEVATION	5,253' GL KB 5,268'		
SURFACE LOCATION	SWSE 1311' FSL & 2108' FEL, Sec. 25, T 10S R 22E				
	Latitude: 39.9162	Longitude: -109.385728	NAD 27		
BTM HOLE LOCATION	NWSE 1740' FSL & 2000' FEL, Sec. 25, T 10S R 22E				
	Latitude: 39.917378	Longitude: -109.385353	NAD 27		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: UDOGM (SURFACE & MINERALS), BLM, 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'				3520	2020	453000
SURFACE	9-5/8"	0 to 1550	36.00	J-55	LTC	1.21	2.78	10.33
PRODUCTION	4-1/2"	0 to 7700	11.60	1-80	LTC	2.67	1.38	2.56

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft-partial evac gradient x TVD of next csg point))
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 3080 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	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	3,088'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	300	40%	11.00	3.38
	TAIL	4,660'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1140	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 Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.
 Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

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

DATE: _____
 DATE: _____

**NBU 1022-25J3S
SWSE Sec. 25, T10S,R22E
UINTAH COUNTY, UTAH
ST ML 22447**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	525'
Birds Nest	950'
Mahogany	1363'
Wasatch	3588'
Mesaverde	5664'
MVU2	6509'
MVL1	7192'
TVD	7700'
TD	7748'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	525'
Water	Birds Nest	950'
Water	Mahogany	1363'
Gas	Wasatch	3588'
Gas	Mesaverde	5664'
Gas	MVU2	6509'
Gas	MVL1	7192'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 7700' TVD, approximately equals 4774 psi (calculated at 0.62 psi/foot).

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

8. **Anticipated Starting Dates:**

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

9. **Variances:**

Please refer to the attached Drilling Program.

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

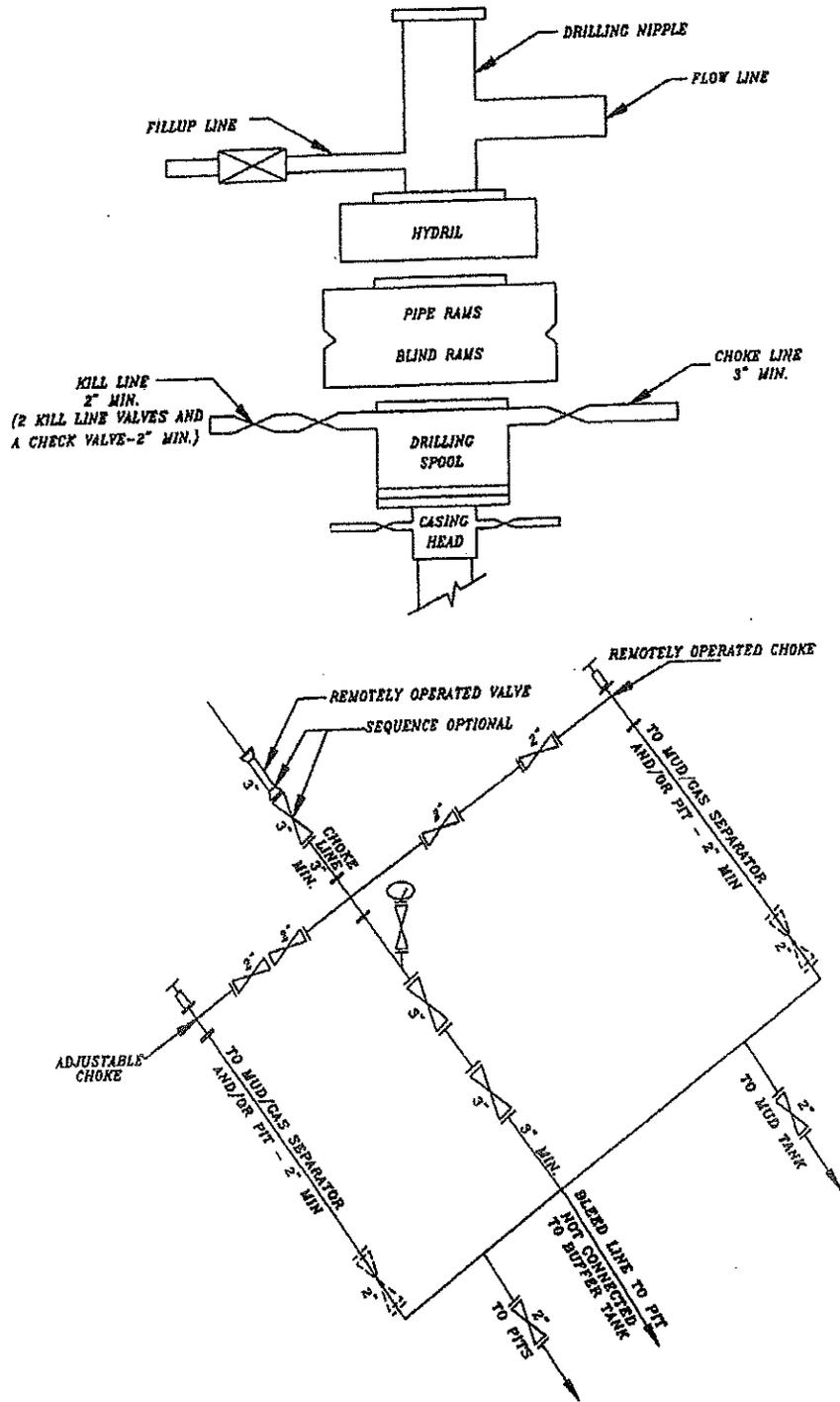
The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

10. Other Information:

Please refer to the attached Drilling Program.

NBU 1022-25J3S

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**NBU 1022-25J3S
SWSE SEC. 25, T10S, R22E
UINTAH COUNTY, UTAH
ST ML 22447**

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 0.2 mi. +/- 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 Carlsbad Canyon, standard color number 2.5Y 6/2.

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

Approximately 955' 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:

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

12. Other Information:

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

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

A Class III archaeological survey 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

8/7/2008

Date

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-25J1S, #1022-25J3S, #1022-25O2S & 1022-25O
SECTION 25, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD FOR THE NBU #1022-24B TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 3.75 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 65.95 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25J1S, #1022-25J3S, #1022-25O2S & #1022-25O

LOCATED IN UINTAH COUNTY, UTAH

SECTION 25, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS	08	25	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: A.A.	REV: 07-10-08J.J.		

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-25J1S, #1022-25J3S, #1022-25O2S & #1022-25O
PIPELINE ALIGNMENT
LOCATED IN UINTAH COUNTY, UTAH
SECTION 25, T10S, R22E, S.L.B.&M.



PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHWESTERLY



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

- Since 1964 -

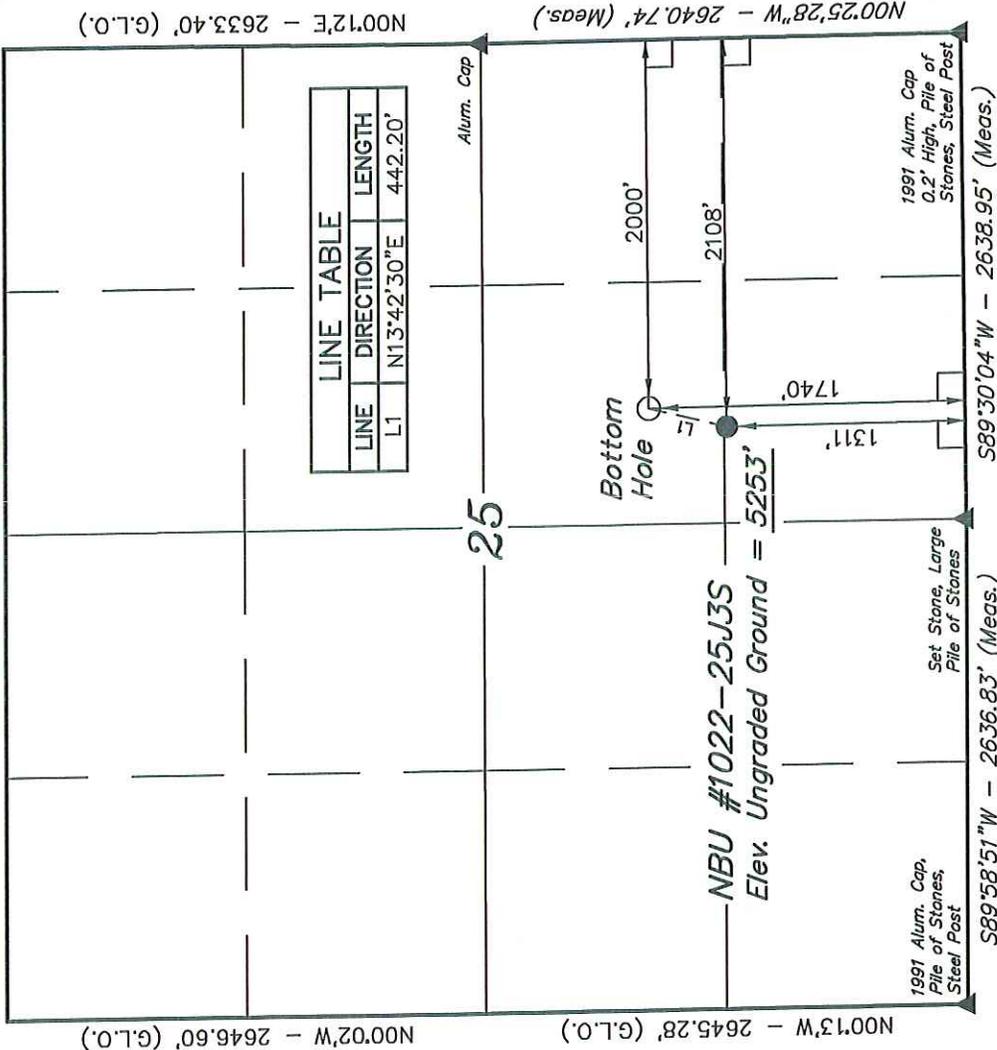
PIPELINE PHOTOS	08	25	06	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: P.J.	DRAWN BY: A.A.		REV: 07-10-08J.J.	

Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1022-25J3S, located as shown in the SW 1/4 SE 1/4 of Section 25, T10S, R22E, S.L.B.&M., Uintah County, Utah.

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

S89°59'W - 5278.68' (G.L.O.)

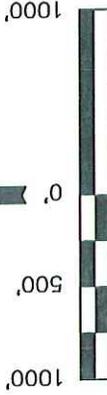


BASIS OF ELEVATION

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 QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

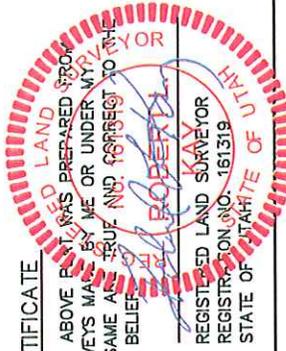
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

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



REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE	1" = 1000'	DATE SURVEYED:	06-13-08	DATE DRAWN:	07-09-08
PARTY	L.K. D.D. S.L.	REFERENCES	G.L.O. PLAT		
WEATHER	HOT	FILE	Kerr-McGee Oil & Gas Onshore LP		

LEGEND:

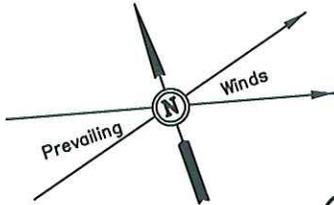
- └─┘ = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - ▲ = SECTION CORNERS LOCATED.
- | NAD 83 (TARGET BOTTOM HOLE) | NAD 83 (SURFACE LOCATION) |
|--|--|
| LATITUDE = 39°55'02.44" (39.917344) | LATITUDE = 39°54'58.20" (39.916167) |
| LONGITUDE = 109°23'09.72" (109.386053) | LONGITUDE = 109°23'11.07" (109.386408) |
| NAD 27 (TARGET BOTTOM HOLE) | NAD 27 (SURFACE LOCATION) |
| LATITUDE = 39°55'02.58" (39.917378) | LATITUDE = 39°54'58.33" (39.916200) |
| LONGITUDE = 109°23'07.27" (109.385553) | LONGITUDE = 109°23'08.62" (109.385728) |

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR
NBU #1022-250, #1022-25J1S,
#1022-25J3S & #1022-2502S
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 SE 1/4

Proposed Access
Road
Install CMP
as Needed

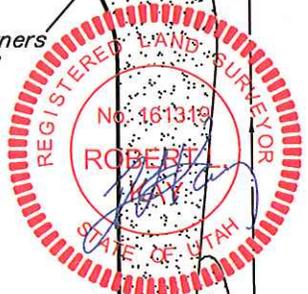


SCALE: 1" = 50'
DATE: 08-26-06
Drawn By: P.M.
REVISED: 11-29-06
REVISED: 07-09-08 S.L.

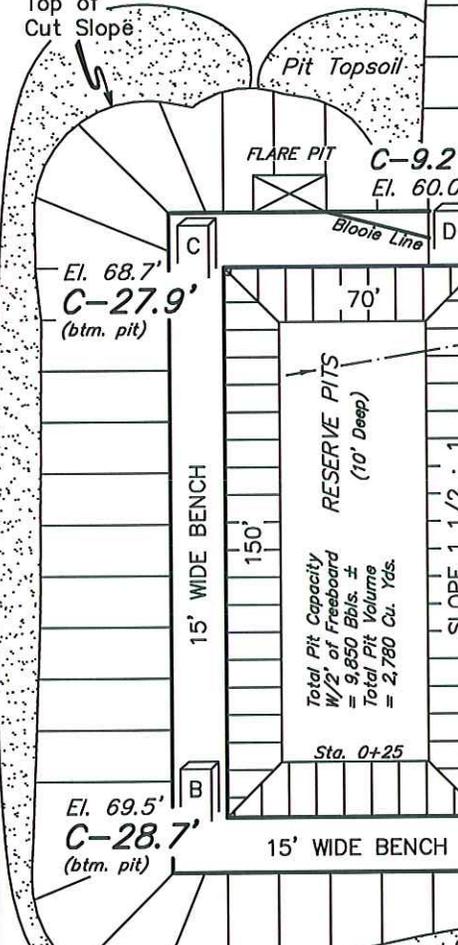
CONSTRUCT
DIVERSION
DITCH

NOTE:

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



Approx.
Top of
Cut Slope



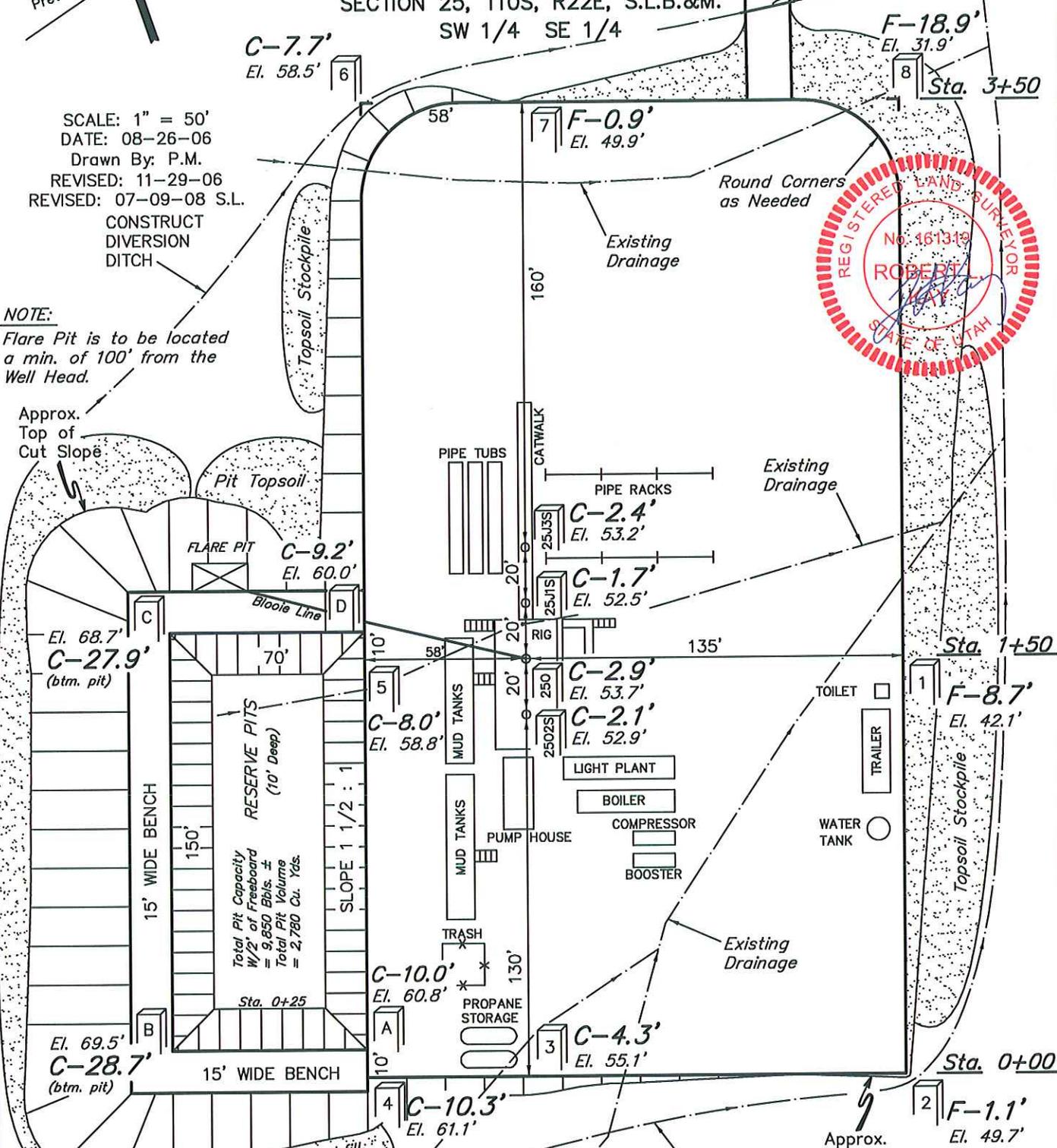
RESERVE PITS
(10' Deep)
Total Pit Capacity
W/2' of Freeboard
= 9,850 Bbls. ±
Total Pit Volume
= 2,780 Cu. Yds.

NOTES:

Reserve Pit Backfill
& Spoils Stockpile

Elev. Ungraded Ground At Loc. Stake = 5253.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 5250.8'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



Round Corners
as Needed

Existing
Drainage

Existing
Drainage

Existing
Drainage

TOILET

TRAILER

WATER
TANK

Approx.
Toe of
Fill Slope

CONSTRUCT
DIVERSION
DITCH

F-18.9'
El. 31.9'

Sta. 3+50

F-0.9'
El. 49.9'

Sta. 1+50

F-8.7'
El. 42.1'

Sta. 0+00

F-1.1'
El. 49.7'

C-7.7'
El. 58.5'

C-8.0'
El. 58.8'

C-10.0'
El. 60.8'

C-10.3'
El. 61.1'

C-2.4'
El. 53.2'

C-1.7'
El. 52.5'

C-2.9'
El. 53.7'

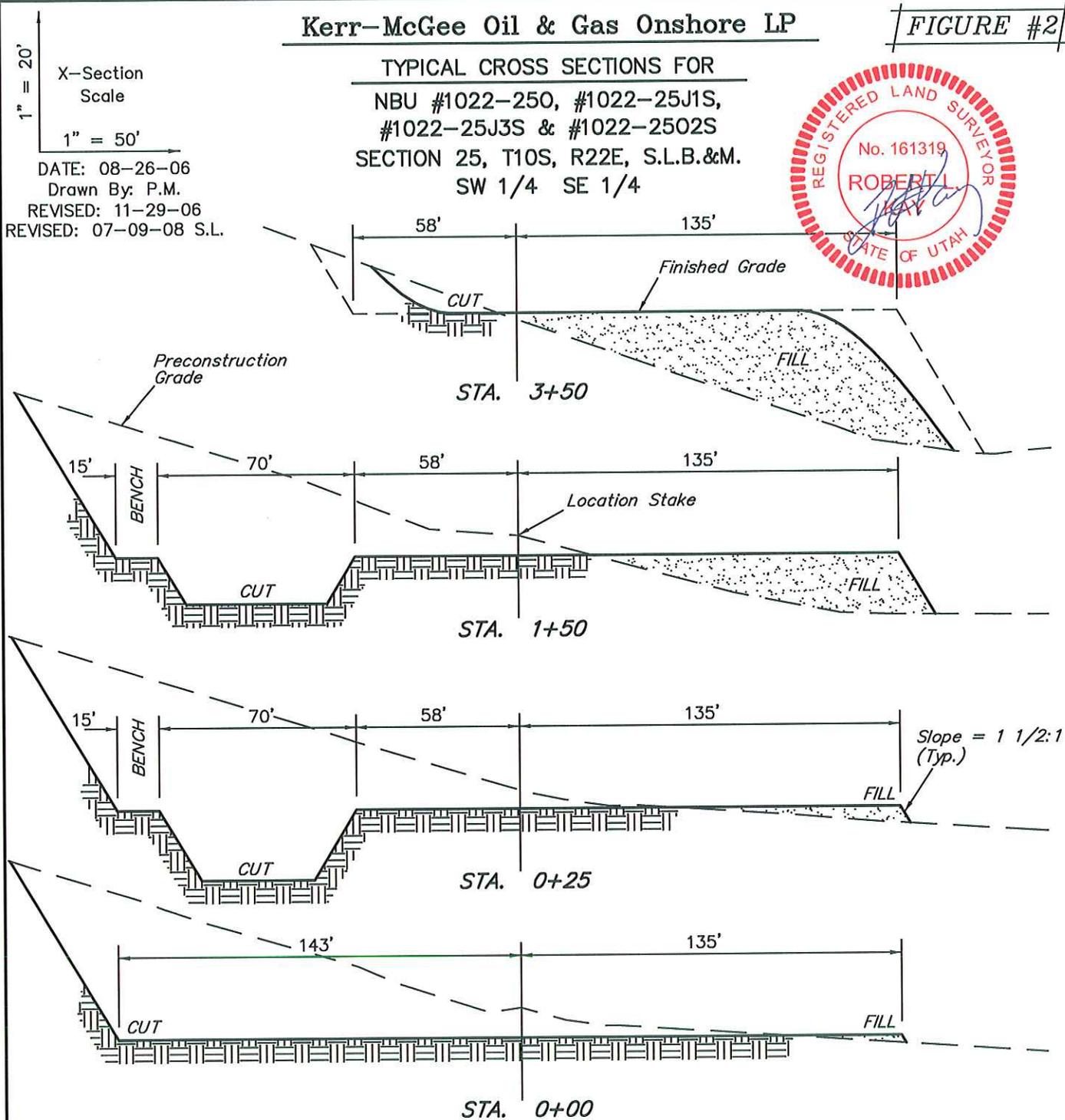
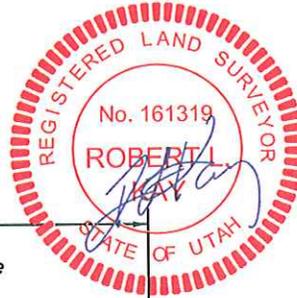
C-2.1'
El. 52.9'

C-4.3'
El. 55.1'

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 NBU #1022-250, #1022-25J1S,
 #1022-25J3S & #1022-25O2S
 SECTION 25, T10S, R22E, S.L.B.&M.
 SW 1/4 SE 1/4



NOTE:

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

*** NOTE:**

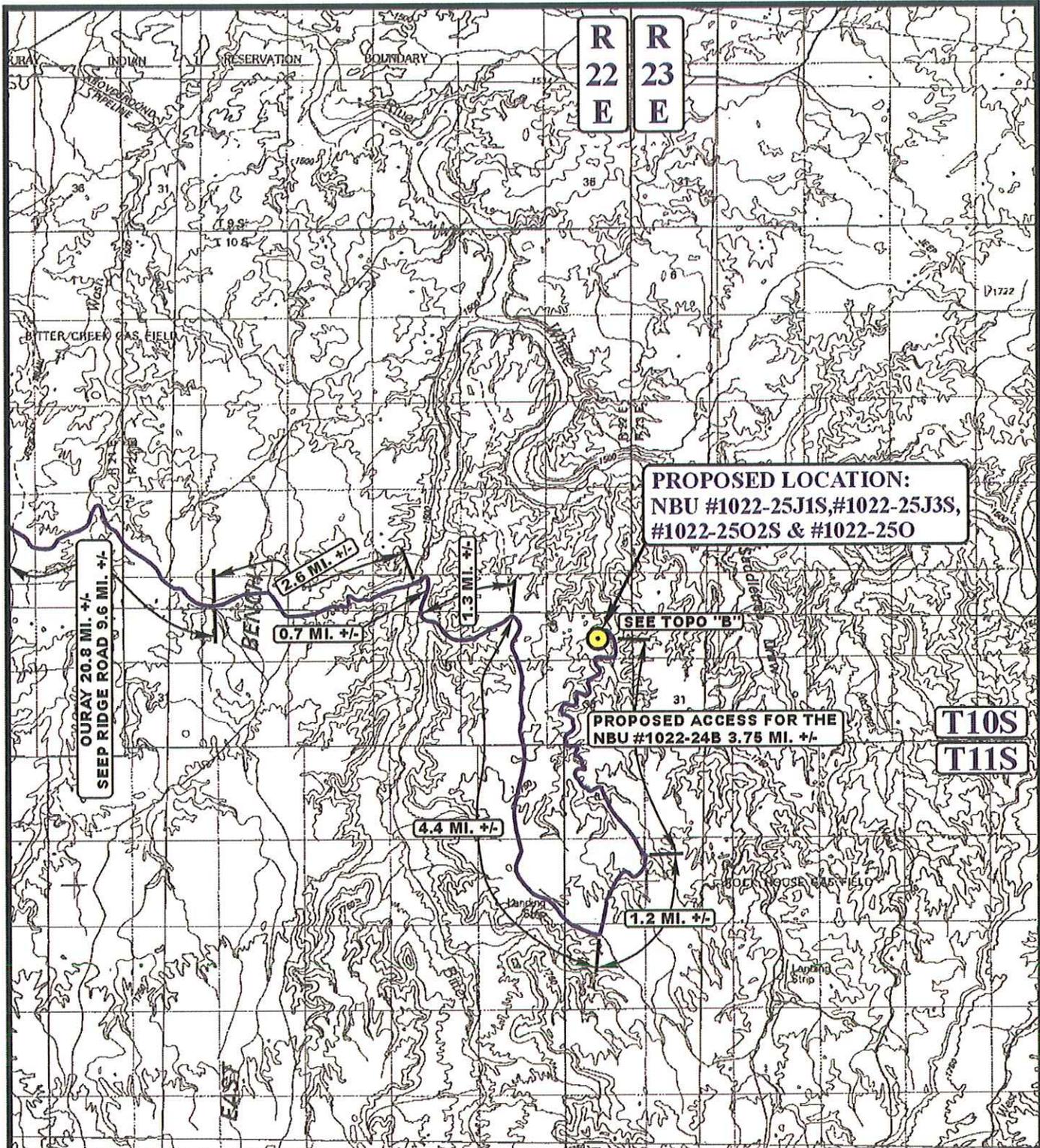
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 2,070 Cu. Yds.
Remaining Location	= 17,470 Cu. Yds.
TOTAL CUT	= 19,540 CU.YDS.
FILL	= 13,490 CU.YDS.

EXCESS MATERIAL	= 6,050 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,460 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 2,590 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



PROPOSED LOCATION:
 NBU #1022-25J1S, #1022-25J3S,
 #1022-25O2S & #1022-25O

PROPOSED ACCESS FOR THE
 NBU #1022-24B 3.75 MI. +/-

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

2.6 MI. +/-
 0.7 MI. +/-

1.3 MI. +/-

4.4 MI. +/-

1.2 MI. +/-

SEE TOPO "B"

T10S
 T11S

LEGEND:

● PROPOSED LOCATION

N

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25J1S, #1022-25J3S, #1022-25O2S & #1022-25O
 SECTION 25, T10S, R22E, S.L.B.&M.
 SW 1/4 SE 1/4



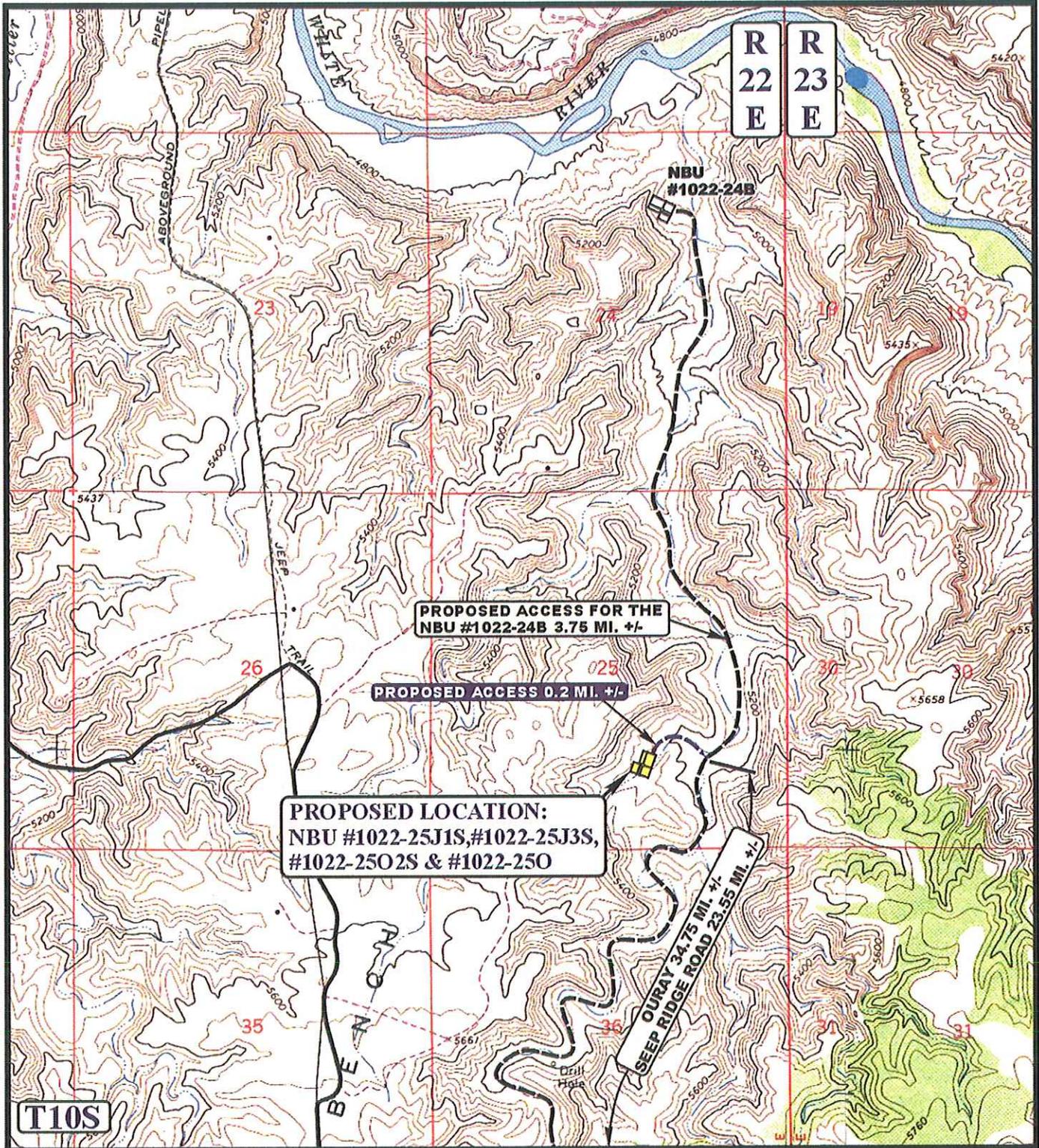
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

08 25 06
 MONTH DAY YEAR



SCALE: 1:100,000 DRAWN BY: A.A. REV: 07-10-08J.J.



LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25J1S, #1022-25J3S, #1022-25O2S & #1022-25O
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 SE 1/4



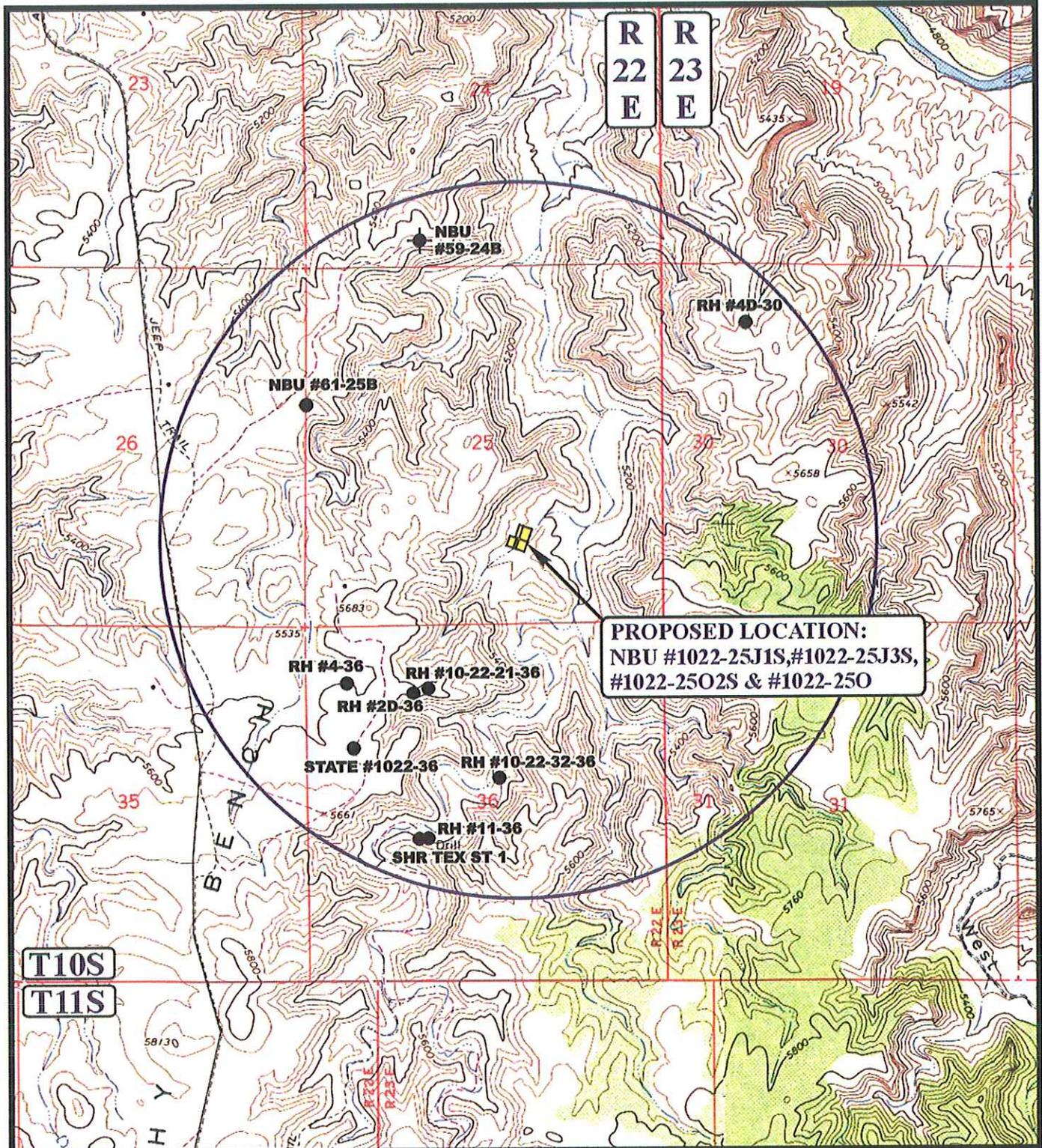
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP

08 25 06
MONTH DAY YEAR



SCALE: 1" = 2000' DRAWN BY: A.A. REV: 07-10-08J.J.



PROPOSED LOCATION:
 NBU #1022-25J1S, #1022-25J3S,
 #1022-25O2S & #1022-25O

LEGEND:

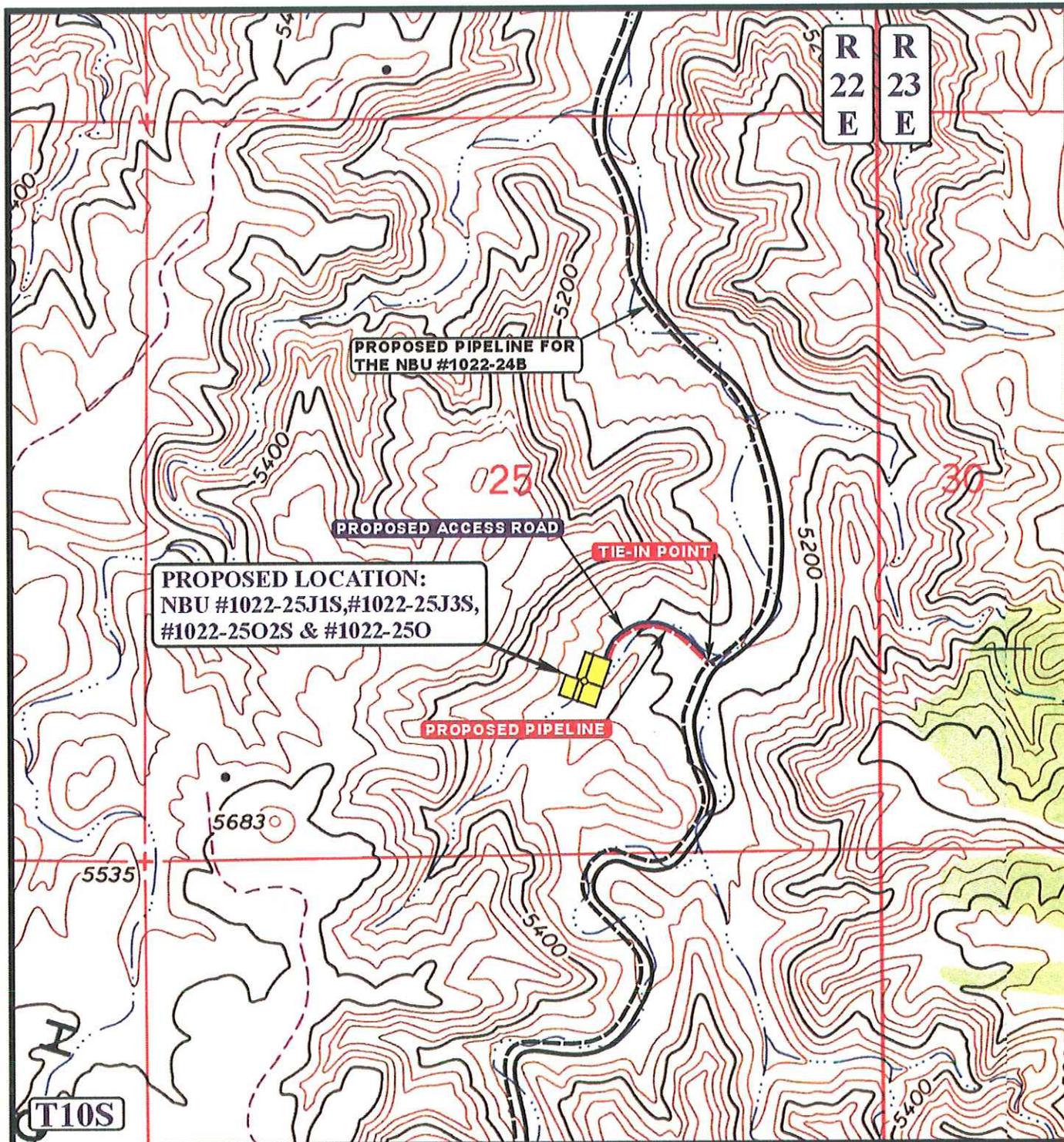
- ∅ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25J1S, #1022-25J3S, #1022-25O2S & #1022-25O
 SECTION 25, T10S, R22E, S.L.B.&M.
 SW 1/4 SE 1/4

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

TOPOGRAPHIC MAP 08 25 06
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: A.A. REV: 07-10-08J.J. **C TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 955" +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-25J1S, #1022-25J3S, #1022-25O2S & #1022-25O
SECTION 25, T10S, R22E, S.L.B.&M.
SW 1/4 SE 1/4



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



**TOPOGRAPHIC
MAP**

08 25 06
MONTH DAY YEAR

**D
TOPO**

SCALE: 1" = 1000' DRAWN BY: A.A. REV: 07-10-08J.J.



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

August 11, 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 1022-25J3S
T10S R22E
Section 25: SWSE/NWSE
Surface: 1311' FSL, 2108' FEL
Bottom Hole: 1740' FSL, 2000' FEL
Uintah County, Utah

Dear Mrs. Mason:

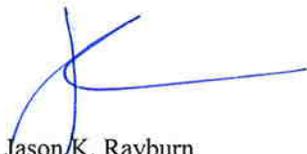
Pursuant to the filing of Kerr-McGee Oil & Gas Onshore LP's (Kerr-McGee) Application for Permit to Drill regarding the above referenced well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- Kerr-McGee's NBU 1022-25J3S is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

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

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP



Jason K. Rayburn
Landman

RECEIVED

AUG 13 2008

DIV. OF OIL, GAS & MINING

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)

September 2, 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)		
43-047-50074	NBU 1022-1N	Sec 01 T10S R22E 0487 FSL 1832 FWL
43-047-50075	NBU 1022-1I	Sec 01 T10S R22E 1877 FSL 1130 FEL
43-047-50076	NBU 1022-1J	Sec 01 T10S R22E 1333 FSL 2201 FEL
43-047-50077	NBU 922-29P	Sec 29 T09S R22E 1076 FSL 0755 FEL
43-047-50078	NBU 922-29P3DS	Sec 29 T09S R22E 1076 FSL 0775 FEL
	BHL	Sec 29 T09S R22E 0256 FSL 0672 FEL
43-047-50079	NBU 922-29P1BS	Sec 29 T09S R22E 1078 FSL 0715 FEL
	BHL	Sec 29 T09S R22E 1267 FSL 0653 FEL
43-047-50073	NBU 922-29P1CS	Sec 29 T09S R22E 1077 FSL 0735 FEL
	BHL	Sec 29 T09S R22E 0927 FSL 0646 FEL
43-047-50072	NBU 921-16J3S	Sec 16 T09S R21E 2136 FSL 0824 FWL
	BHL	Sec 16 T09S R21E 1749 FSL 2595 FEL
43-047-50071	NBU 1022-25O2S	Sec 25 T10S R22E 1255 FSL 2128 FEL
	BHL	Sec 25 T10S R22E 0780 FSL 2080 FEL
43-047-50070	NBU 1022-25J3S	Sec 25 T10S R22E 1311 FSL 2108 FEL
	BHL	Sec 25 T10S R22E 1740 FSL 2000 FEL
43-047-50069	NBU 1022-25J1S	Sec 25 T10S R22E 1293 FSL 2115 FEL
	BHL	Sec 25 T10S R22E 2225 FSL 1940 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:9-2-08

Application for Permit to Drill Statement of Basis

2/2/2009

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
925	43047500700000	LOCKED	GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.		Surface Owner-APD		
Well Name	NBU 1022-25J3S		Unit	NATURAL BUTTES	
Field	NATURAL BUTTES		Type of Work	DRILL	
Location	SWSE 25 10S 22E S 1311 FSL 2108 FEL GPS Coord (UTM)			637976E	4419495N

Geologic Statement of Basis

Kerr McGee proposes to set 1,550' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,200'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 36. The surface formation at this site is the Uinta Formation-Green River Formation transition. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The Green River Formation is made up of interbedded sandstones, limestones and shales. Fresh water aquifers can be found in the upper portion of the Green River Formation and should be protected. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

9/3/2008
Date / Time

Surface Statement of Basis

The location is approximately 19 miles southerly of Bonanza Ut, and approximately 67 miles southwest of Vernal, UT. Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. Major drainages are usually broad with somewhat gentle alluvial washes, which are dry except for spring runoff and sometimes-intense summer rainstorms. The Bitter Creek drainage is to the west and West Fork of Asphalt Wash to the east. They both run northerly about 2 miles where they meet the White River.

The location has been approved for the STATE 1022-25O. Three additional directional wells are planned to be drilled from this location with no changes to the pad. The location is in a basin of a secondary draw. The basin slopes moderately to the west but drains to the northwest out of the basin toward a main draw. Steep sloped near vertical hills with layered sandstone bedrock outcrops border the draw on the south and west. Three small drainages intersect the location. Two will be diverted around the ends of the pad. 0.2 miles of new road will be constructed joining a road planned to the NBU 1022-24B well.

The surface and minerals of the site are both owned by SITLA. Mr. Jim Davis of SITLA was invited to the pre-site but bad weather prevented him from attending. The location appears to be suitable site for drilling and operating the wells as proposed.

Ben Williams represented the Utah Division of Wildlife Resources. He stated that no wildlife values would be significantly affected by drilling a well at this location. He provided Mr. Estes with a summary of his wildlife evaluations and a UDWR recommended seed mix to use when re-vegetating the site.

Floyd Bartlett
Onsite Evaluator

11/28/2006
Date / Time

Application for Permit to Drill Statement of Basis

2/2/2009

Utah Division of Oil, Gas and Mining

Page 2

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.
Well Name NBU 1022-25J3S
API Number 43-047-50070-0 **APD No** 925 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SWSE **Sec** 25 **Tw** 10S **Rng** 22E 1311 FSL 2108 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Floyd Bartlett (DOGM), Ben Williams (Utah Division of Wildlife Resources), Carroll Estes (Kerr McGee), David Kay (UELS).

Regional/Local Setting & Topography

The location is approximately 19 miles southerly of Bonanza Ut, and approximately 67 miles southwest of Vernal, UT. Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. Major drainages are usually broad with somewhat gentle alluvial washes, which are dry except for spring runoff and sometimes-intense summer rainstorms. The Bitter Creek drainage is to the west and West Fork of Asphalt Wash to the east. They both run northerly about 2 miles where they meet the White River.

The location has been approved for the STATE 1022-250. Three additional directional wells are planned to be drilled from this location with no changes to the pad. The location is in a basin of a secondary draw. The basin slopes moderately to the west but drains to the northwest out of the basin toward a main draw. Steep sloped near vertical hills with layered sandstone bedrock outcrops border the draw on the south and west. Three small drainages intersect the location. Two will be diverted around the ends of the pad. 0.2 miles of new road will be constructed joining a road planned to the NBU 1022-24B well.

The surface and minerals of the site are both owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing
 Recreational
 Wildlife Habitat

New Road

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

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Big sagebrush, shadscale and Indian ricegrass

Deer, antelope, coyote, rabbits and small mammals and birds. Sheep graze during the winter.

Soil Type and Characteristics

Rocky sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Three small drainages intersect the location. Two will be diverted around the ends of the pad.

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

Site-Specific Factors

Site Ranking

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

Final Score 35 1 **Sensitivity Level**

Characteristics / Requirements

150' by 70' and 10' deep. The reserve pit is all within cut on the south west side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

A pit liner is required. Kerr McGee lines all pits with a 20 mil liner and a felt sub-liner.

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

Other Observations / Comments

Floyd Bartlett
Evaluator

11/28/2006
Date / Time



Weatherford[®]

Drilling Services

Proposal



NBU 1022-25J3S

UINTAH COUNTY, UTAH

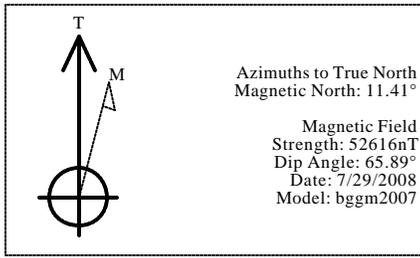
WELL FILE: **PLAN 1**

JULY 29, 2008

Weatherford International, Ltd.

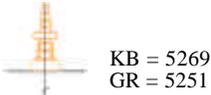
2000 Oil Drive
Casper, Wyoming
+1.307.265.1413 Main
+1.307.235.3958 Fax
www.weatherford.com

ANADARKO KERR MCGEE OIL & GAS
 NBU1022-25J3S
 Uintah County, Utah



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	13.78	0.00	0.00	0.00	0.00	0.00	0.00	
2	1610.00	0.00	13.78	1610.00	0.00	0.00	0.00	0.00	0.00	
3	2194.36	14.61	13.78	2188.05	71.96	17.64	2.50	13.78	74.10	
4	3162.19	14.61	13.78	3124.58	309.05	75.77	0.00	0.00	318.20	
5	4136.12	0.00	13.78	4088.00	428.99	105.18	1.50	180.00	441.70	
6	7748.12	0.00	13.78	7700.00	428.99	105.18	0.00	0.00	441.70	PBHL 25J3S

WELL DETAILS							
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
NBU 1022-25J3S	56.66	19.48	583530.45	2592965.24	39°54'58.320N	109°23'08.620W	N/A



FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	525.00	525.00	Green River
2	3588.00	3634.68	Wasatch
3	5664.00	5712.12	Mesaverde

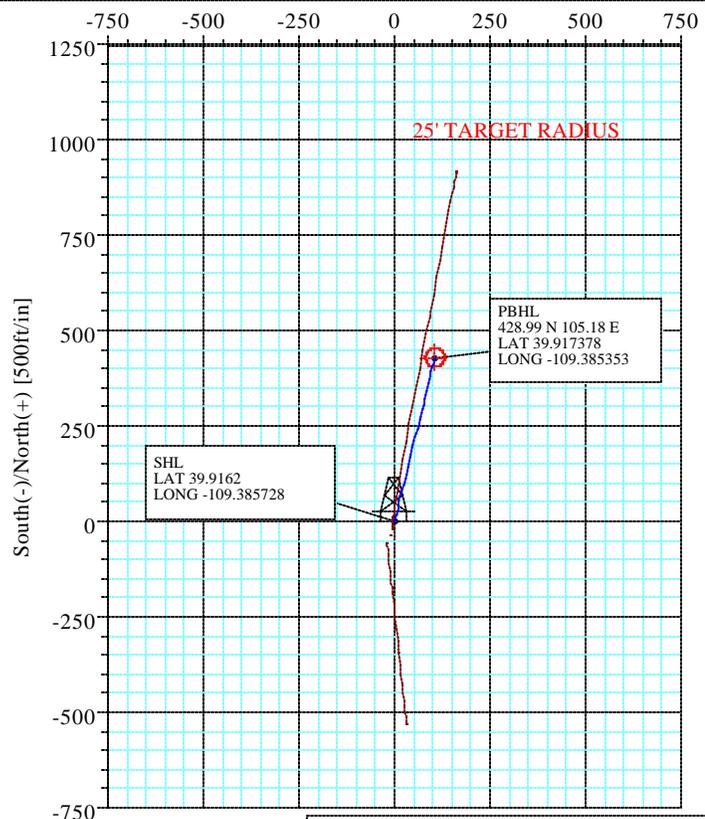
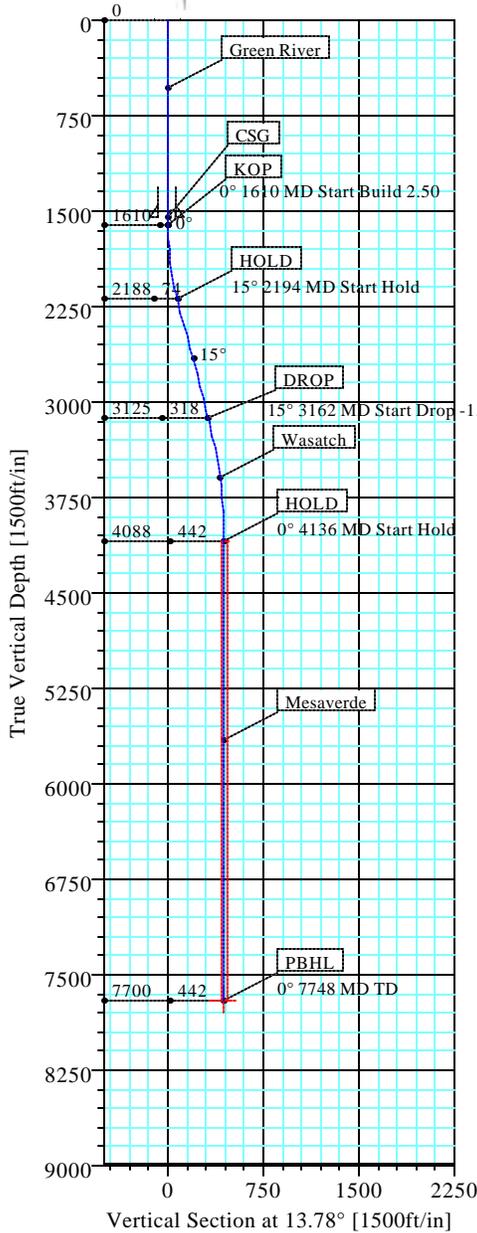
FIELD DETAILS	
UINTAH COUNTY, UTAH (NAD 27)	
Geodetic System:	US State Plane Coordinate System 1927
Ellipsoid:	NAD27 (Clarke 1866)
Zone:	Utah, Central Zone
Magnetic Model:	bggm2007
System Datum:	Mean Sea Level
Local North:	True North

CASING DETAILS				
No.	TVD	MD	Name	Size
1	1550.00	1550.00	CSG	0.00

LEGEND	
	NBU 1022-25J1S (1)
	NBU 1022-25O (1)
	NBU 1022-25O2S (1)
	Plan #1

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
PBHL 25J3S	7700.00	428.99	105.18	39°55'02.560N	109°23'07.270W	Circle (Radius: 25)

West(-)/East(+) [500ft/in]





Weatherford WELL PLAN REPORT



Company: Anadarko-Kerr-McGee	Date: 7/29/2008	Time: 14:19:56	Page: 1
Field: UINTAH COUNTY, UTAH (NAD 27)	Co-ordinate(NE) Reference: Well: NBU 1022-25J3S, True North		
Site: 1022-250 PAD	Vertical (TVD) Reference: SITE 5269.0		
Well: NBU 1022-25J3S	Section (VS) Reference: Well (0.00N,0.00E,13.78Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Plan: Plan #1	Date Composed: 7/29/2008	Version: 1	Tied-to: From Surface
Principal: Yes			

Field: UINTAH COUNTY, UTAH (NAD 27)	
Map System: US State Plane Coordinate System 1927	Map Zone: Utah, Central Zone
Geo Datum: NAD27 (Clarke 1866)	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: bggm2007

Site: 1022-250 PAD		
Site Position:	Northing: 583473.34 ft	Latitude: 39 54 57.760 N
From: Geographic	Easting: 2592947.11 ft	Longitude: 109 23 8.870 W
Position Uncertainty: 0.00 ft		North Reference: True
Ground Level: 5251.00 ft		Grid Convergence: 1.35 deg

Well: NBU 1022-25J3S	Slot Name:
Well Position:	Latitude: 39 54 58.320 N
Position Uncertainty: 0.00 ft	Longitude: 109 23 8.620 W
+N/-S 56.66 ft	Northing: 583530.45 ft
+E/-W 19.48 ft	Easting : 2592965.24 ft

Wellpath: 1	Drilled From: Surface
Current Datum: SITE	Tie-on Depth: 0.00 ft
Magnetic Data: 7/29/2008	Above System Datum: Mean Sea Level
Field Strength: 52616 nT	Declination: 11.41 deg
Vertical Section:	Mag Dip Angle: 65.89 deg
Depth From (TVD)	Direction
ft	deg
0.00	13.78
0.00	0.00
0.00	0.00
0.00	13.78

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	13.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1610.00	0.00	13.78	1610.00	0.00	0.00	0.00	0.00	0.00	0.00	
2194.36	14.61	13.78	2188.05	71.96	17.64	2.50	2.50	0.00	13.78	
3162.19	14.61	13.78	3124.58	309.05	75.77	0.00	0.00	0.00	0.00	
4136.12	0.00	13.78	4088.00	428.99	105.18	1.50	-1.50	0.00	180.00	
7748.12	0.00	13.78	7700.00	428.99	105.18	0.00	0.00	0.00	0.00	PBHL 25J3S

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Comment
1600.00	0.00	13.78	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	
1610.00	0.00	13.78	1610.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP
1700.00	2.25	13.78	1699.98	1.72	0.42	1.77	2.50	2.50	0.00	
1800.00	4.75	13.78	1799.78	7.64	1.87	7.87	2.50	2.50	0.00	
1900.00	7.25	13.78	1899.23	17.80	4.36	18.32	2.50	2.50	0.00	
2000.00	9.75	13.78	1998.12	32.15	7.88	33.10	2.50	2.50	0.00	
2100.00	12.25	13.78	2096.28	50.68	12.43	52.18	2.50	2.50	0.00	
2194.36	14.61	13.78	2188.05	71.96	17.64	74.10	2.50	2.50	0.00	HOLD
2200.00	14.61	13.78	2193.51	73.35	17.98	75.52	0.00	0.00	0.00	
2300.00	14.61	13.78	2290.27	97.84	23.99	100.74	0.00	0.00	0.00	
2400.00	14.61	13.78	2387.04	122.34	29.99	125.96	0.00	0.00	0.00	
2500.00	14.61	13.78	2483.81	146.84	36.00	151.18	0.00	0.00	0.00	
2600.00	14.61	13.78	2580.57	171.33	42.01	176.41	0.00	0.00	0.00	
2700.00	14.61	13.78	2677.34	195.83	48.01	201.63	0.00	0.00	0.00	
2800.00	14.61	13.78	2774.11	220.33	54.02	226.85	0.00	0.00	0.00	



Weatherford WELL PLAN REPORT



Company: Anadarko-Kerr-McGee	Date: 7/29/2008	Time: 14:19:56	Page: 2
Field: UINTAH COUNTY, UTAH (NAD 27)	Co-ordinate(NE) Reference: Well: NBU 1022-25J3S, True North		
Site: 1022-250 PAD	Vertical (TVD) Reference: SITE 5269.0		
Well: NBU 1022-25J3S	Section (VS) Reference: Well (0.00N,0.00E,13.78Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Comment
2900.00	14.61	13.78	2870.88	244.82	60.02	252.07	0.00	0.00	0.00	
3000.00	14.61	13.78	2967.64	269.32	66.03	277.30	0.00	0.00	0.00	
3100.00	14.61	13.78	3064.41	293.82	72.04	302.52	0.00	0.00	0.00	
3162.19	14.61	13.78	3124.58	309.05	75.77	318.20	0.00	0.00	0.00	DROP
3200.00	14.04	13.78	3161.22	318.14	78.00	327.56	1.50	-1.50	0.00	
3300.00	12.54	13.78	3258.54	340.47	83.47	350.55	1.50	-1.50	0.00	
3400.00	11.04	13.78	3356.43	360.31	88.34	370.98	1.50	-1.50	0.00	
3500.00	9.54	13.78	3454.82	377.66	92.59	388.85	1.50	-1.50	0.00	
3600.00	8.04	13.78	3553.64	392.51	96.23	404.13	1.50	-1.50	0.00	
3634.68	7.52	13.78	3588.00	397.07	97.35	408.83	1.50	-1.50	0.00	Wasatch
3700.00	6.54	13.78	3652.83	404.84	99.26	416.83	1.50	-1.50	0.00	
3800.00	5.04	13.78	3752.31	414.64	101.66	426.92	1.50	-1.50	0.00	
3900.00	3.54	13.78	3852.03	421.90	103.44	434.40	1.50	-1.50	0.00	
4000.00	2.04	13.78	3951.91	426.64	104.60	439.27	1.50	-1.50	0.00	
4100.00	0.54	13.78	4051.88	428.82	105.14	441.53	1.50	-1.50	0.00	
4136.12	0.00	13.78	4088.00	428.99	105.18	441.70	1.50	-1.50	0.00	HOLD
4200.00	0.00	13.78	4151.88	428.99	105.18	441.70	0.00	0.00	0.00	
4300.00	0.00	13.78	4251.88	428.99	105.18	441.70	0.00	0.00	0.00	
4400.00	0.00	13.78	4351.88	428.99	105.18	441.70	0.00	0.00	0.00	
4500.00	0.00	13.78	4451.88	428.99	105.18	441.70	0.00	0.00	0.00	
4600.00	0.00	13.78	4551.88	428.99	105.18	441.70	0.00	0.00	0.00	
4700.00	0.00	13.78	4651.88	428.99	105.18	441.70	0.00	0.00	0.00	
4800.00	0.00	13.78	4751.88	428.99	105.18	441.70	0.00	0.00	0.00	
4900.00	0.00	13.78	4851.88	428.99	105.18	441.70	0.00	0.00	0.00	
5000.00	0.00	13.78	4951.88	428.99	105.18	441.70	0.00	0.00	0.00	
5100.00	0.00	13.78	5051.88	428.99	105.18	441.70	0.00	0.00	0.00	
5200.00	0.00	13.78	5151.88	428.99	105.18	441.70	0.00	0.00	0.00	
5300.00	0.00	13.78	5251.88	428.99	105.18	441.70	0.00	0.00	0.00	
5400.00	0.00	13.78	5351.88	428.99	105.18	441.70	0.00	0.00	0.00	
5500.00	0.00	13.78	5451.88	428.99	105.18	441.70	0.00	0.00	0.00	
5600.00	0.00	13.78	5551.88	428.99	105.18	441.70	0.00	0.00	0.00	
5700.00	0.00	13.78	5651.88	428.99	105.18	441.70	0.00	0.00	0.00	
5712.12	0.00	13.78	5664.00	428.99	105.18	441.70	0.00	0.00	0.00	Mesaverde
5800.00	0.00	13.78	5751.88	428.99	105.18	441.70	0.00	0.00	0.00	
5900.00	0.00	13.78	5851.88	428.99	105.18	441.70	0.00	0.00	0.00	
6000.00	0.00	13.78	5951.88	428.99	105.18	441.70	0.00	0.00	0.00	
6100.00	0.00	13.78	6051.88	428.99	105.18	441.70	0.00	0.00	0.00	
6200.00	0.00	13.78	6151.88	428.99	105.18	441.70	0.00	0.00	0.00	
6300.00	0.00	13.78	6251.88	428.99	105.18	441.70	0.00	0.00	0.00	
6400.00	0.00	13.78	6351.88	428.99	105.18	441.70	0.00	0.00	0.00	
6500.00	0.00	13.78	6451.88	428.99	105.18	441.70	0.00	0.00	0.00	
6600.00	0.00	13.78	6551.88	428.99	105.18	441.70	0.00	0.00	0.00	
6700.00	0.00	13.78	6651.88	428.99	105.18	441.70	0.00	0.00	0.00	
6800.00	0.00	13.78	6751.88	428.99	105.18	441.70	0.00	0.00	0.00	
6900.00	0.00	13.78	6851.88	428.99	105.18	441.70	0.00	0.00	0.00	
7000.00	0.00	13.78	6951.88	428.99	105.18	441.70	0.00	0.00	0.00	
7100.00	0.00	13.78	7051.88	428.99	105.18	441.70	0.00	0.00	0.00	
7200.00	0.00	13.78	7151.88	428.99	105.18	441.70	0.00	0.00	0.00	
7300.00	0.00	13.78	7251.88	428.99	105.18	441.70	0.00	0.00	0.00	
7400.00	0.00	13.78	7351.88	428.99	105.18	441.70	0.00	0.00	0.00	
7500.00	0.00	13.78	7451.88	428.99	105.18	441.70	0.00	0.00	0.00	
7600.00	0.00	13.78	7551.88	428.99	105.18	441.70	0.00	0.00	0.00	
7700.00	0.00	13.78	7651.88	428.99	105.18	441.70	0.00	0.00	0.00	



Weatherford WELL PLAN REPORT



Company: Anadarko-Kerr-McGee	Date: 7/29/2008	Time: 14:19:56	Page: 3
Field: UINTAH COUNTY, UTAH (NAD 27)	Co-ordinate(NE) Reference: Well: NBU 1022-25J3S, True North		
Site: 1022-250 PAD	Vertical (TVD) Reference: SITE 5269.0		
Well: NBU 1022-25J3S	Section (VS) Reference: Well (0.00N,0.00E,13.78Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Comment
7748.12	0.00	13.78	7700.00	428.99	105.18	441.70	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip.	Dir.	TVD	+N/-S	+E/-W	Map	Map	<--- Latitude --->		<--- Longitude --->	
						Northing	Easting	Deg	Min	Sec	Deg

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
1550.00	1550.00	0.00	0.00	CSG

Annotation

MD ft	TVD ft	
1610.00	1610.00	KOP
2194.36	2188.05	HOLD
3162.19	3124.59	DROP
4136.12	4088.00	HOLD
7748.12	7700.00	PBHL

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
525.00	525.00	Green River		0.00	0.00
3634.68	3588.00	Wasatch		0.00	0.00
5712.12	5664.00	Mesaverde		0.00	0.00



Weatherford Anticollision Report



Company:	Anadarko-Kerr-McGee	Date:	7/29/2008	Time:	14:17:34	Page:	1
Field:	UINTAH COUNTY, UTAH (NAD 27)	Co-ordinate(NE) Reference:	Well: NBU 1022-25J3S, True North				
Reference Site:	1022-250 PAD	Vertical (TVD) Reference:	SITE 5269.0				
Reference Well:	NBU 1022-25J3S						
Reference Wellpath:	1	Db: Sybase					

NO GLOBAL SCAN: Using user defined selection & scan criteria	Reference: Plan: Plan #1
Interpolation Method: MD + Stations Interval: 100.00 ft	Error Model: ISCWSA Ellipse
Depth Range: 0.00 to 9376.38 ft	Scan Method: Closest Approach 3D
Maximum Radius: 10000.00 ft	Error Surface: Ellipse

Plan: Plan #1	Date Composed: 7/29/2008
Principal: Yes	Version: 1
	Tied-to: From Surface

Summary

	Offset Wellpath		Reference MD	Offset MD	Ctr-Ctr Distance	Edge Distance	Separation Factor	Warning
Site	Well	Wellpath	ft	ft	ft	ft		
1022-250 PAD	NBU 1022-25J1S	1 V0 Plan: Plan #1 V1	2600.00	2609.86	20.02	7.73	1.63	

Site: 1022-250 PAD
Well: NBU 1022-25J1S
Wellpath: 1 V0 Plan: Plan #1 V1
Inter-Site Error: 0.00 ft

	Reference MD		Offset MD		Semi-Major Axis			Offset Location		Ctr-Ctr Distance	Edge Distance	Separation Factor	Warning
	MD	TVD	MD	TVD	Ref	Offset	TFO-HS	North	East				
	ft	ft	ft	ft	ft	ft	deg	ft	ft	ft	ft		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	197.96	-19.22	-6.23	20.20			No Data
100.00	100.00	100.00	100.00	0.09	0.09	197.96	-19.22	-6.23	-6.23	20.20	20.03	117.65	
200.00	200.00	200.00	200.00	0.30	0.30	197.96	-19.22	-6.23	-6.23	20.20	19.61	34.21	
300.00	300.00	300.00	300.00	0.50	0.50	197.96	-19.22	-6.23	-6.23	20.20	19.19	20.01	
400.00	400.00	400.00	400.00	0.71	0.71	197.96	-19.22	-6.23	-6.23	20.20	18.78	14.15	
500.00	500.00	500.00	500.00	0.92	0.92	197.96	-19.22	-6.23	-6.23	20.20	18.36	10.94	
600.00	600.00	600.00	600.00	1.13	1.13	197.96	-19.22	-6.23	-6.23	20.20	17.94	8.92	
700.00	700.00	700.00	700.00	1.34	1.34	197.96	-19.22	-6.23	-6.23	20.20	17.52	7.52	
800.00	800.00	800.00	800.00	1.55	1.55	197.96	-19.22	-6.23	-6.23	20.20	17.10	6.51	
900.00	900.00	900.00	900.00	1.76	1.76	197.96	-19.22	-6.23	-6.23	20.20	16.68	5.74	
1000.00	1000.00	1000.00	1000.00	1.97	1.97	197.96	-19.22	-6.23	-6.23	20.20	16.26	5.13	
1100.00	1100.00	1100.00	1100.00	2.18	2.18	197.96	-19.22	-6.23	-6.23	20.20	15.84	4.63	
1200.00	1200.00	1200.00	1200.00	2.39	2.39	197.96	-19.22	-6.23	-6.23	20.20	15.43	4.23	
1300.00	1300.00	1300.00	1300.00	2.60	2.60	197.96	-19.22	-6.23	-6.23	20.20	15.01	3.89	
1400.00	1400.00	1400.00	1400.00	2.81	2.81	197.96	-19.22	-6.23	-6.23	20.20	14.59	3.60	
1500.00	1500.00	1500.00	1500.00	3.02	3.02	197.96	-19.22	-6.23	-6.23	20.20	14.17	3.35	
1600.00	1600.00	1600.00	1600.00	3.23	3.23	197.96	-19.22	-6.23	-6.23	20.20	13.75	3.13	
1610.00	1610.00	1610.00	1610.00	3.25	3.25	197.96	-19.22	-6.23	-6.23	20.20	13.71	3.11	
1700.00	1699.98	1700.63	1700.61	3.44	3.44	184.65	-17.79	-6.08	-6.08	20.57	13.70	2.99	
1800.00	1799.78	1801.34	1801.20	3.65	3.65	186.14	-12.87	-5.56	-5.56	21.86	14.58	3.00	
1900.00	1899.23	1902.09	1901.58	3.87	3.87	188.32	-4.42	-4.67	-4.67	24.10	16.42	3.14	
2000.00	1998.12	2002.50	2001.32	4.11	4.10	190.58	7.17	-3.46	-3.46	27.62	19.54	3.42	
2100.00	2096.28	2103.67	2101.48	4.38	4.35	191.84	21.21	-1.79	-1.79	33.14	24.66	3.91	
2194.36	2188.05	2199.64	2195.70	4.68	4.61	193.21	39.23	0.78	0.78	37.61	28.76	4.25	
2200.00	2193.51	2205.39	2201.31	4.70	4.63	193.29	40.46	0.97	0.97	37.85	28.98	4.27	
2300.00	2290.27	2307.35	2300.20	5.05	4.96	195.89	64.94	4.83	4.83	39.35	30.02	4.22	
2400.00	2387.04	2409.13	2397.45	5.43	5.36	201.24	94.50	9.78	9.78	35.95	26.10	3.65	
2500.00	2483.81	2510.15	2492.27	5.83	5.83	212.91	128.80	15.75	15.75	28.41	17.78	2.67	
2600.00	2580.57	2609.86	2583.93	6.24	6.38	243.30	167.42	22.66	22.66	20.02	7.73	1.63	
2700.00	2677.34	2707.76	2671.81	6.67	7.01	297.23	209.84	30.42	30.42	23.16	10.11	1.77	
2800.00	2774.11	2803.70	2755.71	7.11	7.72	326.08	255.57	38.92	38.92	42.53	30.14	3.43	
2900.00	2870.88	2900.09	2839.19	7.56	8.48	336.71	302.95	47.77	47.77	67.33	54.81	5.38	
3000.00	2967.64	2996.49	2922.66	8.02	9.27	341.57	350.33	56.63	56.63	93.13	80.21	7.21	
3100.00	3064.41	3092.88	3006.14	8.48	10.08	344.32	397.70	65.48	65.48	119.29	105.87	8.89	
3162.19	3124.58	3152.82	3058.06	8.77	10.59	345.49	427.17	70.98	70.98	135.65	121.89	9.86	
3200.00	3161.22	3189.22	3089.58	8.87	10.90	346.06	445.06	74.32	74.32	145.79	131.89	10.48	



Weatherford Anticollision Report



Company:	Anadarko-Kerr-McGee	Date:	7/29/2008	Time:	14:17:34	Page:	2
Field:	UINTAH COUNTY, UTAH (NAD 27)	Co-ordinate(NE) Reference:	Well: NBU 1022-25J3S, True North				
Reference Site:	1022-250 PAD	Vertical (TVD) Reference:	SITE 5269.0				
Reference Well:	NBU 1022-25J3S						
Reference Wellpath:	1	Db: Sybase					

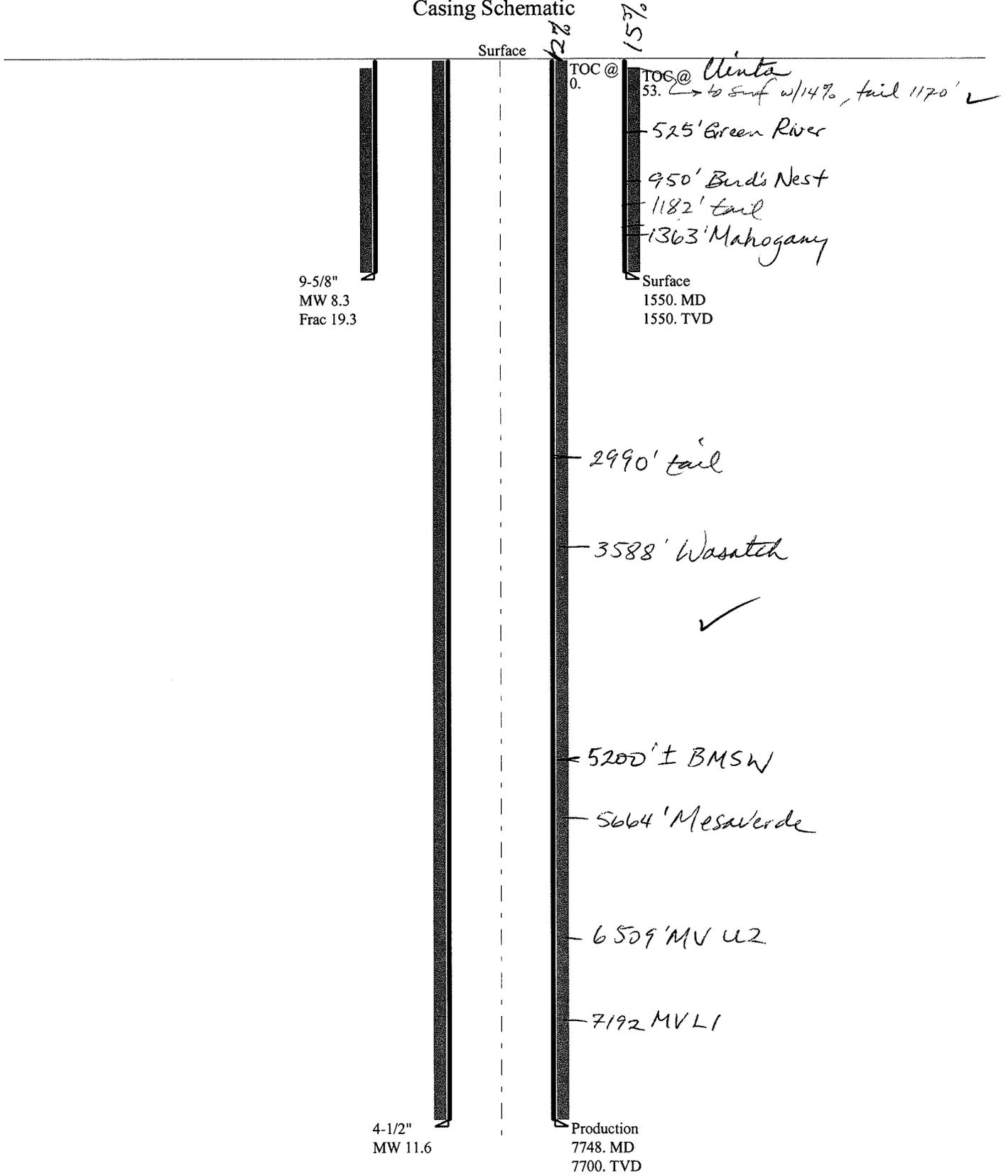
Site: 1022-250 PAD
Well: NBU 1022-25J1S
Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference		Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance	Edge Distance	Separation Factor	Warning
MD	TVD	MD	TVD	Ref	Offset	TFO-HS	North	East				
ft	ft	ft	ft	ft	ft	deg	ft	ft	ft	ft		
3300.00	3258.54	3284.98	3172.51	8.95	11.74	347.34	492.12	83.12	174.36	160.27	12.37	
3400.00	3356.43	3380.18	3254.95	9.03	12.57	348.40	538.91	91.86	205.44	191.17	14.39	
3500.00	3454.82	3482.79	3344.77	9.09	13.09	349.29	587.67	100.97	237.24	223.00	16.66	
3600.00	3553.64	3586.99	3437.73	9.14	13.59	349.97	633.92	109.61	268.12	253.97	18.94	
3700.00	3652.83	3692.76	3533.79	9.17	14.08	350.51	677.44	117.74	298.03	283.96	21.18	
3800.00	3752.31	3800.13	3632.90	9.18	14.56	350.96	718.01	125.32	326.89	312.92	23.41	
3900.00	3852.03	3909.08	3734.98	9.16	15.02	351.34	755.42	132.31	354.64	340.81	25.64	
4000.00	3951.91	4019.60	3839.93	9.11	15.45	351.67	789.45	138.66	381.23	367.55	27.88	
4100.00	4051.88	4131.67	3947.64	9.03	15.83	351.97	819.86	144.34	406.59	393.11	30.16	
4136.12	4088.00	4172.52	3987.19	8.99	15.96	5.85	829.92	146.22	415.44	402.08	31.09	
4200.00	4151.88	4245.40	4058.09	8.99	16.17	6.03	846.47	149.31	430.16	416.82	32.24	
4300.00	4251.88	4361.13	4171.50	9.10	16.46	6.27	869.10	153.54	450.00	436.54	33.44	
4400.00	4351.88	4478.59	4287.47	9.21	16.69	6.45	887.45	156.97	465.85	452.30	34.39	
4500.00	4451.88	4597.42	4405.45	9.33	16.85	6.57	901.24	159.55	477.63	464.03	35.11	
4600.00	4551.88	4717.22	4524.89	9.45	16.93	6.64	910.26	161.23	485.27	471.65	35.63	
4700.00	4651.88	4837.58	4645.17	9.57	16.94	6.68	914.37	162.00	488.74	474.83	35.15	
4800.00	4751.88	4944.29	4751.88	9.69	16.95	6.68	914.64	162.05	488.97	475.20	35.52	
4900.00	4851.88	5044.29	4851.88	9.82	17.00	6.68	914.64	162.05	488.97	474.90	34.77	
5000.00	4951.88	5144.29	4951.88	9.95	17.05	6.68	914.64	162.05	488.97	474.60	34.04	
5100.00	5051.88	5244.29	5051.88	10.08	17.11	6.68	914.64	162.05	488.97	474.29	33.33	
5200.00	5151.88	5344.29	5151.88	10.21	17.16	6.68	914.64	162.05	488.97	473.98	32.63	
5300.00	5251.88	5444.29	5251.88	10.35	17.22	6.68	914.64	162.05	488.97	473.66	31.96	
5400.00	5351.88	5544.29	5351.88	10.49	17.28	6.68	914.64	162.05	488.97	473.34	31.30	
5500.00	5451.88	5644.29	5451.88	10.63	17.35	6.68	914.64	162.05	488.97	473.02	30.66	
5600.00	5551.88	5744.29	5551.88	10.78	17.41	6.68	914.64	162.05	488.97	472.69	30.04	
5700.00	5651.88	5844.29	5651.88	10.92	17.48	6.68	914.64	162.05	488.97	472.35	29.43	
5800.00	5751.88	5944.29	5751.88	11.07	17.55	6.68	914.64	162.05	488.97	472.01	28.85	
5900.00	5851.88	6044.29	5851.88	11.22	17.62	6.68	914.64	162.05	488.97	471.67	28.28	
6000.00	5951.88	6144.29	5951.88	11.37	17.70	6.68	914.64	162.05	488.97	471.33	27.72	
6100.00	6051.88	6244.29	6051.88	11.53	17.78	6.68	914.64	162.05	488.97	470.98	27.19	
6200.00	6151.88	6344.29	6151.88	11.68	17.86	6.68	914.64	162.05	488.97	470.63	26.67	
6300.00	6251.88	6444.29	6251.88	11.84	17.94	6.68	914.64	162.05	488.97	470.28	26.17	
6400.00	6351.88	6544.29	6351.88	12.00	18.02	6.68	914.64	162.05	488.97	469.92	25.68	
6500.00	6451.88	6644.29	6451.88	12.16	18.11	6.68	914.64	162.05	488.97	469.56	25.20	
6600.00	6551.88	6744.29	6551.88	12.32	18.19	6.68	914.64	162.05	488.97	469.20	24.74	
6700.00	6651.88	6844.29	6651.88	12.48	18.28	6.68	914.64	162.05	488.97	468.84	24.30	
6800.00	6751.88	6944.29	6751.88	12.65	18.38	6.68	914.64	162.05	488.97	468.48	23.87	
6900.00	6851.88	7044.29	6851.88	12.81	18.47	6.68	914.64	162.05	488.97	468.11	23.45	
7000.00	6951.88	7144.29	6951.88	12.98	18.56	6.68	914.64	162.05	488.97	467.74	23.04	
7100.00	7051.88	7244.29	7051.88	13.15	18.66	6.68	914.64	162.05	488.97	467.37	22.64	
7200.00	7151.88	7344.29	7151.88	13.32	18.76	6.68	914.64	162.05	488.97	467.00	22.26	
7300.00	7251.88	7444.29	7251.88	13.49	18.86	6.68	914.64	162.05	488.97	466.63	21.89	
7400.00	7351.88	7544.29	7351.88	13.66	18.96	6.68	914.64	162.05	488.97	466.25	21.53	
7500.00	7451.88	7644.29	7451.88	13.84	19.07	6.68	914.64	162.05	488.97	465.87	21.18	
7600.00	7551.88	7744.29	7551.88	14.01	19.17	6.68	914.64	162.05	488.97	465.50	20.83	
7700.00	7651.88	7844.29	7651.88	14.18	19.28	6.68	914.64	162.05	488.97	465.12	20.50	
7748.12	7700.00	7892.41	7700.00	14.27	19.33	6.68	914.64	162.05	488.97	464.93	20.35	

43047500700000 NBU 1022-25J3S

Casing Schematic



Well name:	43047500700000 NBU 1022-25J3S		
Operator:	Kerr McGee Oil & Gas Onshore L.P.		
String type:	Surface	Project ID:	43-047-50070-0000
Location:	Uintah County, Utah		

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 97 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,300 ft

Cement top: 53 ft

Burst

Max anticipated surface pressure: 1,364 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,550 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
Neutral point: 1,359 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,700 ft
Next mud weight: 11.500 ppg
Next setting BHP: 4,600 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,550 ft
Injection pressure: 1,550 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1550	9.625	36.00	J-55	LT&C	1550	1550	8.796	672.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	671	2020	3.012	1550	3520	2.27	49	453	9.26 J

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

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

Date: September 22, 2008
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1550 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	43047500700000 NBU 1022-25J3S		
Operator:	Kerr McGee Oil & Gas Onshore L.P.		
String type:	Production	Project ID:	43-047-50070-0000
Location:	Uintah County, Utah		

Design parameters:

Collapse

Mud weight: 11.600 ppg
 Internal fluid density: 2.300 ppg

Minimum design factors:

Collapse:

Design factor 1.125

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 183 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Burst:

Design factor 1.00

Cement top: Surface

Burst

Max anticipated surface pressure: 2,946 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 4,640 psi

No backup mud specified.

Tension:

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

Directional Info - Build & Drop

Kick-off point 1610 ft
 Departure at shoe: 442 ft
 Maximum dogleg: 2.5 °/100ft
 Inclination at shoe: 0 °

Tension is based on buoyed weight.
 Neutral point: 6,413 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7748	4.5	11.60	I-80	LT&C	7700	7748	3.875	676.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3720	6360	1.710	4640	7780	1.68	74	212	2.87 J

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

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

Date: September 22, 2008
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7700 ft, a mud weight of 11.6 ppg. An internal gradient of .119 psi/ft was used for collapse from TD. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

BOPE REVIEW Kerr-McGee NBU 1022-25J3S API 43-047-50070-0000

INPUT

Well Name	Kerr-McGee NBU 1022-25J3S API 43-047-50070-0000	
Casing Size (")	String 1	String 2
Setting Depth (TVD)	9 5/8	4 1/2
Previous Shoe Setting Depth (TVD)	1550	7700
Max Mud Weight (ppg)	20	1550
BOPE Proposed (psi)	8.4	11.6 ✓ <i>ok</i>
Casing Internal Yield (psi)	5000	5000
Operators Max Anticipated Pressure (psi)	3520	7780
	4774	11.9 ppg ✓

Calculations

Max BHP [psi]	String 1	String 2
	.052*Setting Depth*MW =	9 5/8 " 677
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	491
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	336
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	340
Required Casing/BOPE Test Pressure		1550 psi
*Max Pressure Allowed @ Previous Casing Shoe =		20 psi

BOPE Adequate For Drilling And Setting Casing at Depth? YES ✓
Air Drill to surface shoe with diverter

*Can Full Expected Pressure Be Held At Previous Shoe? NO *Pressure Die Back - No Expected Pressure*

*Assumes 1psi/ft frac gradient

Calculations

Max BHP [psi]	String 2	String 1
	.052*Setting Depth*MW =	4 1/2 " 4645
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3721
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2951
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	3292
Required Casing/BOPE Test Pressure		5000 psi
*Max Pressure Allowed @ Previous Casing Shoe =		1550 psi

BOPE Adequate For Drilling And Setting Casing at Depth? YES ✓

*Can Full Expected Pressure Be Held At Previous Shoe? NO *Pressure Die Back*

*Assumes 1psi/ft frac gradient

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

CC: Garrison, LaVonne; Raleen.White@anadarko.com

The following wells have been approved by SITLA including arch and paleo clearance.

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

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

No COA's:

NBU 1022-24G2S 4304740140
NBU 1022-24G3S 4304740142
NBU 1022-2411S 4304740141

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

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

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

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.
Well Name NBU 1022-25J3S
API Number 43047500700000 **APD No** 925 **Field/Unit** NATURAL BUTTES
Location: 1/4,1/4 SWSE **Sec** 25 **Tw** 10.0S **Rng** 22.0E 1311 FSL 2108 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Floyd Bartlett (DOGM), Ben Williams (Utah Division of Wildlife Resources), Carroll Estes (Kerr McGee), David Kay (UELS).

Regional/Local Setting & Topography

The location is approximately 19 miles southerly of Bonanza Ut, and approximately 67 miles southwest of Vernal, UT. Topography in the general area is broad canyon bottoms separated by steep and often ledgey side-slopes, which top out onto broad ridge tops. Frequent outwash plains and deposits occur along the sides of the major bottoms. Major drainages are usually broad with somewhat gentle alluvial washes, which are dry except for spring runoff and sometimes-intense summer rainstorms. The Bitter Creek drainage is to the west and West Fork of Asphalt Wash to the east. They both run northerly about 2 miles where they meet the White River.

The location has been approved for the STATE 1022-250. Three additional directional wells are planned to be drilled from this location with no changes to the pad. The location is in a basin of a secondary draw. The basin slopes moderately to the west but drains to the northwest out of the basin toward a main draw. Steep sloped near vertical hills with layered sandstone bedrock outcrops border the draw on the south and west. Three small drainages intersect the location. Two will be diverted around the ends of the pad. 0.2 miles of new road will be constructed joining a road planned to the NBU 1022-24B well.

The surface and minerals of the site are both owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing
 Recreational
 Wildlife Habitat

New Road Miles	Well Pad	Src Const Material	Surface Formation
0.2	Width 278 Length 350	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Big sagebrush, shadscale and Indian ricegrass

Deer, antelope, coyote, rabbits and small mammals and birds. Sheep graze during the winter.

Soil Type and Characteristics

Rocky sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required? Y

Three small drainages intersect the location. Two will be diverted around the ends of the pad.

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0	
Distance to Surface Water (feet)	>1000	0	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)		20	
Native Soil Type	Mod permeability	10	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)		0	
Affected Populations			
Presence Nearby Utility Conduits	Not Present	0	
	Final Score	35	1 Sensitivity Level

Characteristics / Requirements

150' by 70' and 10' deep. The reserve pit is all within cut on the south west side of the location. A 15' wide bench is planned around the outer edges and 2' of freeboard.

A pit liner is required. Kerr McGee lines all pits with a 20 mil liner and a felt sub-liner.

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

Other Observations / Comments

Floyd Bartlett
Evaluator

11/28/2006
Date / Time

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 8/12/2008

API NO. ASSIGNED: 43047500700000

WELL NAME: NBU 1022-25J3S

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)

PHONE NUMBER: 720 929-6226

CONTACT: Kevin McIntyre

PROPOSED LOCATION: SWSE 25 100S 220E

Permit Tech Review:

SURFACE: 1311 FSL 2108 FEL

Engineering Review:

BOTTOM: 1740 FSL 2000 FEL

Geology Review:

COUNTY: UINTAH

LATITUDE: 39.91621

LONGITUDE: -109.38564

UTM SURF EASTINGS: 637976.00

NORTHINGS: 4419495.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 3 - State

LEASE NUMBER: ST ML 22447

PROPOSED FORMATION: WSMVD

SURFACE OWNER: 3 - State

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT**
- Bond:** STATE/FEE - 22013542
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** Water permit # 43-8496
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

LOCATION AND SITING:

- R649-2-3.**
 - Unit:**
 - R649-3-2. General**
 - R649-3-3. Exception**
 - Drilling Unit**
 - Board Cause No:** CAUSE: 173-14
 - Effective Date:** 12/2/1999
 - Siting:** 460' fr u bdry & uncomm. tract
 - R649-3-11. Directional Drill**
-

Comments: Presite Completed

Stipulations: 5 - Statement of Basis - bhill
17 - Oil Shale 190-5(b) - dmason
25 - Surface Casing - hmadonald



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

Permit To Drill

Well Name: NBU 1022-25J3S
API Well Number: 43047500700000
Lease Number: ST ML 22447
Surface Owner: STATE
Approval Date: 2/5/2009

Issued to:

KERR-MCGEE OIL & GAS ONSHORE, L.P. , P.O. Box 173779, Denver, CO 80217

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of CAUSE: 173-14.

Duration:

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

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.

Conditions of Approval:

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

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Surface casing shall be cemented to the surface.

Notification Requirements:

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

- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis

- 24 hours prior to spudding the well - contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program - contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well - contact Dan Jarvis

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

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

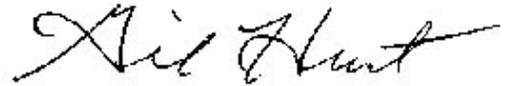
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

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

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.

Approved By:



Gil Hunt
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ST ML 22447
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 1022-25J3S
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047500700000
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: 1311 FSL 2108 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 25 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: 2/2/2010	<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: February 01, 2010

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 2/1/2010	



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 43047500700000

API: 43047500700000

Well Name: NBU 1022-25J3S

Location: 1311 FSL 2108 FEL QTR SWSE SEC 25 TWP 100S RNG 220E MER S

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

Date Original Permit Issued: 2/5/2009

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

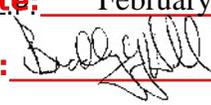
**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 2/1/2010

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

Date: February 01, 2010

By: 

RECEIVED February 01, 2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ST ML 22447
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4. LOCATION OF WELL FOOTAGES AT SURFACE: 1311 FSL 2108 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 25 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: 2/3/2011 <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	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

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

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

Date: 02/03/2011
 By: 

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 2/2/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047500700000

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

Signature: Danielle Piernot

Date: 2/2/2011

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



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 10, 2012

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

Re: APD Rescinded – NBU 1022-25J3S, Sec. 25, T. 10S, R. 22E
Uintah County, Utah API No. 43-047-50070

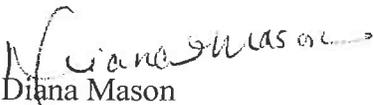
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 5, 2009. On February 01, 2010 and February 3, 2011 the Division granted a one-year APD extension. On February 10, 2012, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 10, 2012.

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

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

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner