

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

FORM 3

AMENDED REPORT **APPLICATION FOR PERMIT TO DRILL**

|   |  |  |  |   |                |                 |
|---|--|--|--|---|----------------|-----------------|
| <b>2. TYPE OF WORK</b><br>DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> |  |  |  | <b>1. WELL NAME and NUMBER</b><br>NBU 920-121   |                |                 |
| <b>4. TYPE OF WELL</b><br>Gas Well Coalbed Methane Well: NO   |  |  |  | <b>3. FIELD OR WILDCAT</b><br>NATURAL BUTTES  |                |                 |
| <b>6. NAME OF OPERATOR</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  |  |  |  | <b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b><br>NATURAL BUTTES  |                |                 |
| <b>8. ADDRESS OF OPERATOR</b><br>P.O. Box 173779, Denver, CO, 80217   |  |  |  | <b>7. OPERATOR PHONE</b><br>720 929-6587  |                |                 |
| <b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b><br>UTU-0144868B   |  | <b>11. MINERAL OWNERSHIP</b><br>FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>    |  | <b>9. OPERATOR E-MAIL</b><br>mary.mondragon@anadarko.com  |                |                 |
| <b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>  |  |  |  | <b>12. SURFACE OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> |                |                 |
| <b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>   |  |  |  | <b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>  |                |                 |
| <b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b><br>Ute  |  | <b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b><br>YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> |  | <b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>   |                |                 |
| <b>20. LOCATION OF WELL</b>   |  | <b>FOOTAGES</b>  |  | <b>QTR-QTR</b>  | <b>SECTION</b> | <b>TOWNSHIP</b> |
| <b>LOCATION AT SURFACE</b>  |  | 2076 FSL 799 FEL   |  | NESE  | 12             | 9.0 S           |
| <b>Top of Uppermost Producing Zone</b>  |  | 2076 FSL 799 FEL   |  | NESE  | 12             | 9.0 S           |
| <b>At Total Depth</b>   |  | 2076 FSL 799 FEL   |  | NESE  | 12             | 9.0 S           |
| <b>21. COUNTY</b><br>UINTAH   |  | <b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b><br>799  |  | <b>23. NUMBER OF ACRES IN DRILLING UNIT</b><br>600  |                |                 |
|   |  | <b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b><br>1000   |  | <b>26. PROPOSED DEPTH</b><br>MD: 10700 TVD:   |                |                 |
| <b>27. ELEVATION - GROUND LEVEL</b><br>4705   |  | <b>28. BOND NUMBER</b><br>WYB000291  |  | <b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b><br>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 type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)    | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP                      |

|  |   |  |
|--|---|--|
| <b>NAME</b> Kevin McIntyre                   | <b>TITLE</b> Regulatory Analyst I   | <b>PHONE</b> 720 929-6226                |
| <b>SIGNATURE</b>                             | <b>DATE</b> 09/25/2008  | <b>EMAIL</b> Kevin.McIntyre@anadarko.com |
| <b>API NUMBER ASSIGNED</b><br>43047501260000 | <b>APPROVAL</b><br><br>Permit Manager |  |

**Proposed Hole, Casing, and Cement**

| <b>String</b> | <b>Hole Size</b>       | <b>Casing Size</b>        | <b>Top (MD)</b>       | <b>Bottom (MD)</b> |              |               |
|---------------|------------------------|---------------------------|-----------------------|--------------------|--------------|---------------|
| Surf          | 12.25                  | 9.625                     | 0                     | 2800               |              |               |
| <b>Pipe</b>   | <b>Grade</b>           | <b>Length</b>             | <b>Weight</b>         |                    |              |               |
|               | Grade J-55 LT&C        | 2800                      | 36.0                  |                    |              |               |
|               |                        |                           |                       |                    |              |               |
|               | <b>Cement Interval</b> | <b>Top (MD)</b>           | <b>Bottom (MD)</b>    |                    |              |               |
|               |                        | 0                         | 2800                  |                    |              |               |
|               |                        | <b>Cement Description</b> | <b>Class</b>          | <b>Sacks</b>       | <b>Yield</b> | <b>Weight</b> |
|               |                        |                           | Premium Foamed Cement | 215                | 1.18         | 15.6          |
|               |                        |                           |                       |                    |              |               |

**Proposed Hole, Casing, and Cement**

| <b>String</b> | <b>Hole Size</b>       | <b>Casing Size</b>        | <b>Top (MD)</b>            | <b>Bottom (MD)</b> |              |               |
|---------------|------------------------|---------------------------|----------------------------|--------------------|--------------|---------------|
| Prod          | 7.875                  | 4.5                       | 0                          | 10700              |              |               |
| <b>Pipe</b>   | <b>Grade</b>           | <b>Length</b>             | <b>Weight</b>              |                    |              |               |
|               | Grade I-80 LT&C        | 10700                     | 11.6                       |                    |              |               |
|               |                        |                           |                            |                    |              |               |
|               | <b>Cement Interval</b> | <b>Top (MD)</b>           | <b>Bottom (MD)</b>         |                    |              |               |
|               |                        | 0                         | 10700                      |                    |              |               |
|               |                        | <b>Cement Description</b> | <b>Class</b>               | <b>Sacks</b>       | <b>Yield</b> | <b>Weight</b> |
|               |                        |                           | Premium Lite High Strength | 520                | 3.38         | 12.5          |
|               |                        |                           | Pozzuolanic Cement         | 1670               | 1.31         | 14.3          |
|               |                        |                           |                            |                    |              |               |





**KERR-McGEE OIL & GAS ONSHORE LP  
DRILLING PROGRAM**

**CASING PROGRAM**

|            | SIZE   | INTERVAL    | WT.   | GR.  | CPLG. | DESIGN FACTORS       |                      |                          |
|------------|--------|-------------|-------|------|-------|----------------------|----------------------|--------------------------|
|            |        |             |       |      |       | BURST                | COLLAPSE             | TENSION                  |
| CONDUCTOR  | 14"    | 0-40'       |       |      |       |                      |                      |                          |
| SURFACE    | 9-5/8" | 0 to 2,800' | 36.00 | J-55 | LTC   | 3520<br>0.77<br>7780 | 2020<br>1.54<br>6350 | 453000<br>5.13<br>201000 |
| PRODUCTION | 4-1/2" | 0 to 10700' | 11.60 | I-80 | LTC   | 1.69                 | 0.91                 | 1.86                     |

- 1) Max Anticipated Surf. Press (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
  - 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)
- (Burst Assumptions: TD = 12.5 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 4280 psi

**CEMENT PROGRAM**

|            |                 | FL. OF FILL | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |  |
|------------|-----------------|-------------|--|---------|--------|--------|-------|--|
| SURFACE    | LEAD            | 500         | Premium cmt + 2% CaCl + .25 pps flocele  | 215     | 60%    | 15.60  | 1.18  |  |
| Option 1   | TOP OUT CMT (1) | 250         | 20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele                          | 100     |        | 15.60  | 1.18  |  |
|            | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |  |
| SURFACE    | Option 2        | LEAD        | NOTE: If well will circulate water to surface, option 2 will be utilized                   |         |        |        |       |  |
|            |                 | 2000        | Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC                     | 230     | 35%    | 11.00  | 3.82  |  |
|            | TAIL            | 500         | Premium cmt + 2% CaCl + .25 pps flocele  | 180     | 35%    | 15.60  | 1.18  |  |
|            | TOP OUT CMT     | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |  |
| PRODUCTION | LEAD            | 4,730'      | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 520     | 60%    | 12.50  | 3.38  |  |
|            | TAIL            | 5,970'      | 50/50 Poz/G + 10% salt + 2% gel + .1% R-3  | 1670    | 80%    | 14.30  | 1.31  |  |

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

**FLOAT EQUIPMENT & CENTRALIZERS**

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

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.  
 Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: \_\_\_\_\_ DATE: \_\_\_\_\_  
 Brad Laney  
 DRILLING SUPERINTENDENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 Randy Bayne  
 NBU 920-121.xls

**NBU 920-12I  
NESE Sec. 12, T9S,R20E  
UINTAH COUNTY, UTAH  
UTU-0144868B**

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

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

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| Uinta            | 0- Surface   |
| Green River      | 1793'        |
| Bird's Nest      | 2057'        |
| Mahogany         | 2596'        |
| Wasatch          | 5235'        |
| Mesaverde        | 8450'        |
| MVU2             | 9456'        |
| MVL1             | 9962'        |
| TD               | 10,700'      |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
|                  | Green River      | 1793'        |
|                  | Bird's Nest      | 2057'        |
|                  | Mahogany         | 2596'        |
| Gas              | Wasatch          | 5235'        |
| Gas              | Mesaverde        | 8450'        |
| Gas              | MVU2             | 9456'        |
| Gas              | MVL1             | 9962'        |
| Water            | N/A              |              |
| Other Minerals   | N/A              |              |

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

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

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

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

**5. Drilling Fluids Program:**

*Please see the Natural Buttes Unit SOP.*

6. **Evaluation Program:**

*Please see the Natural Buttes Unit SOP.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 10,700' TD, approximately equals 6634 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4280 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

*Please see Natural Buttes Unit SOP Onshore Order #2 – Air Drilling Variance  
Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2*

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

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

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

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

*Background*

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

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

*Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.*

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

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

#### *Variance for BOPE Requirements*

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

#### *Variance for Mud Material Requirements*

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

#### *Variance for Special Drilling Operation (surface equipment placement) Requirements*

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

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

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

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

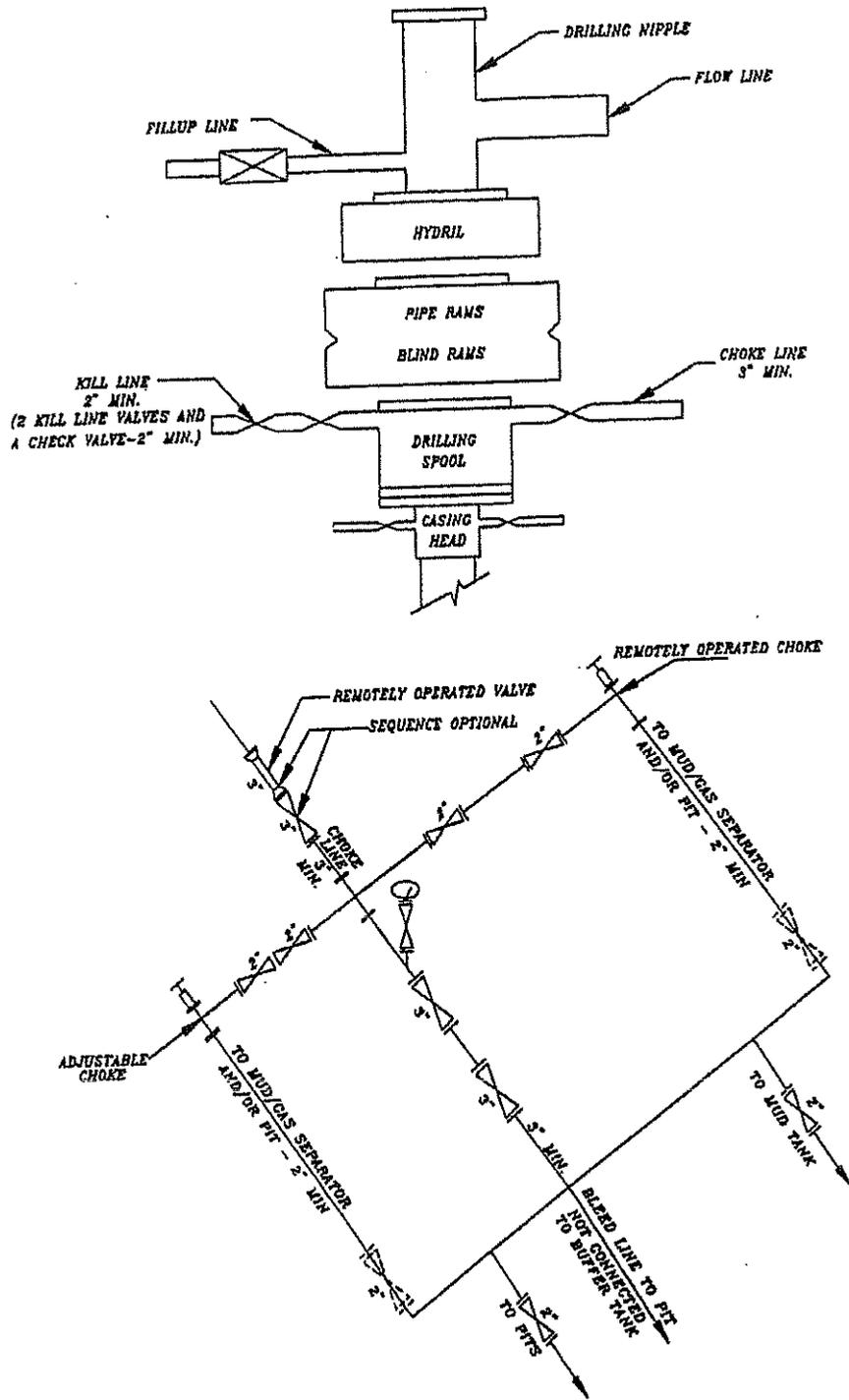
*Conclusion*

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

**10. Other Information:**

*Please see Natural Buttes Unit SOP.*

EXHIBIT A



**SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK**

NBU 920-12I  
NESE Sec. 12 ,T9S,R20E  
UINTAH COUNTY, UTAH  
UTU-0144868B

ONSHORE ORDER NO. 1

*MULTI-POINT SURFACE USE & OPERATIONS PLAN*

1. **Existing Roads:**

Refer to the attached location directions.

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

2. **Planned Access Roads:**

Approximately 1,260' +/- of new access road is proposed. Refer to Topo Map B.

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

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

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

Please refer to Topo Map C.

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

*Please see the Natural Buttes Unit SOP.*

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

A right-of-way is required for the pipeline. The pipeline is approximately 1,534' in length and 30' in width. A 4" surface steel pipeline will be constructed utilizing existing disturbance where possible. The pipeline will be butt-welded together and pulled into place with a rubber tired tractor.

**Variations to Best Management Practices (BMPs) Requested:**

Approximately 1,534' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

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

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

**Interim Surface Reclamation Plan:**

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

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

*Please see the Natural Buttes SOP.*

**6. Source of Construction Materials:**

*Please see the Natural Buttes SOP.*

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

*Please see the Natural Buttes SOP.*

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

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E, Pipeline Facility Sec. 36, T9S, R20E, Goat Pasture Evaporation Pond SW/4 Sec. 16, T10S, R22E, Bonanza Evaporation Pond Sec. 2, T10S, R23E (*Request is in lieu of filing Form 3160-5, after initial production*).

**8. Ancillary Facilities:**

*Please see the Natural Buttes SOP.*

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

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

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

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

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

*Please see the Natural Buttes SOP.*

Upon reclamation of the pit the following seed mixture will be used. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Crested Wheatgrass      12 lbs.

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

11. **Surface/Mineral Ownership:**

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

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

The mineral ownership is listed below:

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

**12. Stipulations/Notices/Mitigation:**

There are no stipulations or notices for this location.

**13. Other Information:**

A Class III archaeological survey has been performed and will be submitted. A paleontology report (IPC #08-142) has been performed by Inter-Mountain Paleo Consulting (dated June 28, 2008) and is being submitted at this time.

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

**14. Lessee's or Operator'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

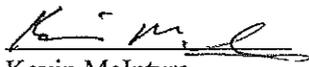
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond #WYB000291.

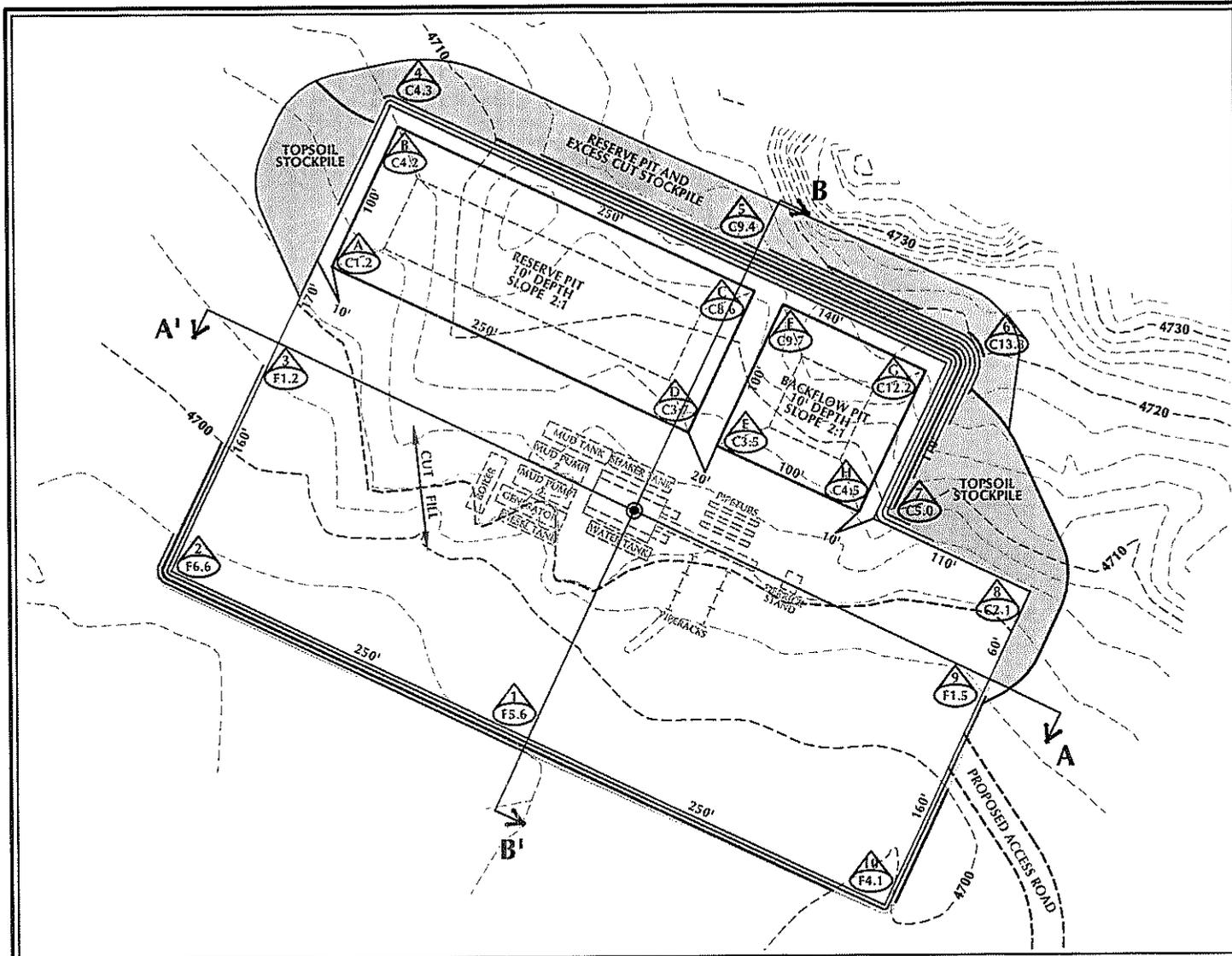
I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations 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

9/12/2008

Date





**WELL PAD LEGEND**

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

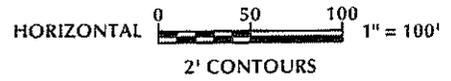
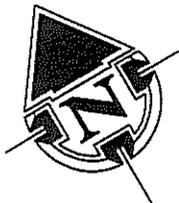
**WELL PAD NBU 920-121 QUANTITIES**

EXISTING GRADE @ LOC. STAKE = 4,705.0'  
 FINISHED GRADE ELEVATION = 4,703.8'  
 CUT SLOPES = 1.5:1  
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 14,014 C.Y.  
 TOTAL FILL FOR WELL PAD = 12,888 C.Y.  
 TOPSOIL @ 6" DEPTH = 3,123 C.Y.  
 TOTAL DISTURBANCE = 3.87 ACRES  
 SHRINKAGE FACTOR = 1.15  
 SWELL FACTOR = 1.00

RESERVE PIT CAPACITY (2' OF FREEBOARD)  
 +/- 25,880 BARRELS  
 RESERVE PIT VOLUME  
 +/- 7,185 CY

BACKFLOW PIT CAPACITY (2' OF FREEBOARD)  
 +/- 8,780 BARRELS  
 BACKFLOW PIT VOLUME  
 +/- 2,520 CY



**KERR-MCGEE OIL & GAS  
 ONSHORE L.P.**  
 1099 18th Street - Denver, Colorado 80202

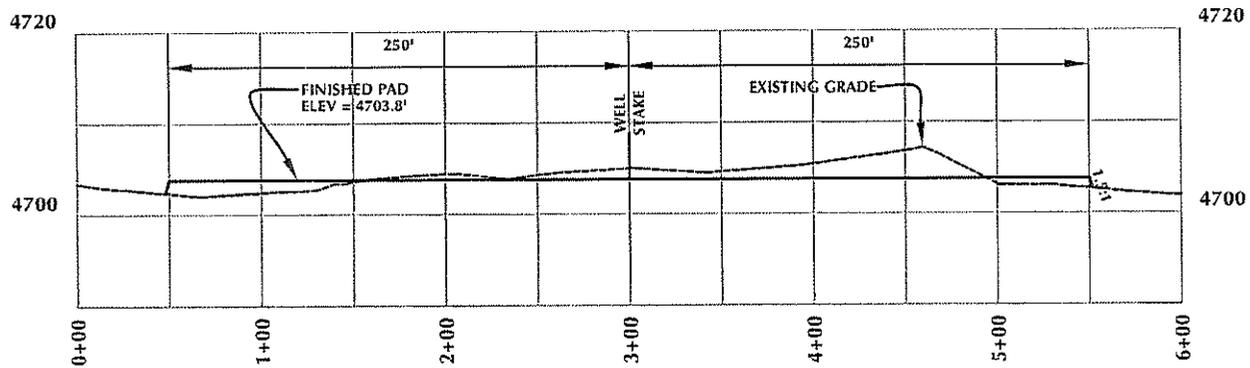


**609  
 CONSULTING, LLC**  
 371 Coffeen Avenue  
 Sheridan WY 82801  
 Phone 307-674-0609  
 Fax 307-674-0182

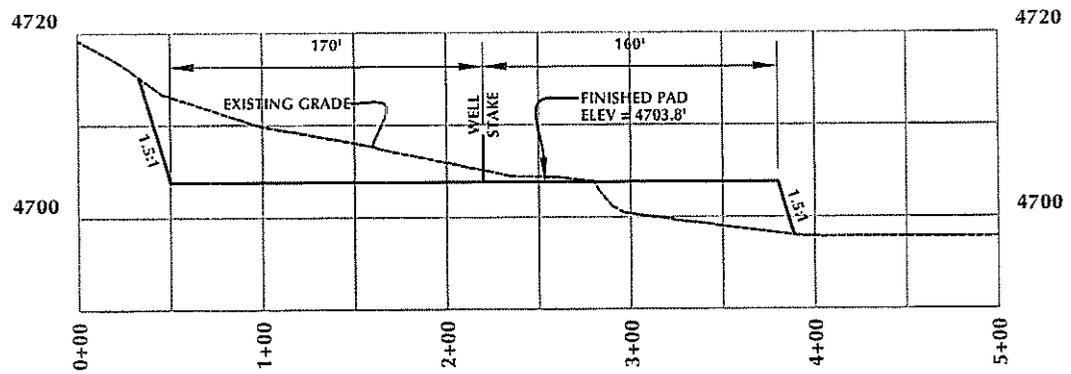
**NBU 920-121  
 WELL PAD - LOCATION LAYOUT**  
 2076' FSL, 799' FEL  
 NE1/4SE1/4, SECTION 12, T.9S., R.20E.  
 S.L.B.&M., UINTAH COUNTY, UTAH

|                |               |                 |
|----------------|---------------|-----------------|
| Scale: 1"=100' | Date: 8/15/08 | SHEET NO:       |
| REVISED:       | BY DATE       | <b>2</b> 2 OF 9 |

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



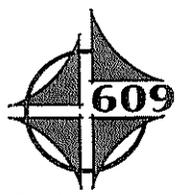
**CROSS SECTION A-A'**



**CROSS SECTION B-B'**

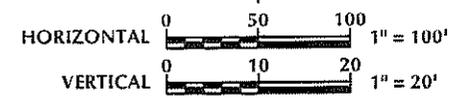
**KERR-MCGEE OIL & GAS  
ONSHORE L.P.**  
1099 18th Street - Denver, Colorado 80202

**NBU 920-121  
WELL PAD - CROSS SECTIONS  
2076' FSL, 799' FEL  
NE1/4SE1/4, SECTION 12, T.9S., R.20E.  
S.L.B.&M., UINTAH COUNTY, UTAH**



**CONSULTING, LLC**  
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Sheridan WY 82801  
Phone 307-674-0609  
Fax 307-674-0182

|                |               |                 |
|----------------|---------------|-----------------|
| Scale: 1"=100' | Date: 8/15/08 | SHEET NO:       |
| REVISED:       | BY DATE       | <b>3</b> 3 OF 9 |



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

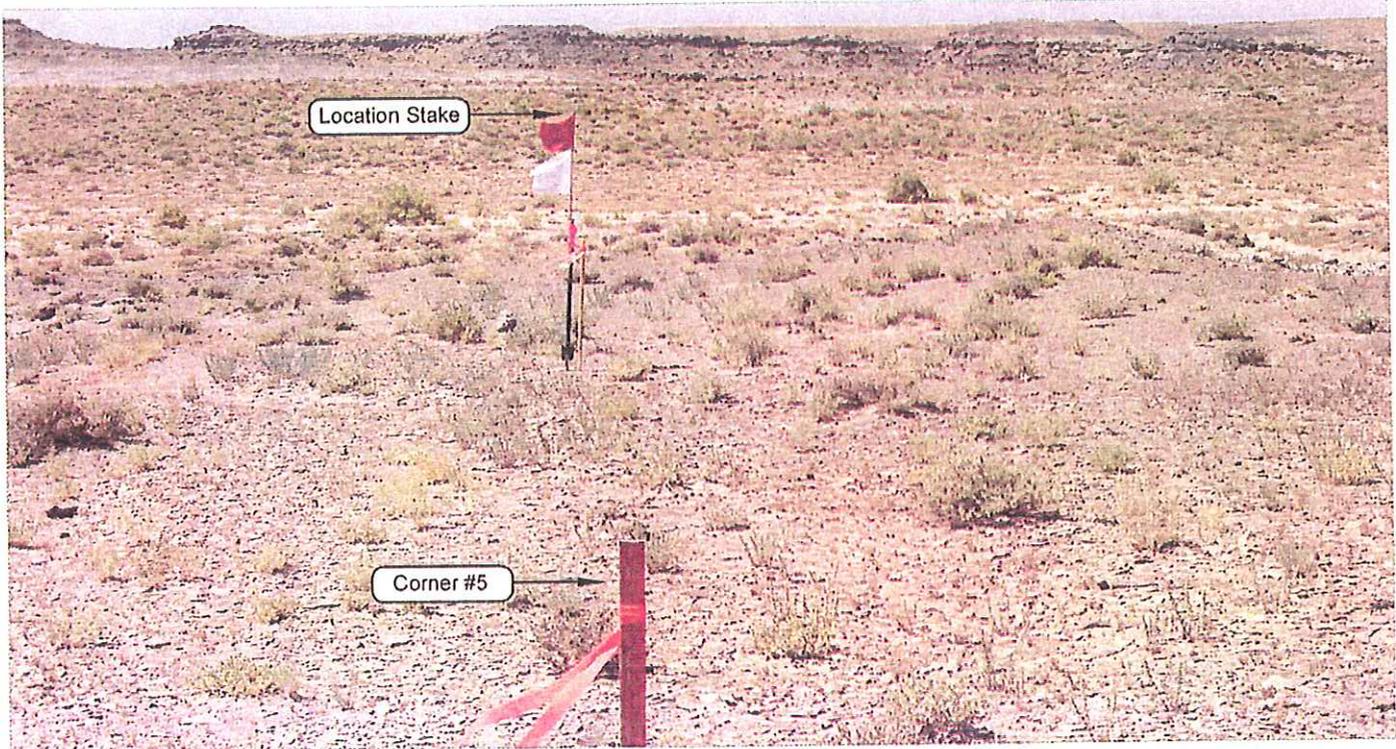


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY

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

NBU 920-12I  
 2076' FSL, 799' FEL  
 NE ¼ SE ¼ OF SECTION 12, T9S, R20E,  
 S.L.B.&M. UINTAH COUNTY, UTAH.



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

**LOCATION PHOTOS**

TAKEN BY: M.S.B.

DRAWN BY: B.R.B.

DATE TAKEN: 07-30-08

DATE DRAWN: 08-01-08

REVISED:

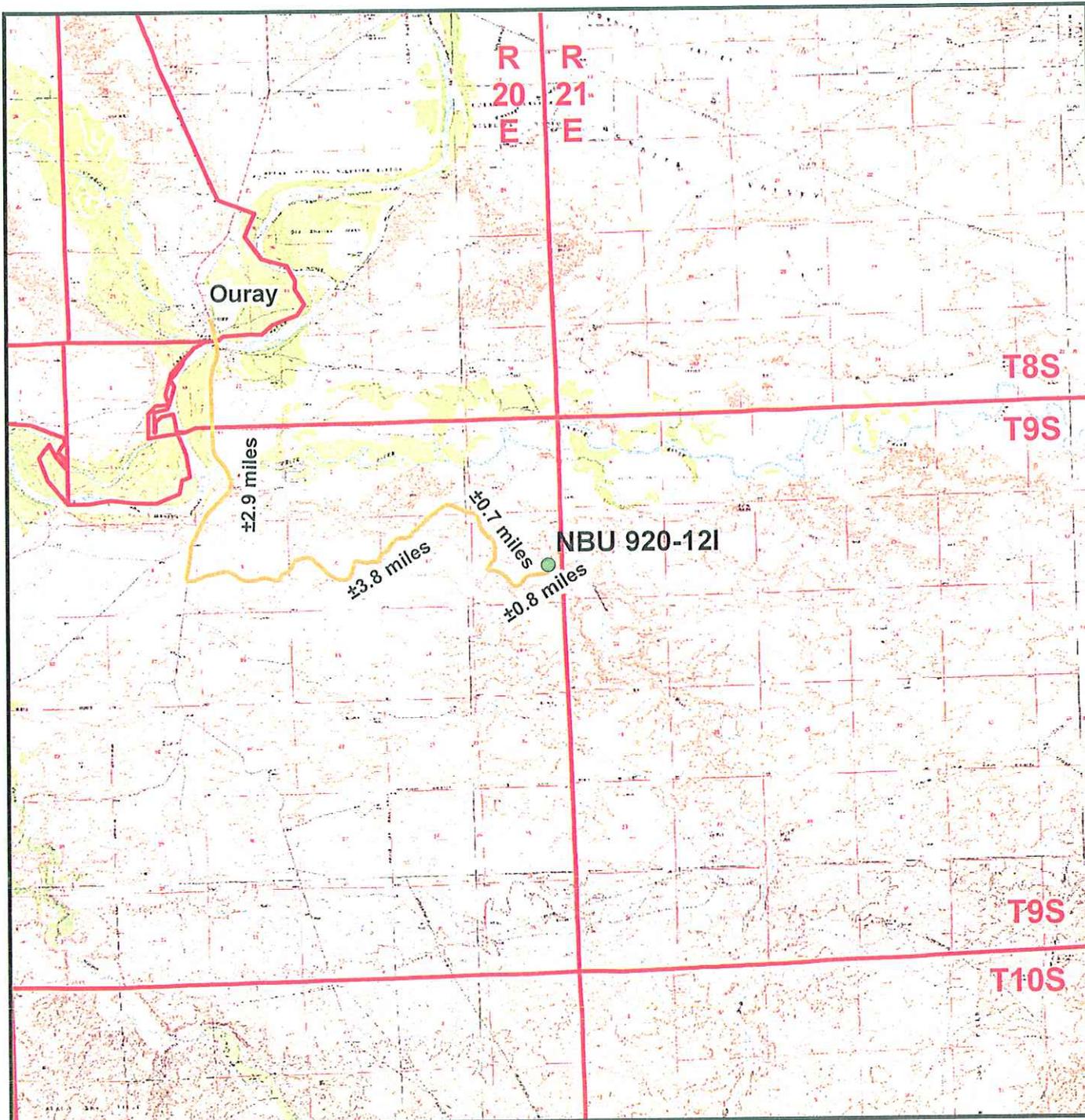
**Timberline** (435) 789-1365  
 Engineering & Land Surveying, Inc.  
 38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET  
**4**  
 OF 9

**Kerr-McGee Oil & Gas Onshore, LP**  
**NBU 920-12I**  
**Section 12, T9S, R20E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 2.9 MILES TO THE INTERSECTION OF AN EXISTING ROAD TO THE EAST. EXIT LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION ALONG EXISTING ROAD APPROXIMATELY 3.8 MILES TO THE INTERSECTION OF AN EXISTING ROAD TO THE SOUTH. EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG EXISTING ROAD APPROXIMATELY 0.7 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A SOUTHEASTERLY THEN NORTHEASTERLY DIRECTION APPROXIMATELY 4,330 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 38.9 MILES IN A SOUTHERLY DIRECTION.



**Legend**

- Proposed NBU 920-121 Well Location
- Access Route - Proposed

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

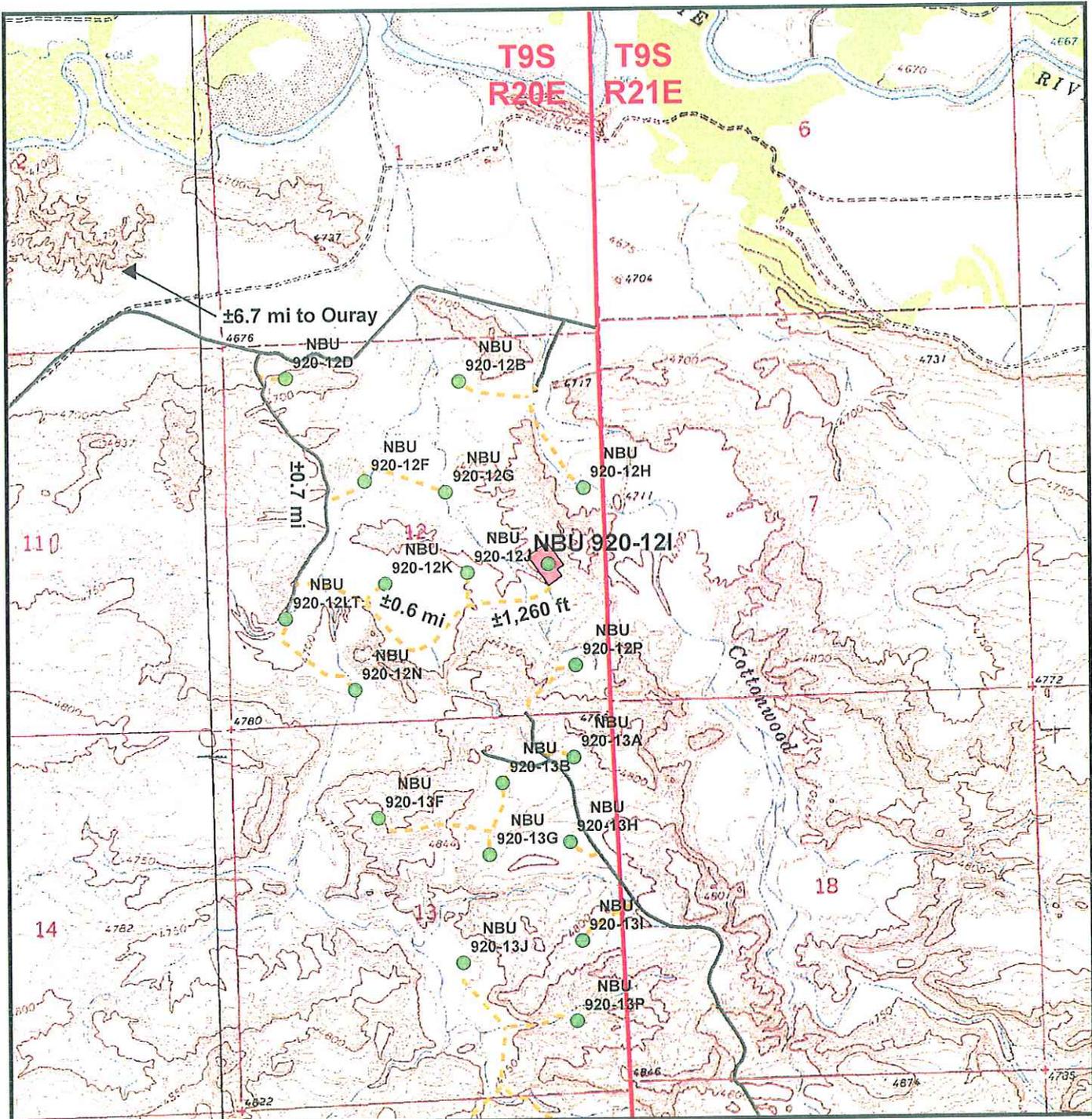
NBU 920-121  
 Topo A  
 2076' FSL, 799' FEL  
 NE¼ SE¼, Section 12, T9S, R20E  
 S.L.B.&M., Uintah County, Utah



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



|                  |                   |           |
|------------------|-------------------|-----------|
| Scale: 1:100,000 | NAD83 USP Central | Sheet No: |
| Drawn: JELO      | Date: 14 Aug 2008 | 5         |
| Revised:         | Date:             |           |



**Legend**

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

Total Proposed Road Length = ±1,260 ft

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

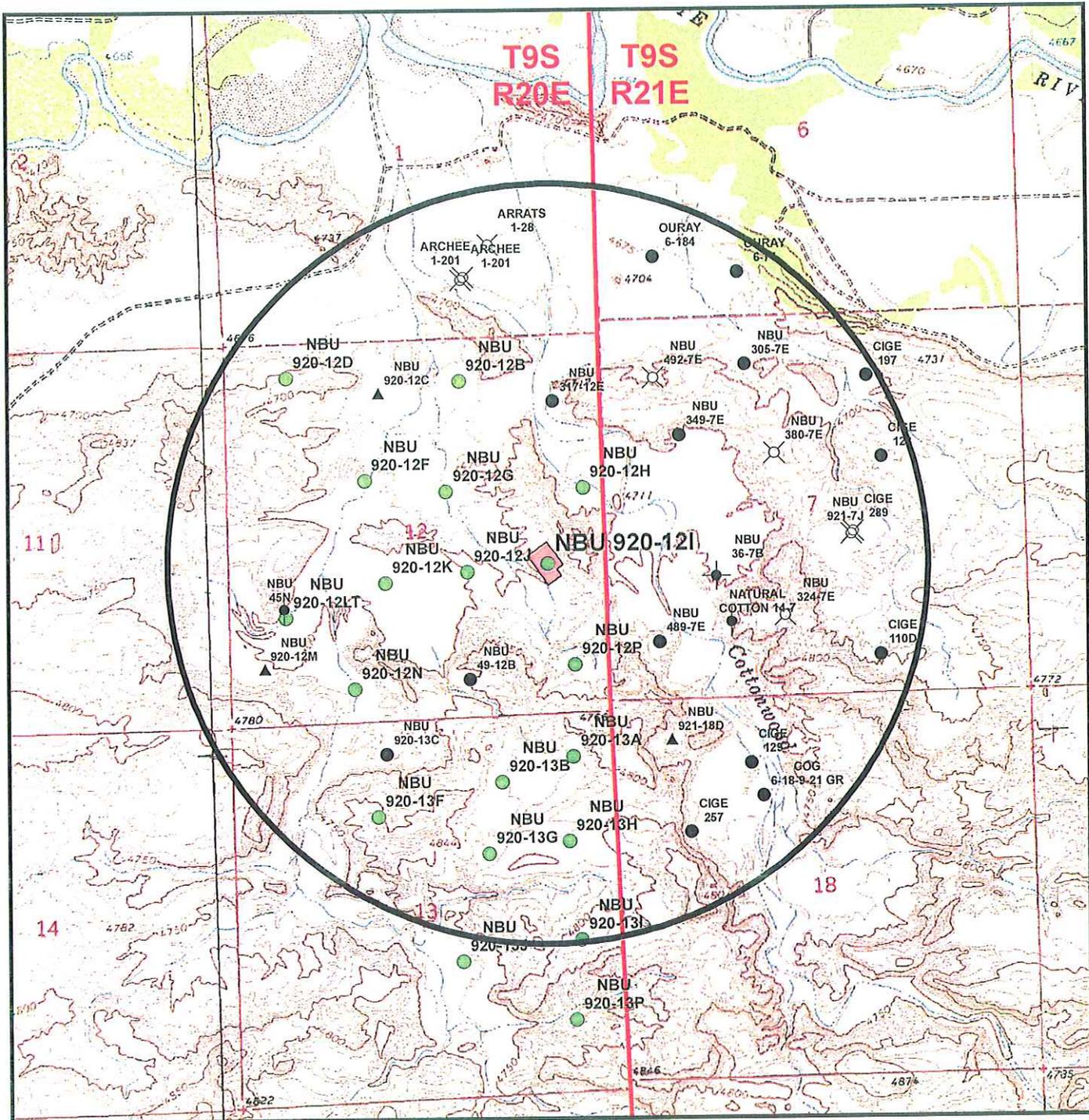
**NBU 920-12I**  
**Topo B**  
 2076' FSL, 799' FEL  
 NE¼ SE¼, Section 12, T9S, R20E  
 S.L.B.&M., Uintah County, Utah



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



|                    |                   |           |
|--------------------|-------------------|-----------|
| Scale: 1" = 2000ft | NAD83 USP Central | Sheet No: |
| Drawn: JELO        | Date: 14 Aug 2008 | <b>6</b>  |
| Revised:           | Date:             |           |



**Legend**

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

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

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

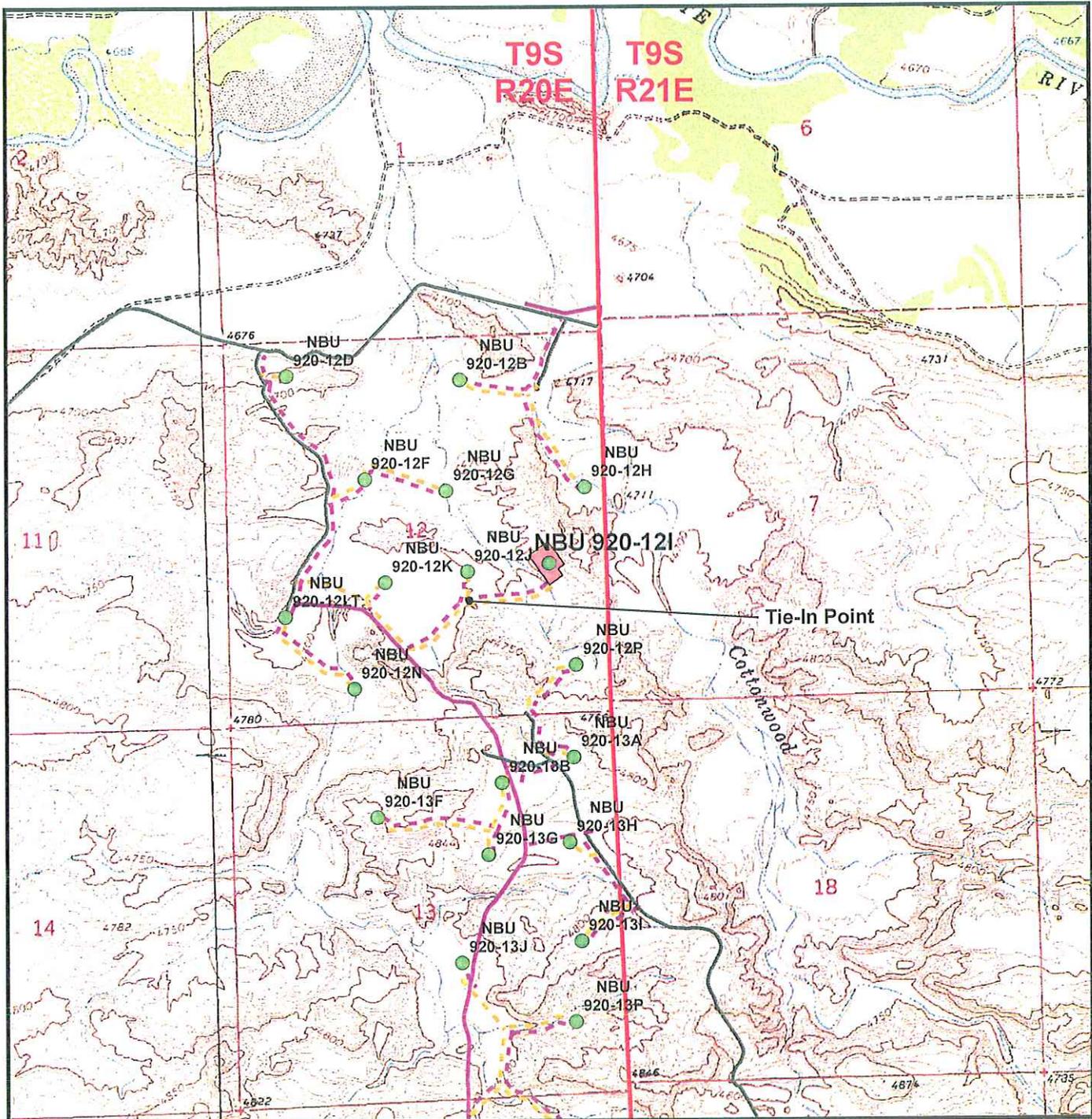
**NBU 920-12I**  
 Topo C  
 2076' FSL, 799' FEL  
 NE¼ SE¼, Section 12, T9S, R20E  
 S.L.B.&M., Uintah County, Utah



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



|                    |                   |           |        |
|--------------------|-------------------|-----------|--------|
| Scale: 1" = 2000ft | NAD83 USP Central | Sheet No: |        |
| Drawn: JELo        | Date: 14 Aug 2008 | 7         | 7 of 9 |
| Revised:           | Date:             |           |        |



**Legend**

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

Total Proposed Pipeline Length: ±1,534ft

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

**NBU 920-12I**  
**Topo D**  
 2076' FSL, 799' FEL  
 NE¼ SE¼, Section 12, T9S, R20E  
 S.L.B.&M., Uintah County, Utah



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



|                    |                   |
|--------------------|-------------------|
| Scale: 1" = 2000ft | NAD83 USP Central |
| Drawn: JELO        | Date: 14 Aug 2008 |
| Revised:           | Date:             |

Sheet No:  
**8** 8 of 9

IPC #08-142

## **Paleontological Reconnaissance Survey Report**

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**Survey of Kerr McGee's Proposed Well Pads, Access Roads, and  
Pipelines for "NBU #920-12B, D, E, F, G, H, I, J & K;  
#920-13A, B & H" (Sec. 12 & 13, T 9 S, R 20 E)**

Ouray SE  
Topographic Quadrangle  
Uintah County, Utah

June 28, 2008

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

## INTRODUCTION

At the request of Raleen White of Kerr McGee Onshore LP and authorized by Bruce Pargeets of the Ute Indian Tribe and by Lynn Becker, EMD Land Division Manager of the Ute Indian Tribe's Energy and Minerals Department, a paleontological reconnaissance survey of Kerr McGee's proposed well pads, access roads, and pipelines for "NBU #920-12B, D, E, F, G, H, I, J & K; #920-13A, B & H" (Sec. 12 & 13, T 9 S, R 20 E) was conducted by Stephen D. Sandau, Arica Scheetz and Amanda Dopheide on June 26, 2008. The survey was conducted under the Ute Indian Tribe Business License FY 2008, #A08-1308 and the accompanying Access Permit (effective 3/26/2008 through 9/30/2008). This survey to locate, identify and evaluate paleontological resources was done to meet requirements of the National Environmental Policy Act of 1969 and other State and Federal laws and regulations that protect paleontological resources.

## FEDERAL AND STATE REQUIREMENTS

As mandated by the Federal and State government, paleontologically sensitive geologic formations on State lands that are considered for exchange or may be impacted due to ground disturbance require paleontological evaluation. This requirement complies with:

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

The new Potential Fossil Yield Classification (PFYC) System (October, 2007) replaces the Condition Classification System from Handbook H-8270-1. Geologic units are classified based on the relative abundance of vertebrate fossils or scientifically significant invertebrate or plant fossils and their sensitivity to adverse impacts, with a higher class number indicating a higher potential.

- **Class 1 – Very Low.** Geologic units (igneous, metamorphic, or Precambrian) not likely to contain recognizable fossil remains.
- **Class 2 – Low.** Sedimentary geologic units not likely to contain vertebrate fossils or scientifically significant non-vertebrate fossils. (Including modern eolian, fluvial and colluvial deposits etc...)
- **Class 3 – Moderate or Unknown.** Fossiliferous sedimentary geologic units where fossil content varies in significance, abundance, and predictable occurrence; or sedimentary units of unknown fossil potential.
  - **Class 3a – Moderate Potential.** The potential for a project to be sited on or impact a significant fossil locality is low, but is somewhat higher for common fossils.
  - **Class 3b – Unknown Potential.** Units exhibit geologic features and preservational conditions that suggest significant fossils could be present, but little information about the paleontological resources of the unit or the area is known.

- **Class 4 – High.** Geologic units containing a high occurrence of vertebrate fossils or scientifically significant invertebrate or plant fossils, but may vary in abundance and predictability.
  - **Class 4a** – Outcrop areas with high potential are extensive (greater than two acres) and paleontological resources may be susceptible to adverse impacts from surface disturbing actions.
  - **Class 4b** – Areas underlain by geologic units with high potential but have lowered risks of disturbance due to moderating circumstances such as a protective layer of soil or alluvial material; or outcrop areas are smaller than two contiguous acres.
- **Class 5 – Very High.** Highly fossiliferous geologic units that consistently and predictably produce vertebrate fossils or scientifically significant invertebrate or plant fossils.
  - **Class 5a** - Outcrop areas with very high potential are extensive (greater than two acres) and paleontological resources may be susceptible to adverse impacts from surface disturbing actions.
  - **Class 5b** - Areas underlain by geologic units with very high potential but have lowered risks of disturbance due to moderating circumstances such as a protective layer of soil or alluvial material; or outcrop areas are smaller than two contiguous acres.

It should be noted that many fossils, though common and unimpressive in and of themselves, can be important paleo-environmental, depositional, and chronostratigraphic indicators.

## LOCATION

Kerr McGee's proposed well pads, access roads, and pipelines for "NBU #920-12B, D, E, F, G, H, I, J & K; #920-13A, B & H" (Sec. 12 & 13, T 9 S, R 20 E) are located on Ute Indian Reservation land about 1 miles south of the White River and some 3.5 miles southeast of Ouray, Utah. The project area can be found on the Ouray SE 7.5 minute U. S. Geological Survey Quadrangle Map, Uintah County, Utah.

## PREVIOUS WORK

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

## GEOLOGICAL AND PALEONTOLOGICAL OVERVIEW

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

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

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

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

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

## FIELD METHODS

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

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

## PROJECT AREA

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

### NBU #920-12B

The proposed access road and pipeline travel approximately 500 ft west until they meet the proposed well pad for "NBU 920-12B" in the NW/NE quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline and well pad are staked on sloping ground covered by colluvium, outcrops of purple sandstone composed of subrounded, medium to coarse grains, and outcrops of light gray sandstone composed of subrounded, medium grains. The purple sandstone outcrops were observed approximately 20 ft south from the proposed pipeline and the light gray outcrops were observed approximately 10 ft west of the center stake. Isolated fragments of *Echmatemys* carapace and plastron were found around the purple sandstone.

### NBU #920-12D

The proposed access road travels east where it meets the proposed well pad for "NBU 920-12D" in the NW/NW quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road and well pad are staked on relatively flat ground covered almost entirely by eolian wind deposits. Although the ground is mostly covered in eolian blown sand, there was an outcrop of light brown sandstone composed of subrounded, medium grains approximately 10 feet east from the center stake. Isolated pieces of turtle carapace and plastron belonging to *Echmatemys* and pieces of a mammalian skull with enamel shards were found scattered around the sandstone, and a partial *Echmatemys* specimen was found *in-situ*.

**NBU #920-12E**

The proposed access road and pipeline travel east approximately 500 ft until meeting the proposed well pad for "NBU 920-12E" in the SW/NW quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on sloping ground that is covered by colluvium, reworked washout deposits, and large outcrops of purple sandstone composed of subrounded, medium to coarse grains. Fossils found in the area consisted of isolated pieces of carapace and plastron belonging to *Echmatemys* and a large bone fragment (brontothere?).

**NBU #920-12F**

The proposed access road and pipeline travel west approximately 500 ft from the existing road until they meet the proposed well pad for "NBU 920-12F" in the SE/NW quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on relatively flat ground covered with colluvium and reworked washout deposits. No fossils were found.

**NBU #920-12G**

The proposed access road and pipeline travel west approximately 1,500 ft from the existing road until they meet the proposed well pad in the SW/NE quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on relatively flat ground covered with colluvium and reworked washout deposits. No fossils were found.

**NBU #920-12H**

The proposed access road and pipeline travel approximately 500 ft southeast until they meet the proposed well pad for "NBU 920-12H" in the SE/NE quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on sloping ground covered by colluvium and outcrops of purple sandstone composed of subrounded, medium grains. The purple sandstone outcrop was observed approximately 30 ft from south from the center stake, and 20 ft east of the proposed pipeline. Fossils found in the area included isolated fragments of *Echmatemys* carapace and plastron.

**NBU #920-12I**

The proposed access road and pipeline travel approximately 2,000 ft east until they meet with the proposed well pad "NBU 920-12I" in the NE/SE quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on sloping ground covered by colluvium and outcrops of purple sandstone composed of subrounded, medium grains that are approximately 20 ft south of the proposed pipeline and well pad. Isolated fragments of turtle carapace and plastron belonging to *Echmatemys* were found around the sandstone and four highly weathered vertebrae possibly belonging to the suborder serpentes were found approximately 10 ft from the center stake.

**NBU #920-12J**

The proposed access road and pipeline branch off from the proposed access road and pipeline to "NBU 920-12I" and travel north to proposed well pad "NBU 920-12J" in the NW/SE quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on sloping ground covered by colluvium and an outcrop of purple sandstone composed subrounded, medium grains. The outcrop of sandstone lies approximately 20 ft south from the proposed pipeline and well pad. Isolated fragments of *Echmatemys* carapace and plastron were found around the sandstone.

**NBU #920-12K**

The proposed access road and pipeline branch off the proposed access road and pipeline for "NBU 920-12I" and travel north to proposed well pad "NBU 920-12K" in the NE/SW quarter-quarter section of Sec. 12, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on sloping ground that is covered by colluvium and out crops of purple sandstone composed of subrounded, medium grains. The outcrop of sandstone lies approximately 20 ft south from the proposed pipeline and well pad. Isolated fragments of *Echmatemys* carapace and plastron were found around the sandstone.

**NBU #920-13A**

The proposed access road and pipeline travel east from the existing road until they meet the proposed well pad for "NBU 920-13A" in the NW/NE quarter-quarter section of Sec. 13, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on relatively flat ground covered by colluvium and purple outcrops of sandstone composed of subrounded, medium grains. The outcrops of purple sandstone were observed approximately 20 ft southeast of the central stake. Fossils found included several fragments of *Echmatemys* that were loosely associated to each other.

**NBU #920-13B**

The proposed access road and pipeline travel southwest from the existing road until they meet the proposed well pad for "NBU 920-13B" in the NW/NE quarter-quarter section of Sec. 13, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on relatively flat ground covered by colluvium and outcrops of purple sandstone composed of subrounded, medium grains. The outcrop of sandstone was observed approximately 20 ft west and 30 ft south from the well pad. Fossils found in the area included isolated fragments of *Echmatemys* carapace and plastron.

**NBU #920-13H**

The proposed access road and pipeline travel west from the existing road until they meet the proposed well pad for "NBU 920-13H" in the SE/NE quarter-quarter section of Sec. 13, T 9 S, R 20 E (Figure 1). The proposed access road, pipeline, and well pad are staked on flat ground that is covered by colluvium. No fossils were found.

## SURVEY RESULTS

| PROJECT                                  | GEOLOGY   | PALEONTOLOGY  |
|--|---|---|
| "NBU #920-12B" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline and well pad are staked on sloping ground covered by colluvium, outcrops of purple sandstone composed of subrounded, medium to coarse grains, and outcrops of light gray sandstone composed of subrounded, medium grains. The purple sandstone outcrops were observed approximately 20 ft south from the proposed pipeline and the light gray outcrops were observed approximately 10 ft west of the center stake. | Isolated fragments of <i>Echmatemys</i> carapace and plastron were found around the purple sandstone.<br><b>Class 3a</b>  |
| "NBU #920-12D" (Sec. 12, T 9 S, R 20, E) | The proposed access road and well pad are staked on relatively flat ground covered almost entirely by eolian wind deposits. Although the ground is mostly covered in eolian blown sand, there was an outcrop of light brown sandstone composed of subrounded, medium grains approximately 10 feet east from the center stake.   | Isolated pieces of turtle carapace and plastron belonging to <i>Echmatemys</i> and pieces of a mammalian skull with enamel shards were found scattered around the sandstone, and a partial <i>Echmatemys</i> specimen was found <i>in-situ</i> .<br><b>Class 4a</b> |
| "NBU #920-12E" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on sloping ground that is covered by colluvium, reworked washout deposits, and large outcrops of purple sandstone composed of subrounded, medium to coarse grains.  | Fossils found in the area consisted of isolated pieces of carapace and plastron belonging to <i>Echmatemys</i> and a large bone fragment (brontothere?).<br><b>Class 4a</b>   |
| "NBU #920-12F" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on relatively flat ground covered with colluvium and reworked washout deposits.   | No fossils were found.<br><b>Class 3a</b>   |
| "NBU #920-12G" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on relatively flat ground covered with colluvium and reworked washout deposits.   | No fossils were found.<br><b>Class 3a</b>   |
| "NBU #920-12H" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on sloping ground covered by colluvium and outcrops of purple sandstone composed of subrounded, medium grains. The purple sandstone outcrop was observed approximately 30 ft from south from the center stake, and 20 ft east of the proposed pipeline.   | Fossils found in the area included isolated fragments of <i>Echmatemys</i> carapace and plastron.<br><b>Class 4a</b>  |

|  |   |   |
|--|---|---|
| "NBU #920-12I" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on sloping ground covered by colluvium and outcrops of purple sandstone composed of subrounded, medium grains that are approximately 20 ft south of the proposed pipeline and well pad.                                   | Isolated fragments of turtle carapace and plastron belonging to <i>Echmatemys</i> were found around the sandstone and four highly weathered vertebrae possibly belonging to the suborder serpentes were found approximately 10 ft from the center stake.<br><b>Class 4a</b> |
| "NBU #920-12J" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on sloping ground covered by colluvium and an outcrop of purple sandstone composed subrounded, medium grains. The outcrop of sandstone lies approximately 20 ft south from the proposed pipeline and well pad.            | Isolated fragments of <i>Echmatemys</i> carapace and plastron were found around the sandstone.<br><b>Class 3a</b>   |
| "NBU #920-12K" (Sec. 12, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on sloping ground that is covered by colluvium and out crops of purple sandstone composed of subrounded, medium grains. The outcrop of sandstone lies approximately 20 ft south from the proposed pipeline and well pad.  | Isolated fragments of <i>Echmatemys</i> carapace and plastron were found around the sandstone.<br><b>Class 3a</b>   |
| "NBU #920-13A" (Sec. 13, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on relatively flat ground covered by colluvium and purple outcrops of sandstone composed of subrounded, medium grains. The outcrops of purple sandstone were observed approximately 20 ft southeast of the central stake. | Fossils found included several fragments of <i>Echmatemys</i> that were loosely associated to each other.<br><b>Class 3a</b>  |
| "NBU #920-13B" (Sec. 13, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on relatively flat ground covered by colluvium and outcrops of purple sandstone composed of subrounded, medium grains. The outcrop of sandstone was observed approximately 20 ft west and 30 ft south from the well pad.  | Fossils found in the area included isolated fragments of <i>Echmatemys</i> carapace and plastron.<br><b>Class 3a</b>  |
| "NBU #920-13H" (Sec. 13, T 9 S, R 20, E) | The proposed access road, pipeline, and well pad are staked on flat ground that is covered by colluvium.  | No fossils were found.<br><b>Class 3a</b>   |

## RECOMMENDATIONS

A reconnaissance survey was conducted for Kerr McGee's proposed well pads, access roads, and pipelines for "NBU #920-12B, D, E, F, G, H, I, J & K; #920-13A, B & H" (Sec. 12 & 13, T 9 S, R 20 E) The well pads and the associated access roads and pipelines covered in this report showed some signs of vertebrate fossils, therefore, we advise the following recommendations

**Due to the number of fossil vertebrates found, we recommend that a permitted paleontologist be present to monitor the construction of the proposed access roads, pipelines, and well pads "NBU #920-12D, NBU #920-12E, and NBU #920-12I" (Sec. 12, T 9 S, R 20 E)**

We further recommended that the remaining access roads, pipelines and well pads covered in this report have no paleontological restriction placed on them during construction. **However, buried pipeline will encounter Uinta formational sediments along most of the staked pipeline corridors and care should be taken to report any vertebrate fossils which are disturbed.**

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

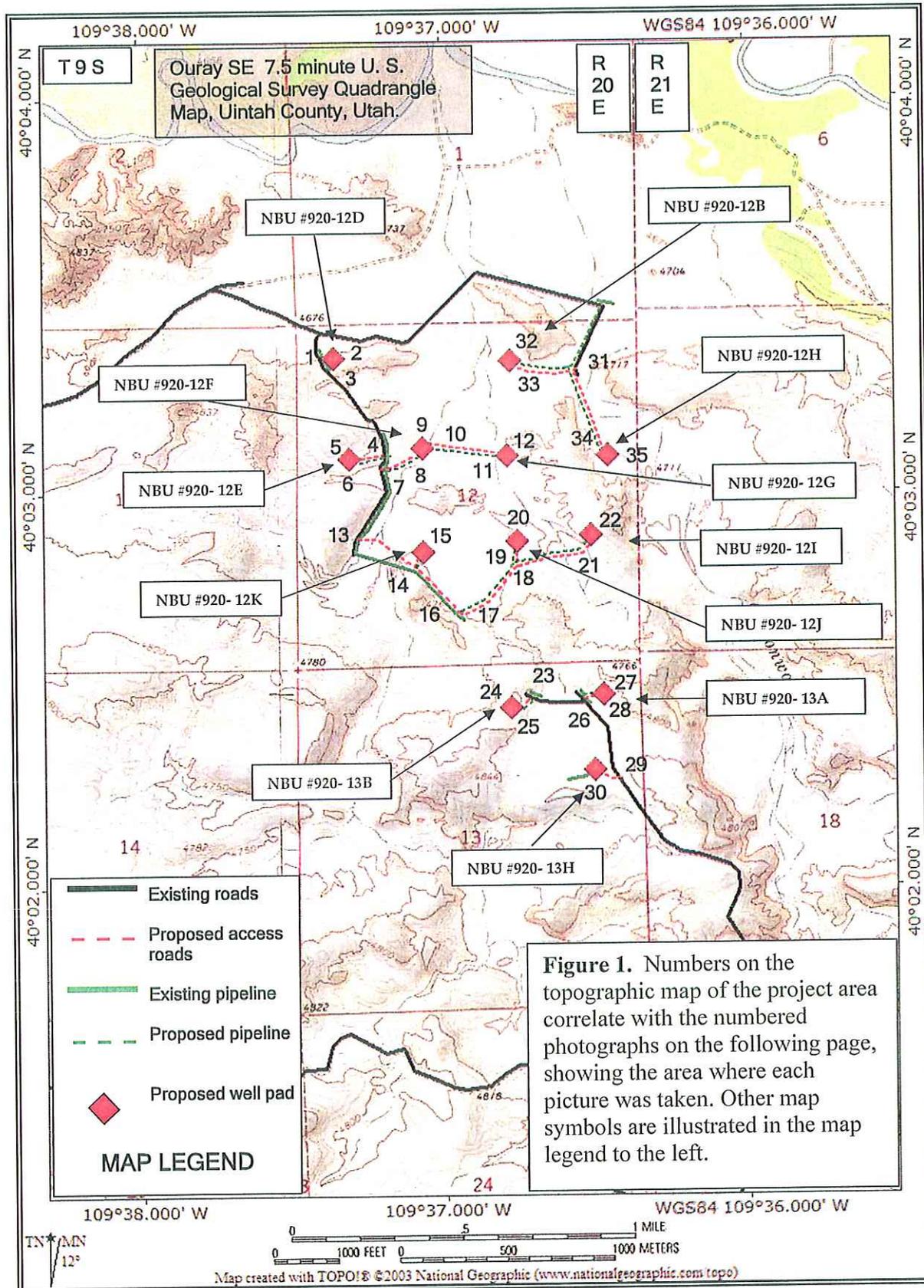


Figure 1. *continued...*

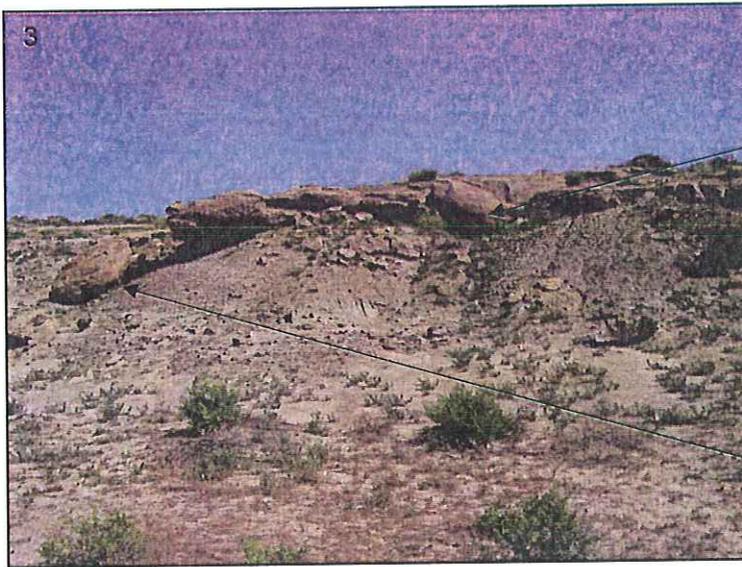
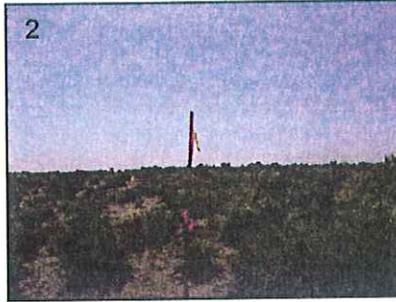
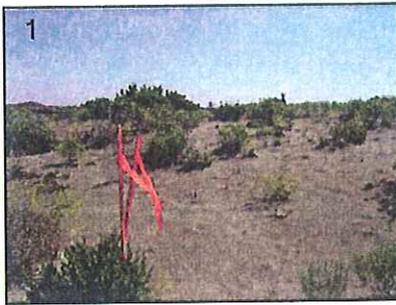


Figure 1. *continued...*

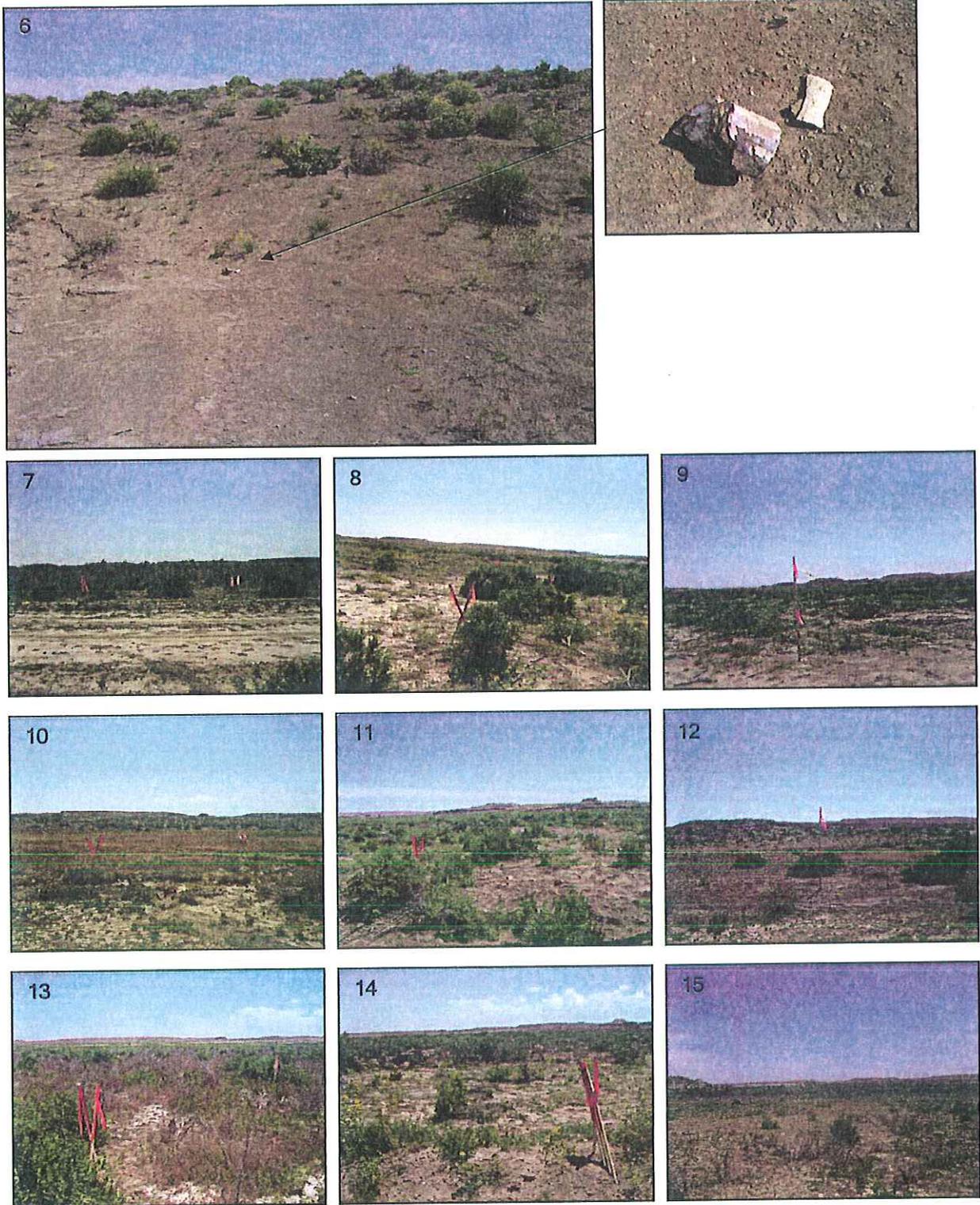


Figure 1. *continued...*

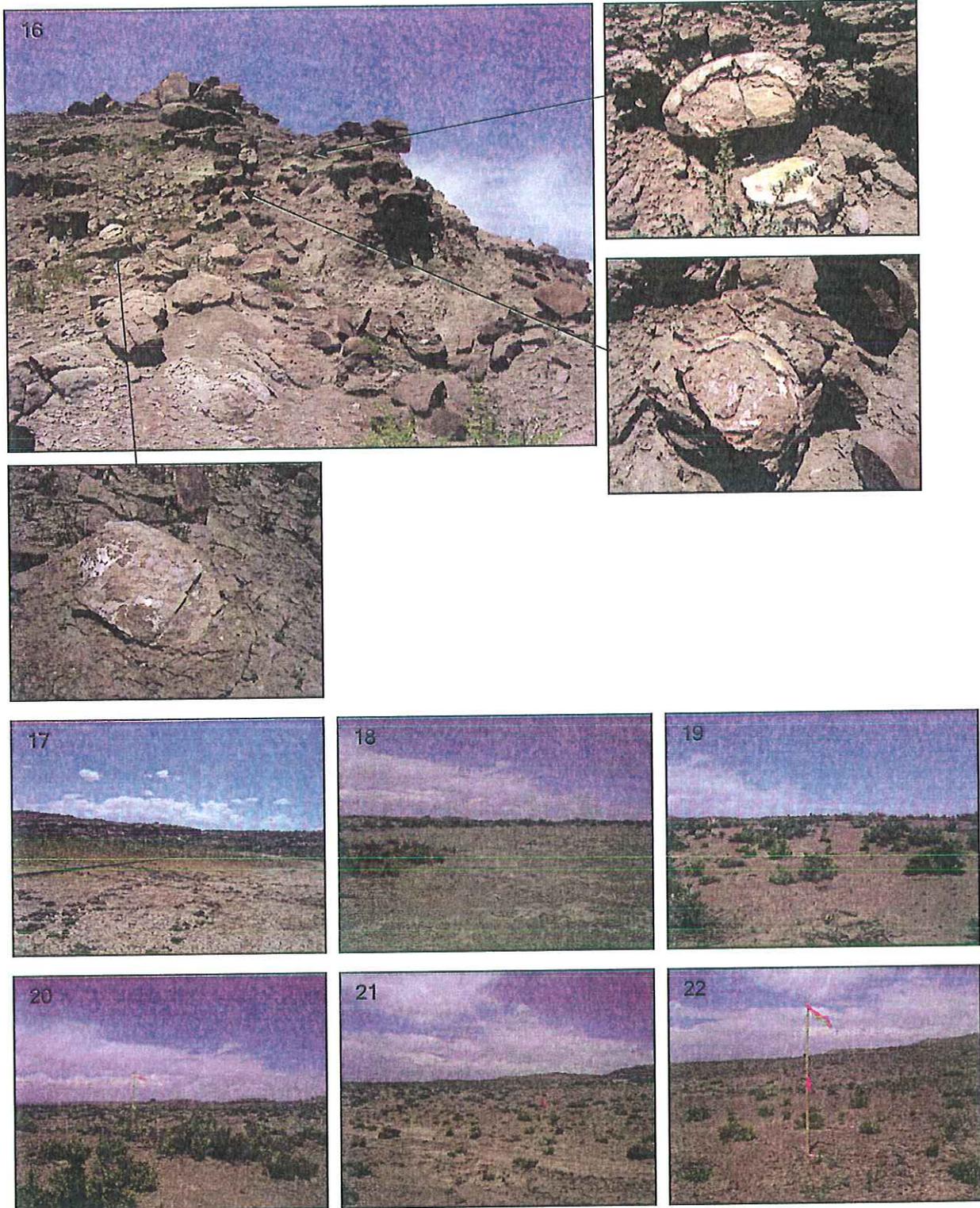


Figure 1. *continued...*

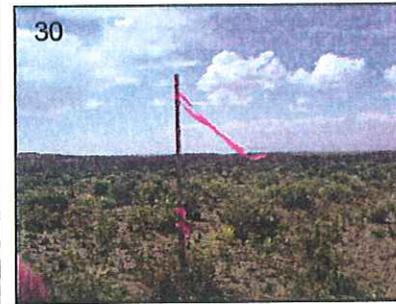
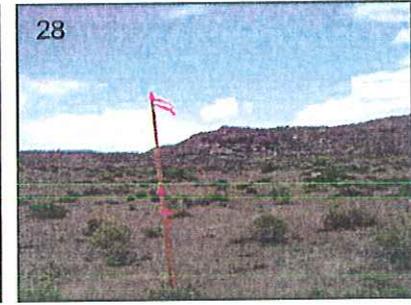
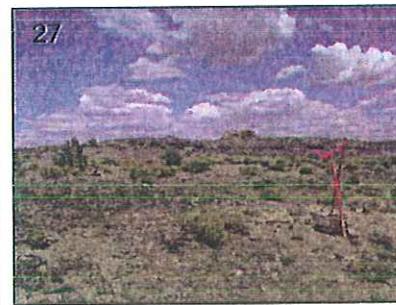
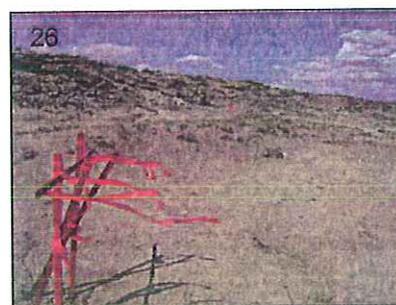
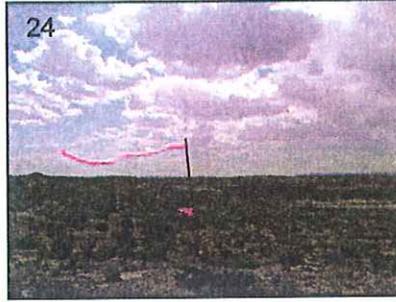
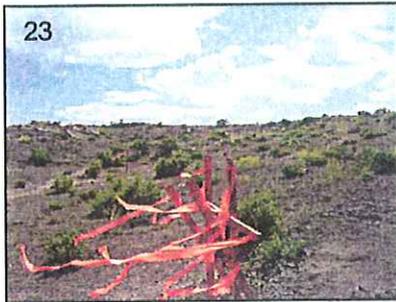


Figure 1. *continued...*



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# 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 17, 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 MESA VERDE)         |                     |                             |
| 43-047-50126                     | NBU 920-12I Sec 12  | T09S R20E 2076 FSL 0799 FEL |
| 43-047-50125                     | NBU 920-12J Sec 12  | T09S R20E 2014 FSL 1926 FEL |
| (Proposed PZ WASATCH-MESA VERDE) |                     |                             |
| 43-047-50099                     | NBU 921-27P3 Sec 27 | T09S R21E 1384 FSL 1270 FEL |
|                                  | BHL Sec 27          | T09S R21E 0645 FSL 1250 FEL |
| 43-047-50124                     | NBU 920-12K Sec 12  | T09S R20E 1913 FSL 2179 FWL |
| 43-047-50123                     | NBU 920-12N Sec 12  | T09S R20E 0460 FSL 1726 FWL |

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:9-17-08

API Number: 4304750126

Well Name: NBU 920-12I

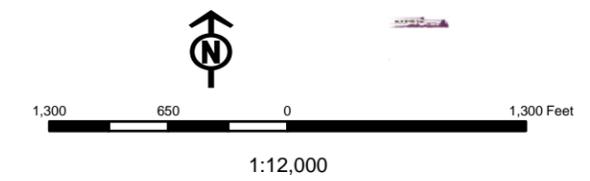
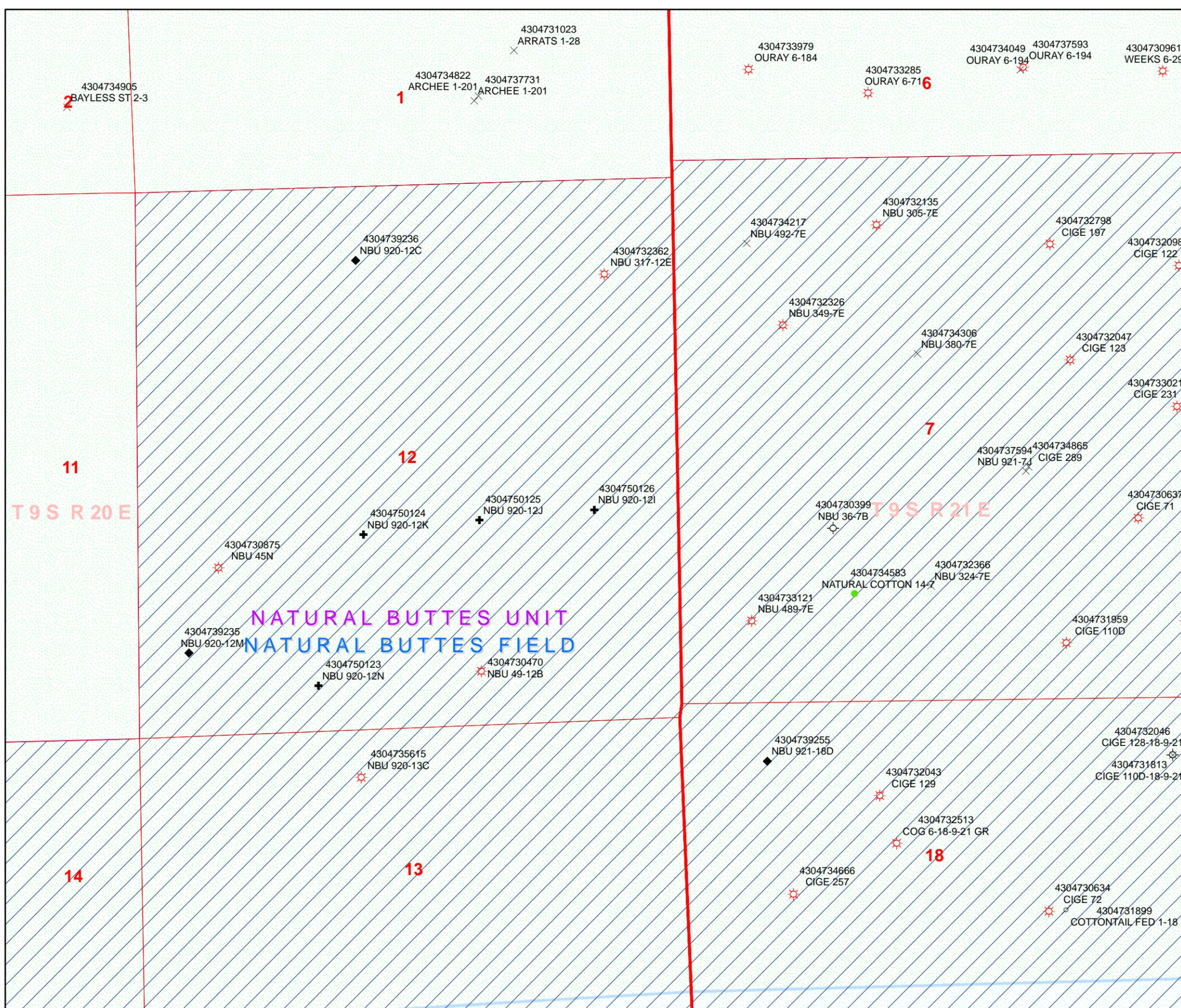
Township 09.0 S Range 20.0 E Section 12

Meridian: SLBM

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

Map Prepared:  
Map Produced by Diana Mason

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



# WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 9/12/2008

**API NO. ASSIGNED:** 43047501260000

**WELL NAME:** NBU 920-12I

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

**PHONE NUMBER:** 720 929-6226

**CONTACT:** Kevin McIntyre

**PROPOSED LOCATION:** NESE 12 090S 200E

**Permit Tech Review:**

**SURFACE:** 2076 FSL 0799 FEL

**Engineering Review:**

**BOTTOM:** 2076 FSL 0799 FEL

**Geology Review:**

**COUNTY:** UINTAH

**LATITUDE:** 40.04855

**LONGITUDE:** -109.60813

**UTM SURF EASTINGS:** 618730.00

**NORTHINGS:** 4433863.00

**FIELD NAME:** NATURAL BUTTES

**LEASE TYPE:** 1 - Federal

**LEASE NUMBER:** UTU-0144868B

**PROPOSED FORMATION:** MVRD

**SURFACE OWNER:** 2 - Indian

**COALBED METHANE:** NO

## RECEIVED AND/OR REVIEWED:

- PLAT**
- Bond:** FEDERAL - WYB000291
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** Permit #43-8496
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

## LOCATION AND SITING:

- R649-2-3.**  
**Unit:** NATURAL BUTTES
- R649-3-2. General**
- R649-3-3. Exception**
- Drilling Unit**  
**Board Cause No:** 173-14  
**Effective Date:** 12/2/1999  
**Siting:** Suspends General Siting
- R649-3-11. Directional Drill**

**Comments:** Presite Completed

**Stipulations:** 4 - Federal Approval - dmason  
17 - Oil Shale 190-5(b) - dmason



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 920-12I

**API Well Number:** 43047501260000

**Lease Number:** UTU-0144868B

**Surface Owner:** INDIAN

**Approval Date:** 9/25/2008

**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:**

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

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.

**Notification Requirements:**

Notify the Division with 24 hours of spudding the well.

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

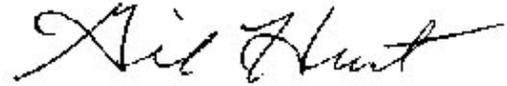
Notify the Division prior to commencing operations to plug and abandon the well.

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

**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:**

A handwritten signature in black ink, appearing to read "Gil Hunt". The signature is written in a cursive style with a long, sweeping horizontal stroke at the end.

Gil Hunt  
Associate Director, Oil & Gas

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B                                 |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES   |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-12I  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047501260000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2076 FSL 0799 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 12 Township: 09.0S Range: 20.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |   |
|---|---|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>9/22/2009<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input checked="" type="checkbox"/> APD EXTENSION<br>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:** September 22, 2009

**By:** 

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        | <b>DATE</b><br>9/17/2009            |                                    |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047501260000

API: 43047501260000

Well Name: NBU 920-12I

Location: 2076 FSL 0799 FEL QTR NESE SEC 12 TWNP 090S RNG 200E MER S

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

Date Original Permit Issued: 9/29/2008

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

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

Approved by the Utah Division of Oil, Gas and Mining

Signature: Danielle Piernot

Date: 9/17/2009

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

Date: September 22, 2009

By:

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|   |               |
|---|---------------|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b> |
| <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B                              |               |

|  |   |
|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute |
| <b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES   |   |

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-12I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047501260000 |
|---|---|

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

|   |                          |
|---|--------------------------|
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2076 FSL 0799 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 12 Township: 09.0S Range: 20.0E Meridian: S | <b>COUNTY:</b><br>UINTAH |
| <b>STATE:</b><br>UTAH   |                          |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>9/30/2010 | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input checked="" type="checkbox"/> APD EXTENSION<br>OTHER: <input style="width: 100px;" type="text"/> |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:                                 |   |   |  |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:  |   |   |  |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:   |   |   |  |

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:** October 06, 2010

**By:**

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        | <b>DATE</b><br>9/29/2010            |                                    |



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 43047501260000

API: 43047501260000

Well Name: NBU 920-12I

Location: 2076 FSL 0799 FEL QTR NESE SEC 12 TWNP 090S RNG 200E MER S

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

Date Original Permit Issued: 9/29/2008

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- 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: 9/29/2010

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

Date: October 06, 2010

By:

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|   |   |
|---|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B |
|---|---|

|  |   |
|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES |
|--|---|

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-12I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047501260000 |
|---|---|

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

|   |   |
|---|---|
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2076 FSL 0799 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 12 Township: 09.0S Range: 20.0E Meridian: S | <b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |
|---|---|

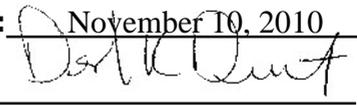
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |  |
|---|--|---|--|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>11/1/2010<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input type="checkbox"/> ACIDIZE<br><input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> APD EXTENSION<br>OTHER: <input style="width: 50px;" type="text"/> |

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

Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee) respectfully requests to change the surface casing size for this well from FROM: 9-5/8" TO: 8-5/8". Additionally, Kerr-McGee requests to change the surface hole size FROM: 12-1/4" TO: 11". Please see the attached drilling program for additional details. All other information remains the same. Please contact the undersigned with any questions and/or comments. Thank you.

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

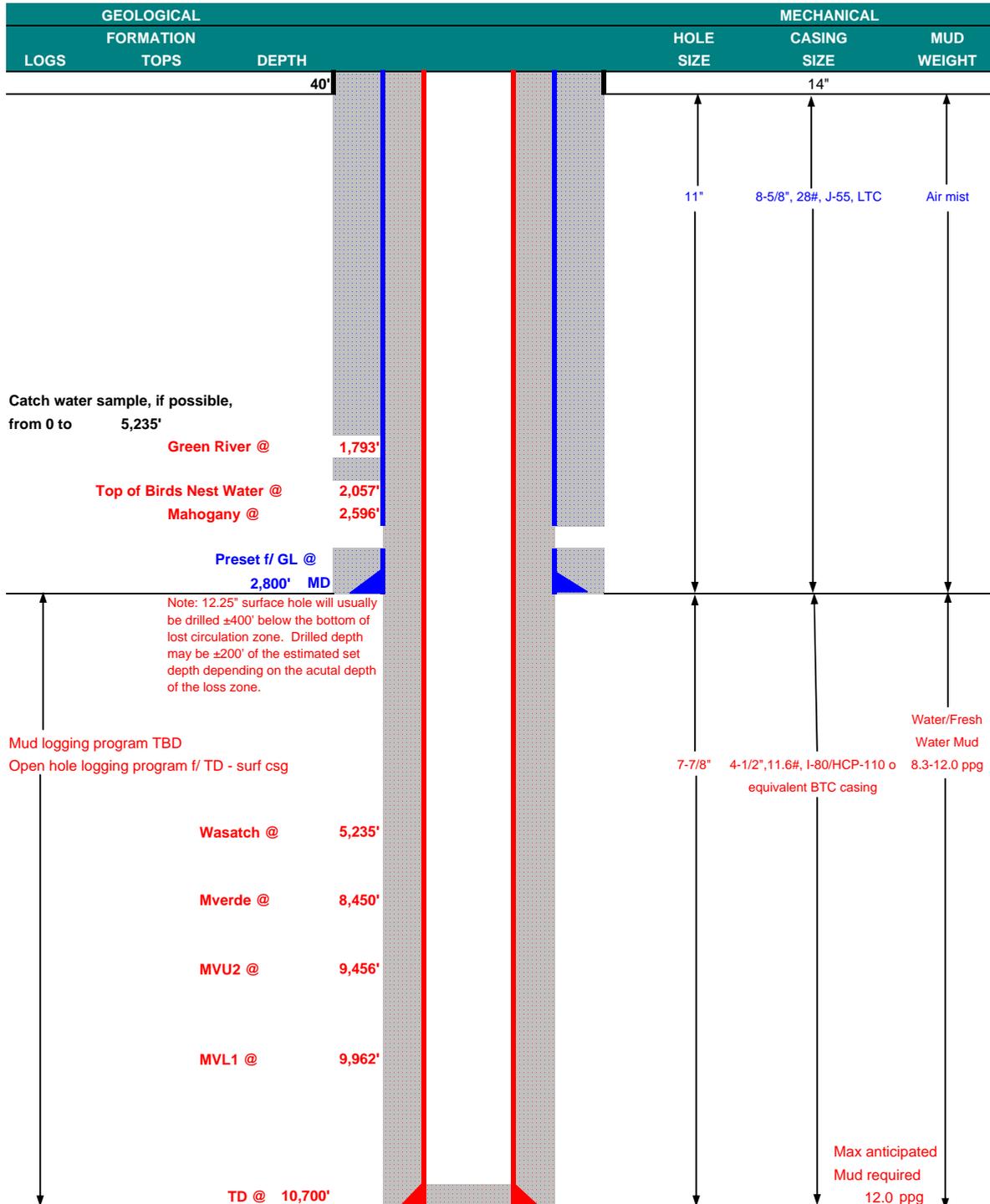
Date: November 10, 2010  
 By: 

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        | <b>DATE</b><br>10/25/2010           |                                    |



# KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE September 11, 2008  
 WELL NAME NBU 920-121 TD 10,700' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 4,705' GL KB 4,720'  
 SURFACE LOCATION NESE 2076' FSL & 799' FEL BHL Straight Hole  
 Latitude: 40.048600 Longitude: -109.608130 NAD 27  
 OBJECTIVE ZONE(S) Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: BLM (MINERALS), BIA (SURFACE), UDOGM, Tri-County Health Dept.





## KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

### CASING PROGRAM

|            | SIZE   | INTERVAL    | WT.   | GR.     | CPLG. | DESIGN FACTORS |          |         |
|------------|--------|-------------|-------|---------|-------|----------------|----------|---------|
|            |        |             |       |         |       | BURST          | COLLAPSE | TENSION |
| CONDUCTOR  | 14"    | 0-40'       |       |         |       |                |          |         |
| SURFACE    | 9-5/8" | 0 to 2,800' | 36.00 | J-55    | LTC   | 3520           | 2020     | 453000  |
|            |        |             |       |         |       | 0.81           | 1.54     | 5.13    |
| PRODUCTION | 4-1/2" | 0 to 10700  | 11.60 | I-80    | BTC   | 7780           | 6350     | 201000  |
|            |        |             |       |         |       | 1.80           | 0.95     | 1.86    |
| PRODUCTION | 4-1/2" | 0 to 10700  | 11.60 | HCP-110 | BTC   | 10690          | 8650     | 367000  |
|            |        |             |       |         |       | 2.47           | 1.30     | 3.39    |

- 1) Max Anticipated Surf. Press (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))  
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)  
 (Burst Assumptions: TD = 12.0 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing \* Buoy. Fact. of water)  
 MASP 4280 psi

### CEMENT PROGRAM

|   |                 | FT. OF FILL | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |
|---|-----------------|-------------|--|---------|--------|--------|-------|
| SURFACE<br>Option 1   | LEAD            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 215     | 60%    | 15.60  | 1.18  |
|   | TOP OUT CMT (1) | 250         | 20 gals sodium silicate + Premium cmt<br>+ 2% CaCl + .25 pps flocele                             | 100     |        | 15.60  | 1.18  |
|   | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b> |                 |             |  |         |        |        |       |
| SURFACE<br>Option 2   | LEAD            | 2000        | Prem cmt + 16% Gel + 10 pps gilsonite<br>+.25 pps Flocele + 3% salt BWOC                         | 230     | 35%    | 11.00  | 3.82  |
|   | TAIL            | 500         | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 180     | 35%    | 15.60  | 1.18  |
|   | TOP OUT CMT     | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| PRODUCTION  | LEAD            | 4,730'      | Premium Lite II + 3% KCl + 0.25 pps<br>celloflake + 5 pps gilsonite + 10% gel<br>+ 0.5% extender | 520     | 60%    | 12.50  | 3.38  |
|   | TAIL            | 5,970'      | 50/50 Poz/G + 10% salt + 2% gel<br>+.1% R-3  | 1670    | 60%    | 14.30  | 1.31  |

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

### FLOAT EQUIPMENT & CENTRALIZERS

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

### ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.  
 Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: \_\_\_\_\_ DATE: \_\_\_\_\_  
 Emile Goodwin

DRILLING SUPERINTENDENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 NBU-920-121 Drilling Diagram REVISED 102910.xls

**RECEIVED** October 25, 2010



BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG  
Submitted By ANDY LYTLE Phone Number 720.929.6100  
Well Name/Number NBU 920-12I  
Qtr/Qtr NESE Section 12 Township 9S Range 20E  
Lease Serial Number UTU-0144868B  
API Number 4304750126

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 12/08/2010 11:00 HRS AM  PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

RECEIVED

DEC 07 2010

DIV. OF OIL, GAS & MINING

Date/Time 01/26/2011 08:00 HRS AM  PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time \_\_\_\_\_ AM  PM

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT

|   |   |
|---|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B |
|---|---|

|  |   |
|--|---|
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|--|---|

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-12I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047501260000 |
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|   |   |
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|---|---|

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

| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
|--|--|---|---|
| <input type="checkbox"/> NOTICE OF INTENT<br>Approximate date work will start: | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:         | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input checked="" type="checkbox"/> SPUD REPORT<br>Date of Spud:<br>12/8/2010  | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> DRILLING REPORT<br>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 type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER: <input style="width: 100px;" type="text"/>       |

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

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'.  
 RAN 14" 36.7# SCHEDULE 10 CONDUCTOR PIPE. CMT W/ 28 SX READY MIX  
 SPUD WELL LOCATION ON DECEMBER 8, 2010 AT 11:15 HRS.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 12/9/2010

|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker | <b>PHONE NUMBER</b><br>720 929-6086 | <b>TITLE</b><br>Regulatory Analyst II |
| <b>SIGNATURE</b><br>N/A                   | <b>DATE</b><br>12/9/2010            |                                       |

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

FORM 6

**ENTITY ACTION FORM**

Operator: KERR McGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
 Address: P.O. Box 173779  
city DENVER  
state CO zip 80217 Phone Number: (720) 929-6100

Well 1

| API Number  | Well Name             |                   | QQ        | Sec | Twp | Rng                              | County |
|---|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 4304750126  | NBU 920-12I           |                   | NESE      | 12  | 9S  | 20E                              | UINTAH |
| Action Code   | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
| B   | 99999                 | 2900              | 12/8/2010 |     |     | 12/15/10                         |        |
| Comments: MIRU PETE MARTIN BUCKET RIG. <i>W57MVD</i><br>SPUD WELL LOCATION ON 12/8/2010 AT 11:15 HRS. |                       |                   |           |     |     |                                  |        |

Well 2

| API Number  | Well Name             |                   | QQ        | Sec | Twp | Rng                              | County |
|-------------|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
|             |                       |                   |           |     |     |                                  |        |
| Action Code | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
|             |                       |                   |           |     |     |                                  |        |
| Comments:   |                       |                   |           |     |     |                                  |        |

Well 3

| API Number  | Well Name             |                   | QQ        | Sec | Twp | Rng                              | County |
|-------------|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
|             |                       |                   |           |     |     |                                  |        |
| Action Code | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
|             |                       |                   |           |     |     |                                  |        |
| Comments:   |                       |                   |           |     |     |                                  |        |

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

GINA BECKER

Name (Please Print)

Signature

REGULATORY ANALYST

Title

12/9/2010

Date

**RECEIVED**

DEC 13 2010

(5/2000)

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B                                 |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES   |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-12I  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047501260000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2076 FSL 0799 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 12 Township: 09.0S Range: 20.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |   |
|--|---|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>12/21/2010<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input type="checkbox"/> ACIDIZE<br><br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><br><input type="checkbox"/> CHANGE WELL STATUS<br><br><input type="checkbox"/> DEEPEN<br><br><input type="checkbox"/> OPERATOR CHANGE<br><br><input type="checkbox"/> PRODUCTION START OR RESUME<br><br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><br><input type="checkbox"/> TUBING REPAIR<br><br><input type="checkbox"/> WATER SHUTOFF<br><br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input checked="" type="checkbox"/> <b>ALTER CASING</b><br><br><input type="checkbox"/> CHANGE TUBING<br><br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><br><input type="checkbox"/> FRACTURE TREAT<br><br><input type="checkbox"/> PLUG AND ABANDON<br><br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><br><input type="checkbox"/> VENT OR FLARE<br><br><input type="checkbox"/> SI TA STATUS EXTENSION<br><br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><br><input type="checkbox"/> CHANGE WELL NAME<br><br><input type="checkbox"/> CONVERT WELL TYPE<br><br><input type="checkbox"/> NEW CONSTRUCTION<br><br><input type="checkbox"/> PLUG BACK<br><br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><br><input type="checkbox"/> TEMPORARY ABANDON<br><br><input type="checkbox"/> WATER DISPOSAL<br><br><input type="checkbox"/> APD EXTENSION<br><br>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 respectfully requests to change the surface casing from 8-5/8" to 9-5/8". The originally approved APD was approved for 9-5/8" but a sundry was submitted to change it to 8-5/8". Kerr-McGee requests to go back to our originally approved drilling plan with the 9-5/8" surface casing. Please see the attached drilling diagram for additional details. Thank you.

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

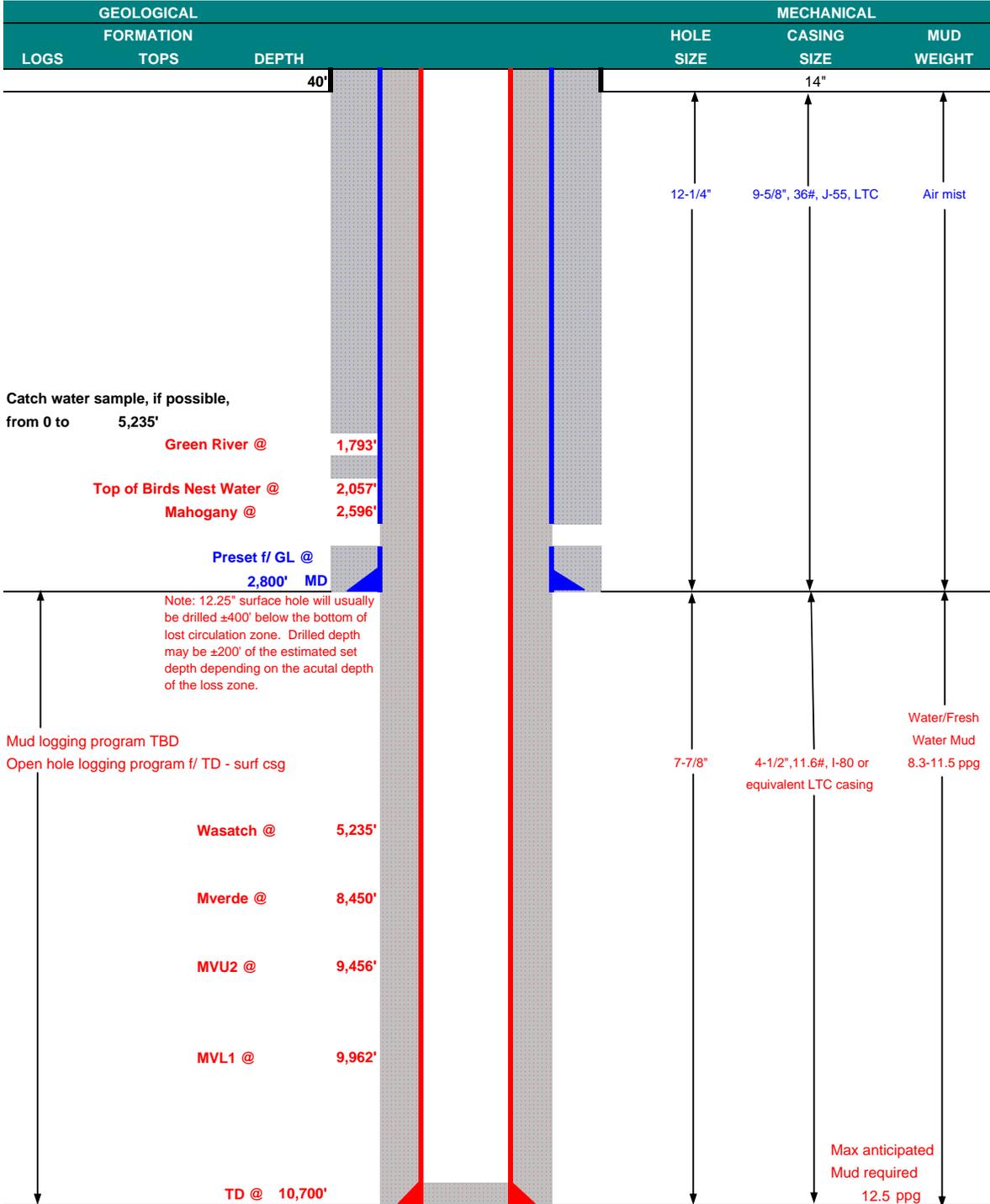
Date: 12/21/2010  
By: *Danielle Piernot*

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        | <b>DATE</b><br>12/21/2010           |                                    |



## KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE September 11, 2008  
 WELL NAME NBU 920-12I TD 10,700' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 4,705' GL KB 4,720'  
 SURFACE LOCATION NESE 2076' FSL & 799' FEL BHL Straight Hole  
 Latitude: 40.048600 Longitude: -109.608130 NAD 27  
 OBJECTIVE ZONE(S) Mesaverde  
 ADDITIONAL INFO Regulatory Agencies: BLM (MINERALS), BIA (SURFACE), UDOGM, Tri-County Health Dept.





## KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

### CASING PROGRAM

|            | SIZE   | INTERVAL    | WT.   | GR.  | CPLG. | DESIGN FACTORS |          |         |
|------------|--------|-------------|-------|------|-------|----------------|----------|---------|
|            |        |             |       |      |       | BURST          | COLLAPSE | TENSION |
| CONDUCTOR  | 14"    | 0-40'       |       |      |       |                |          |         |
| SURFACE    | 9-5/8" | 0 to 2,800' | 36.00 | J-55 | LTC   | 3520           | 2020     | 453000  |
|            |        |             |       |      |       | 0.77           | 1.54     | 5.13    |
| PRODUCTION | 4-1/2" | 0 to 10700' | 11.60 | I-80 | LTC   | 7780           | 6350     | 201000  |
|            |        |             |       |      |       | 1.69           | 0.91     | 1.86    |

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- (Burst Assumptions: TD = 12.5 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoys.Fact. of water)
- MASP 4280 psi

### CEMENT PROGRAM

|   | FT. OF FILL                 | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |
|---|-----------------------------|--|---------|--------|--------|-------|
| SURFACE<br>Option 1   | LEAD 500                    | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 215     | 60%    | 15.60  | 1.18  |
|   | TOP OUT CMT (1) 250         | 20 gals sodium silicate + Premium cmt<br>+ 2% CaCl + .25 pps flocele                             | 100     |        | 15.60  | 1.18  |
|   | TOP OUT CMT (2) as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b> |                             |  |         |        |        |       |
| SURFACE<br>Option 2   | LEAD 2000                   | Prem cmt + 16% Gel + 10 pps gilsonite<br>+.25 pps Flocele + 3% salt BWOC                         | 230     | 35%    | 11.00  | 3.82  |
|   | TAIL 500                    | Premium cmt + 2% CaCl<br>+ .25 pps flocele   | 180     | 35%    | 15.60  | 1.18  |
|   | TOP OUT CMT as required     | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| PRODUCTION  | LEAD 4,730'                 | Premium Lite II + 3% KCl + 0.25 pps<br>celloflake + 5 pps gilsonite + 10% gel<br>+ 0.5% extender | 520     | 60%    | 12.50  | 3.38  |
|   | TAIL 5,970'                 | 50/50 Poz/G + 10% salt + 2% gel<br>+.1% R-3  | 1670    | 60%    | 14.30  | 1.31  |

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

### FLOAT EQUIPMENT & CENTRALIZERS

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

### ADDITIONAL INFORMATION

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

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

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

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

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

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

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B                                 |
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| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-12I  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047501260000   |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6515 Ext  |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2076 FSL 0799 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 12 Township: 09.0S Range: 20.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |

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| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
|--|--|---|---|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:  | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:          | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:                           | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:<br>2/8/2011 | <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 type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER: <input style="width: 100px;" type="text"/>       |

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

MIRU & DRILLED 12 1/4" SURFACE HOLE TO 2830'. RAN 9 5/8" 36# IJ-55 SURFACE CSG. PUMP 50 BBLS FRESH WATER. PUMP 20 BBLS GEL WATER LEAD CEMENT W/ 300 SX CLASS G PREM @ 11.0 PPG, 3.52 YD. TAILED CEMENT W/ 275 SX CLASS G PREM LITE @ 15.8 PPG, 1.15 YD. DROP PLUG ON THE FLY, DISPLACED W/ 213 BBLS WATER. 490 PSI OF LIFT @ 2 BBLS/MIN. 40 BBLS LEAD TO SURFACE. BUMP PLUG W/ 900 PSI. FLOAT HELD. PUMP 65 SX CLASS G PREM LITE @ 15.8 PPG, 1.15 YD. DOWN 1" DOWN BACK SIDE. CEMENT TO SURFACE. WORT.

Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
**FOR RECORD ONLY**

|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker | <b>PHONE NUMBER</b><br>720 929-6086 | <b>TITLE</b><br>Regulatory Analyst II |
| <b>SIGNATURE</b><br>N/A                   |                                     | <b>DATE</b><br>2/9/2011               |

|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B                                 |
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| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
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| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:  | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
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| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:                           | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:<br>2/8/2011 | <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 |
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|  | <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 type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER: <input style="width: 100px;" type="text"/>       |

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|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker | <b>PHONE NUMBER</b><br>720 929-6086 | <b>TITLE</b><br>Regulatory Analyst II |
| <b>SIGNATURE</b><br>N/A                   |                                     | <b>DATE</b><br>2/9/2011               |

|   |  |   |
|---|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING   |  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU-0144868B                               |
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| <b>4. LOCATION OF WELL FOOTAGES AT SURFACE:</b><br>2076 FSL 0799 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 12 Township: 09.0S Range: 20.0E Meridian: S   | <b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH  |   |
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| <b>TYPE OF SUBMISSION</b>   | <b>TYPE OF ACTION</b>  |   |
| <input type="checkbox"/> NOTICE OF INTENT<br>Approximate date work will start:<br><br><input type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:<br><br><input type="checkbox"/> SPUD REPORT<br>Date of Spud:<br><br><input checked="" type="checkbox"/> DRILLING REPORT<br>Report Date:<br>3/31/2011   | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION<br><br><input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER |   |
| <b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b><br>MIRU ROTARY RIG. FINISHED DRILLING FROM 2830' TO 10,790' ON MARCH 28, 2011. RAN 4-1/2" 11.6# I-80 PRODUCTION CASING TO 9634'. RAN 4 1/2" 11.6# P110 CSG FROM 9634' TO 10,780'. CEMENTED PRODUCTION CASING. RELEASED H&P RIG 298 ON MARCH 31, 2011 @ 06:00 HRS. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH THE WELL COMPLETION REPORT. WELL IS WAITING ON FINAL COMPLETION ACTIVITIES. |  |   |
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker   | <b>PHONE NUMBER</b><br>720 929-6086  | <b>TITLE</b><br>Regulatory Analyst II   |
| <b>SIGNATURE</b><br>N/A   | <b>DATE</b><br>4/4/2011  |   |

|   |   |  |
|---|---|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING   |   | <b>FORM 9</b>  |
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| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.  |   | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute            |
|   |   | <b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES         |
| <b>1. TYPE OF WELL</b><br>Gas Well  | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-12I  |  |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.   | <b>9. API NUMBER:</b><br>43047501260000   |  |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779   | <b>PHONE NUMBER:</b><br>720 929-6515 Ext  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES         |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2076 FSL 0799 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 12 Township: 09.0S Range: 20.0E Meridian: S   | <b>COUNTY:</b><br>UINTAH  |  |
|   |   | <b>STATE:</b><br>UTAH  |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |   |  |
| <b>TYPE OF SUBMISSION</b>   | <b>TYPE OF ACTION</b>   |  |
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:<br>4/25/2011 | <input type="checkbox"/> <b>ACIDIZE</b><br><input type="checkbox"/> <b>ALTER CASING</b><br><input type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b><br><input type="checkbox"/> <b>CHANGE TUBING</b><br><input type="checkbox"/> <b>CHANGE WELL STATUS</b><br><input type="checkbox"/> <b>COMMINGLE PRODUCING FORMATIONS</b><br><input type="checkbox"/> <b>DEEPEN</b><br><input type="checkbox"/> <b>FRACTURE TREAT</b><br><input type="checkbox"/> <b>OPERATOR CHANGE</b><br><input type="checkbox"/> <b>PLUG AND ABANDON</b><br><input checked="" type="checkbox"/> <b>PRODUCTION START OR RESUME</b><br><input type="checkbox"/> <b>RECLAMATION OF WELL SITE</b><br><input type="checkbox"/> <b>REPERFORATE CURRENT FORMATION</b><br><input type="checkbox"/> <b>SIDETRACK TO REPAIR WELL</b><br><input type="checkbox"/> <b>TUBING REPAIR</b><br><input type="checkbox"/> <b>VENT OR FLARE</b><br><input type="checkbox"/> <b>WATER SHUTOFF</b><br><input type="checkbox"/> <b>SI TA STATUS EXTENSION</b><br><input type="checkbox"/> <b>WILDCAT WELL DETERMINATION</b><br><input type="checkbox"/> <b>OTHER</b> |  |
|   | <input type="checkbox"/> <b>CASING REPAIR</b><br><input type="checkbox"/> <b>CHANGE WELL NAME</b><br><input type="checkbox"/> <b>CONVERT WELL TYPE</b><br><input type="checkbox"/> <b>NEW CONSTRUCTION</b><br><input type="checkbox"/> <b>PLUG BACK</b><br><input type="checkbox"/> <b>RECOMPLETE DIFFERENT FORMATION</b><br><input type="checkbox"/> <b>TEMPORARY ABANDON</b><br><input type="checkbox"/> <b>WATER DISPOSAL</b><br><input type="checkbox"/> <b>APD EXTENSION</b><br>OTHER: <input style="width: 100px;" type="text"/>  |  |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  |   |  |
| THE SUBJECT WELL WAS PLACED ON PRODUCTION ON APRIL 25, 2011 AT<br>4:40 P.M. THE CHRONOLOGICAL WELL HISTORY WILL BE SUBMITTED WITH<br>THE WELL COMPLETION REPORT.  |   |  |
| <b>Accepted by the<br/>         Utah Division of<br/>         Oil, Gas and Mining<br/>         FOR RECORD ONLY</b>  |   |  |
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker   | <b>PHONE NUMBER</b><br>720 929-6086   | <b>TITLE</b><br>Regulatory Analyst II                          |
| <b>SIGNATURE</b><br>N/A   | <b>DATE</b><br>4/26/2011  |  |

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

|   |  |   |  |   |   |
|---|--|---|--|---|---|
| 1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other   |  |   | 6. If Indian, Allottee or Tribe Name   |   |   |
| b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr.<br>Other _____   |  |   | 7. Unit or CA Agreement Name and No.<br>UTU63047A  |   |   |
| 2. Name of Operator<br>KERR MCGEE OIL & GAS ONSHORE; Contact: GINA T. BECKER<br>Mail: gina.becker@anadarko.com  |  |   | 8. Lease Name and Well No.<br>NBU 920-121  |   |   |
| 3. Address<br>POBOX 173779<br>DENVER, CO 80217  |  | 3a. Phone No. (include area code)<br>Ph: 720-929-6086 | 9. API Well No.<br>43-047-50126  |   |   |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)*<br>At surface NESE 2076FSL 799FEL 40.048564 N Lat, 109.608821 W Lon<br>At top prod interval reported below NESE 2076FSL 799FEL 40.048564 N Lat, 109.608821 W Lon<br>At total depth NESE 2076FSL 799FEL 40.048564 N Lat, 109.608821 W Lon |  |   | 10. Field and Pool, or Exploratory<br>NATURAL BUTTES   |   |   |
| 14. Date Spudded<br>12/08/2010  |  |   | 15. Date T.D. Reached<br>03/28/2011  | 16. Date Completed<br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.<br>04/25/2011 | 17. Elevations (DF, KB, RT, GL)*<br>4705 GL |
| 18. Total Depth: MD 10790<br>TVD 10781  |  | 19. Plug Back T.D.: MD 10736<br>TVD 10727             |  | 20. Depth Bridge Plug Set: MD<br>TVD  |   |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)<br>RCBL/GR-BHV-SD/DSN/ACTR  |  |   | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) |   |   |

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade  | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|-------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 20.000    | 14.000 STL  | 36.7        |          | 40          |                      | 28                          |                   |             |               |
| 12.250    | 9.625 J-55  | 36.0        |          | 2821        |                      | 640                         |                   | 0           |               |
| 7.875     | 4.500 I-80  | 11.6        |          | 9634        |                      | 1874                        |                   | 950         |               |
| 7.875     | 4.500 P-110 | 11.6        | 9634     | 10780       |                      |                             |                   |             |               |

24. Tubing Record

| Size  | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|-------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2.375 | 9914           |                   |      |                |                   |      |                |                   |

| 25. Producing Intervals |      |        |                     | 26. Perforation Record |           |              |  |
|-------------------------|------|--------|---------------------|------------------------|-----------|--------------|--|
| Formation               | Top  | Bottom | Perforated Interval | Size                   | No. Holes | Perf. Status |  |
| A) WASATCH              | 5440 | 8342   | 5440 TO 8342        | 0.360                  | 90        | OPEN         |  |
| B) MESAVERDE            | 8486 | 10667  | 8486 TO 10667       | 0.360                  | 93        | OPEN         |  |
| C)                      |      |        |                     |                        |           |              |  |
| D)                      |      |        |                     |                        |           |              |  |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

| Depth Interval | Amount and Type of Material                  |
|----------------|--|
| 5440 TO 10667  | PUMP 7,884 BBLs SLICK H2O & 191,815 LBS SAND |

28. Production - Interval A

| Date First Produced | Test Date         | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 04/25/2011          | 05/07/2011        | 24           | →               | 0.0     | 1736.0  | 192.0     |                       |             | FLOWS FROM WELL   |
| Choke Size          | Tbg. Press. Flwg. | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |
| 20/64               | SI                | 991          | →               | 0       | 1736    | 192       |                       | PGW         |                   |

28a. Production - Interval B

| Date First Produced | Test Date         | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
|                     |                   |              | →               |         |         |           |                       |             |                   |
| Choke Size          | Tbg. Press. Flwg. | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |
|                     | SI                |              | →               |         |         |           |                       |             |                   |

28b. Production - Interval C

| Date First Produced | Test Date            | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
|                     |                      |              | →               |         |         |           |                       |             |                   |
| Choke Size          | Tbg. Press. Flwg. SI | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |
|                     |                      |              | →               |         |         |           |                       |             |                   |

28c. Production - Interval D

| Date First Produced | Test Date            | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
|                     |                      |              | →               |         |         |           |                       |             |                   |
| Choke Size          | Tbg. Press. Flwg. SI | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |
|                     |                      |              | →               |         |         |           |                       |             |                   |

29. Disposition of Gas(Sold, used for fuel, vented, etc.)  
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

| Formation   | Top  | Bottom | Descriptions, Contents, etc. | Name | Top         |
|-------------|------|--------|------------------------------|------|-------------|
|             |      |        |                              |      | Meas. Depth |
| GREEN RIVER | 1713 |        |                              |      |             |
| BIRD'S NEST | 2050 |        |                              |      |             |
| MAHOGANY    | 2479 |        |                              |      |             |
| WASATCH     | 5272 | 8471   |                              |      |             |
| MESAVERDE   | 8471 | 10790  |                              |      |             |

32. Additional remarks (include plugging procedure):

Attached is the chronological well history & final survey. Completion chrono details individual frac stages.

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

**Electronic Submission #109275 Verified by the BLM Well Information System.  
For KERR MCGEE OIL & GAS ONSHORE,L, sent to the Vernal**

Name (please print) GINA T. BECKER Title REGULATORY ANALYST

Signature (Electronic Submission) Date 05/27/2011

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

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |   |  |  |  |
|--|--|---|--|--|--|
| Well: NBU 920-121                                    |  | Spud Conductor: 12/8/2010                             |  | Spud Date: 1/11/2011   |  |
| Project: UTAH-UINTAH                                 |  | Site: NBU 920-121                                     |  | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |  |
| Event: DRILLING                                      |  | Start Date: 12/13/2010                                |  | End Date: 3/31/2011  |  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |  | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0 |  |  |  |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|--|
| 1/10/2011 | 11:00 - 0:00   | 13.00         | MIRU   | 01   | A        | P   |              | MOVE ON TO LOCATION, DRESS CONDUCTOR, INSTALL AIR BOWL, RIG UP RIG, WAIT ON PARTS, FIGHT FROZEN EQUIPMENT BUILD DITCH, RIG UP AIR PACKAGE, RIG UP PUMP. THAW ICE ON PIT WITH WARM WATER. PRIME PUMPS, P/U 1.50 DEG BENT MOTOR .17 RPG SN 8013, M/U 12.25" Q507 SN 7015010 (1ST RUN). |
| 1/11/2011 | 0:00 - 0:30    | 0.50          | PRSPD  | 01   | B        | P   |              | FINISH RIGGING UP, P/U 1.50 DEG BENT MOTOR .17 RPG SN 8013, M/U 12.25" Q507 SN 7015010 (1ST RUN).  |
|           | 0:30 - 3:30    | 3.00          | DRLSUR | 02   | A        | P   |              | SPUD SURFACE 01/11/2011 @ 00:30<br>DRILL 40'- 270' (230, 76/HR) WOB 5-25K RPM 45, MOTOR RPM 93, GPM 550, ON/OFF PSI- 1220/990 UP/DOWN/ROT=28/25/27 1K DRAG   |
|           | 3:30 - 11:30   | 8.00          | MAINT  | 08   | A        | X   |              | REPAIR HYDRAULIC TONGS   |
|           | 11:30 - 0:00   | 12.50         | DRLSUR | 02   | A        | P   |              | DRILL 12.25" SURFACE HOLE F/270'- 1000' (730' 58'/HR) PSI ON/ OFF 1040/920, UP/ DOWN/ ROT 52/47/48. SURVEY @ 950' 3 DEG,   |
| 1/12/2011 | 0:00 - 6:00    | 6.00          | DRLSUR | 02   | A        | P   |              | DRILL 12.25" SURFACE HOLE F/ 1000'-1250' (220' 44'/HR) BACKED OFF WEIGHT ON BIT TO 10K, 60 RPM ON TOP DRIVE, PSI ON/ OFF 1090/920, UP/ DOWN/ ROT 57/53/55.   |
|           | 6:00 - 7:00    | 1.00          | DRLSUR | 10   | B        | P   |              | SURVEY @ 1220' 5.2 DEG   |
|           | 7:00 - 15:00   | 8.00          | DRLSUR | 02   | A        | P   |              | DRILL 12.25" SURFACE HOLE F/ 1250'-1460' (210' 44'/HR) BACKED OFF WEIGHT ON BIT TO 10K, 60 RPM ON TOP DRIVE, PSI ON/ OFF 1120/1000, UP/ DOWN/ ROT 59/55/57.  |
|           | 15:00 - 17:30  | 2.50          | DRLSUR | 10   | B        | P   |              | DEVEATION SURVEY @ 1430' 7.5 DEG, GOT SURVEY TOO F/ RIG 139, TOOK SECOND SURVEY, SECOND SURVEY WAS 6.5 DEG, TOO H, LDDS, BIT AND MTR   |
|           | 17:30 - 21:30  | 4.00          | DRLSUR | 06   | A        | P   |              |  |
|           | 21:30 - 0:00   | 2.50          | RDMO   | 01   | E        | X   |              | RIG DOWN RIG, MOVE OFF WELL, RELEASE RIG 1/12/2011 @ 23:59   |
| 2/5/2011  | 1:00 - 18:00   | 17.00         | DRLSUR | 01   | A        | X   |              | MOVE RIG TO NBU 920-121  |
|           | 18:00 - 19:00  | 1.00          | DRLSUR | 14   | A        | X   |              | WELD ON CONDUCTOR AND RIG UP FLOW LINE   |
|           | 19:00 - 20:00  | 1.00          | DRLSUR | 01   | A        | X   |              | RIG UP FILL MUD TANKS AND PREPARE TO PICK UP DIRECTIONAL TOOLS   |
|           | 20:00 - 0:00   | 4.00          | DRLSUR | 06   | A        | X   |              | MAKE UP BIT AND MUD MOTOR PICK UP DIRECTIONAL TOOLS  |
| 2/6/2011  | 0:00 - 4:30    | 4.50          | DRLSUR | 06   | A        | X   |              | TIH WITH BIT, BENT MUD MOTOR AND DIRECTIONAL TOOLS REAM 50' TO BOTTOM  |
|           | 4:30 - 5:00    | 0.50          | DRLSUR | 02   | C        | P   |              | DRILL F/ 1465' - 1511' WOB 12-14 ROT 55-65 DHR 99 GPM 620 NO LOSSES  |
|           | 5:00 - 6:00    | 1.00          | DRLSUR | 08   | A        | Z   |              | WORK ON ROTARY LOCK  |
|           | 6:00 - 8:30    | 2.50          | DRLSUR | 02   | C        | P   |              | DRILL F/ 1511' - 1607' WOB 12-14 ROT 55-65 DHR 99 GPM 620 NO LOSSES  |
|           | 8:30 - 9:00    | 0.50          | DRLSUR | 07   | A        | P   |              | DAILY RIG SERVICE  |
|           | 9:00 - 9:30    | 0.50          | DRLSUR | 08   | B        | Z   |              | WORK ON MUD PUMPS  |
|           | 9:30 - 0:00    | 14.50         | DRLSUR | 02   | C        | P   |              | DRILL F/ 1607' - 1957' SLIDING 80% OF TIME AVE ROP 25 FT HR WOB 12-14 ROT 55-65 DHR 99 GPM 620 NO LOSSES LAST SURVEY 1928' 2.71 DEG  |
| 2/7/2011  | 0:00 - 7:00    | 7.00          | DRLSUR | 02   | B        | P   |              | DRILL F/ 1957' - 2100' SLIDING 80% OF TIME AVE ROP 25 FT HR WOB 12-14 ROT 55-65 DHR 99 GPM 620 NO LOSSES LAST SURVEY 2.01 DEG 105.01   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |   |  |
|--|---|--|
| Well: NBU 920-12I                                    | Spud Conductor: 12/8/2010                             | Spud Date: 1/11/2011   |
| Project: UTAH-UINTAH                                 | Site: NBU 920-12I                                     | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |
| Event: DRILLING                                      | Start Date: 12/13/2010                                | End Date: 3/31/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) | UWI: NE/SE/O/9/S/20/E/12/O/O/26/PM/S/2076/E/O/799/O/O |  |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|--|
|           | 7:00 - 12:00   | 5.00          | DRLSUR | 06   | A        | P   |              | TOOH FOR BIT AND MUD MOTOR PICK UP NEW MUD MOTOR 1.83 BEND AND 506 BIT ORIENT TOOLS AND TIH  |
|           | 12:00 - 12:30  | 0.50          | DRLSUR | 07   | A        | P   |              | DAILY RIG SERVICE  |
|           | 12:30 - 0:00   | 11.50         | DRLSUR | 02   | B        | P   |              | DRILL F/ 2100' - 2550' SLIDING 5% OF TIME AVE ROP 40 FT HR WOB 12-14 ROT 55-65 DHR 99 GPM 620 NO LOSSES LAST SURVEY 1.54 DEG 106.51 AZI  |
| 2/8/2011  | 0:00 - 5:30    | 5.50          | DRLSUR | 02   | B        | P   |              | DRILL F/ 2550' - 2830' T.D. SLIDING 5% OF TIME AVE ROP 50 FT HR WOB 12-14 ROT 55-65 DHR 99 GPM 620 NO LOSSES LAST SURVEY 1.38 DEG 129.45 AZI   |
|           | 5:30 - 6:00    | 0.50          | DRLSUR | 05   | C        | P   |              | CIRCULATE AND CONDITION MUD PRIOR TO LDDS  |
|           | 6:00 - 7:00    | 1.00          | DRLSUR | 08   | A        | Z   |              | WORK ON GENERATOR (RAN OUT OF FUEL)  |
|           | 7:00 - 12:00   | 5.00          | DRLSUR | 06   | A        | P   |              | TOOH LAYING DOWN L/D MUD MOTOR AND BIT AND ALL DIRECTIONAL TOOLS   |
|           | 12:00 - 12:30  | 0.50          | DRLSUR | 07   | A        | P   |              | RIG SERVICE  |
|           | 12:30 - 17:30  | 5.00          | DRLSUR | 12   | C        | P   |              | RIG UP AND RUN 66 JOINTS 9 5/8 K55 36# CASING SHOE AT 2803' FLOAT COLLAR AT 2759'  |
|           | 17:30 - 20:00  | 2.50          | DRLSUR | 12   | E        | P   |              | HOLD SAFETY MEETING W/ SUPERIOR WELL SERVICES CEMENTERS. INSTALL CEMENT HEAD ON TOP OF LANDING JT. PRESSURE TEST LINE TO 2000 PSI. PUMP 50 BBLs OF WATER AHEAD, PUMP 20 BBLs OF GEL WATER. PUMP 300 SX OF 11#, 3.52 YD, 23 GAL/SK HI FILL LEAD, PUMP 275 SX OF 15.8# 1.15 YD, 5 GAL/SK TAIL. PREM. CLASS G CEMENT. DROP PLUG ON FLY, DISPLACE W/ 213 BBLs OF WATER. 490 PSI OF LIFT @ 2 BBLs/MIN RATE. 40 BBLs OF LEAD TO SURFACE. BUMP PLUG W/ 900 PSI. FLOAT HELD. CUT CONDUCTOR AND HANG OFF CASING |
|           | 20:00 - 20:30  | 0.50          | DRLSUR | 14   | A        | P   |              | PUMP 65 SX OF 15.8# PREMIUM 3% CALC CEMENT DOWN 1" DOWN BACK SIDE. CEMENT TO SURFACE   |
|           | 20:30 - 21:30  | 1.00          | DRLSUR | 12   | E        | P   |              | RIG DOWN RELEASE RIG 2-8-2011 @ 23:59  |
|           | 21:30 - 23:59  | 2.48          | DRLSUR | 01   | E        | P   |              | CONDUCTOR CASING:<br>Cond. Depth set: 40'<br>Cement sx used: 28  |
|           | 23:59 - 23:59  | 0.00          | DRLSUR |      |          |     |              |  |
|           |                |               |        |      |          |     |              | SPUD DATE/TIME: 2/6/2011 4:30  |
|           |                |               |        |      |          |     |              | SURFACE HOLE:<br>Surface From depth: 40<br>Surface To depth: 2,830<br>Total SURFACE hours: 55.00<br>Surface Casing size: 8 5/8<br># of casing joints ran: 63<br>Casing set MD: 2,803.0<br># sx of cement: 300/275/65<br>Cement blend (ppg): 11/15.8/15.8<br>Cement yield (ft3/sk): 1.15/3.52/1.15<br># of bbls to surface: 25<br>Describe cement issues: NONE<br>Describe hole issues:   |
| 3/18/2011 | 0:00 - 6:00    | 6.00          | RDMO   | 01   | E        | P   |              | RDRT / PREP RIG FOR TRUCKS   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                           |  |
|--|---------------------------|--|
| Well: NBU 920-12I                                    | Spud Conductor: 12/8/2010 | Spud Date: 1/11/2011   |
| Project: UTAH-UINTAH                                 | Site: NBU 920-12I         | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |
| Event: DRILLING                                      | Start Date: 12/13/2010    | End Date: 3/31/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |                           | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0                |

| Date      | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|-------|------|----------|-----|--------------|--|
|           | 6:00 - 19:00   | 13.00         | RDMO  | 01   | E        | P   |              | HSM W/ JONES TRUCKING,J&C CRANE,RIG CREWS / MOVE CAMPS & SET UP,6 BED TRUCKS,9 HAUL TRUCKS,2 FORKLIFTS ON LOCATION @ 0700 , CRANE @ 0700 MOVE FRAC TANKS,CMT SILOS,JUNK RACK,SET OUT BACK END & HAUL TO NEW LOCATION (19 MILES) SET,PUMPS ,PITS,,MCC & VFD HOUSES,SHAKERS,WATER TANK / 3 STROKE DERRICK CYLINDERS / HAD TROUBLE PINNING CYLINDERS TO DERRICK DUE TO THE UNLEVEL LOCATION & THE SHIMS THAT HAD BE ADDED TO DERRICK LEGS TO KEEP LINED UP OVER THE HOLE / REMOVED SHIMS PINNED CYL / SFTN , CAT & BLADE WORKING ON SOFT SPOTS IN ROAD THATS NOT HOLDING UP UNDER HEAVY LOADS / HAULING IN GRAVEL TO WATER CROSSING TO KEEP TRUCKS FROM BEING PULLED THRU / RIG 90% RIGGED DOWN,85% MOVED,10% RIGGED UP,RELEASED 2 BED TRUCKS / 5 HAUL TRUCKS / |
|           | 19:00 - 0:00   | 5.00          | RDMO  | 21   | C        | P   |              | STOP FOR THE NIGHT   |
| 3/19/2011 | 0:00 - 6:00    | 6.00          | MIRU  | 21   | C        | P   |              | WAIT ON DAYLIGHT   |
|           | 6:00 - 20:00   | 14.00         | MIRU  | 01   | A        | P   |              | SAFETY MEETING LOWER & SPLIT DERRICK / LOWER SUB RIG DOWN & LOAD OUT / FINISH MOVE TO NEW LOCATION / SET GENS,DIESEL TANK,HOOK UP VFD WIRE TRAY/ RUN GEN ELECTRIC WIRES / SET DWKS /SET AND LEVEL SUBSTRUCTURE / ,ALIGN OVER WELL /RAISE SUB / SFTN / UTILIZED 1-CRANE, 4-BED TRUCKS, 4-HAUL TRUCKS AND 2-FORKLIFTS / RELEASED 2 BED TRUCKS 2 HAUL TRUCKS / RIG 100% MOVED / 50% RIGGED UP / HAULED SKID PACKAGE TO NBU 921-25C PAD  |
|           | 20:00 - 0:00   | 4.00          | MIRU  | 21   | C        | P   |              | STOP FOR THE NIGHT   |
| 3/20/2011 | 0:00 - 6:00    | 6.00          | MIRU  | 21   | C        | P   |              | WAIT ON DAYLIGHT   |
|           | 6:00 - 22:00   | 16.00         | MIRU  | 01   | B        | P   |              | HSM / RE-ASSEMBLE DERRICK HALVES / RAISE RACKING BOARD RAISE DERRICK TO FLOOR & PIN,RAISE DERRICK. UP@1300 / SET FRAC TANKS / CHOKE HOUSE,CMT SILOS GAS BUSTER,SET IN NEW FLOW LINE / RUN FLARE LINES / TRUCKS RELEASED @1330,CRANE @1430 / RUN ELECTRICAL LINES / WATER LINES / AIR LINES / POWER UP ELECTRONICS / SET BOP / SPOOL DRILL LINE ON DRUM & RELEASE TOP DRIVE SYSTEM / INSTALL BAILS & ELEVATORS / H&P ONLY HAD 2 CREWS FOR THIS RIG MOVE / NEED TO HAVE 3 RIG CREWS WHEN MOVING RIG TO KEEP FROM HOLDING UP PROGRESS & KEEP THINGS MOVING  |
|           | 22:00 - 0:00   | 2.00          | MIRU  | 14   | A        | P   |              | NIPPLE UP BOP,INSTALL ROTATING HEAD  |
| 3/21/2011 | 0:00 - 4:30    | 4.50          | PRSPD | 14   | A        | P   |              | NIPPLE UP BOP,INSTALL ROTATING HEAD SHORTEN DRILLING NIPPLE 14" "INSTALLED DIFFERENT FLOW LINE THAN SKID PACKAGE,DRESS WITH,GAS BUSTER & TRIP TANK VALVES & FLANGE TO ROTATING HEAD/ IINSTALL TURN BUCKLES CENTER STACK /CHOKE LINES KOOMEY LINES  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                           |  |
|--|---------------------------|--|
| Well: NBU 920-12I                                    | Spud Conductor: 12/8/2010 | Spud Date: 1/11/2011   |
| Project: UTAH-UINTAH                                 | Site: NBU 920-12I         | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |
| Event: DRILLING                                      | Start Date: 12/13/2010    | End Date: 3/31/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |                           | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0                |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation   |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|---|
|           | 4:30 - 9:00    | 4.50          | PRSPD  | 15   | A        | P   |              | PRESSURE TEST PIPE RAMS, BLIND RAMS, IBOP, FLOOR VALVE, KILL LINES & KILL LINE VALVES, BOP WING VALVES, HCR VALVE + CHOKE LINE; INNER AND OUTER CHOKE VALVES & MANIFOLD TO 250 PSI LOW @ 5 MINUTES + 5000 PSI HIGH @ 10 MINUTES / TEST ANNULAR TO 250 PSI LOW @ 5 MINUTES + 2500 PSI HIGH @ 10 MINUTES / TEST SUPER CHOKE + SURFACE CASING TO 1500 PSI @ 30 MINUTES - |
|           | 9:00 - 9:30    | 0.50          | PRSPD  | 14   | B        | P   |              | INSTALL WEAR BUSHING  |
|           | 9:30 - 10:00   | 0.50          | PRSPD  | 07   | A        | P   |              | RIG SERVICE   |
|           | 10:00 - 10:30  | 0.50          | PRSPD  | 23   |          | P   |              | PRE SPUD INSPECTION   |
|           | 10:30 - 16:30  | 6.00          | PRSPD  | 06   | A        | P   |              | HSM /JSA RU WEATHERFORD / PU BHA / DIRECTIONAL TOOLS / 54 JTS DP / TAG CMT @ 2753 / RD WEATHERFORD  |
|           | 16:30 - 17:00  | 0.50          | PRSPD  | 07   | B        | P   |              | CENTER DERRICK OVER HOLE  |
|           | 17:00 - 17:30  | 0.50          | PRSPD  | 14   | B        | P   |              | INSTALL ROTATING HEAD   |
|           | 17:30 - 19:00  | 1.50          | DRLPRO | 02   | F        | P   |              | DRILL FLOAT TRAC F/2753, BAFFLE@ 2775 SHOE @ 2819 OPEN HOLE 2847  |
|           | 19:00 - 0:00   | 5.00          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 2847' - T/3425' = 578' @ 115 FPH / WOB 16K-20K / TOP DRIVE RPM 35-60 / PUMP 124 SPM = 558 GPM / PUMP PRESSURE ON/OFF BOTTOM 2025/1700 PSI / MUD MOTOR RPM 117/ PU/SO/ROT WT108/100/103 / TORQUE ON/OFF BOTTOM 7K/7K HIT SHALLOW GAS @ 3170' ,CLOSE IN PITS PUMPWEIGHTED SWEEPS / MUD WT TO 9.3 TO CONTROL GAS DRILLING W/ 8-10' FLARE                 |
| 3/22/2011 | 0:00 - 6:00    | 6.00          | DRLPRO | 02   | B        | P   |              | DRILL/SURVEY F/ 3425' - T/4125' = 700' @ 116.6 FPH / WOB 16K-20K / TOP DRIVE RPM 35-60 / PUMP 124 SPM = 558 GPM / PUMP PRESSURE ON/OFF BOTTOM 2225/2025 PSI / MUD MOTOR RPM 117/ PU/SO/ROT WT120/106/103 / TORQUE ON/OFF BOTTOM 7K/7K / MUD WT 9.3 /VIS 30 / 6/8' FLARE   |
|           | 6:00 - 14:30   | 8.50          | DRLPRO | 02   | B        | P   |              | DRILL/SURVEY F/ 4125' - T/5173' = 1048 @ 123.2 FPH / WOB 16K-20K / TOP DRIVE RPM 35-60 / PUMP 124 SPM = 558 GPM / PUMP PRESSURE ON/OFF BOTTOM 2375/2250 PSI / MUD MOTOR RP117/PU/SO/ROTW135/117/125 / TORQUE ON/OFF BOTTOM 11K/9K / SLIDE 36' IN .40 MIN = 3% OF FOOTAGE DRILLED & 8% OF HOURS DRILLED MUD WT 9.4 /VIS 30 / 5' FLARE ON CONN                          |
|           | 14:30 - 15:00  | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE,BOP DRILL   |
|           | 15:00 - 0:00   | 9.00          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 5173' - T/6120' = 1048 @ 105.2 FPH / WOB 16K-21K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 550 GPM / PUMP PRESSURE ON/OFF BOTTOM 2350/2200 PSI / MUD MOTOR RPM 115/ PU/SO/ROT WT 148/126/138/ TORQUE ON/OFF BOTTOM 7K6K / SLIDE 20' IN .20 MIN = 2% OF FOOTAGE DRILLED & 3% OF HOURS DRILLED MUD WT 9.8 /VIS 35  |
| 3/23/2011 | 0:00 - 6:00    | 6.00          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 6120 - T/6565=445' = 74.1 FPH / WOB 16K-21K / TOP DRIVE RPM 35-60 / PUMP 110 SPM = 495 GPM / PUMP PRESSURE ON/OFF BOTTOM 2100/1900 PSI / MUD MOTOR RPM 115/ PU/SO/ROT WT 148/126/138/ TORQUE ON/OFF BOTTOM 7K6K / WT 9.9 VIS 35 / NO MUD LOSS   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                           |  |
|--|---------------------------|--|
| Well: NBU 920-12I                                    | Spud Conductor: 12/8/2010 | Spud Date: 1/11/2011   |
| Project: UTAH-UINTAH                                 | Site: NBU 920-12I         | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |
| Event: DRILLING                                      | Start Date: 12/13/2010    | End Date: 3/31/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |                           | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0                |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation   |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|---|
|           | 6:00 - 14:00   | 8.00          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 6565 – T6973' = 408 @ 51 FPH / WOB 16K-23K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 550 GPM / PUMP PRESSURE ON/OFF BOTTOM 2370/2290 PSI / MUD MOTOR RPM 115/ PU/SO/ROT WT 168/135/144/ TORQUE ON/OFF BOTTOM 7K7K / SLIDE 46' IN .85 MIN = 11% OF FOOTAGE DRILLED &9.5% OF HOURS DRILLED MUD WT 10.2 /VIS 36 / NO MUD LOSS |
|           | 14:00 - 14:30  | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE   |
|           | 14:30 - 0:00   | 9.50          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 6973 – T7368' = 395 @ 41.5 FPH / WOB 16K-23K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 540 GPM / PUMP PRESSURE ON/OFF BOTTOM 2400/2290 PSI / MUD MOTOR RPM 115/ PU/SO/ROT WT 172/143/154/ TORQUE ON/OFF BOTTOM 7K7K / SLIDE 16' IN .35 MIN = 4% OF FOOTAGE DRILLED &8% OF HOURS DRILLED MUD WT 10.3 /VIS 36 / NO MUD LOSS  |
| 3/24/2011 | 0:00 - 6:30    | 6.50          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 7368– T7545' = 177 @ 27.8 FPH / WOB 16K-23K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 540 GPM / PUMP PRESSURE ON/OFF BOTTOM 2450/2300 PSI / MUD MOTOR RPM 115/ PU/SO/ROT WT 178/145/157/ TORQUE ON/OFF BOTTOM 8K7K / SLIDE 16' IN .35 MIN = 4% OF FOOTAGE DRILLED &16% OF HOURS DRILLED MUD WT 10.3 /VIS 36 / NO MUD LOSS  |
|           | 6:30 - 11:00   | 4.50          | DRLPRO | 06   | A        | P   |              | PUMP SLUG / P.O.O.H. / FLOW CHECK @ SHOE, HOLE GOOD / X/O BIT & MOTOR L/D & PU DIRECTIONAL TOOLS  |
|           | 11:00 - 14:00  | 3.00          | DRLPRO | 06   | A        | P   |              | SURFACE TEST TOOLS, TIH, INSTALL ROTATING HEAD, FILL @ SHOE, 5000, CIH WAH 90' TO BTM / NO FILL   |
|           | 14:00 - 16:00  | 2.00          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 7545– T/7636' = 91 @ 45.5 FPH / WOB 16K-23K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 540 GPM / PUMP PRESSURE ON/OFF BOTTOM 2450/2300 PSI / MUD MOTOR RPM 115/ PU/SO/ROT WT 178/145/157/ TORQUE ON/OFF BOTTOM 8K7K / MUD WT 10.3 /VIS 36 / NO MUD LOSS   |
|           | 16:00 - 17:00  | 1.00          | DRLPRO | 07   | A        | P   |              | RIG SERVICE   |
|           | 17:00 - 0:00   | 7.00          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 7636– T/7920' = 284 @ 40.5 FPH / WOB 16K-22K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 495 GPM / PUMP PRESSURE ON/OFF BOTTOM 2320/2150 PSI / MUD MOTOR RPM 79/ PU/SO/ROT WT 180/150/160/ TORQUE ON/OFF BOTTOM 8K7K / MUD WT 10.5 /VIS 36 / NO MUD LOSS   |
| 3/25/2011 | 0:00 - 6:00    | 6.00          | DRLPRO | 02   | D        | P   |              | DRILL/SURVEY F/ 7920– T/8220' = 300 @50.FPH / WOB 16K-22K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 495 GPM / PUMP PRESSURE ON/OFF BOTTOM 2340/2150 PSI / MUD MOTOR RPM 79/ PU/SO/ROT WT 180/153/165/ TORQUE ON/OFF BOTTOM 8K7K / MUD WT 10.6 /VIS 37 / NO MUD LOSS  |
|           | 6:00 - 16:30   | 10.50         | DRLPRO | 02   | D        | P   |              | DRILL & SURVEY F/8220- 8678=458'=43.6 / FPH WOB 16K-22K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 540 GPM / PUMP PRESSURE ON/OFF BOTTOM 2340/2150 PSI / MUD MOTOR RPM 79/ PU/SO/ROT WT 180/153/165/ TORQUE ON/OFF BOTTOM 8K7K / MUD WT 10.9 /VIS 40 / NO MUD LOSS  |
|           | 16:30 - 17:00  | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                           |  |
|--|---------------------------|--|
| Well: NBU 920-12I                                    | Spud Conductor: 12/8/2010 | Spud Date: 1/11/2011   |
| Project: UTAH-UINTAH                                 | Site: NBU 920-12I         | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |
| Event: DRILLING                                      | Start Date: 12/13/2010    | End Date: 3/31/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |                           | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0                |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|--|
|           | 17:00 - 0:00   | 7.00          | DRLPRO | 02   | D        | P   |              | DRILL & SURVEY F/8678- 8985=307'=43.8 / FPH WOB 16K-22K / TOP DRIVE RPM 35-60 / PUMP 120 SPM = 540 GPM / PUMP PRESSURE ON/OFF BOTTOM 2890/22600 PSI / MUD MOTOR RPM 86/ PU/SO/ROT WT 193/160/175/ TORQUE ON/OFF BOTTOM 8K6K / MUD WT 11.2 /VIS 40 / NO MUD LOSS  |
| 3/26/2011 | 0:00 - 6:00    | 6.00          | DRLPRO | 02   | D        | P   |              | DRILL & SURVEY F/8985- 9250=285'=44.1/ FPH WOB 16K-22K / TOP DRIVE RPM 35-60 / PUMP 110 SPM = GPM / PUMP PRESSURE ON/OFF BOTTOM 2675/2400 PSI / MUD MOTOR RPM 79 PU/SO/ROT WT 194/164/178/ TORQUE ON/OFF BOTTOM 8K6K / MUD WT 11.2 /VIS 40 / 40 BBL MUD LOSS / BYPASS SHAKER 9150 LCM TO 2%  |
|           | 6:00 - 16:00   | 10.00         | DRLPRO | 02   | C        | P   |              | DRILL & SURVEY F/9250- 9728=478'=47.8/ FPH WOB 16K-22K / TOP DRIVE RPM 35-60 / PUMP 110 SPM = GPM / PUMP PRESSURE ON/OFF BOTTOM 2620/2475 PSI / MUD MOTOR RPM 79 PU/SO/ROT WT 205/164/185/ TORQUE ON/OFF BOTTOM 8K7K / MUD WT 12.1 /VIS 40 / 35 BBL MUD LOSS / LCM 10% / 5' FLARE ON CONN  |
|           | 16:00 - 16:30  | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE  |
|           | 16:30 - 0:00   | 7.50          | DRLPRO | 02   | D        | P   |              | DRILL & SURVEY F/9728- 10,013=286'=38 FPH WOB 16K-23K / TOP DRIVE RPM 35-60 / PUMP 110 SPM = GPM / PUMP PRESSURE ON/OFF BOTTOM 2740/2475 PSI / MUD MOTOR RPM 79 PU/SO/ROT WT 206/167/185/ TORQUE ON/OFF BOTTOM 8K7K / MUD WT 12.1 /VIS 40 / NO BBL MUD LOSS / LCM 10%  |
| 3/27/2011 | 0:00 - 3:00    | 3.00          | DRLPRO | 02   | D        | P   |              | DRILL & SURVEY F/10,013--10,101=88'='29.3 FPH WOB 16K-23K / TOP DRIVE RPM 35-60 / PUMP 110 SPM = GPM / PUMP PRESSURE ON/OFF BOTTOM 2740/2475 PSI / MUD MOTOR RPM 79 PU/SO/ROT WT 206/167/185/ TORQUE ON/OFF BOTTOM 8K7K / MUD WT 12.4/VIS 42 LCM 10% / NO BBL MUD LOSS / UNABLE TO MOVE DRAWWORKS TROUBLE SHOOT SAME/ CIRC ON BTM @ 80 SPM |
|           | 3:00 - 6:00    | 3.00          | DRLPRO | 08   | A        | Z   |              | RIG REPAIR / EMERGENCY BRAKE SENSOR FAULT / WENT OUT WHILE DRILLING UNABLE TO MOVE DRAWWORKS, / WAIT ON ELECTRICAN / THAW OUT AIR VALVE IN BRAKE SENSOR / REPLACE HEAT TAPE  |
|           | 6:00 - 6:30    | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE  |
|           | 6:30 - 11:30   | 5.00          | DRLPRO | 06   | A        | P   |              | TRIP FOR BIT/ PUMP SLUG TOH / FLOW CHECK SHOE / X/O BIT & M MTR MWD/SURFACE TEST SAME  |
|           | 11:30 - 16:00  | 4.50          | DRLPRO | 06   | A        | P   |              | TIH / INSTALL POTATING HEAD / BREAK CIRC @ SHOE,5000',7500',CIH TO 10,011  |
|           | 16:00 - 16:30  | 0.50          | DRLPRO | 03   | D        | P   |              | W & R 95' TO BTM NO FILL/ 15' FLARE ON BTMS UP/ MUD TO 12.0#   |
|           | 16:30 - 0:00   | 7.50          | DRLPRO | 02   | D        | P   |              | DRILL & SURVEY F/10,101--10,467=366'='48.8 FPH WOB 16K-23K / TOP DRIVE RPM 35-60 / PUMP 110 SPM = GPM / PUMP PRESSURE ON/OFF BOTTOM 3040/2720 PSI / MUD MOTOR RPM 79 PU/SO/ROT WT 210/176/192/ TORQUE ON/OFF BOTTOM 118K / MUD WT 12.7/VIS 43 LCM 10% / NO MUD LOSS  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                           |  |
|--|---------------------------|--|
| Well: NBU 920-12I                                    | Spud Conductor: 12/8/2010 | Spud Date: 1/11/2011   |
| Project: UTAH-UINTAH                                 | Site: NBU 920-12I         | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |
| Event: DRILLING                                      | Start Date: 12/13/2010    | End Date: 3/31/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |                           | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0                |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|--|
| 3/28/2011 | 0:00 - 9:30    | 9.50          | DRLPRO | 02   | D        | P   |              | DRILL & SURVEY F/10,467--10,790 TD=323'=34 FPH WOB 16K-24K / TOP DRIVE RPM 35-60 / PUMP 110 SPM = GPM / PUMP PRESSURE ON/OFF BOTTOM 3100/2820 PSI / MUD MOTOR RPM 79 PU/SO/ROT WT 210/176/192/ TORQUE ON/OFF BOTTOM 8/7K / MUD WT 12.7/VIS 43 LCM 10%  |
|           | 9:30 - 10:30   | 1.00          | DRLPRO | 05   | C        | P   |              | CIRC & COND HOLE,PUMP SWEEP  |
|           | 10:30 - 14:00  | 3.50          | DRLPRO | 06   | E        | P   |              | WIPER TRIP TO CSG SHOE 2800' HOLE GOOD   |
|           | 14:00 - 14:30  | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE  |
|           | 14:30 - 19:00  | 4.50          | DRLPRO | 06   | E        | P   |              | TIH BREAK CIRC @ CSG SHOE / 5000,7500,CIH TO 10720' WASH 70' TO BTM NO FILL  |
|           | 19:00 - 20:30  | 1.50          | DRLPRO | 05   | C        | P   |              | CCH,F/ LOGS PUMP SWEEP,  |
|           | 20:30 - 0:00   | 3.50          | EVALPR | 06   | B        | P   |              | TRIP OUT F/ LOGS, PUMP SLUG TOH / FLOW CHECK @ CSG SHOE  |
| 3/29/2011 | 0:00 - 0:30    | 0.50          | EVALPR | 05   | A        | P   |              | CIRC OUT LCM @ CSG SHOE FOR SURFACE CASING LOGS  |
|           | 0:30 - 2:30    | 2.00          | EVALPR | 06   | B        | P   |              | TOH / PULL MWD/ BREAK BIT,/L/D DIRECTIONAL TOOLS M MTR   |
|           | 2:30 - 8:30    | 6.00          | EVALPR | 11   | E        | P   |              | HSM W/ HALLIBURTON RU & RUN TRIPLE COMBO LOGGERS TD 10,800/ LOG OUT/RIG DOWN SAME  |
|           | 8:30 - 11:30   | 3.00          | EVALPR | 11   | E        | P   |              | HSM R/U PSI RUN CALIPER LOG IN SURFACE CASING  |
|           | 11:30 - 16:00  | 4.50          | EVALPR | 06   | D        | P   |              | TIH /BREAK CIRC @ CSG SHOE 5500,8000 CIH / WASH 100' TO BTM  |
|           | 16:00 - 17:00  | 1.00          | EVALPR | 05   | D        | P   |              | CCH F/ CASING/RU TO LDDS / LOST RETURNS PUMP LCM SWEEPS / LOST 250 BBLS  |
|           | 17:00 - 23:30  | 6.50          | EVALPR | 06   | E        | P   |              | TOH TO 5000'/ CIRC W/ PARTIAL RETURNS /PUMPIING 20% LCM SWEEPS/ LOST 150 BBLS // PULL TO CSG SHOE / CCH W/ FULL RETURNS/ MUD WT 12.7 VIS 42 LCM 17%  |
|           | 23:30 - 0:00   | 0.50          | EVALPR | 06   | F        | P   |              | STAGING BACK IN HOLE FROM CSG SHOE BREAKING CIRC EVERY 10 STDS   |
| 3/30/2011 | 0:00 - 5:00    | 5.00          | DRLPRO | 06   | F        | S   |              | STAGE BACK TO BTM @ 10,790' BRK CIRC EA 1000'  |
|           | 5:00 - 8:00    | 3.00          | DRLPRO | 05   | A        | P   |              | CIRC & COND MUD @ 10,790'  |
|           | 8:00 - 14:00   | 6.00          | DRLPRO | 06   | A        | P   |              | TOOH LD TUBULARS   |
|           | 14:00 - 16:00  | 2.00          | DRLPRO | 12   | A        | P   |              | PJSM RU WEATHERFORD CSG EQUIPMENT  |
|           | 16:00 - 0:00   | 8.00          | DRLPRO | 12   | C        | P   |              | RUN 4 1/2" - 11.60 / P-110 & I-80 / BTC CSG TO 10,400'   |
| 3/31/2011 | 0:00 - 0:30    | 0.50          | COMP   | 12   | C        | P   |              | RUN 27 JTS OF 4 1/2" 11.60 / P110 BTC CSG & 228 JTS OF 4 1/2" 11.60 / I-80 BTC CSG / SHOE @ 10,778' FLOAT COLLAR @ 10,734' / WASATCH MARKER @ 5,239' Mverde MARKER @ 8,454'  |
|           | 0:30 - 1:30    | 1.00          | COMP   | 05   | A        | P   |              | CIRC & COND MUD @ 10,778'  |
|           | 1:30 - 5:30    | 4.00          | COMP   | 12   | E        | P   |              | HSM RU BJ / TEST PUMPS & LINES TO 5000 PSI/ PUMP 40 BBLS H2O + 718 SX LEAD CEMENT @ 12.8 ppg (PREM LITE II ) 161.4 BBLS FRESH WATER / (9.44 gal/sx, 1.85 yield) + 1156 SX TAIL @ 14.3 ppg (CLS G 50/50 POZ 162.4 BBLS H2O / (5.90 gal/sx, 1.31 yield) / DROP PLUG & DISPLACE W/ 166.8 BBLS H2O + ADDITIVES / PLUG DOWN @ 04:20 LIFT PRESSURE @ 2950 PSI BUMP PRESSURE @3700 W/ 5 BBLCMT BACK TO PIT / FLOATS HELD W/ 2 BBLS H2O RETURNED TO INVENTORY / TOP OF TAIL CEMENT CALCULATED @ 4752' ,RD MO CMT EQUIP |
|           | 5:30 - 6:00    | 0.50          | COMP   | 14   | A        | P   |              | RAISE STACK / SET SLIPS W/ 100 K CUT OFF & ND BOP'S RELEASE RIG @ 06:00 3/31/11  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |                           |   |  |  |
|--|--|---------------------------|---|--|--|
| Well: NBU 920-12I                                    |  | Spud Conductor: 12/8/2010 |   | Spud Date: 1/11/2011   |  |
| Project: UTAH-UINTAH                                 |  | Site: NBU 920-12I         |   | Rig Name No: PROPETRO 11/11, CAPSTAR 311/311, PROPETRO/, H&P 298/298 |  |
| Event: DRILLING                                      |  | Start Date: 12/13/2010    |   | End Date: 3/31/2011  |  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |  |                           | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0 |  |  |

| Date | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation  |
|------|----------------|---------------|-------|------|----------|-----|--------------|--|
|      | 6:00 - 6:00    | 0.00          | COMP  |      |          |     |              | <p>CONDUCTOR CASING:<br/>           Cond. Depth set: 40<br/>           Cement sx used: 28</p> <p>SPUD DATE/TIME: 1/11/2011 0:30</p> <p>SURFACE HOLE:<br/>           Surface From depth: 40<br/>           Surface To depth: 2,830<br/>           Total SURFACE hours: 55.00<br/>           Surface Casing size: 9 5/8<br/>           # of casing joints ran: 63<br/>           Casing set MD: 2,803.0<br/>           # sx of cement: 300/275/65<br/>           Cement blend (ppg): 11/15.8/15.8<br/>           Cement yield (ft3/sk): 3.83/1.15/1.15<br/>           # of bbls to surface: 25 BBLS<br/>           Describe cement issues: NONE<br/>           Describe hole issues:</p> <p>PRODUCTION:<br/>           Rig Move/Skid start date/time: 3/17/2011 23:59<br/>           Rig Move/Skid finish date/time: 3/20/2011 22:00<br/>           Total MOVE hours: 70.0<br/>           Prod Rig Spud date/time: 3/21/2011 17:30<br/>           Rig Release date/time: 3/31/2011 6:00<br/>           Total SPUD to RR hours:228.5<br/>           Planned depth MD 10,873<br/>           Planned depth TVD 10,873<br/>           Actual MD: 10,790<br/>           Actual TVD: 10,781<br/>           Open Wells \$: \$1,250,092<br/>           AFE \$: \$924,337<br/>           Open wells \$/ft: \$115.86</p> <p>PRODUCTION HOLE:<br/>           Prod. From depth: 2,847<br/>           Prod. To depth: 10,790<br/>           Total PROD hours: 135<br/>           Log Depth: 10,804<br/>           Production Casing size: 4 1/2<br/>           # of casing joints ran: 255<br/>           Casing set MD: 10,778.0<br/>           # sx of cement: 718-1156<br/>           Cement blend (ppg): 12.8 / 14.3<br/>           Cement yield (ft3/sk): 1.85 /1.31<br/>           Est. TOC (Lead &amp; Tail) or 2 Stage : 4752<br/>           Describe cement issues: 5 BBLS BACK TO PITS<br/>           Describe hole issues: 600 BBL LOSS 18% LCM</p> <p>DIRECTIONAL INFO: DIRECTIONAL<br/>           KOP: 0<br/>           Max angle: 6.43<br/>           Departure: 0.00<br/>           Max dogleg MD: 1.83/1928</p> |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |   |                      |
|--|---|----------------------|
| Well: NBU 920-12I                                    | Spud Conductor: 12/8/2010                             | Spud Date: 1/11/2011 |
| Project: UTAH-UINTAH                                 | Site: NBU 920-12I                                     | Rig Name No:         |
| Event: COMPLETION                                    | Start Date: 4/12/2011                                 | End Date: 4/25/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0 |                      |

| Date      | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|-------|------|----------|-----|--------------|--|
| 4/18/2011 | 7:00 - 7:15    | 0.25          | COMP  | 48   |          | P   |              | HSM, P/U UP TBG OFF TRAILER  |
|           | 7:15 - 10:30   | 3.25          | COMP  | 30   | A        | P   |              | MIRU SWABCO, SPOT EQUIP, N/D WELL HEAD, N/U BOPS, R/U TBG EQUIP, P/U 3-7/8 MILL, TALLEY & P/U 170 JNTS 2-3/8 L-80 TBG [5,372']   |
|           | 10:30 - 15:00  | 4.50          | COMP  | 47   |          | P   |              | CHANGE OVER, POOH W/ TBG STANDING BACK. R/D TBG EQUIP, N/D BOPS, N/U FRAC VALVES. SWIFN.   |
| 4/19/2011 | 7:00 - 7:15    | 0.25          | COMP  | 48   | B        | P   |              | HSM, PRESSURE TESTING  |
|           | 7:15 - 15:00   | 7.75          | COMP  | 47   | B        | P   |              | MIRU B&C TESTERS, TEST CSG 1000# FOR 15 MIN [0# LOSS] 3500# FOR 15 MIN [240# LOSS] W/ TOP FRAC VLAWE W/ SMALL LEAK, 7000# FOR 30 MIN [200# LOSS] BUMPED BACK UP TO 7000# 30 MIN [90# LOSS] CALLED GOOD TEST SWIFN.   |
| 4/20/2011 | 7:00 - 7:15    | 0.25          | COMP  | 48   |          | P   |              | HSM, R/U FRAC EQUIP  |
|           | 7:15 - 11:00   | 3.75          | COMP  | 46   | F        | Z   |              | WAITING ON SUPERIOR TO MOVE ON LOC   |
|           | 11:00 - 18:00  | 7.00          | COMP  | 36   | E        | P   |              | [SURFACE CSG VALVE OPEN 0# PRESSURE, RUN HARD LINE OFF SURFACE TO PIT] CEMENT TOP @=800', MIRU CUTTERS WIRE LINE & START MOVING FRAC TECH EQUIP ON LOC, PERF MESAVERDE USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br>10,665'-10,667' 3 SPF, 120* PH, 6 HOLES.<br>10,614'-10,616' 3 SPF, 120* PH, 6 HOLES.<br>10,503'-10,505' 3 SPF, 120* PH, 6 HOLES.<br>10,459'-10,460' 3 SPF, 120* PH, 3 HOLES.<br>10,368'-10,369' 3 SPF, 120* PH, 3 HOLES. [24 HOLES]<br><br>PRESSURE TEST SRFACE LINE TO 8000# SET POPOFF @=6900#<br><br>FRAC STG #1] WHP=1,495#, BRK DN<br>PERFS=4,301#, @=4.8 BPM, INJ RT=38.9, INJ PSI=6,312#, ISIP=3,489#, FG=77, PUMP'D 879 BBLS SLK WTR W/ 8,525# 30/50 MESH W/ 6,135# RESIN COAT IN TAIL, W/ 14,660# TOTAL PROP PUMP'D, ISIP=3,261#, FG=75, AR=40, AP=6,193#, MR=50, MP=6,750#, NPI=-228#, 17/24 CALC PERFS OPEN. 71%<br><br>PERF STG #2] P/U RIH W/ HALIBURTON 8K CBP & PERF GUN, SET CBP @=10,166', PERF MESAVERDE USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br>10,115'-10,116' 4 SPF 90* PH, 4 HOLES.<br>10,056'-10,058' 4 SPF, 90* PH, 8 HOLES.<br>10,019'-10,020' 4 SPF, 90* PH, 4 HOLES.<br>9,944'-9,946' 4 SPF, 90* PH, 8 HOLES. [24 HOLES]<br><br>FRAC STG #2] WHP=495#, BRK DN<br>PERFS=3,805#, @=4.8 BPM, INJ RT=30.8, INJ PSI=6,446#, ISIP=3,205#, FG=76., PUMP'D 905 BBLS SLK WTR W/ 12,187# 30/50 MESH W/ 5,562# RESIN COAT IN TAIL W/ 17,749# TOTAL PROP PUMP'D, ISIP=3,611#, FG=80, AR=36.7, AP=6,411#, MR=47.5, MP=6,767#, NPI=406#, 15/24 CALC PERFS OPEN. 61% SWIFN. |
| 4/21/2011 | 5:45 - 6:00    | 0.25          | COMP  | 48   |          | P   |              | HSM, PERF & FRAC   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |   |  |                      |  |
|--|--|---|--|----------------------|--|
| Well: NBU 920-121                                    |  | Spud Conductor: 12/8/2010                           |  | Spud Date: 1/11/2011 |  |
| Project: UTAH-UINTAH                                 |  | Site: NBU 920-121                                   |  | Rig Name No:         |  |
| Event: COMPLETION                                    |  | Start Date: 4/12/2011                               |  | End Date: 4/25/2011  |  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |  | UWI: NE/SE/O/S/20/E/12/O/0/26/PM/S/2076/E/0/799/O/0 |  |                      |  |

| Date | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation  |
|------|----------------|---------------|-------|------|----------|-----|--------------|--|
|      | 6:00 - 6:00    | 0.00          | COMP  | 36   | E        | P   |              | <p>PERF STG #3] P/U RIH W/ HALIBURTON 8K CBP &amp; PERF GUN, SET CBP @=9,191', PERF MESAVERDE USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br/>           9,140'-9,141' 4 SPF, 90* PH, 4 HOLES.<br/>           9,133'-9,134' 4 SPF, 90* PH, 4 HOLES.<br/>           9,097'-9,099' 4 SPF, 90* PH, 8 HOLES.<br/>           8,918'-8,920' 4 SPF, 90* PH, 8 HOLES. [24 HOLES]</p> <p>FRAC STG #3] WHP=1,232#, BRK DN<br/>           PERFS=2,950#, @=4.5 BPM, INJ RT=45.4, INJ PSI=6,321#, ISIP=2,425#, FG=71, PUMP'D 1,032 BBLs SLK WTR W/ 14,598# 30/50 MESH W/ 6,011# RESIN COAT IN TAIL W/ 20,600# TOTAL PROP PUMP'D, ISIP=3,165#, FG=.79, AR=47.3, AP=6,189#, MR=51.6, MP=6,722#, NPI=740#, 16/24 CALC PERFS OPEN. 65%</p> <p>PERF STG #4] P/U RIH W/ HALIBURTON 8K CBP &amp; PERF GUN, SET CBP @=8,808', PERF MESAVERDE USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br/>           8,756'-8,758' 3 SPF, 120* PH, 6 HOLES.<br/>           8,747'-8,748' 3 SPF, 120* PH, 3 HOLES.<br/>           8,612'-8,613' 3 SPF, 120* PH, 3 HOLES.<br/>           8,505'-8,506' 3 SPF, 120* PH, 3 HOLES.<br/>           8,486'-8,488' 3 SPF, 120* PH, 6 HOLES. [21 HOLES]</p> <p>FRAC STG #4] WHP=1,677#, BRK DN<br/>           PERFS=2,946#, @=4.6 BPM, INJ RT=6,050, INJ PSI=47.5#, ISIP=2,417#, FG=.72, PUMP'D 1536 BBLs SLK WTR W/27,685 # 30/50 MESH W/ 5497# RESIN COAT IN TAIL W/ 33182# TOTAL PROP PUMP'D, ISIP=#, FG=., AR=, AP=#, MR=#, MP=#, NPI=#, 17/21 CALC PERFS OPEN. 82%</p> <p>PERF STG #5] P/U RIH W/ HALIBURTON 8K CBP &amp; PERF GUN, SET CBP @=8,392', PERF WASATCH USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br/>           8,340'-8,342' 3 SPF, 120* PH, 6 HOLES.<br/>           8,305'-8,308' 3 SPF, 120* PH, 9 HOLES.<br/>           8,047'-8,048' 3 SPF, 120* PH, 3 HOLES.<br/>           8,020'-8,021' 3 SPF, 120* PH, 3 HOLES. [21 HOLES]</p> <p>FRAC STG #5] WHP=846#, BRK DN<br/>           PERFS=2,209#, @=4.4 BPM, INJ RT=49.8, INJ PSI=5,993#, ISIP=1,773#, FG=.66, PUMP'D 789 BBLs SLK WTR W/ 18,801# 30/50 MESH W/ 3,890# RESIN COAT IN TAIL W/ 22,691# TOTAL PROP PUMP'D, ISIP=2,903#, FG=.79, AR=50.8, AP=5,998#, MR=51.6, MP=6,437#, NPI=1,130#, 16/21 CALC PERFS OPEN. 77%</p> <p>PERF STG #6] P/U RIH W/ HALIBURTON 8K CBP &amp; PERF GUN, SET CBP @=6,854', PERF MESAVERDE USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br/>           6,802'-6,804' 3 SPF, 120* PH, 6 HOLES.<br/>           6,772'-6,773' 3 SPF, 120* PH, 3 HOLES.<br/>           6,660'-6,662' 3 SPF, 120* PH, 6 HOLES.<br/>           6,526'-6,528' 3 SPF, 120* PH, 6 HOLES. [21 HOLES]</p> <p>FRAC STG #6] WHP=449#, BRK DN<br/>           PERFS=2,043#, @=4.6 BPM, INJ RT=50.4, INJ PSI=5,154#, ISIP=1,706#, FG=.69, PUMP'D 824</p> |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |   |                      |
|--|--|---|----------------------|
| Well: NBU 920-12I                                    |  | Spud Conductor: 12/8/2010                             | Spud Date: 1/11/2011 |
| Project: UTAH-UINTAH                                 |  | Site: NBU 920-12I                                     | Rig Name No:         |
| Event: COMPLETION                                    |  | Start Date: 4/12/2011                                 | End Date: 4/25/2011  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |  | UWI: NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0 |                      |

| Date      | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|-------|------|----------|-----|--------------|--|
|           |                |               |       |      |          |     |              | <p>BBLS SLK WTR W/ 20,441# 30/50 MESH W/ 3,835# RESIN COAT IN TAIL W/ 24,267# TOTAL PROP PUMP'D, ISIP=1,570#, FG=.67, AR=51.4, AP=4,390#, MR=52.4, MP=5,271#, NPI=-136# 18/21 CALC PERFS OPEN. 87%</p> <p>PERF STG #7] P/U RIH W/ HALIBURTON 8K CBP &amp; PERF GUN, SET CBP @=6,304', PERF MESAVERDE USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br/>6,251'-6,254' 4 SPF, 90* PH, 12 HOLES.<br/>5,931'-5,934' 4 SPF, 90* PH, 12 HOLES. [24 HOLES]</p> <p>FRAC STG #7] WHP=173#, BRK DN<br/>PERFS=2,256#, @=4.3 BPM, INJ RT=50.9, INJ PSI=5,338#, ISIP=1,424#, FG=.67, PUMP'D 1,083 BBLS SLK WTR W/ 27,600# 30/50 MESH W/ 5,700# RESIN COAT IN TAIL W/ 33,300# TOTAL PROP PUMP'D, ISIP=1,727#, FG=.72, AR=50.5, AP=4,438#, MR=52.2, MP=5,996#, NPI=303#, 17/24 CALC PERFS OPEN. 69%</p> <p>PERF STG #8] P/U RIH W/ HALIBURTON 8K CBP &amp; PERF GUN, SET CBP @=5,748", PERF MESAVERDE USING 3-1/8 EXPEND, 23 GRM, 0.36" HOLE.<br/>5,695'-5,698' 4 SPF, 90* PH, 12 HOLES.<br/>5,440'-5,443' 4 SPF, 90* PH, 12 HOLES. [24 HOLES]</p> <p>FRAC STG #8] WHP=171#, BRK DN<br/>PERFS=1,923#, @=3.4 BPM, INJ RT=52, INJ PSI=5,295#, ISIP=1,014#, FG=.62, PUMP'D 836 BBLS SLK WTR W/ 13,002# 30/50 MESH W/ 12,355# RESIN COAT IN TAIL W/ 25,357# TOTAL PROP PUMP'D, ISIP=1,741#, FG=.75, AR=52.1, AP=4,438#, MR=52.2, MP=5,464#, NPI=727#, 16/24 CALC PERFS OPEN. 66%</p> <p>P/U RIH W/ HALIBURTON 8K CBP, SET FOR TOP KILL @=5,390'<br/>R/D WIRELINE &amp; FRAC EQUIP, N/D FRAC VALVES, NU BOPS, R/U TBG EQUIP, S SWI.</p> <p>7,884 TOTAL BBLS<br/>191,815# TOTAL SAND<br/>867 GALS SCALE INHIB<br/>201 GALS BIOCID<br/>HSM, DRILLING CBPS.</p> |
| 4/25/2011 | 7:00 - 7:30    | 0.50          | COMP  | 48   |          | P   |              |  |
|           | 7:30 - 9:30    | 2.00          | COMP  | 31   | I        | P   |              | <p>ND FV, NU BOPS RU FLOOR &amp; EQUIP, RIH W/ POBS &amp; TBG 170 JTS RU DRLG EQUIP, BROKE CIRC TEST BOPS TO 3.000# FOR 15 MIN NO LEAK OFF.</p>  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |   |  |                      |  |
|--|--|---|--|----------------------|--|
| Well: NBU 920-12I                                    |  | Spud Conductor: 12/8/2010                           |  | Spud Date: 1/11/2011 |  |
| Project: UTAH-UINTAH                                 |  | Site: NBU 920-12I                                   |  | Rig Name No:         |  |
| Event: COMPLETION                                    |  | Start Date: 4/12/2011                               |  | End Date: 4/25/2011  |  |
| Active Datum: RKB @4,730.00ft (above Mean Sea Level) |  | UWI: NE/SE/O/S/20/E/12/O/O/26/PM/S/2076/E/O/799/O/O |  |                      |  |

| Date     | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation   |
|----------|----------------|---------------|-------|------|----------|-----|--------------|---|
|          | 9:30 - 17:00   | 7.50          | COMP  | 44   | C        | P   |              | <p>C/O 20' SAND TAG 1ST PLUG @ 5390' DRL PLG IN 7 MIN 300# PSI INCREASE. RIH</p> <p>C/O 25' SAND TAG 2ND PLUG @ 5728' DRL PLG IN 8 MIN 300# PSI INCREASE. RIH</p> <p>C/O 35' SAND TAG 3RD PLUG @ 6284' DRL PLG IN 7 MIN 500# PSI INCREASE. RIH</p> <p>C/O 45' SAND TAG 4TH PLUG @ 6834' DRL PLG IN 8 MIN 600# PSI INCREASE. RIH</p> <p>C/O 30' SAND TAG 5TH PLUG @ 8372' DRL PLG IN 5 MIN 900# PSI INCREASE. RIH</p> <p>C/O 30' SAND TAG 6TH PLUG @ 8788' DRL PLG IN 7 MIN 700# PSI INCREASE. RIH</p> <p>C/O 35' SAND TAG 7TH PLUG @ 9171' DRL PLG IN 6 MIN 600# PSI INCREASE. RIH</p> <p>C/O 60' SAND TAG 8TH PLUG @ 10,146' DRL PLG IN 8 MIN 650# PSI INCREASE. RIH</p> <p>C/O TO PBTD @ 10,734' CIRC CLEAN, RACK OUT SWIVEL. L/D 26 JTS, LAND TBG ON 314 JTS 23/8 L-80. RD FLOOR, ND BOPS NU WH. PUMP OFF BIT, LET WELL SET FOR 30 MIN FOR BIT TO FALL. TURN WELL OVER TO FB CREW. SDFN.<br/>SICP = 1500    FTP = 100</p> <p>KB = 26'<br/>HANGER 41/16 = .83'<br/>314 JTS 23/8 L-80 = 9884.89'    ( SURFACE VALVE LOCKED OPEN W/ POP OFF ASSEMBLY )<br/>1.875 X/N &amp; POBS = 2.20'<br/>EOT @ 9913.92'</p> <p>TWTR = 8133 BBLs<br/>TWR = 1000 BBLs<br/>TWLTR = 7133 BBLs</p> <p>350 JTS HAULED OUT<br/>314 LANDED<br/>36 TO RETURN TO BUNNING<br/>WELL TURNED TO SALES @ 1640 HR ON 4/25/11 - 400 MCFD, 2040 BWPD, CP 1500#, FTP 1400#, CK 20/64"</p> |
|          | 16:40 - 16:40  | 0.00          | PROD  | 50   |          |     |              | WELL IP'D ON 5/7/11 - 1736 MCFD, 0 BOPD, 192 BWPD, CP 1325#, FTP 991#, CK 20/64", LP 121#, 24 HRS   |
| 5/7/2011 | 7:00 -         |               |       | 50   |          |     |              |   |

# 1 General

## 1.1 Customer Information

|                |                   |
|----------------|-------------------|
| Company        | US ROCKIES REGION |
| Representative |                   |
| Address        |                   |

## 1.2 Well Information

|                          |  |                 |  |
|--------------------------|--|-----------------|--|
| Well                     | NBU 920-12I                            | Wellbore No.    | OH   |
| Well Name                | NBU 920-12I                            | Common Name     | NBU 920-12I                                      |
| Project                  | UTAH-UINTAH                            | Site            | NBU 920-12I                                      |
| Vertical Section Azimuth | 0.00 (°)                               | North Reference | True   |
| Origin N/S               |  | Origin E/W      |  |
| Spud Date                | 1/11/2011                              | UWI             | NE/SE/0/9/S/20/E/12/0/0/26/PM/S/2076/E/0/799/0/0 |
| Active Datum             | RKB @4,730.00ft (above Mean Sea Level) |                 |  |

# 2 Survey Name

## 2.1 Survey Name: Survey #1

|             |           |          |                   |
|-------------|-----------|----------|-------------------|
| Survey Name | Survey #1 | Company  | PROPETRO SERVICES |
| Started     | 1/10/2011 | Ended    |                   |
| Tool Name   | MSS       | Engineer | Anadarko          |

### 2.1.1 Tie On Point

| MD (ft) | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) |
|---------|---------|---------|----------|----------|----------|
| 22.00   | 0.00    | 0.00    | 22.00    | 0.00     | 0.00     |

### 2.1.2 Survey Stations

| Date      | Type   | MD (ft)  | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) | V. Sec (ft) | DLeg (°/100ft) | Build (°/100ft) | Turn (°/100ft) | TFace (°) |
|-----------|--------|----------|---------|---------|----------|----------|----------|-------------|----------------|-----------------|----------------|-----------|
| 1/10/2011 | Tie On | 22.00    | 0.00    | 0.00    | 22.00    | 0.00     | 0.00     | 0.00        | 0.00           | 0.00            | 0.00           | 0.00      |
| 1/11/2011 | NORMAL | 972.00   | 3.00    | 0.00    | 971.39   | 29.49    | 0.00     | 29.49       | 0.80           | -0.80           | 0.00           | 180.00    |
| 1/12/2011 | NORMAL | 922.00   | 3.40    |         | 921.47   | 26.70    | 0.00     | 26.70       | 0.38           | 0.38            | 0.00           | 0.00      |
|           | NORMAL | 1,242.00 | 5.20    |         | 1,240.69 | 48.79    | 0.00     | 48.79       | 0.81           | 0.81            | 0.00           | 0.00      |
|           | NORMAL | 1,452.00 | 6.50    |         | 1,449.59 | 70.19    | 0.00     | 70.19       | 0.62           | 0.62            | 0.00           | 0.00      |

## 2.2 Survey Name: Survey #2

|             |           |          |            |
|-------------|-----------|----------|------------|
| Survey Name | Survey #2 | Company  | SCIENTIFIC |
| Started     | 2/6/2011  | Ended    |            |
| Tool Name   | MWD       | Engineer | Anadarko   |

### 2.2.1 Tie On Point

| MD (ft)  | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) |
|----------|---------|---------|----------|----------|----------|
| 1,452.00 | 6.50    | 0.00    | 1,449.59 | 70.19    | 0.00     |

2.2.2 Survey Stations

| Date     | Type   | MD (ft)  | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) | V. Sec (ft) | DLeg (°/100ft) | Build (°/100ft) | Turn (°/100ft) | TFace (°) |
|----------|--------|----------|---------|---------|----------|----------|----------|-------------|----------------|-----------------|----------------|-----------|
| 2/6/2011 | Tie On | 1,452.00 | 6.50    | 0.00    | 1,449.59 | 70.19    | 0.00     | 70.19       | 0.00           | 0.00            | 0.00           | 0.00      |
| 2/6/2011 | NORMAL | 1,469.00 | 6.17    | 112.03  | 1,466.53 | 70.81    | 0.85     | 70.81       | 61.77          | -1.94           | 659.00         | 146.86    |
|          | NORMAL | 1,565.00 | 5.85    | 115.90  | 1,562.00 | 66.74    | 10.03    | 66.74       | 0.54           | -0.33           | 4.03           | 130.21    |
|          | NORMAL | 1,661.00 | 5.65    | 118.31  | 1,657.52 | 62.36    | 18.59    | 62.36       | 0.33           | -0.21           | 2.51           | 130.83    |
|          | NORMAL | 1,755.00 | 4.87    | 122.99  | 1,751.13 | 58.00    | 26.01    | 58.00       | 0.95           | -0.83           | 4.98           | 153.50    |
|          | NORMAL | 1,851.00 | 4.34    | 119.03  | 1,846.82 | 54.02    | 32.61    | 54.02       | 0.64           | -0.55           | -4.13          | -151.01   |
|          | NORMAL | 1,945.00 | 2.71    | 110.02  | 1,940.64 | 51.53    | 37.81    | 51.53       | 1.83           | -1.73           | -9.59          | -165.69   |
| 2/7/2011 | NORMAL | 2,040.00 | 2.59    | 115.30  | 2,035.53 | 49.84    | 41.86    | 49.84       | 0.29           | -0.13           | 5.56           | 118.80    |
|          | NORMAL | 2,135.00 | 2.01    | 105.01  | 2,130.46 | 48.49    | 45.41    | 48.49       | 0.75           | -0.61           | -10.83         | -149.62   |
|          | NORMAL | 2,229.00 | 1.70    | 98.44   | 2,224.41 | 47.86    | 48.38    | 47.86       | 0.40           | -0.33           | -6.99          | -148.80   |
|          | NORMAL | 2,324.00 | 1.92    | 103.13  | 2,319.36 | 47.29    | 51.32    | 47.29       | 0.28           | 0.23            | 4.94           | 36.31     |
|          | NORMAL | 2,419.00 | 1.35    | 101.68  | 2,414.32 | 46.71    | 53.97    | 46.71       | 0.60           | -0.60           | -1.53          | -176.57   |
|          | NORMAL | 2,514.00 | 1.54    | 106.51  | 2,509.29 | 46.12    | 56.29    | 46.12       | 0.24           | 0.20            | 5.08           | 35.09     |
| 2/8/2011 | NORMAL | 2,609.00 | 1.18    | 109.38  | 2,604.26 | 45.43    | 58.43    | 45.43       | 0.39           | -0.38           | 3.02           | 170.72    |
|          | NORMAL | 2,704.00 | 1.42    | 118.92  | 2,699.24 | 44.54    | 60.39    | 44.54       | 0.34           | 0.25            | 10.04          | 46.88     |
|          | NORMAL | 2,788.00 | 1.38    | 129.45  | 2,783.21 | 43.39    | 62.08    | 43.39       | 0.31           | -0.05           | 12.54          | 104.08    |

2.3 Survey Name: Survey #3

|             |           |          |             |
|-------------|-----------|----------|-------------|
| Survey Name | Survey #3 | Company  | WEATHERFORD |
| Started     | 3/21/2011 | Ended    |             |
| Tool Name   | MWD       | Engineer | Anadarko    |

2.3.1 Tie On Point

| MD (ft)  | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) |
|----------|---------|---------|----------|----------|----------|
| 2,788.00 | 1.38    | 129.45  | 2,783.21 | 43.39    | 62.08    |

2.3.2 Survey Stations

| Date      | Type   | MD (ft)  | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) | V. Sec (ft) | DLeg (°/100ft) | Build (°/100ft) | Turn (°/100ft) | TFace (°) |
|-----------|--------|----------|---------|---------|----------|----------|----------|-------------|----------------|-----------------|----------------|-----------|
| 3/21/2011 | Tie On | 2,788.00 | 1.38    | 129.45  | 2,783.21 | 43.39    | 62.08    | 43.39       | 0.00           | 0.00            | 0.00           | 0.00      |
| 3/21/2011 | NORMAL | 2,849.00 | 0.62    | 115.75  | 2,844.20 | 42.78    | 62.94    | 42.78       | 1.30           | -1.25           | -22.46         | -169.31   |
|           | NORMAL | 2,944.00 | 0.47    | 145.27  | 2,939.20 | 42.24    | 63.63    | 42.24       | 0.33           | -0.16           | 31.07          | 132.34    |
|           | NORMAL | 3,039.00 | 0.58    | 163.26  | 3,034.19 | 41.46    | 63.99    | 41.46       | 0.21           | 0.12            | 18.94          | 65.50     |
|           | NORMAL | 3,134.00 | 0.81    | 151.19  | 3,129.19 | 40.41    | 64.45    | 40.41       | 0.29           | 0.24            | -12.71         | -38.61    |
|           | NORMAL | 3,228.00 | 0.88    | 160.57  | 3,223.18 | 39.14    | 65.01    | 39.14       | 0.16           | 0.07            | 9.98           | 67.90     |
|           | NORMAL | 3,323.00 | 1.13    | 175.32  | 3,318.16 | 37.52    | 65.33    | 37.52       | 0.38           | 0.26            | 15.53          | 53.51     |
|           | NORMAL | 3,418.00 | 1.25    | 185.44  | 3,413.14 | 35.56    | 65.31    | 35.56       | 0.25           | 0.13            | 10.65          | 65.40     |
| 3/22/2011 | NORMAL | 3,418.00 | 1.25    | 185.44  | 3,413.14 | 35.56    | 65.31    | 35.56       | 0.00           | 0.00            | 0.00           | 0.00      |
|           | NORMAL | 3,513.00 | 1.56    | 179.69  | 3,508.11 | 33.23    | 65.22    | 33.23       | 0.36           | 0.33            | -6.05          | -27.35    |
|           | NORMAL | 3,607.00 | 1.75    | 173.57  | 3,602.07 | 30.53    | 65.39    | 30.53       | 0.28           | 0.20            | -6.51          | -46.02    |
|           | NORMAL | 3,702.00 | 1.75    | 180.19  | 3,697.03 | 27.63    | 65.54    | 27.63       | 0.21           | 0.00            | 6.97           | 93.31     |
|           | NORMAL | 3,797.00 | 1.81    | 176.82  | 3,791.98 | 24.69    | 65.62    | 24.69       | 0.13           | 0.06            | -3.55          | -61.87    |
|           | NORMAL | 3,892.00 | 1.69    | 165.07  | 3,886.94 | 21.83    | 66.07    | 21.83       | 0.40           | -0.13           | -12.37         | -114.30   |
|           | NORMAL | 3,987.00 | 1.94    | 158.32  | 3,981.89 | 18.99    | 67.02    | 18.99       | 0.35           | 0.26            | -7.11          | -43.94    |
|           | NORMAL | 4,081.00 | 2.13    | 174.82  | 4,075.83 | 15.77    | 67.77    | 15.77       | 0.65           | 0.20            | 17.55          | 80.39     |
|           | NORMAL | 4,176.00 | 1.94    | 181.07  | 4,170.77 | 12.40    | 67.90    | 12.40       | 0.31           | -0.20           | 6.58           | 133.66    |
|           | NORMAL | 4,271.00 | 2.19    | 180.82  | 4,265.71 | 8.98     | 67.84    | 8.98        | 0.26           | 0.26            | -0.26          | -2.19     |
|           | NORMAL | 4,366.00 | 2.81    | 173.19  | 4,360.62 | 4.85     | 68.09    | 4.85        | 0.74           | 0.65            | -8.03          | -32.07    |
|           | NORMAL | 4,460.00 | 2.38    | 179.94  | 4,454.52 | 0.61     | 68.37    | 0.61        | 0.56           | -0.46           | 7.18           | 147.94    |
|           | NORMAL | 4,555.00 | 1.06    | 165.07  | 4,549.48 | -2.21    | 68.59    | -2.21       | 1.46           | -1.39           | -15.65         | -168.65   |
|           | NORMAL | 4,650.00 | 1.00    | 182.82  | 4,644.46 | -3.89    | 68.78    | -3.89       | 0.34           | -0.06           | 18.68          | 109.44    |
|           | NORMAL | 4,745.00 | 1.38    | 195.69  | 4,739.44 | -5.82    | 68.43    | -5.82       | 0.49           | 0.40            | 13.55          | 41.67     |

2.3.2 Survey Stations (Continued)

| Date      | Type   | MD (ft)   | Inc (°) | Azi (°) | TVD (ft)  | N/S (ft) | E/W (ft) | V. Sec (ft) | DLeg (°/100ft) | Build (°/100ft) | Turn (°/100ft) | TFace (°) |
|-----------|--------|-----------|---------|---------|-----------|----------|----------|-------------|----------------|-----------------|----------------|-----------|
| 3/22/2011 | NORMAL | 4,840.00  | 1.50    | 197.69  | 4,834.41  | -8.10    | 67.74    | -8.10       | 0.14           | 0.13            | 2.11           | 23.73     |
|           | NORMAL | 4,934.00  | 1.69    | 187.69  | 4,928.38  | -10.65   | 67.18    | -10.65      | 0.36           | 0.20            | -10.64         | -60.75    |
|           | NORMAL | 5,029.00  | 1.88    | 199.94  | 5,023.33  | -13.50   | 66.46    | -13.50      | 0.45           | 0.20            | 12.89          | 69.74     |
|           | NORMAL | 5,124.00  | 2.13    | 197.94  | 5,118.27  | -16.64   | 65.39    | -16.64      | 0.27           | 0.26            | -2.11          | -16.64    |
|           | NORMAL | 5,219.00  | 2.25    | 189.94  | 5,213.20  | -20.16   | 64.52    | -20.16      | 0.35           | 0.13            | -8.42          | -72.60    |
|           | NORMAL | 5,314.00  | 2.13    | 184.69  | 5,308.13  | -23.76   | 64.06    | -23.76      | 0.25           | -0.13           | -5.53          | -123.49   |
|           | NORMAL | 5,408.00  | 0.19    | 219.07  | 5,402.11  | -25.62   | 63.82    | -25.62      | 2.10           | -2.06           | 36.57          | 176.89    |
|           | NORMAL | 5,503.00  | 0.25    | 129.44  | 5,497.11  | -25.87   | 63.88    | -25.87      | 0.33           | 0.06            | -94.35         | -127.00   |
|           | NORMAL | 5,598.00  | 0.69    | 139.07  | 5,592.11  | -26.44   | 64.41    | -26.44      | 0.47           | 0.46            | 10.14          | 15.02     |
|           | NORMAL | 5,692.00  | 0.88    | 143.57  | 5,686.10  | -27.45   | 65.21    | -27.45      | 0.21           | 0.20            | 4.79           | 20.24     |
|           | NORMAL | 5,787.00  | 0.94    | 160.82  | 5,781.09  | -28.77   | 65.90    | -28.77      | 0.29           | 0.06            | 18.16          | 86.36     |
|           | NORMAL | 5,882.00  | 1.13    | 163.44  | 5,876.07  | -30.40   | 66.42    | -30.40      | 0.21           | 0.20            | 2.76           | 15.30     |
|           | NORMAL | 5,977.00  | 1.25    | 161.69  | 5,971.05  | -32.28   | 67.02    | -32.28      | 0.13           | 0.13            | -1.84          | -17.73    |
|           | NORMAL | 6,072.00  | 1.50    | 168.07  | 6,066.02  | -34.48   | 67.60    | -34.48      | 0.31           | 0.26            | 6.72           | 34.70     |
| 3/23/2011 | NORMAL | 6,166.00  | 1.50    | 176.19  | 6,159.99  | -36.92   | 67.93    | -36.92      | 0.23           | 0.00            | 8.64           | 94.06     |
|           | NORMAL | 6,261.00  | 1.56    | 180.94  | 6,254.96  | -39.45   | 68.00    | -39.45      | 0.15           | 0.06            | 5.00           | 67.07     |
|           | NORMAL | 6,356.00  | 1.69    | 171.57  | 6,349.92  | -42.13   | 68.18    | -42.13      | 0.31           | 0.14            | -9.86          | -68.66    |
|           | NORMAL | 6,451.00  | 2.00    | 178.82  | 6,444.87  | -45.17   | 68.42    | -45.17      | 0.41           | 0.33            | 7.63           | 40.64     |
|           | NORMAL | 6,546.00  | 1.81    | 179.82  | 6,539.82  | -48.33   | 68.46    | -48.33      | 0.20           | -0.20           | 1.05           | 170.58    |
|           | NORMAL | 6,641.00  | 0.69    | 37.69   | 6,634.80  | -49.38   | 68.81    | -49.38      | 2.52           | -1.18           | -149.61        | -169.80   |
|           | NORMAL | 6,735.00  | 2.06    | 19.32   | 6,728.78  | -47.33   | 69.72    | -47.33      | 1.51           | 1.46            | -19.54         | -27.16    |
|           | NORMAL | 6,830.00  | 1.94    | 29.07   | 6,823.72  | -44.32   | 71.06    | -44.32      | 0.38           | -0.13           | 10.26          | 114.25    |
|           | NORMAL | 6,925.00  | 1.25    | 29.56   | 6,918.68  | -42.01   | 72.36    | -42.01      | 0.73           | -0.73           | 0.52           | 179.11    |
|           | NORMAL | 7,019.00  | 0.75    | 66.82   | 7,012.67  | -40.88   | 73.43    | -40.88      | 0.85           | -0.53           | 39.64          | 145.19    |
|           | NORMAL | 7,114.00  | 0.50    | 10.32   | 7,107.66  | -40.22   | 74.07    | -40.22      | 0.66           | -0.26           | -59.47         | -138.67   |
|           | NORMAL | 7,209.00  | 1.31    | 23.19   | 7,202.65  | -38.82   | 74.58    | -38.82      | 0.87           | 0.85            | 13.55          | 20.58     |
|           | NORMAL | 7,304.00  | 1.00    | 34.19   | 7,297.63  | -37.13   | 75.47    | -37.13      | 0.40           | -0.33           | 11.58          | 149.84    |
| 3/24/2011 | NORMAL | 7,493.00  | 1.31    | 333.07  | 7,486.60  | -33.84   | 75.42    | -33.84      | 0.64           | 0.16            | -32.34         | -107.75   |
|           | NORMAL | 7,588.00  | 1.31    | 335.44  | 7,581.57  | -31.89   | 74.47    | -31.89      | 0.06           | 0.00            | 2.49           | 91.18     |
|           | NORMAL | 7,683.00  | 1.00    | 333.19  | 7,676.55  | -30.16   | 73.65    | -30.16      | 0.33           | -0.33           | -2.37          | -172.80   |
|           | NORMAL | 7,778.00  | 0.63    | 327.44  | 7,771.54  | -28.98   | 72.99    | -28.98      | 0.40           | -0.39           | -6.05          | -170.40   |
|           | NORMAL | 7,873.00  | 0.63    | 305.57  | 7,866.54  | -28.24   | 72.29    | -28.24      | 0.25           | 0.00            | -23.02         | -100.93   |
| 3/25/2011 | NORMAL | 7,967.00  | 0.50    | 316.19  | 7,960.53  | -27.64   | 71.58    | -27.64      | 0.18           | -0.14           | 11.30          | 146.38    |
|           | NORMAL | 8,062.00  | 0.38    | 276.07  | 8,055.53  | -27.31   | 70.98    | -27.31      | 0.34           | -0.13           | -42.23         | -130.54   |
|           | NORMAL | 8,157.00  | 0.50    | 279.07  | 8,150.53  | -27.21   | 70.26    | -27.21      | 0.13           | 0.13            | 3.16           | 12.37     |
|           | NORMAL | 8,252.00  | 0.44    | 263.07  | 8,245.52  | -27.19   | 69.49    | -27.19      | 0.15           | -0.06           | -16.84         | -122.43   |
|           | NORMAL | 8,346.00  | 0.75    | 243.19  | 8,339.52  | -27.51   | 68.58    | -27.51      | 0.39           | 0.33            | -21.15         | -43.87    |
|           | NORMAL | 8,440.00  | 0.81    | 223.94  | 8,433.51  | -28.26   | 67.57    | -28.26      | 0.28           | 0.06            | -20.48         | -86.85    |
|           | NORMAL | 8,535.00  | 0.56    | 238.82  | 8,528.50  | -28.99   | 66.71    | -28.99      | 0.32           | -0.26           | 15.66          | 151.85    |
|           | NORMAL | 8,630.00  | 0.63    | 225.44  | 8,623.50  | -29.59   | 65.94    | -29.59      | 0.16           | 0.07            | -14.08         | -70.06    |
|           | NORMAL | 8,724.00  | 0.63    | 227.57  | 8,717.49  | -30.31   | 65.19    | -30.31      | 0.02           | 0.00            | 2.27           | 91.06     |
|           | NORMAL | 8,819.00  | 0.88    | 192.19  | 8,812.49  | -31.37   | 64.65    | -31.37      | 0.54           | 0.26            | -37.24         | -80.25    |
|           | NORMAL | 8,914.00  | 1.13    | 188.94  | 8,907.47  | -33.01   | 64.35    | -33.01      | 0.27           | 0.26            | -3.42          | -14.47    |
| 3/26/2011 | NORMAL | 9,009.00  | 1.06    | 172.94  | 9,002.45  | -34.81   | 64.31    | -34.81      | 0.33           | -0.07           | -16.84         | -110.81   |
|           | NORMAL | 9,104.00  | 1.25    | 171.44  | 9,097.43  | -36.70   | 64.58    | -36.70      | 0.20           | 0.20            | -1.58          | -9.79     |
|           | NORMAL | 9,198.00  | 1.44    | 163.94  | 9,191.41  | -38.85   | 65.05    | -38.85      | 0.28           | 0.20            | -7.98          | -46.61    |
|           | NORMAL | 9,294.00  | 1.50    | 168.07  | 9,287.38  | -41.24   | 65.65    | -41.24      | 0.13           | 0.06            | 4.30           | 62.55     |
|           | NORMAL | 9,389.00  | 2.00    | 167.19  | 9,382.33  | -44.07   | 66.27    | -44.07      | 0.53           | 0.53            | -0.93          | -3.52     |
|           | NORMAL | 9,484.00  | 2.00    | 169.69  | 9,477.27  | -47.32   | 66.94    | -47.32      | 0.09           | 0.00            | 2.63           | 91.25     |
|           | NORMAL | 9,580.00  | 2.31    | 163.32  | 9,573.21  | -50.82   | 67.79    | -50.82      | 0.41           | 0.32            | -6.64          | -40.90    |
|           | NORMAL | 9,676.00  | 2.63    | 169.69  | 9,669.12  | -54.84   | 68.74    | -54.84      | 0.44           | 0.33            | 6.64           | 43.84     |
|           | NORMAL | 9,772.00  | 2.69    | 171.69  | 9,765.01  | -59.24   | 69.46    | -59.24      | 0.12           | 0.06            | 2.08           | 58.12     |
|           | NORMAL | 9,868.00  | 3.19    | 169.07  | 9,860.89  | -64.09   | 70.29    | -64.09      | 0.54           | 0.52            | -2.73          | -16.35    |
|           | NORMAL | 9,963.00  | 3.56    | 164.57  | 9,955.72  | -69.53   | 71.58    | -69.53      | 0.48           | 0.39            | -4.74          | -37.86    |
| 3/27/2011 | NORMAL | 10,060.00 | 3.69    | 161.82  | 10,052.53 | -75.40   | 73.35    | -75.40      | 0.22           | 0.13            | -2.84          | -54.59    |
|           | NORMAL | 10,155.00 | 3.75    | 165.82  | 10,147.33 | -81.32   | 75.07    | -81.32      | 0.28           | 0.06            | 4.21           | 78.98     |
|           | NORMAL | 10,250.00 | 3.63    | 165.19  | 10,242.13 | -87.23   | 76.60    | -87.23      | 0.13           | -0.13           | -0.66          | -161.65   |

2.3.2 Survey Stations (Continued)

| Date      | Type   | MD (ft)   | Inc (°) | Azi (°) | TVD (ft)  | N/S (ft) | E/W (ft) | V. Sec (ft) | DLeg (°/100ft) | Build (°/100ft) | Turn (°/100ft) | TFace (°) |
|-----------|--------|-----------|---------|---------|-----------|----------|----------|-------------|----------------|-----------------|----------------|-----------|
| 3/27/2011 | NORMAL | 10,345.00 | 3.38    | 159.19  | 10,336.95 | -92.76   | 78.36    | -92.76      | 0.47           | -0.26           | -6.32          | -127.25   |
|           | NORMAL | 10,440.00 | 3.19    | 157.69  | 10,431.80 | -97.82   | 80.36    | -97.82      | 0.22           | -0.20           | -1.58          | -156.41   |
| 3/28/2011 | NORMAL | 10,535.00 | 3.00    | 167.44  | 10,526.66 | -102.69  | 81.91    | -102.69     | 0.59           | -0.20           | 10.26          | 114.67    |
|           | NORMAL | 10,631.00 | 2.94    | 161.57  | 10,622.53 | -107.48  | 83.23    | -107.48     | 0.32           | -0.06           | -6.11          | -104.08   |
|           | NORMAL | 10,725.00 | 2.94    | 153.82  | 10,716.41 | -111.93  | 85.06    | -111.93     | 0.42           | 0.00            | -8.24          | -93.87    |
|           | NORMAL | 10,740.00 | 3.06    | 150.94  | 10,731.39 | -112.63  | 85.42    | -112.63     | 1.28           | 0.80            | -19.20         | -52.92    |
|           | NORMAL | 10,790.00 | 3.06    | 150.94  | 10,781.32 | -114.96  | 86.72    | -114.96     | 0.00           | 0.00            | 0.00           | 0.00      |

RECEIVED  
VERNAL FIELD OFFICE

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APR 18 PM 1 02

APPLICATION FOR PERMIT TO DRILL OR REENTER  
DEPT OF THE INTERIOR  
BUREAU OF LAND MGMT

1a. Type of Work:  DRILL  REENTER

b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

5. Lease Serial No.  
UTU-0144868B

6. If Indian, Allottee or Tribe Name  
UTE TRIBE

7. If Unit or CA Agreement, Name and No.  
891008900A

8. Lease Name and Well No.  
NBU 920-12I

2. Name of Operator  
KERR-MCGEE OIL & GAS ONSHORE LP

9. API Well No.  
43-047-50126

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

3b. Phone No. (include area code)  
720-929-6226

10. Field and Pool, or Exploratory  
NATURAL BUTTES FIELD

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface NESE 2076' FSL & 799' FEL LAT 40.0486 LON -109.60813 (NAD 27)  
At proposed prod. Zone N/A

11. Sec., T., R., M., or Blk, and Survey or Area  
SECTION 12, T 9S, R 20E

14. Distance in miles and direction from nearest town or post office\*  
7.4 MILES SOUTHEAST OF OURAY, UTAH

12. County or Parish  
UINTAH

13. State  
UTAH

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 799'

16. No. of Acres in lease 600

17. Spacing Unit dedicated to this well  
UNIT WELL

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. 1000'

19. Proposed Depth 10,700'

20. BLM/BIA Bond No. on file  
RLB0005239

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
4,720' KB

22. Approximate date work will start\*  
ASAP

23. Estimated duration  
10 DAYS

24. Attachments

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

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

25. Signature *Raleen White* Name (Printed/Typed) RALEEN WHITE Date 9/15/2008

Sr. Regulatory Analyst  
Approved by (Signature) *James H. Sparger* Name (Printed/Typed) James H. Sparger Date APR 02 2010  
Title ACTING Assistant Field Manager Lands & Mineral Resources Office VERNAL FIELD OFFICE

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

Conditions of approval, if any, are attached.

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

\*(Instructions on reverse)

NOS and posted 9/22/08  
AFMSS# 09-1182579

RECEIVED UDOGM  
APR 14 2010

NOTICE OF APPROVAL

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

Company: Kerr McGee Oil & Gas Onshore LP  
Well No: NBU 920-12I  
API No: 43-047-50126

Location: NESE, Sec.12, T9S R20E  
Lease No: UTU-0144868B  
Agreement: Natural Buttes

**OFFICE NUMBER: (435) 781-4400**

**OFFICE FAX NUMBER: (435) 781-3420**

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

|   |  |
|---|--|
| Construction Activity<br>(Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)   | - The Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist shall be notified at least 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.                                      |
| Construction Completion<br>(Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist) | - Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion. Notify the BLM Environmental Scientist prior to moving on the drilling rig. |
| Spud Notice<br>(Notify BLM Petroleum Engineer)  | - Twenty-Four (24) hours prior to spudding the well.   |
| Casing String & Cementing<br>(Notify BLM Supv. Petroleum Tech.)                                       | - Twenty-Four (24) hours prior to running casing and cementing all casing strings to: <a href="mailto:ut_vn_opreport@blm.gov">ut_vn_opreport@blm.gov</a> .   |
| BOP & Related Equipment Tests<br>(Notify BLM Supv. Petroleum Tech.)                                   | - Twenty-Four (24) hours prior to initiating pressure tests.   |
| First Production Notice<br>(Notify BLM Petroleum Engineer)  | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.   |

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

**Site-Specific Conditions of Approval:**

- Paint new and old (existing) facilities "shadow gray."
- Use pit run/gravel on well pad/access road support.
- Monitor location by a permitted paleontologist during the construction process.
- Construct a low-water crossing on the access road at drainage.
- If the gathering line would be installed aboveground, follow the procedures specified in the BLM's Hydraulic Consideration for Pipeline Crossings of Stream Channels (BLM 2003)
- In accordance with the guidelines specified in the Utah BLM Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (See Appendix D), a raptor survey should be conducted prior to construction of the proposed location, pipeline, or access road if construction would take place during raptor nesting season (January 01 through September 30) and conduct its operations according to specification in the guidelines.
- If project construction operations are scheduled to occur after June 18, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified in the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus (See Appendix D) and conduct its operation according to its specifications.

**BIA Standard Conditions of Approval:**

- Soil erosion will be mitigated by reseeded all disturbed areas.
- The gathering pipelines will be constructed to lie on the surface. The surface pipelines will not be bladed or cleared of vegetation. Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way. Where pipelines do not parallel roads but cross-country between sites, they shall be welded in place at well sites or on access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.
- An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be used in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.
- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.

- A closed production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.
- Major low water crossings will be armored with pit run material to protect them from erosion.
- All personnel should refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.
- If fossils are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.
- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.
- Noxious weeds will be controlled on all surface disturbances within the project area. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.
- If project construction operations are scheduled to occur after December 31, 2009, KMG should conduct annual raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (See Appendix E) and conduct its operations according to applicable seasonal restrictions and spatial offsets.
- USFWS threatened and endangered plant and animal conservation measures will be followed, as appropriate to the species identified by the biological resource survey (See Appendix E).
- All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- If artifacts or any culturally sensitive materials are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

**DOWNHOLE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**SITE SPECIFIC DOWNHOLE COAs:**

- Kerr McGee and their contractors shall strictly adhere to all operating practices in the SOP along with all Oil and Gas rules and requirements listed in the Code of Federal Regulations and all federal Onshore Oil and gas Orders except where variances have been granted.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth

(from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to [UT\\_VN\\_Welllogs@BLM.gov](mailto:UT_VN_Welllogs@BLM.gov). This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.