

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER NBU 1022-03H2T	
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT NATURAL BUTTES	
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME NATURAL BUTTES	
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.						7. OPERATOR PHONE 720 929-6587	
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217						9. OPERATOR E-MAIL mary.mondragon@anadarko.com	
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-01191-A			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')	
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')	
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN	
LOCATION AT SURFACE	1809 FNL 662 FEL	SENE	3	10.0 S	22.0 E	S	
Top of Uppermost Producing Zone	1809 FNL 662 FEL	SENE	3	10.0 S	22.0 E	S	
At Total Depth	1809 FNL 662 FEL	SENE	3	10.0 S	22.0 E	S	
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 662		23. NUMBER OF ACRES IN DRILLING UNIT 1363		
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 20		26. PROPOSED DEPTH MD: 8600 TVD: 0		
27. ELEVATION - GROUND LEVEL 5017			28. BOND NUMBER WYB-000291		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 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			
NAME Raleen White			TITLE Sr. Regulatory Analyst			PHONE 720 929-6666	
SIGNATURE			DATE 12/22/2008			EMAIL raleen.white@anadarko.com	
API NUMBER ASSIGNED 43047501660000			APPROVAL  Permit Manager				

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	2000		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	2000	36.0			
	Cement Interval	Top (MD)	Bottom (MD)			
		0	2000			
		Cement Description	Class	Sacks	Yield	Weight
			Premium Foamed Cement	315	1.18	15.6

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	8600		
Pipe	Grade	Length	Weight			
	Grade I-80 LT&C	8600	11.6			
	Cement Interval	Top (MD)	Bottom (MD)			
		0	8600			
		Cement Description	Class	Sacks	Yield	Weight
			Premium Lite High Strength	410	3.38	11.8
			50/50 Poz	1370	1.31	14.3

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-O3H2T
SECTION 3, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN AN NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.0 MILE TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN NORTHERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY, THEN NORTHEASTERLY, THEN SOUTHERLY, THEN EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE EXISTING WELL #230A AND THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 58.7 MILES.

Kerr McGee Oil & Gas Onshore LP
NBU #1022-O3H2T
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 3, T10S, R22E, S.L.B.&M.

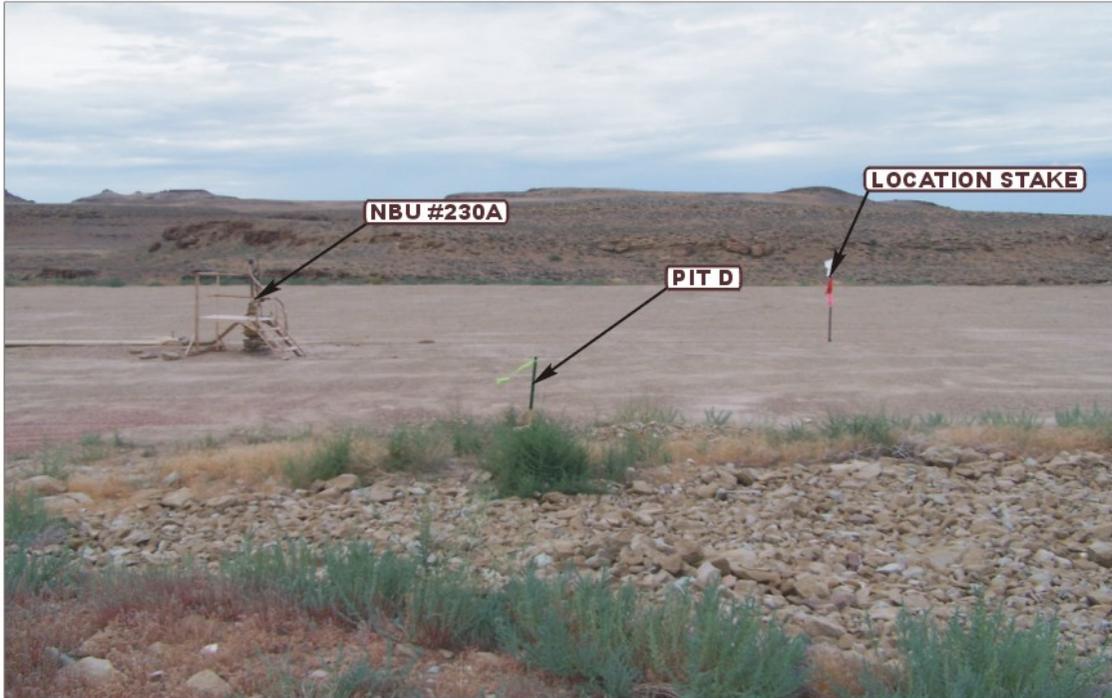


PHOTO: VIEW FROM PIT D TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS			08	18	08	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: J.J.	REVISED: 00-00-00				

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

Kerr-McGee Oil & Gas Onshore LP

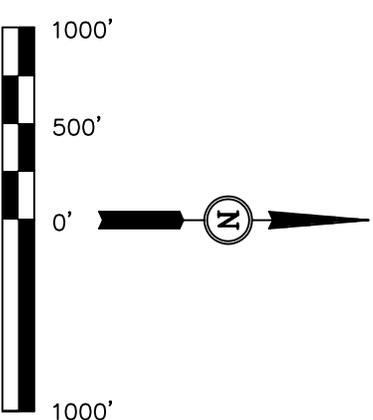
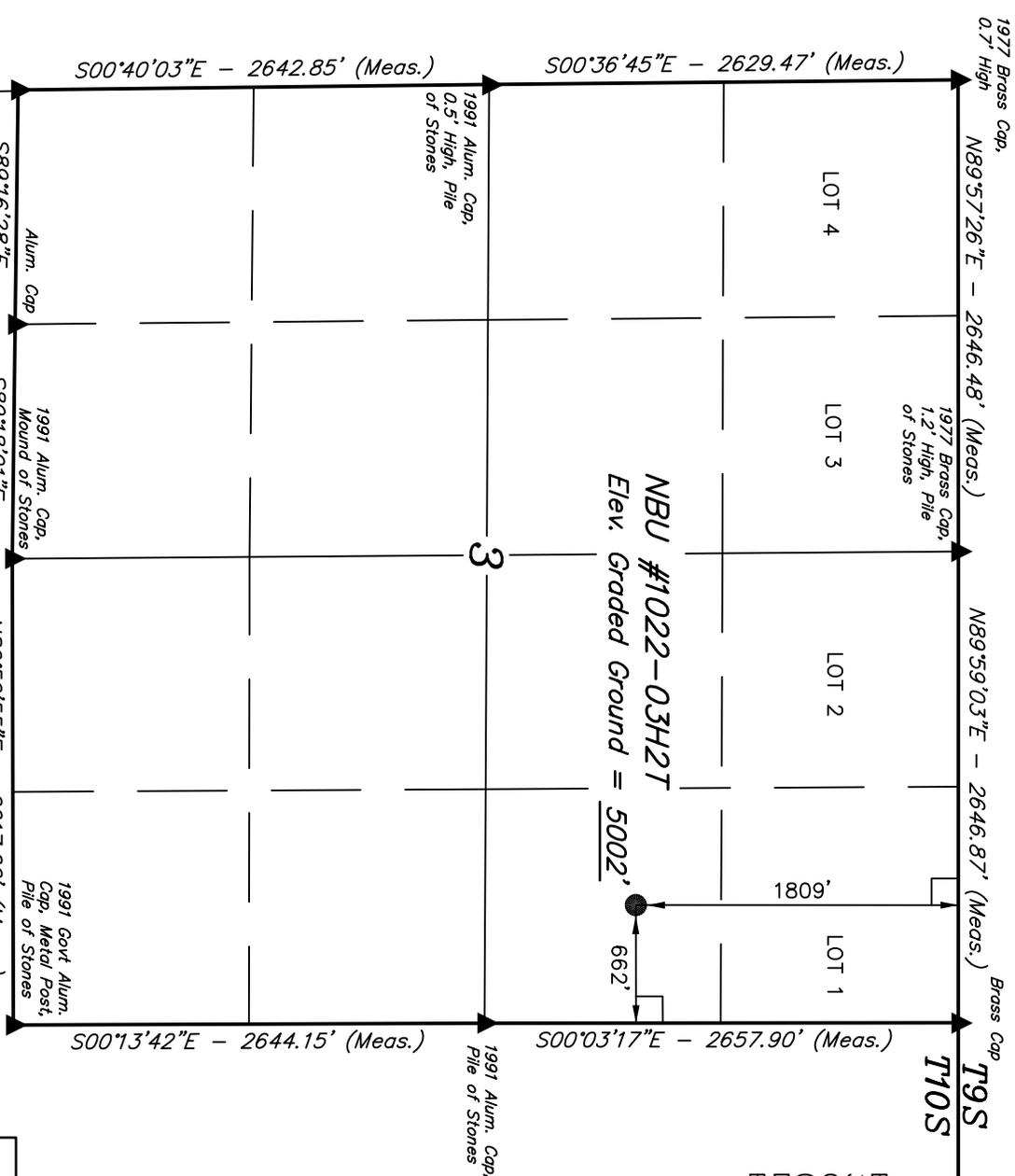
Well location, NBU #1022-03H21, located as Shown in the SE 1/4 NE 1/4 of Section 3, T10S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

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



CERTIFICATE

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

KAY ROBERTS
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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

SCALE	1" = 1000'	DATE SURVEYED:	08-06-08	DATE DRAWN:	08-20-08
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PARTY	D.K. C.K. S.L.	REFERENCES	G.L.O. PLAT
WEATHER	WARM	FILE	Kerr-McGee Oil & Gas Onshore LP

LEGEND:

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

(NAD 83)

LATITUDE = 39°58'49.07" (39.980297)

LONGITUDE = 109°25'08.57" (109.419047)

(NAD 27)

LATITUDE = 39°58'49.19" (39.980331)

LONGITUDE = 109°25'06.11" (109.418364)

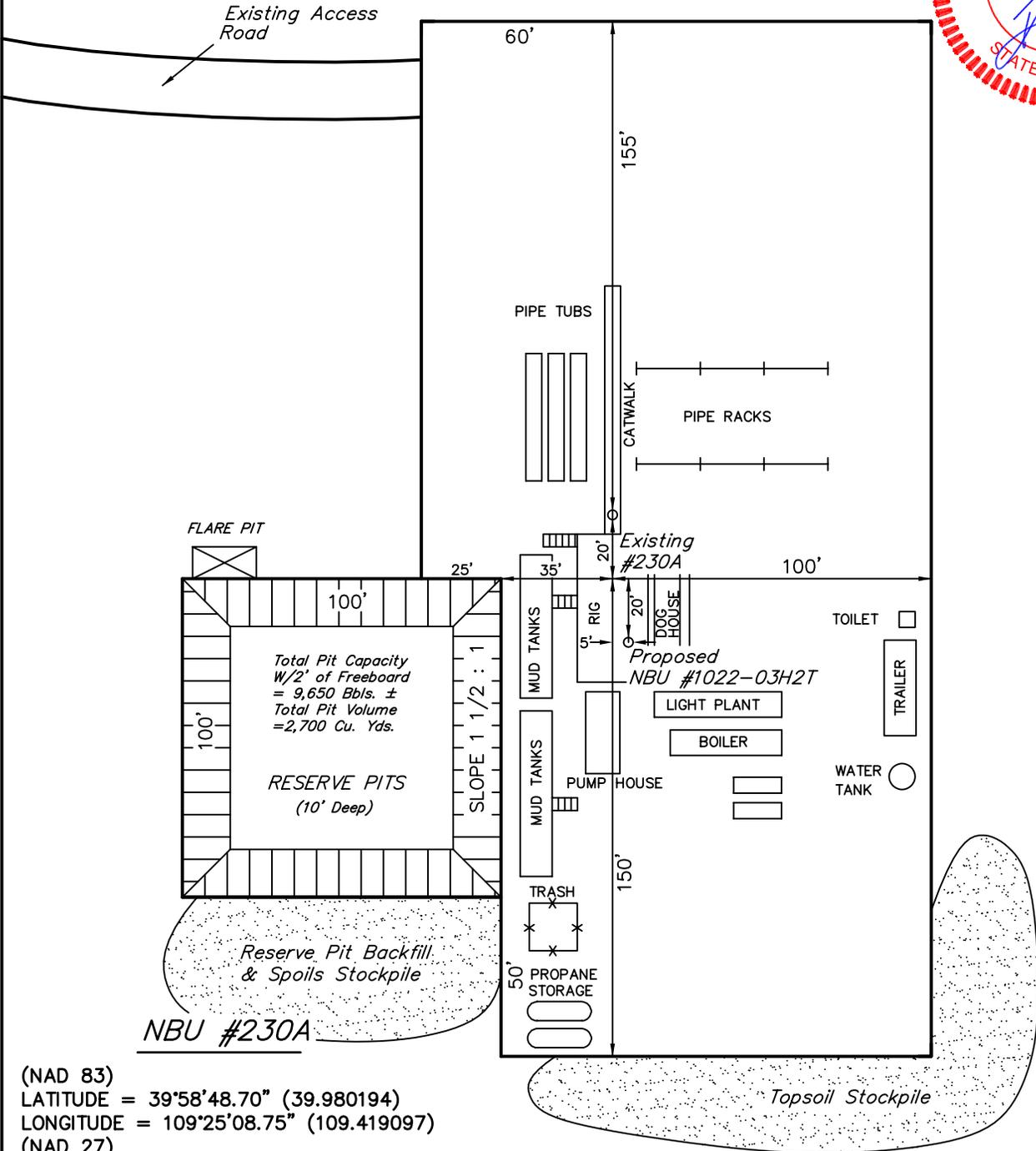
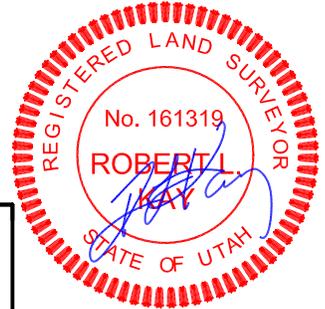
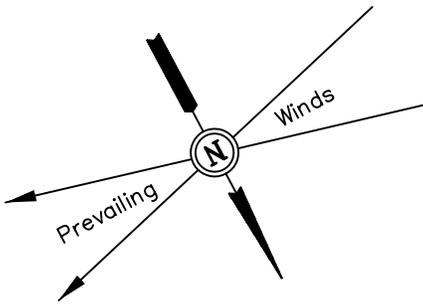
Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

NBU #1022-03H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1809' FNL 662' FEL

SCALE: 1" = 50'
DATE: 08-20-08
Drawn By: S.L.



Total Pit Capacity
W/2' of Freeboard
= 9,650 Bbls. ±
Total Pit Volume
= 2,700 Cu. Yds.

RESERVE PITS
(10' Deep)

Reserve Pit Backfill
& Spoils Stockpile

Topsoil Stockpile

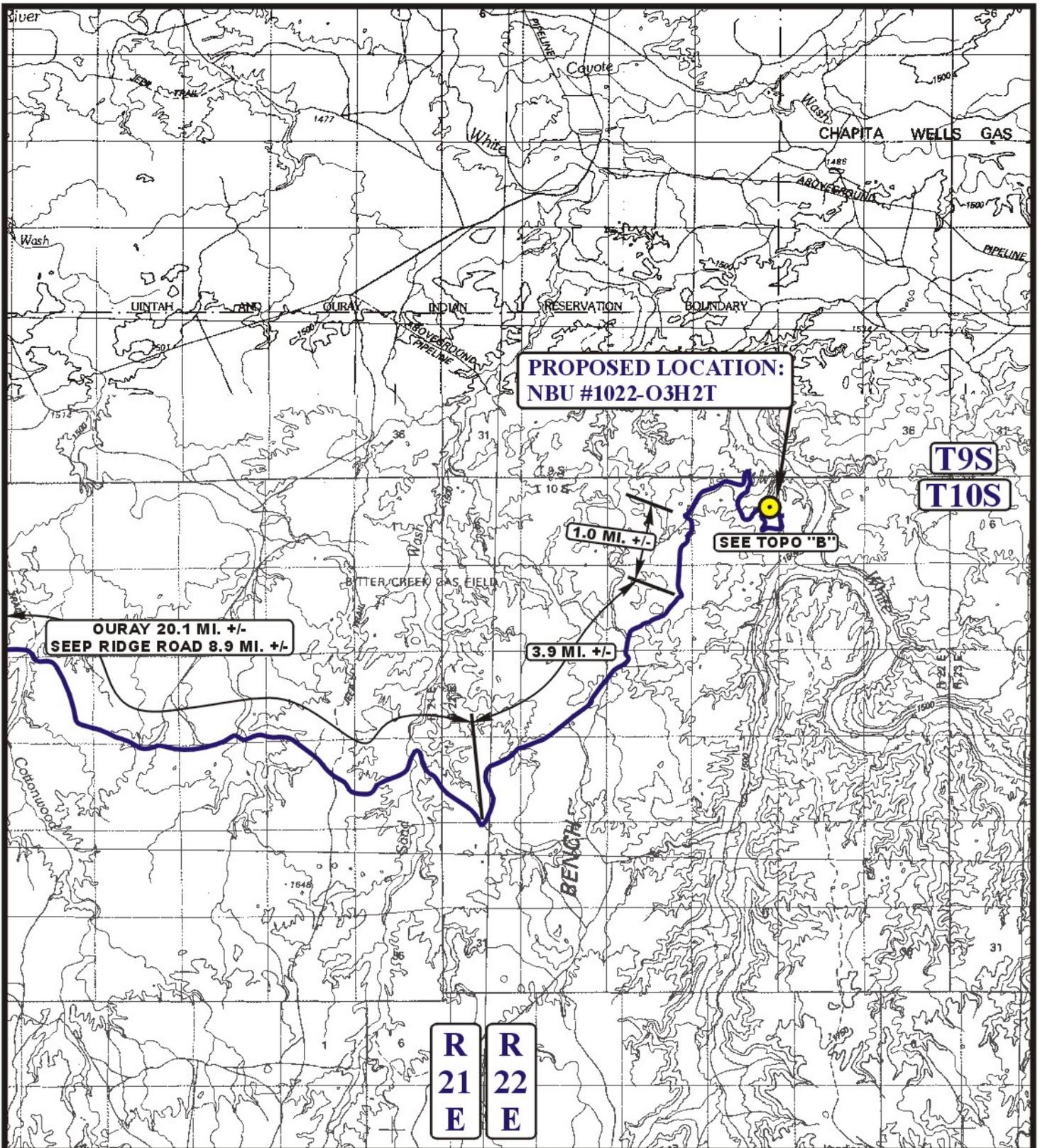
NBU #230A

(NAD 83)
LATITUDE = 39°58'48.70" (39.980194)
LONGITUDE = 109°25'08.75" (109.419097)
(NAD 27)
LATITUDE = 39°58'48.82" (39.980228)
LONGITUDE = 109°25'06.29" (109.418414)

NOTES:

FINISHED GRADE ELEV. AT LOC. STAKE = 5002.1'

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



LEGEND:

 PROPOSED LOCATION



Kerr McGee Oil & Gas Onshore LP

NBU #1022-03H2T

SECTION 3, T10S, R22E, S.L.B.&M.

1809' FNL 662' FEL



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

TOPOGRAPHIC
MAP

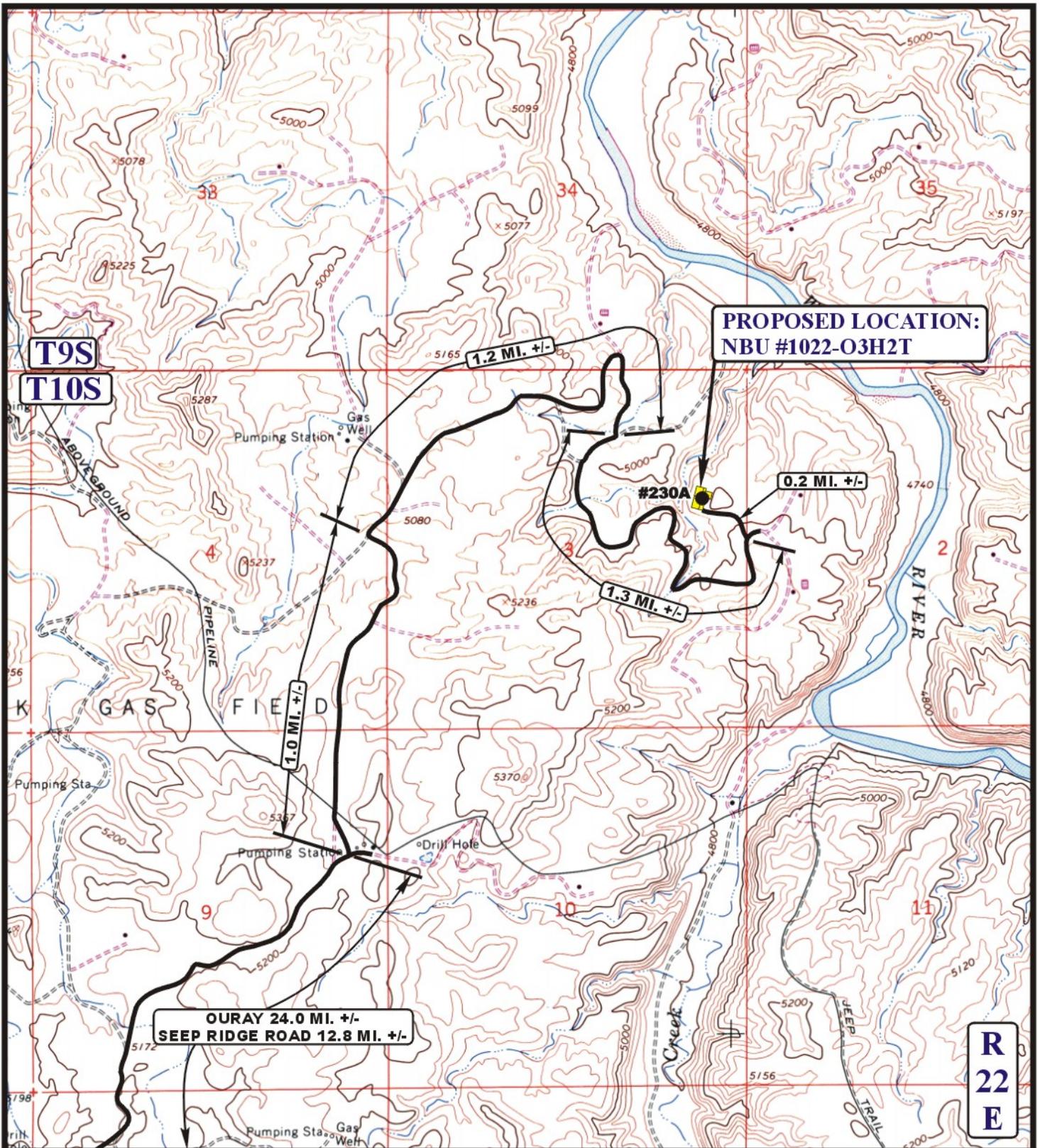
08 18 08
 MONTH DAY YEAR

SCALE: 1:100,000

DRAWN BY: J.J.

REVISED: 00-00-00





**PROPOSED LOCATION:
NBU #1022-03H2T**

**T9S
T10S**

**R
22
E**

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



Kerr McGee Oil & Gas Onshore LP

**NBU #1022-03H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1809' FNL 662' FEL**



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

TOPOGRAPHIC MAP
08 18 08
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: J.J. REVISED: 00-00-00



**NBU 1022-03H2T
SENE Sec. 3, T10S,R22E
UINTAH COUNTY, UTAH
UTU-01191-A**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1119'
Bird's Nest	1375'
Mahogany	1892'
Wasatch	4207'
Mesaverde	6580'
MVU2	7417'
MVL1	8059'
TD	8600'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1119'
	Bird's Nest	1375'
	Mahogany	1894'
Gas	Wasatch	4207'
Gas	Mesaverde	6580'
Gas	MVU2	7417'
Gas	MVL1	8059'
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.

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 8600' TD, approximately equals 5332 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3440 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.



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

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3520	2020	453000
SURFACE	9-5/8"	0 to 2,000'	36.00	J-55	LTC	0.95	2.18	7.18
						7780	4380	201000
PRODUCTION	4-1/2"	0 to 8600'	11.60	I-80	LTC	2.10	1.14	2.31

- 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 4320 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + 25 pps floccle	215	60%	15.60	1.18
	TOP OUT CMT (1)	250	20 gals sodium silicate + Premium cmt + 2% CaCl + 25 pps floccle	100		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2			NOTE: If well will circulate water to surface, option 2 will be utilized.				
	LEAD	2000	Prem cmt + 16% Gel + 10 pps gilsonite + 25 pps floccle + 3% salt BWOC	230	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + 25 pps floccle	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,700'	Premium Lite II + 3% KCl + 0.25 pps celluloflake + 5 pps gilsonite + 10% gel + 0.5% extender	410	60%	11.80	3.38
	TAIL	4,900'	50/50 Poz/G + 10% salt + 2% gel + 1% R-3	1370	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

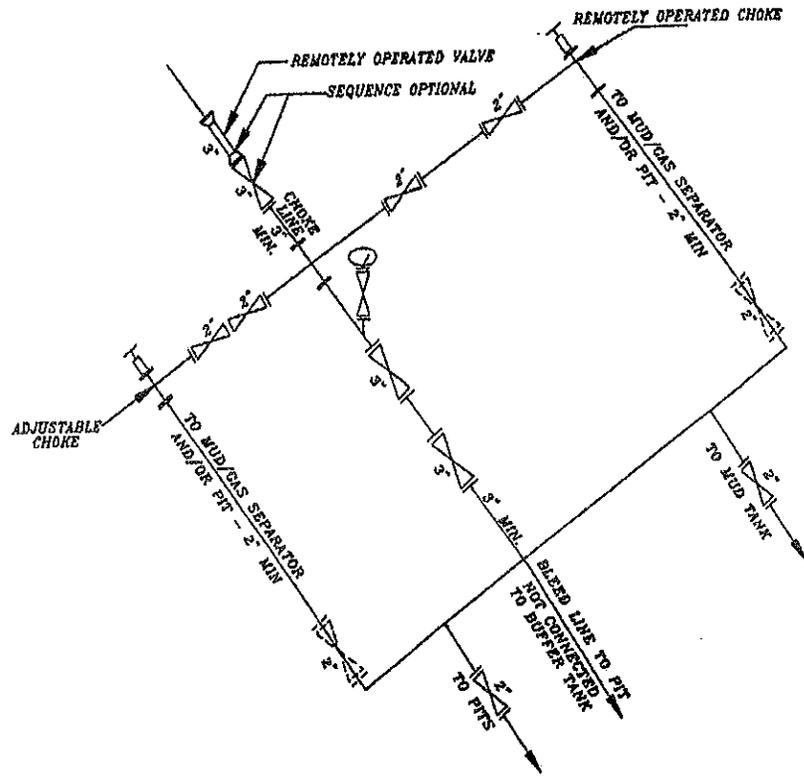
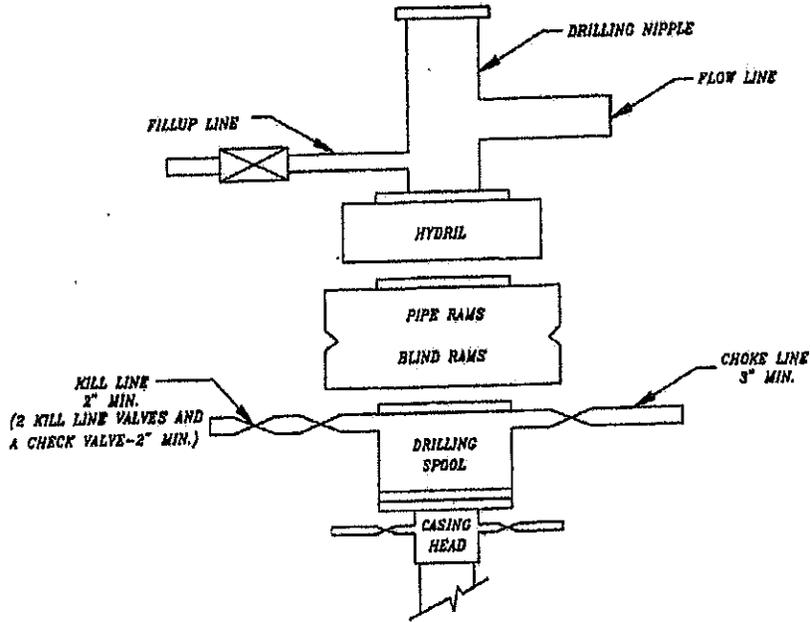
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
 BOPE: 11" 6M with one annular and 2 rams. Test to 5,000 psi (annular to 2,800 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 1022-03H2T

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-O3H2T
SECTION 3, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN AN NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.0 MILE TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN NORTHERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY, THEN NORTHEASTERLY, THEN SOUTHERLY, THEN EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE EXISTING WELL #230A AND THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 58.7 MILES.

Kerr McGee Oil & Gas Onshore LP

NBU #1022-O3H2T
LOCATED IN UINTAH COUNTY, UTAH
SECTION 3, T10S, R22E, S.L.B.&M.

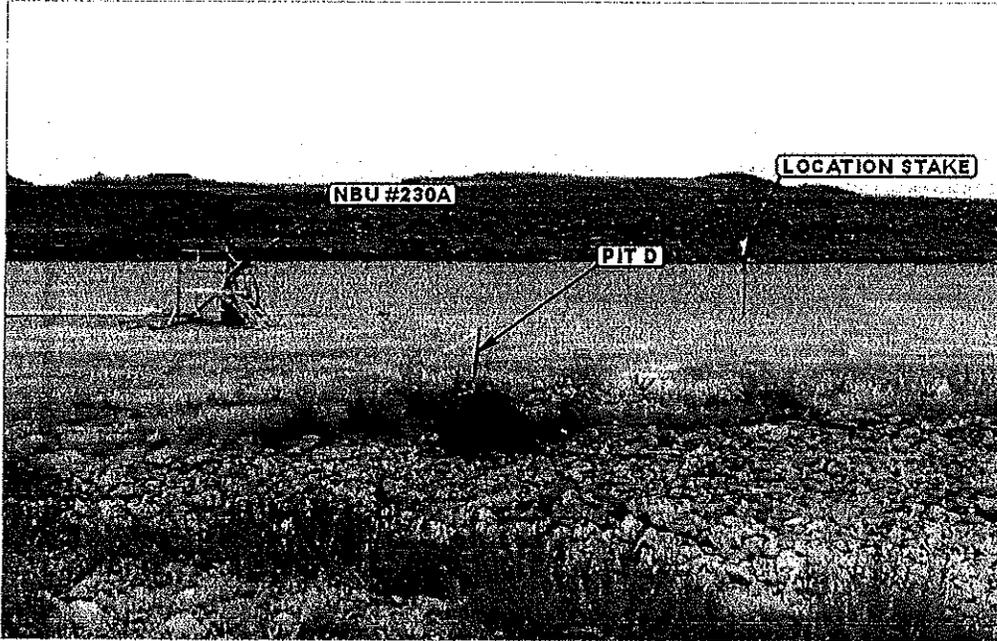


PHOTO: VIEW FROM PIT D TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

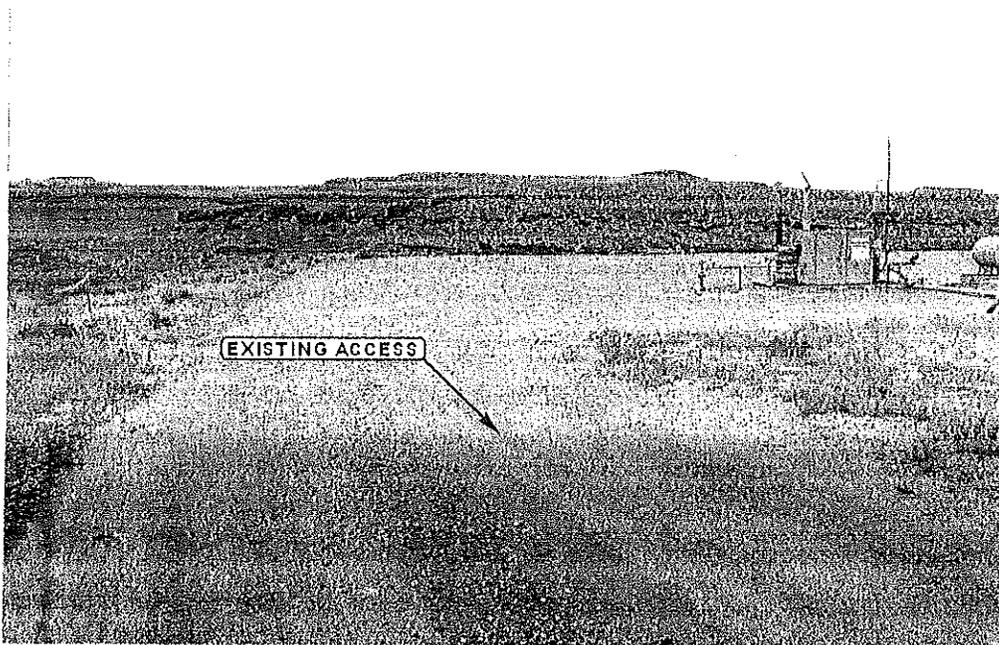


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS	08	18	08	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: J.J.		REVISED: 00-00-00	

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

Kerr-McGee Oil & Gas Onshore LP

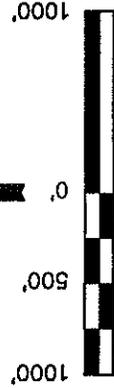
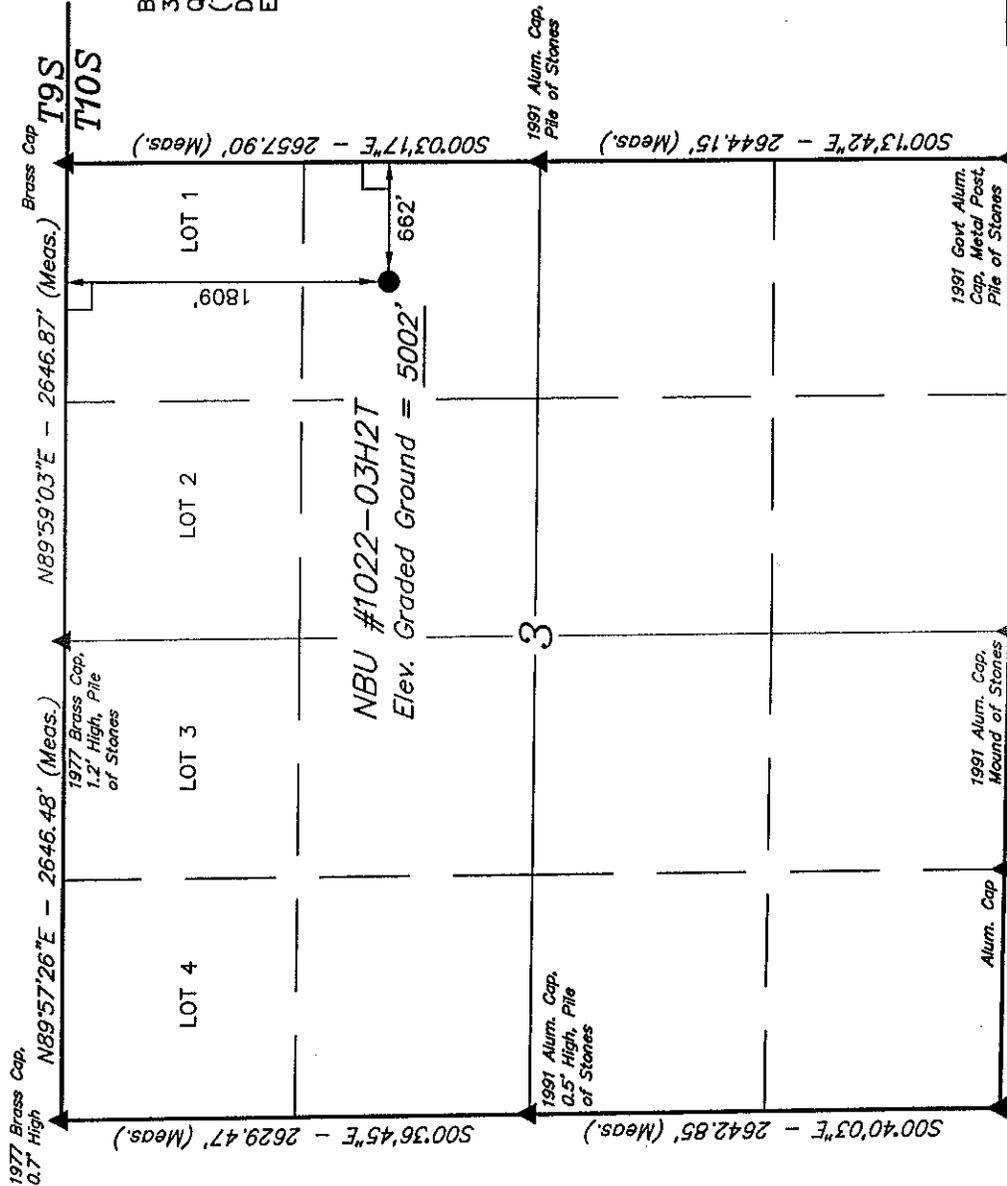
Well location, NBU #1022-03H2T, located as Shown in the SE 1/4 NE 1/4 of Section 3, T10S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

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



CERTIFICATE

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

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH
 DEPARTMENT OF HERITAGE

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

SCALE	1" = 1000'	DATE SURVEYED:	08-06-08	DATE DRAWN:	08-20-08
PARTY	D.K. C.K. S.L.	REFERENCES	G.L.O. PLAT		
WEATHER	WARM	FILE	Kerr-McGee Oil & Gas Onshore LP		

(NAD 83)
 LATITUDE = 39°58'49.07" (39.980297)
 LONGITUDE = 109°25'08.57" (109.419047)
 (NAD 27)
 LATITUDE = 39°58'49.19" (39.980331)
 LONGITUDE = 109°25'06.11" (109.418364)

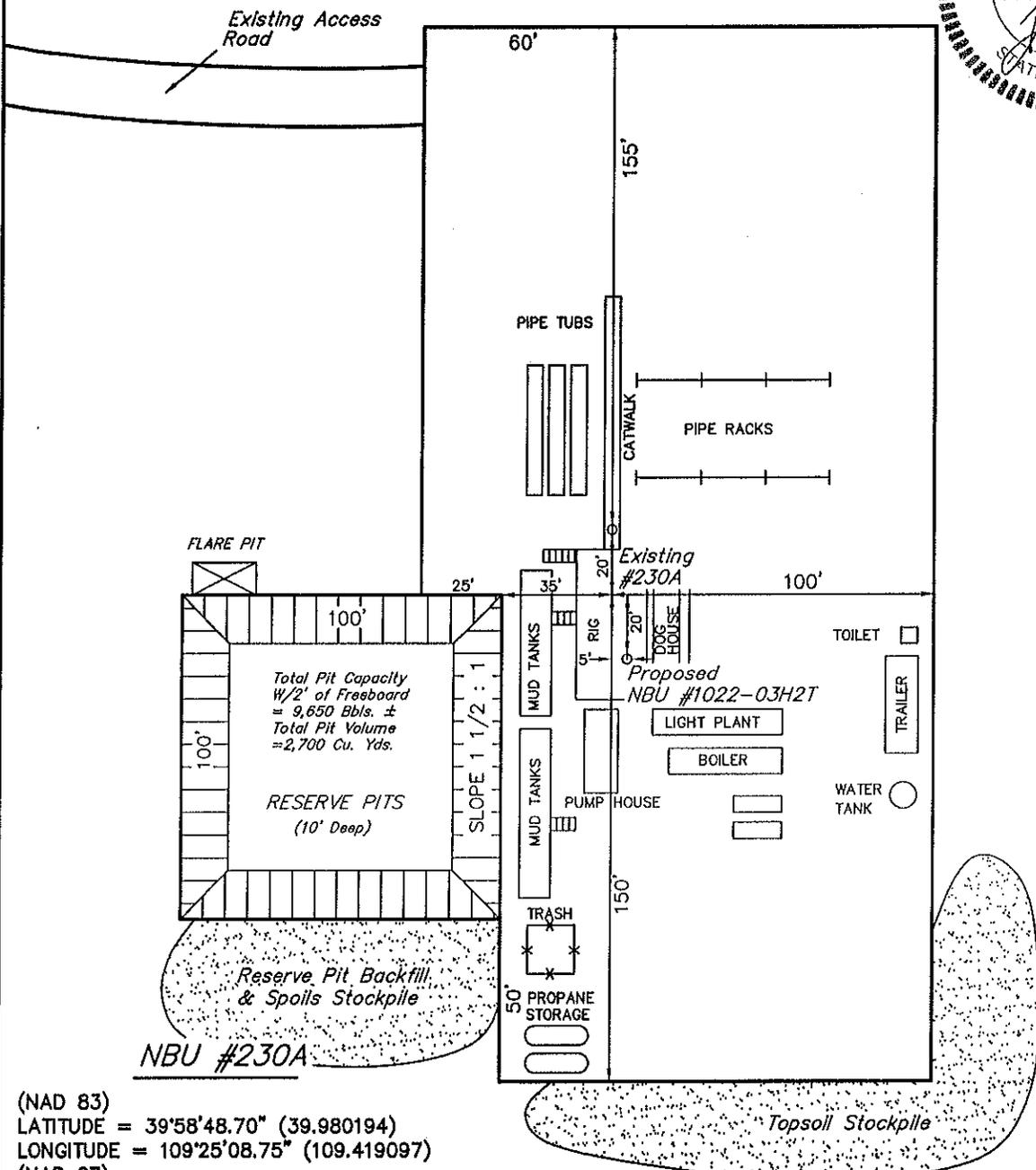
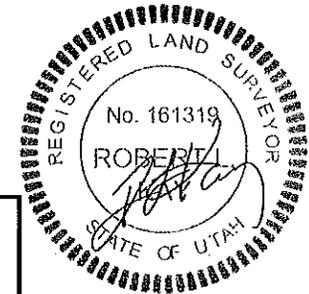
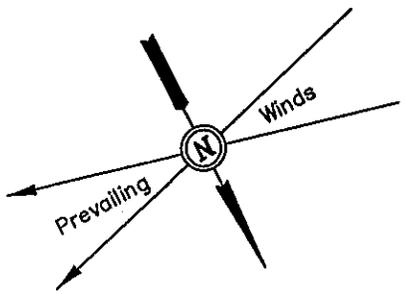
- LEGEND:**
- ┌───┐ = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - ▲ = SECTION CORNERS LOCATED.

Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR
 NBU #1022-03H2T
 SECTION 3, T10S, R22E, S.L.B.&M.
 1809' FNL 662' FEL

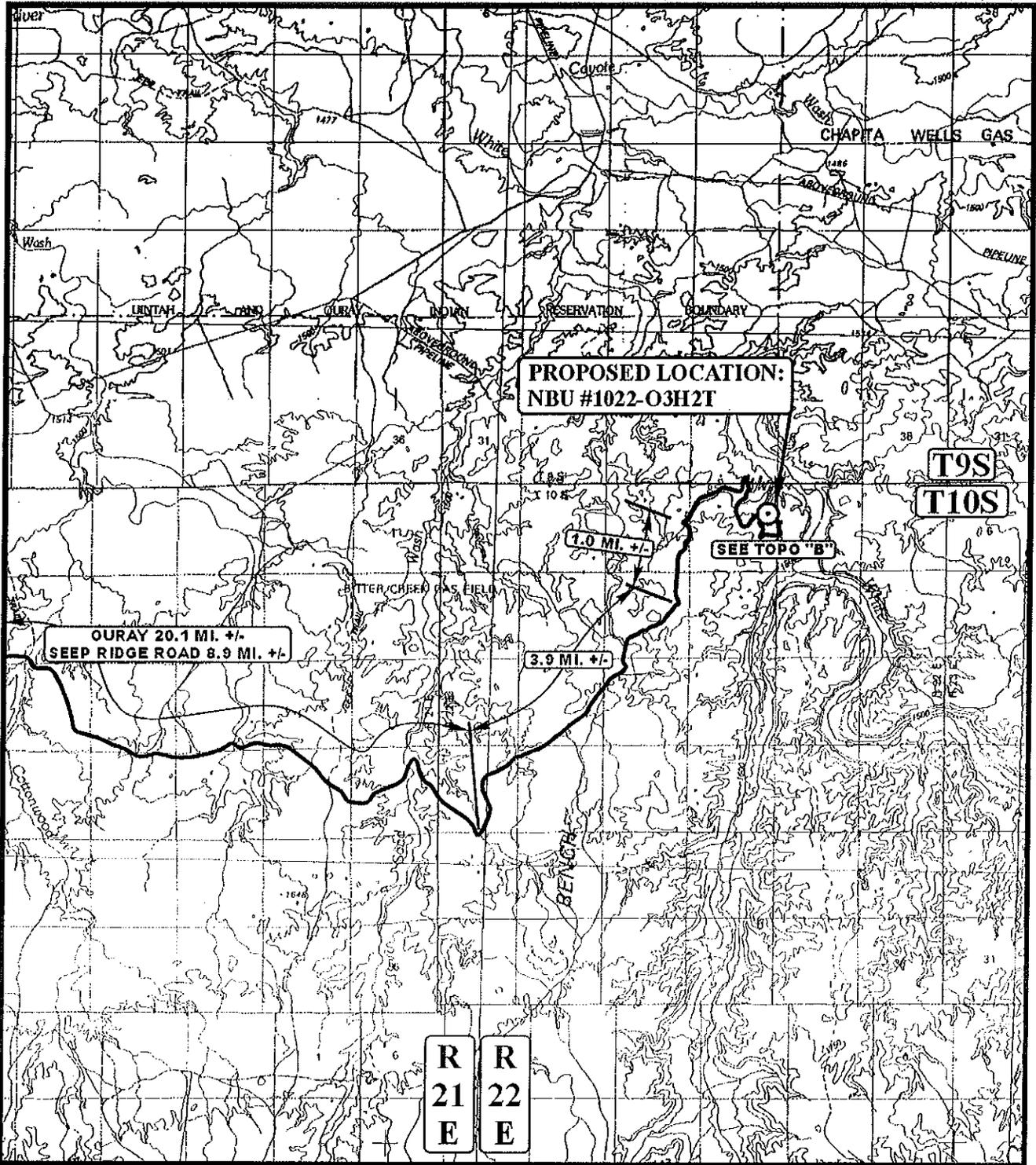
SCALE: 1" = 50'
 DATE: 08-20-08
 Drawn By: S.L.



(NAD 83)
 LATITUDE = 39°58'48.70" (39.980194)
 LONGITUDE = 109°25'08.75" (109.419097)
 (NAD 27)
 LATITUDE = 39°58'48.82" (39.980228)
 LONGITUDE = 109°25'06.29" (109.418414)

NOTES:

FINISHED GRADE ELEV. AT LOC. STAKE = 5002.1'



**PROPOSED LOCATION:
NBU #1022-O3H2T**

**T9S
T10S**

**OURAY 20.1 MI. +/-
SEEP RIDGE ROAD 8.9 MI. +/-**

1.0 MI. +/-

SEE TOPO "B"

3.9 MI. +/-

**R
21
E** **R
22
E**

LEGEND:

⊙ PROPOSED LOCATION

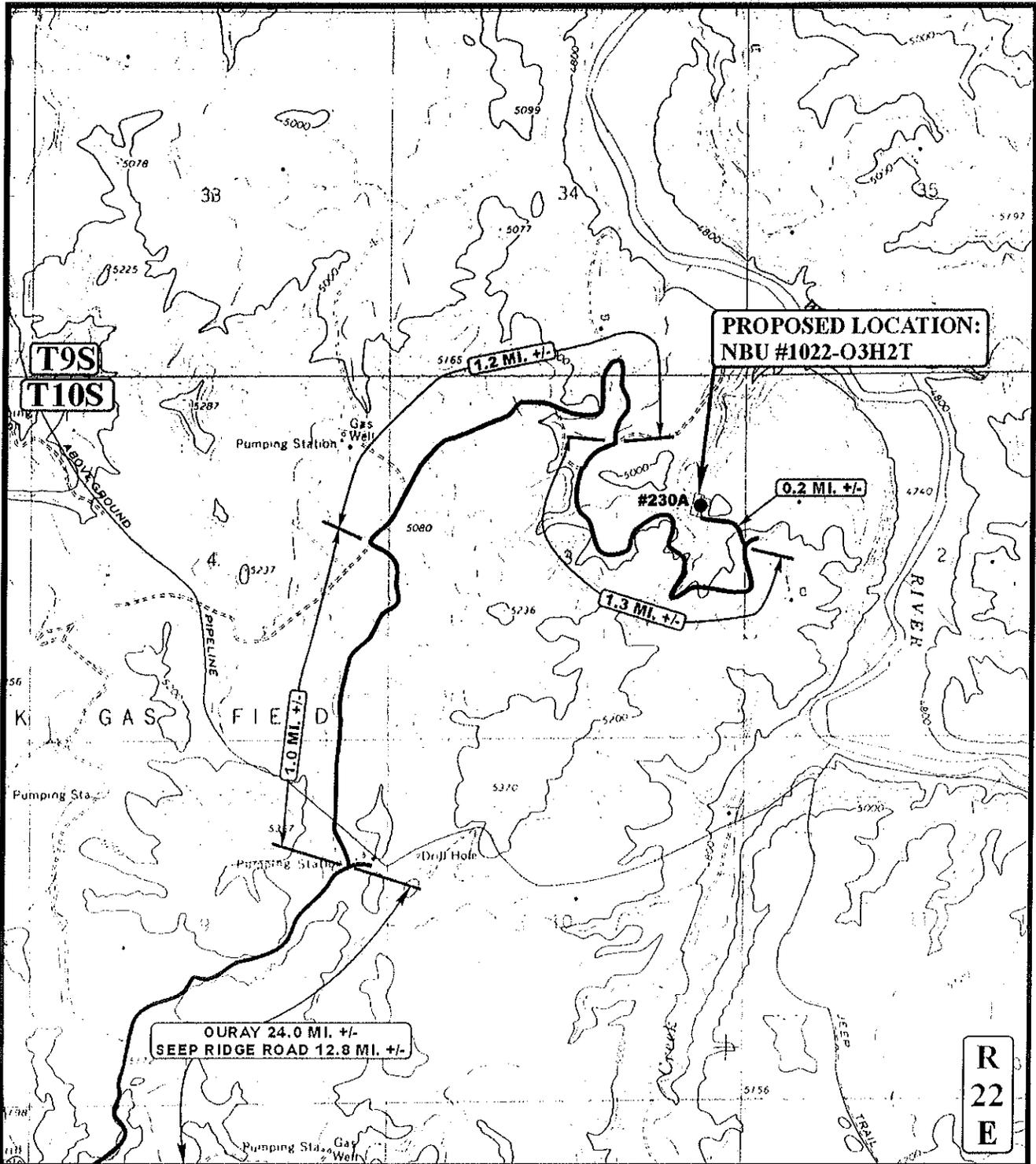
**Kerr McGee Oil & Gas Onshore LP
NBU #1022-O3H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1809' FNL 662' FEL**

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



TOPOGRAPHIC MAP **08** / **18** / **08**
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: J.J. REVISED: 00-00-00





**PROPOSED LOCATION:
NBU #1022-03H2T**

**T9S
T10S**

**R
22
E**

**OURAY 24.0 MI. +/-
SEEP RIDGE ROAD 12.8 MI. +/-**

LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD

**Kerr McGee Oil & Gas Onshore LP
NBU #1022-03H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1809' FNL 662' FEL**

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



TOPOGRAPHIC 08 18 08
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: J.J. REVISED: 00-00-00

**B
TOPO**

**NBU 1022-03H2T
SENE SEC. 03 ,T10S,R22E
UINTAH COUNTY, UTAH
UTU-01191-A**

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:

No new access road is planned, as this is a twin location. 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:

Utilizing existing pipeline

Please see the Natural Buttes Unit SOP.

Variations to Best Management Practices (BMPs) Requested:

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 Grey 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. 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.

11. Surface/Mineral Ownership:

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

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

12. Other Information:

A Class III archaeological survey, T&E Clearance and a paleontological survey have been performed and will be submitted.

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

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

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

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

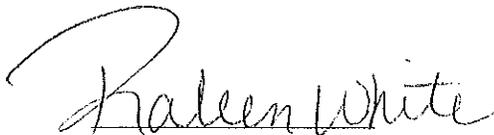
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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 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.


Raleen White

9/11/2008
Date

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)

October 6, 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
-------	-----------	----------

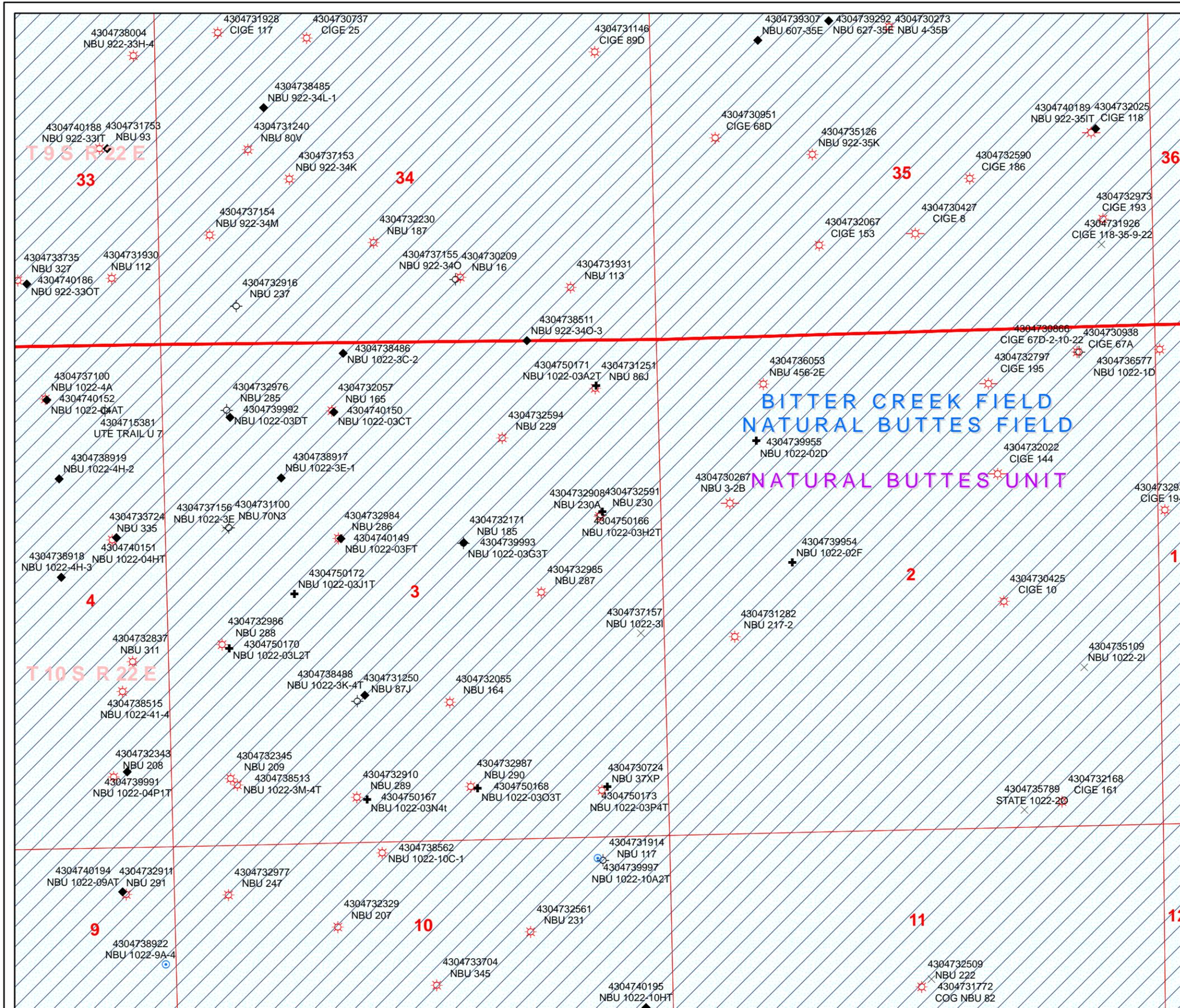
(Proposed PZ MESA VERDE)

43-047-50166	NBU 1022-03H2T Sec 03 T10S R22E 1809 FNL 0662 FEL	
43-047-50167	NBU 1022-03N4T Sec 03 T10S R22E 0467 FSL 2043 FWL	
43-047-50168	NBU 1022-03O3T Sec 03 T10S R22E 0561 FSL 2042 FEL	
43-047-50170	NBU 1022-03L2T Sec 03 T10S R22E 2092 FSL 0607 FWL	
43-047-50171	NBU 1022-03A2T Sec 03 T10S R22E 0478 FNL 0706 FEL	
43-047-50172	NBU 1022-03J1T Sec 03 T10S R22E 2639 FSL 1316 FEL	
43-047-50173	NBU 1022-03P4T Sec 03 T10S R22E 0559 FSL 0659 FEL	

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

/s/ Michael L. Coulthard

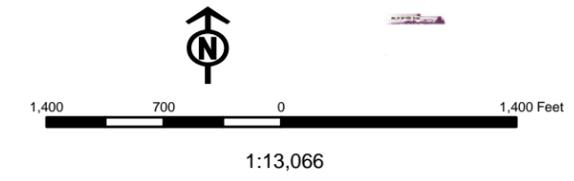
bcc: File – Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron



API Number: 4304750166
Well Name: NBU 1022-03H2T
Township 10.0 S Range 22.0 E Section 3
Meridian: SLBM
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
 Map Produced by Diana Mason

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



APIWellNo:43047501660000

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/2/2008

API NO. ASSIGNED: 43047501660000

WELL NAME: NBU 1022-03H2T

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

PHONE NUMBER: 720 929-6666

CONTACT: Raleen White

PROPOSED LOCATION: SENE 3 100S 220E

Permit Tech Review:

SURFACE: 1809 FNL 0662 FEL

Engineering Review:

BOTTOM: 1809 FNL 0662 FEL

Geology Review:

COUNTY: UINTAH

LATITUDE: 39.98020

LONGITUDE: -109.41833

UTM SURF EASTINGS: 635057.00

NORTHINGS: 4426547.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-01191-A

PROPOSED FORMATION: WSMVD

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT**
- Bond:** FEDERAL - WYB-000291
- 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: Cause 173-14
Effective Date: 12/2/1999
Siting: 460' fr u bdry & uncomm. tract
 - R649-3-11. Directional Drill**
-

Comments: Presite Completed

Stipulations: 3 - Commingling - ddoucet
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 1022-03H2T
API Well Number: 43047501660000
Lease Number: UTU-01191-A
Surface Owner: FEDERAL
Approval Date: 12/23/2008

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

Commingling:

In accordance with Cause No. 173-14, commingling the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

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.

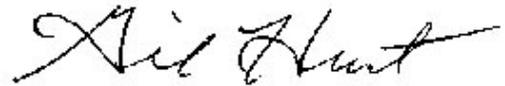
Notify the Division prior to commencing operations to plug and abandon the well.

- 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, flowing style with a long horizontal stroke at the end.

Gil Hunt
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-03H2T
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6587 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1809 FNL 0662 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 3 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

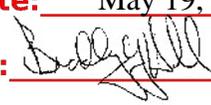
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/21/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests to change the surface location of this well. The surface location is changing FROM: 1809' FNL 662' FEL TO: 1862' FNL 690' FEL. All other information as originally submitted remains the same. No additional surface disturbance from that amount approved in the original APD is anticipated. If you have any questions, please contact the undersigned. Thank you.

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

Date: May 19, 2009
By: 

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 5/18/2009	

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-O3H2T

LOCATED IN UINTAH COUNTY, UTAH

SECTION 3, T10S, R22E, S.L.B.&M.

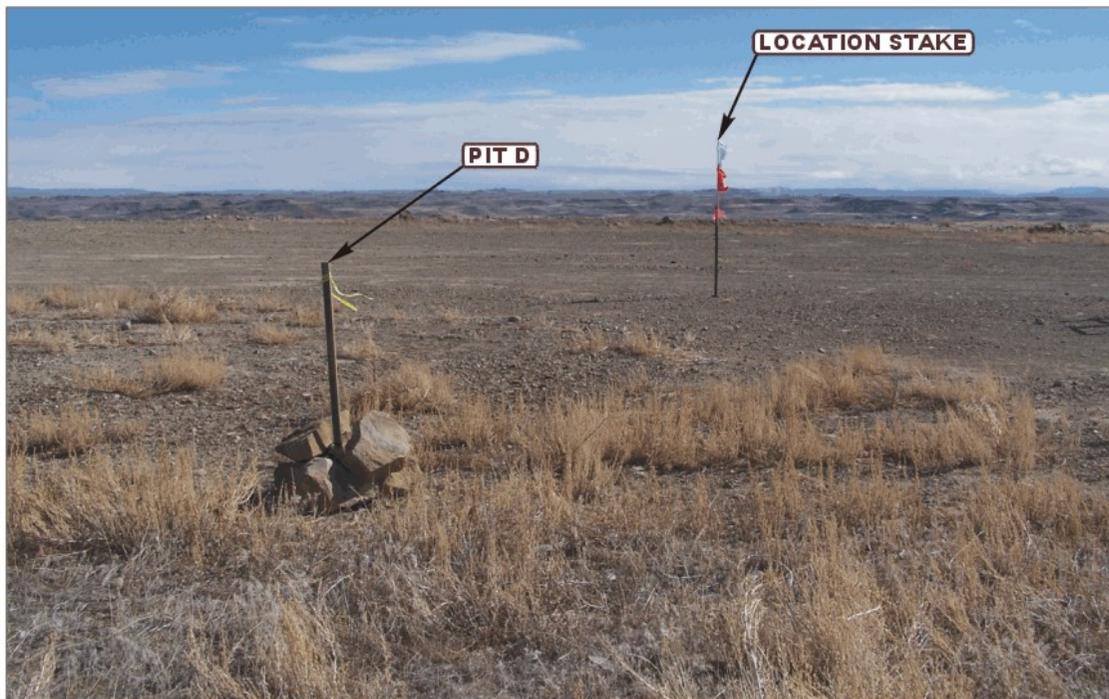


PHOTO: VIEW FROM PIT D TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS

08 18 08
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: J.J.

REV: 03-09-09 Z.L.

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

Kerr-McGee Oil & Gas Onshore LP

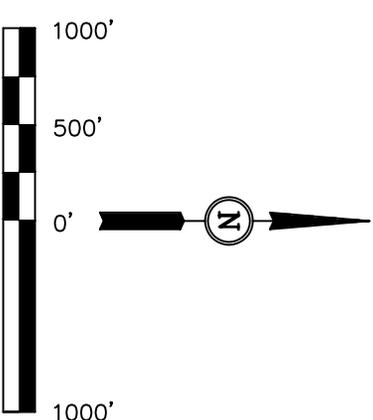
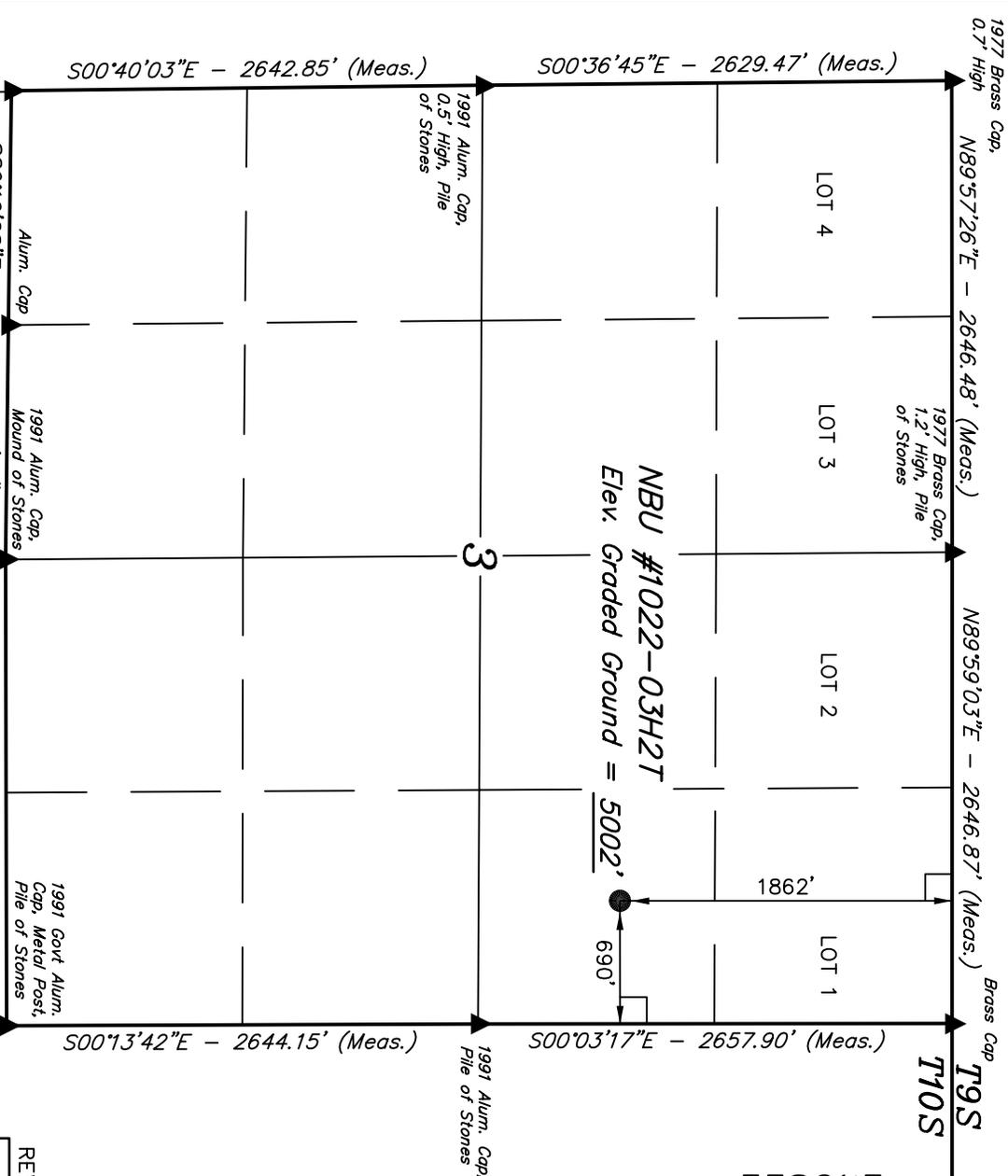
Well location, NBU #1022-03H21, located as shown in the SE 1/4 NE 1/4 of Section 3, T10S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

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



CERTIFICATE

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

Robert Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

REV: 03-10-09 K.E.

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

LEGEND:

- ┌ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 39°58'48.55" (39.980153)
 LONGITUDE = 109°25'08.93" (109.419147)
 (NAD 27)
 LATITUDE = 39°58'48.67" (39.980186)
 LONGITUDE = 109°25'06.47" (109.418464)

SCALE	1" = 1000'	
PARTY	D.K. C.K. S.L.	REFERENCES G.L.O. PLAT
WEATHER	WARM	FILE Kerr-McGee Oil & Gas Onshore LP
DATE SURVEYED:	08-06-08	DATE DRAWN: 08-20-08

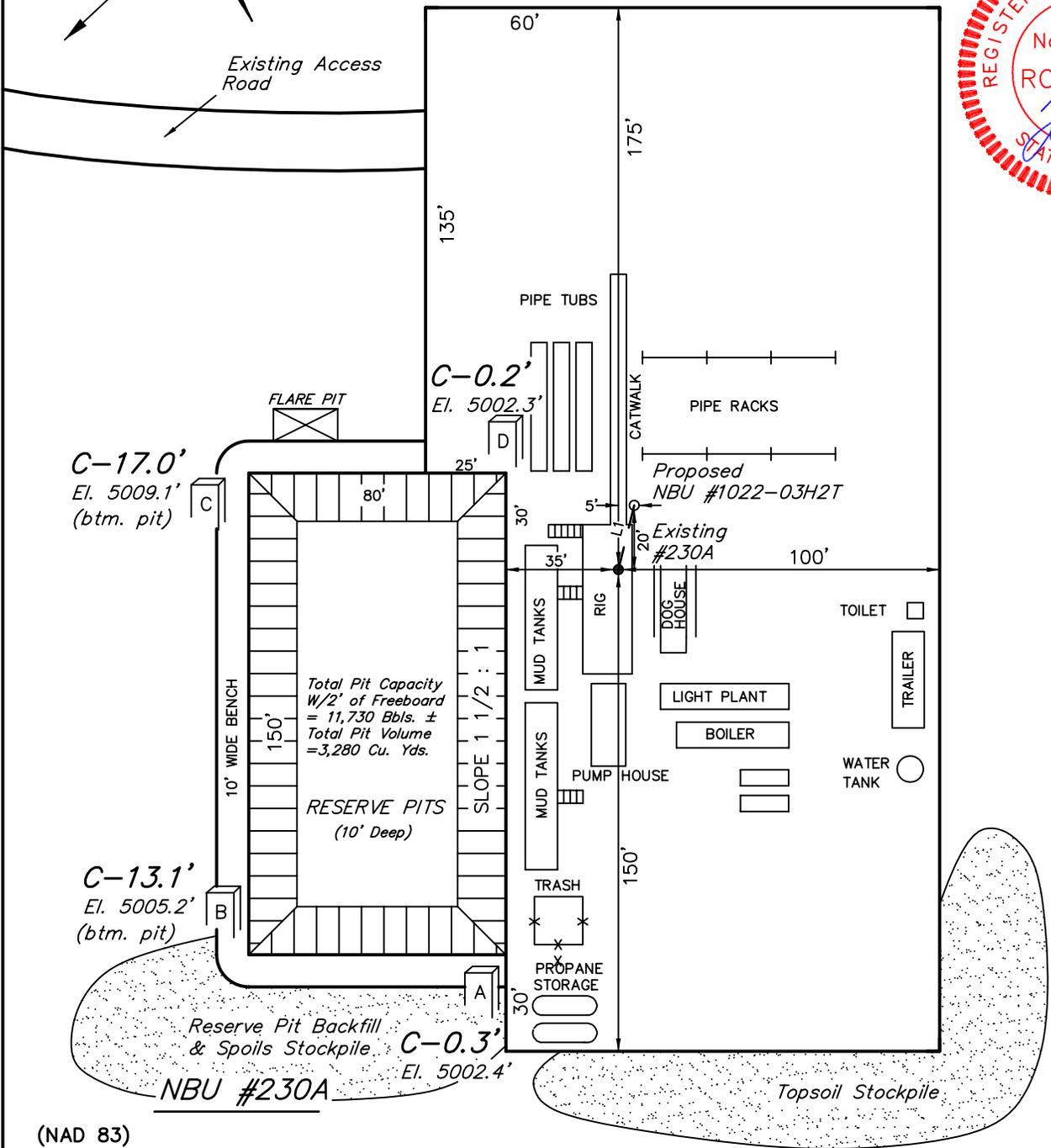
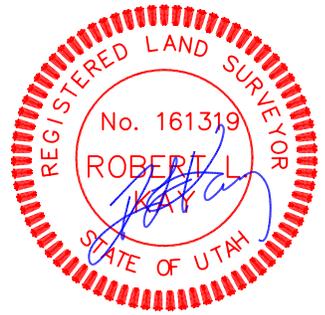
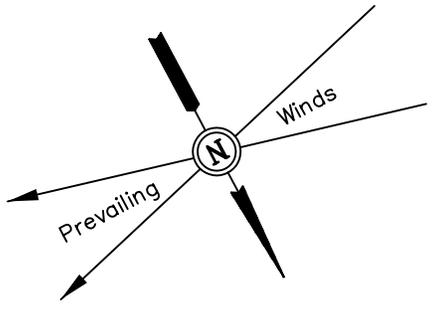
Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

NBU #1022-03H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1862' FNL 690' FEL

SCALE: 1" = 50'
DATE: 08-20-08
Drawn By: S.L.
REV: 03-10-09 K.E.

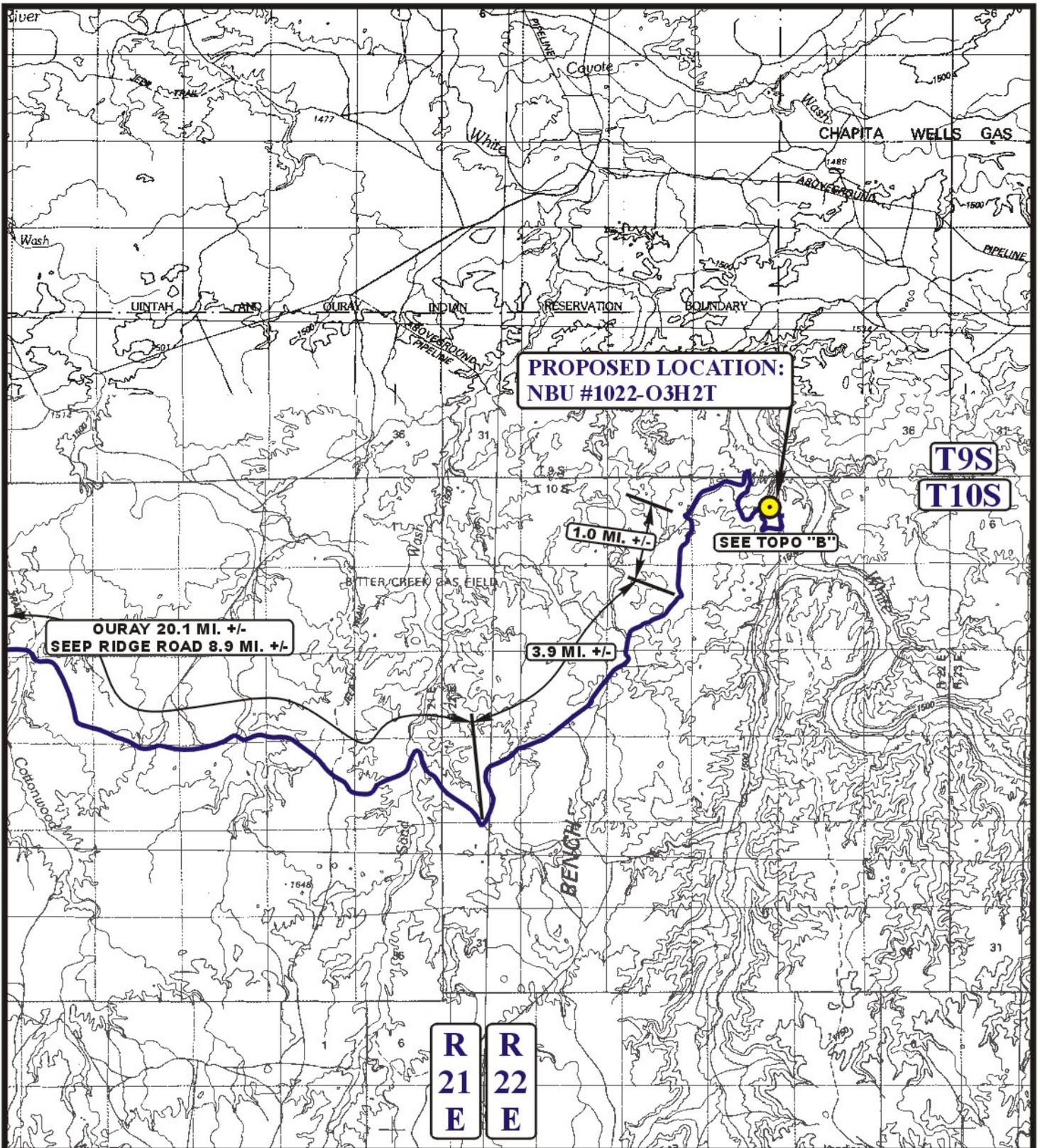


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LATITUDE = 39°58'48.82" (39.980228)
LONGITUDE = 109°25'06.29" (109.418414)

AZIMUTH TABLE		
LINE	BEARING	LENGTH
L1	221.855278 Az.	20.61'

NOTES:

FINISHED GRADE ELEV. AT LOC. STAKE = 5002.1'



LEGEND:

 PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-03H2T

SECTION 3, T10S, R22E, S.L.B.&M.

1862' FNL 690' FEL



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

TOPOGRAPHIC
MAP

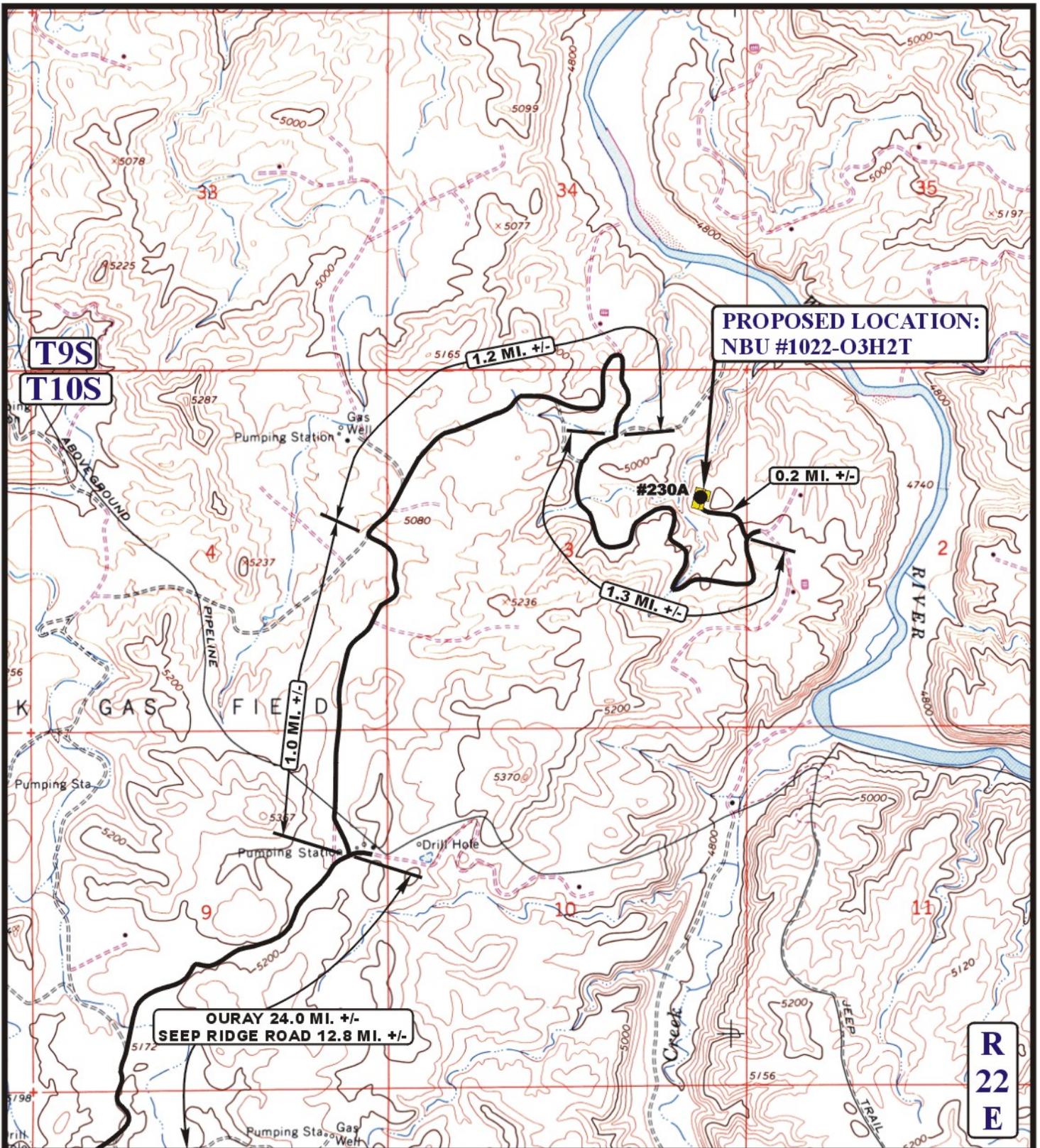
08 18 08
 MONTH DAY YEAR



SCALE: 1:100,000

DRAWN BY: J.J.

REV: 03-09-09 Z.L.



**PROPOSED LOCATION:
NBU #1022-03H2T**

0.2 MI. +/-

1.3 MI. +/-

1.2 MI. +/-

1.0 MI. +/-

**OURAY 24.0 MI. +/-
SEEP RIDGE ROAD 12.8 MI. +/-**

**R
22
E**

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-03H2T

SECTION 3, T10S, R22E, S.L.B.&M.

1862' FNL 690' FEL



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**TOPOGRAPHIC
MAP**

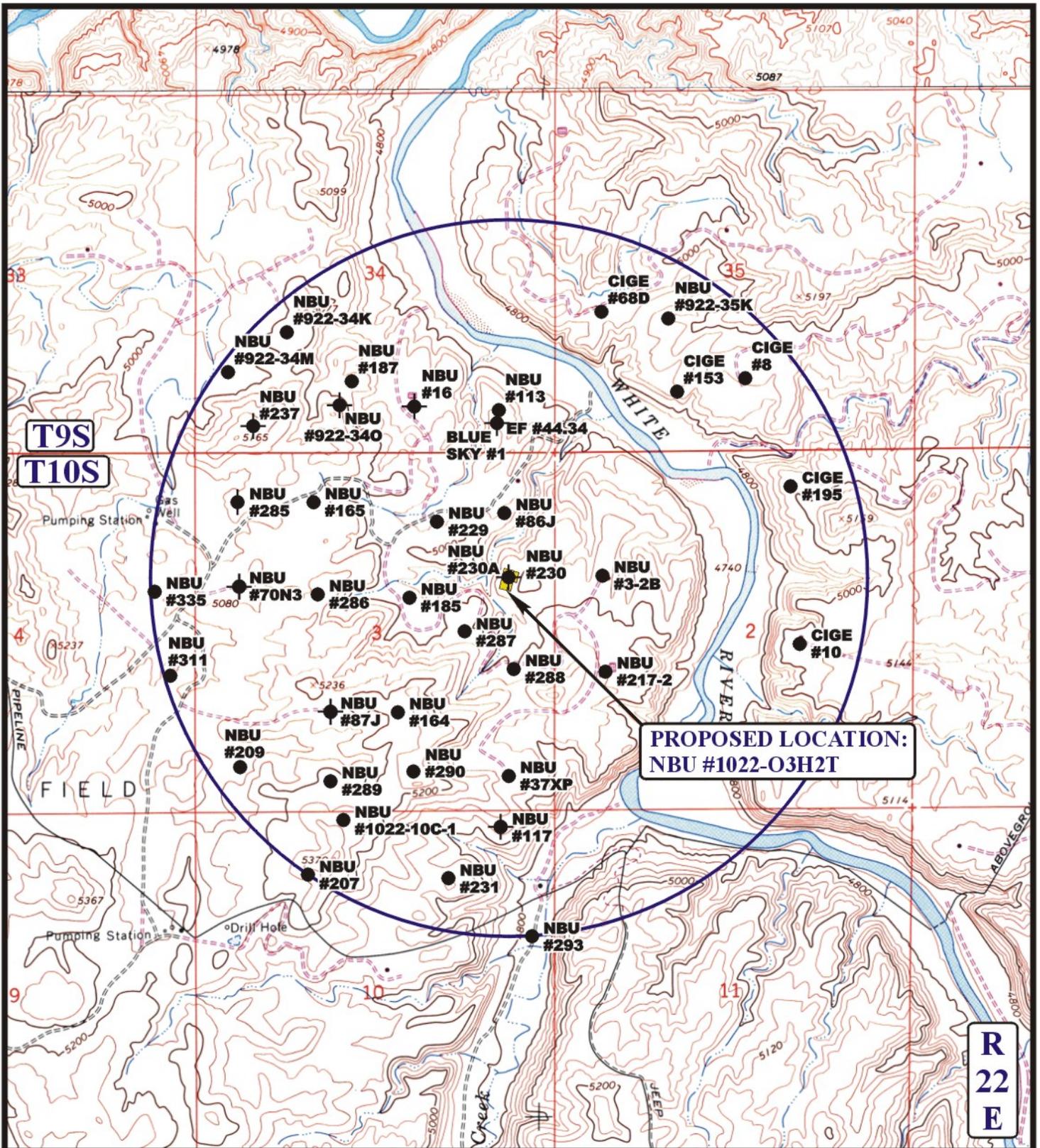
08 18 08
 MONTH DAY YEAR



SCALE: 1" = 2000'

DRAWN BY: J.J.

REV: 03-09-09 Z.L.



LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-03H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1862' FNL 690' FEL

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



TOPOGRAPHIC MAP 08 18 08
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.J. REV: 03-09-09 Z.L.

C
TOPO

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-03H2T
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1862 FNL 0690 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 3 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/22/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: December 21, 2009

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 12/17/2009	



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 43047501660000

API: 43047501660000

Well Name: NBU 1022-03H2T

Location: 1862 FNL 0690 FEL QTR SENE SEC 3 TWNP 100S RNG 220E MER S

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

Date Original Permit Issued: 12/23/2008

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

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

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

Signature: Danielle Piernot

Date: 12/17/2009

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

Date: December 21, 2009

By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-03H2T
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6587 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1809 FNL 0662 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 3 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/21/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
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	<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: _____

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

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests to change the surface location of this well. The surface location is changing FROM: 1809' FNL 662' FEL TO: 1862' FNL 690' FEL. All other information as originally submitted remains the same. No additional surface disturbance from that amount approved in the original APD is anticipated. If you have any questions, please contact the undersigned. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: May 19, 2009

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 5/18/2009	

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-O3H2T

LOCATED IN UINTAH COUNTY, UTAH

SECTION 3, T10S, R22E, S.L.B.&M.

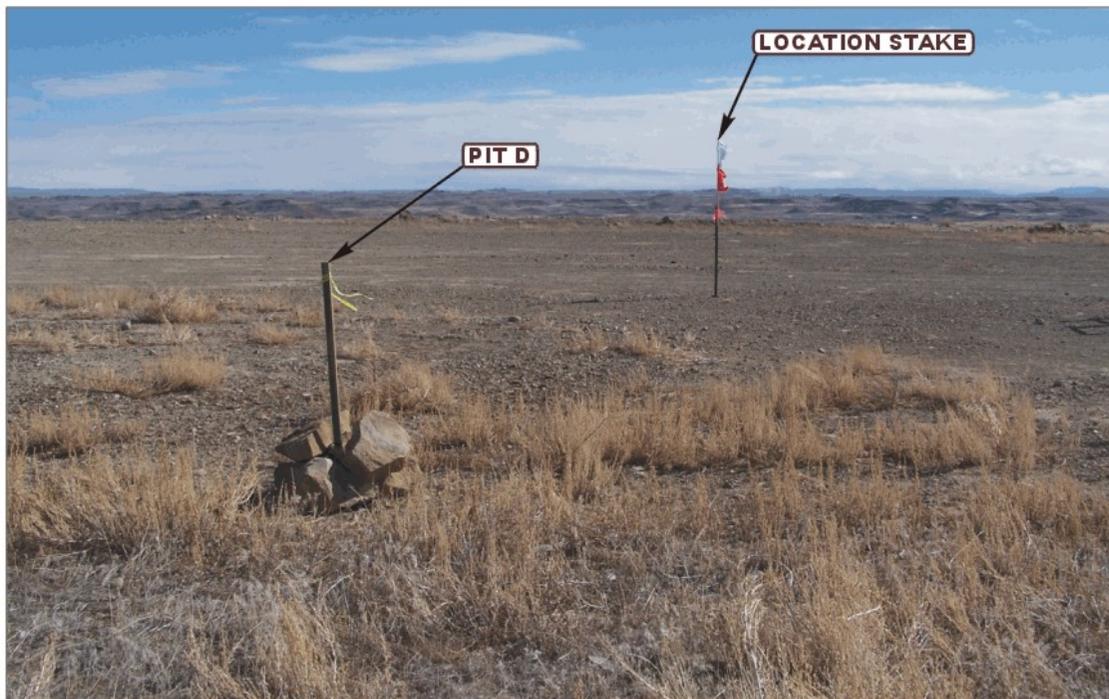


PHOTO: VIEW FROM PIT D TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS

08 18 08
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: J.J.

REV: 03-09-09 Z.L.

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

Kerr-McGee Oil & Gas Onshore LP

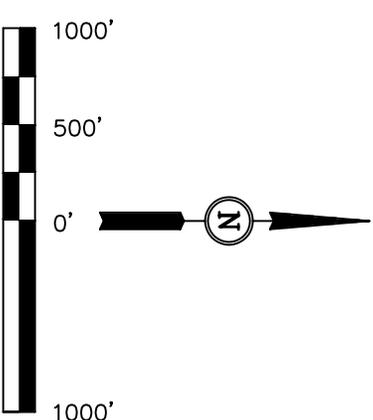
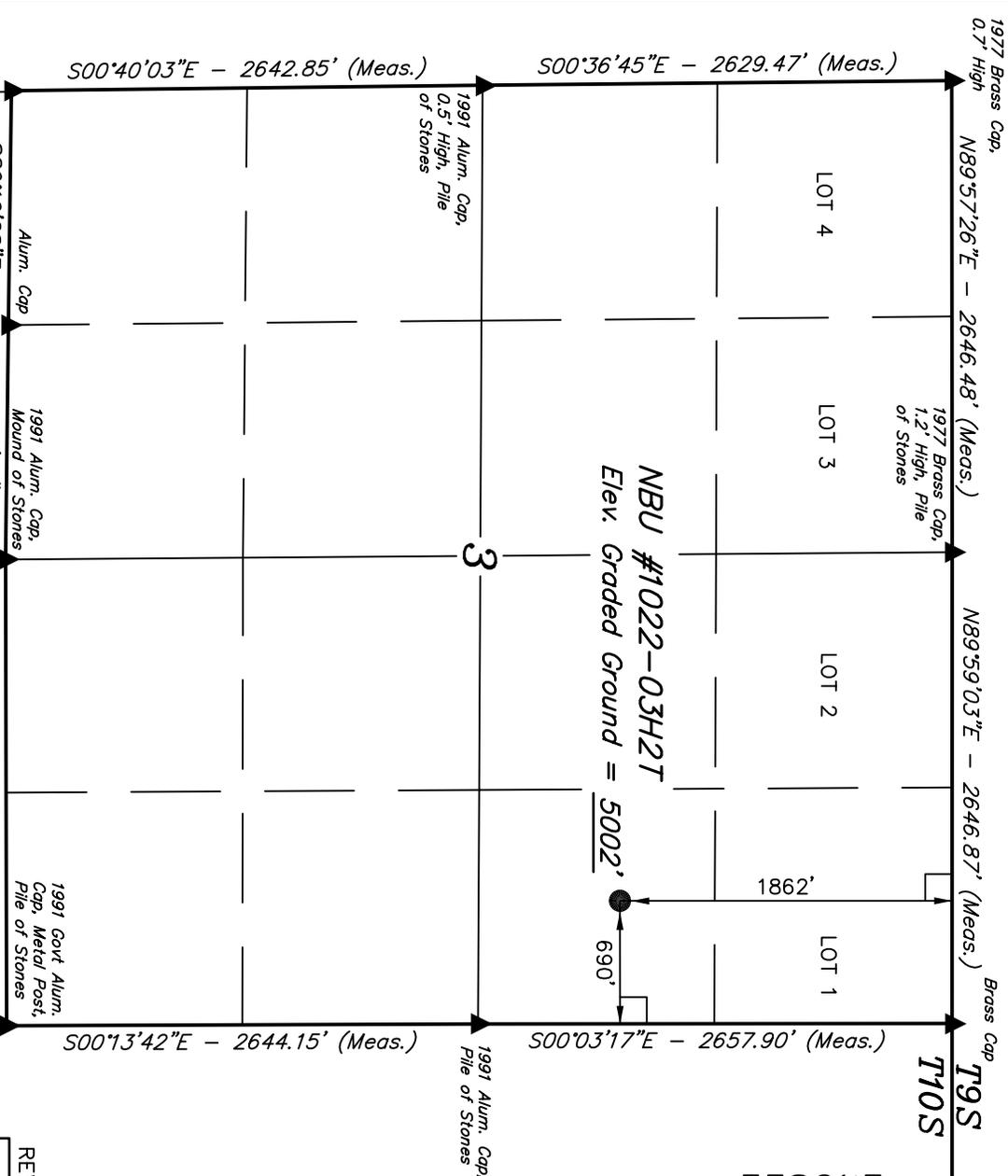
Well location, NBU #1022-03H21, located as shown in the SE 1/4 NE 1/4 of Section 3, T10S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (20EAM) LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

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



CERTIFICATE

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

Robert Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

REV: 03-10-09 K.E.

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

LEGEND:

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

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 LONGITUDE = 109°25'08.93" (109.419147)
 (NAD 27)
 LATITUDE = 39°58'48.67" (39.980186)
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SCALE	1" = 1000'	DATE SURVEYED:	08-06-08	DATE DRAWN:	08-20-08
PARTY	D.K. C.K. S.L.	REFERENCES	G.L.O. PLAT		
WEATHER	WARM	FILE	Kerr-McGee Oil & Gas Onshore LP		

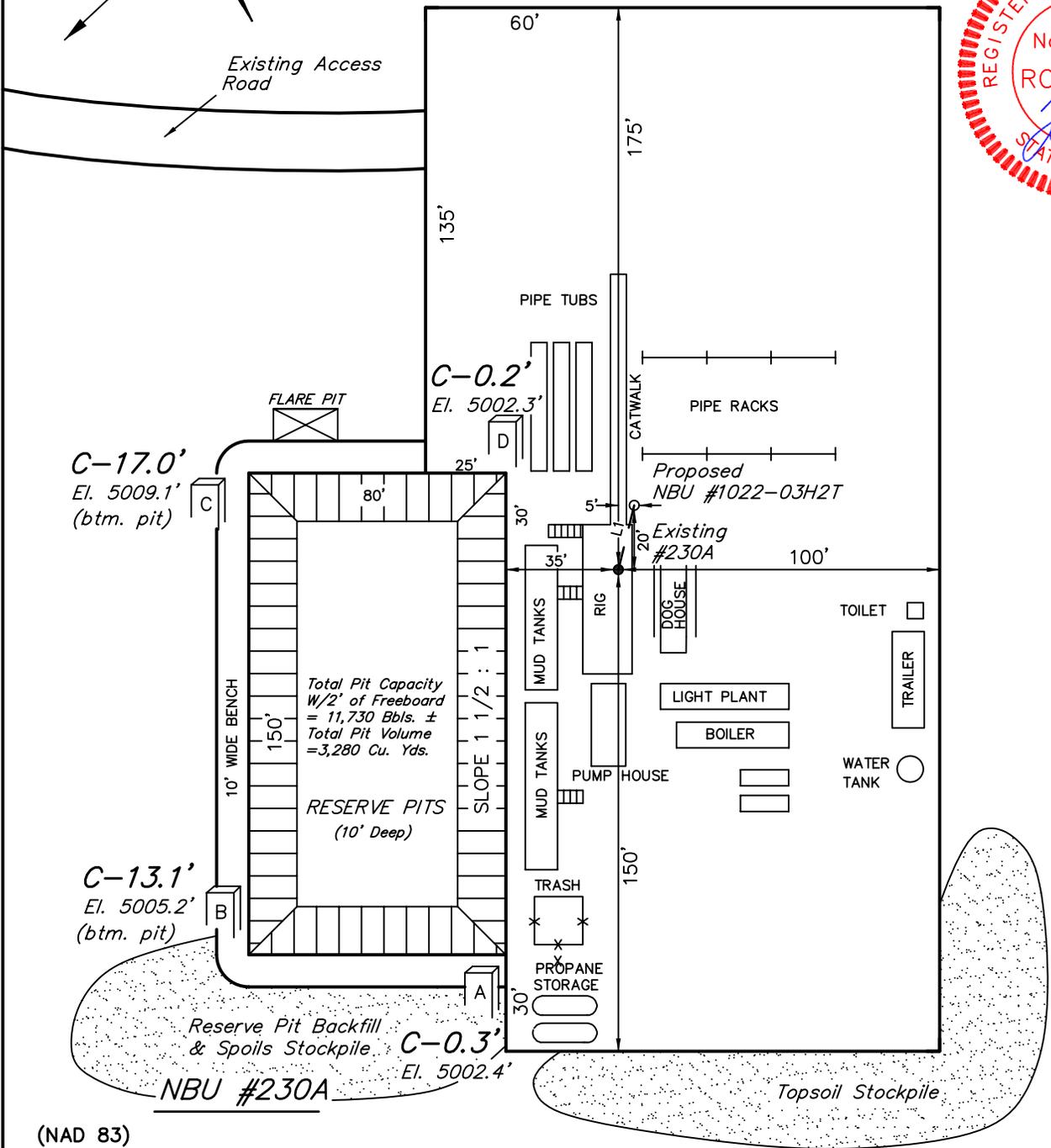
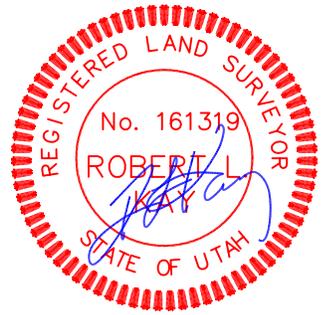
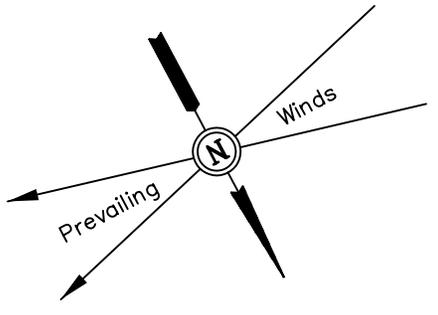
Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

LOCATION LAYOUT FOR

NBU #1022-03H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1862' FNL 690' FEL

SCALE: 1" = 50'
DATE: 08-20-08
Drawn By: S.L.
REV: 03-10-09 K.E.

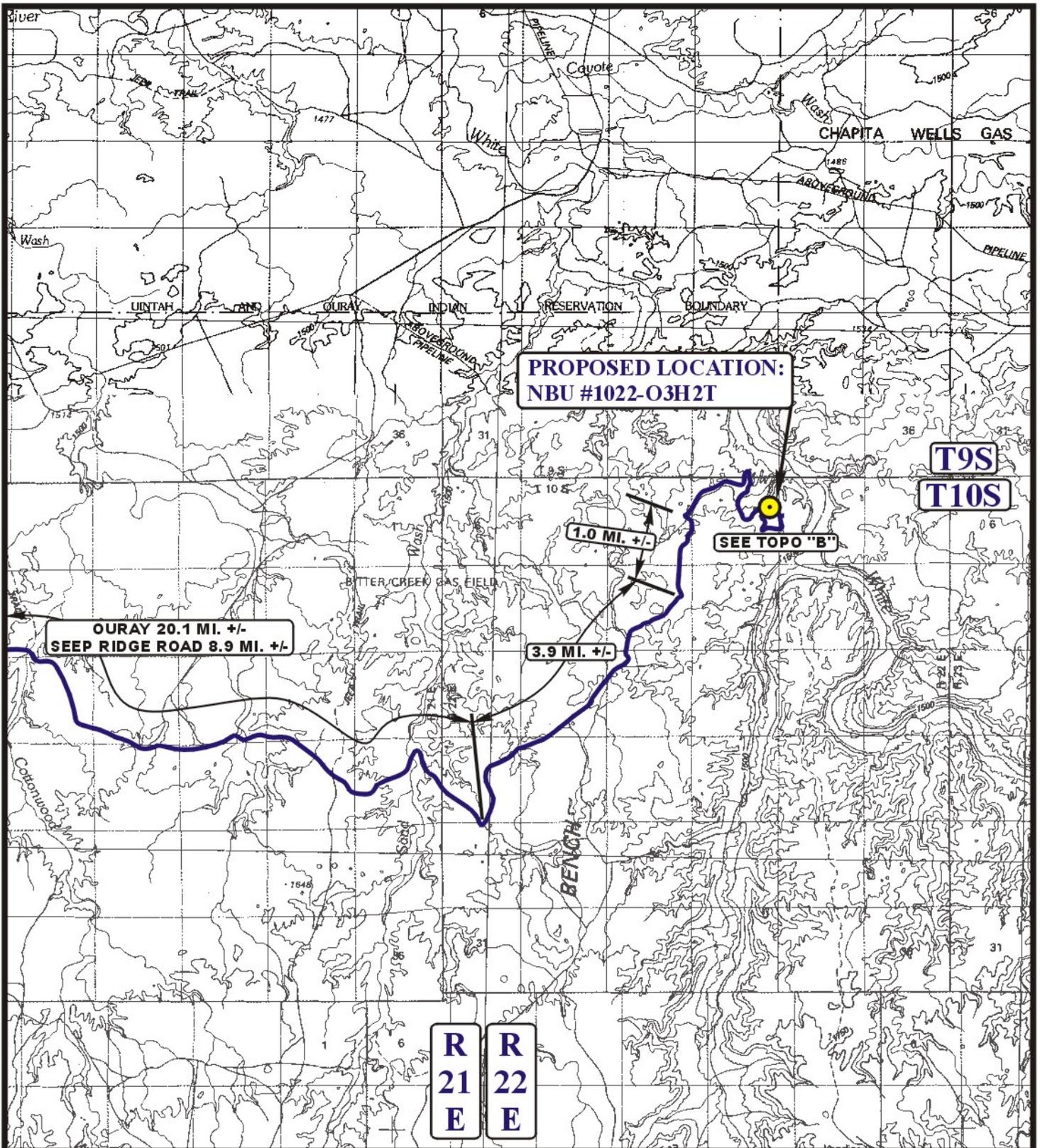


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LEGEND:

 PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-03H2T

SECTION 3, T10S, R22E, S.L.B.&M.

1862' FNL 690' FEL



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

TOPOGRAPHIC
MAP

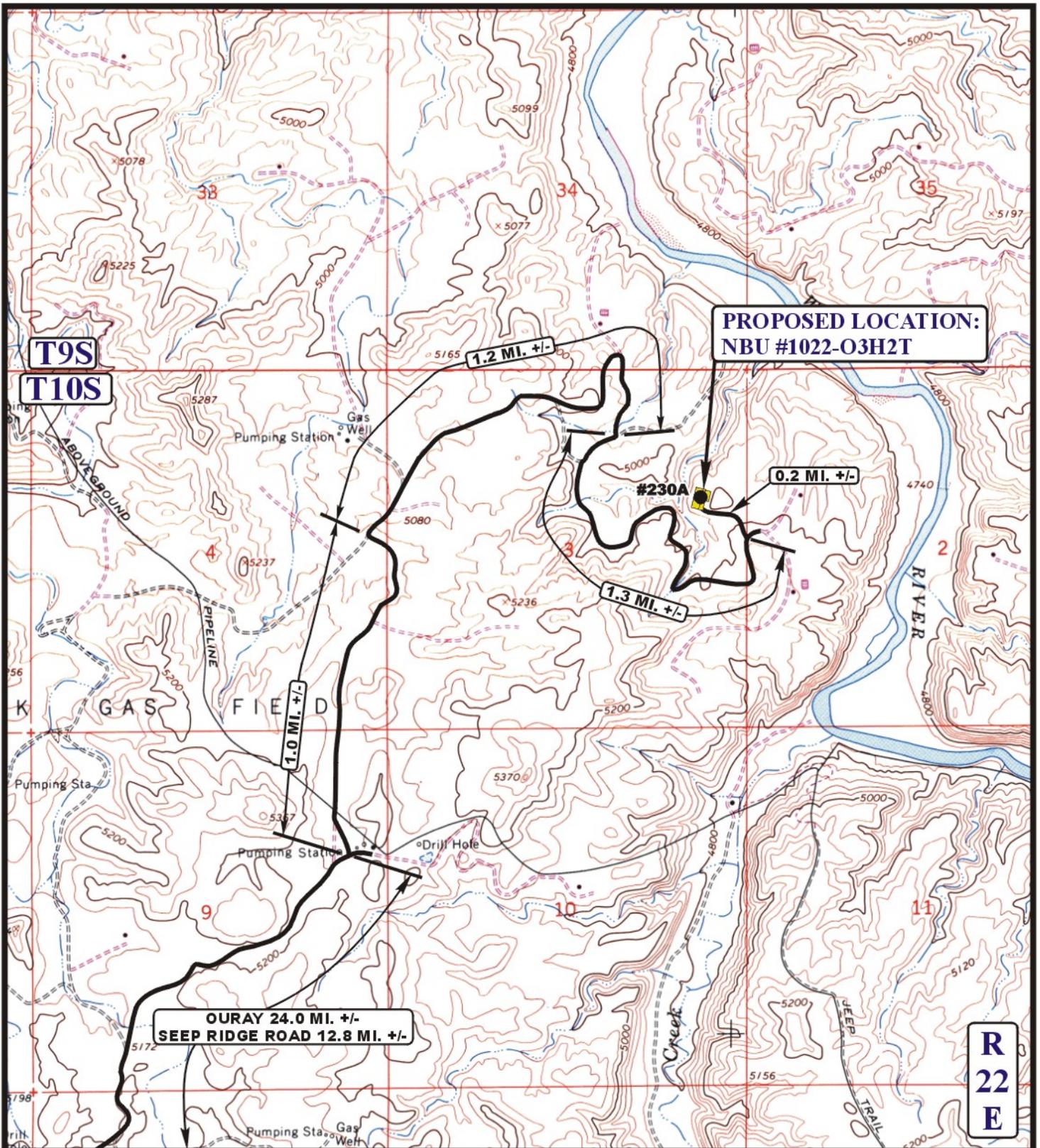
08 18 08
 MONTH DAY YEAR



SCALE: 1:100,000

DRAWN BY: J.J.

REV: 03-09-09 Z.L.



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-03H2T

SECTION 3, T10S, R22E, S.L.B.&M.

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TOPOGRAPHIC
MAP

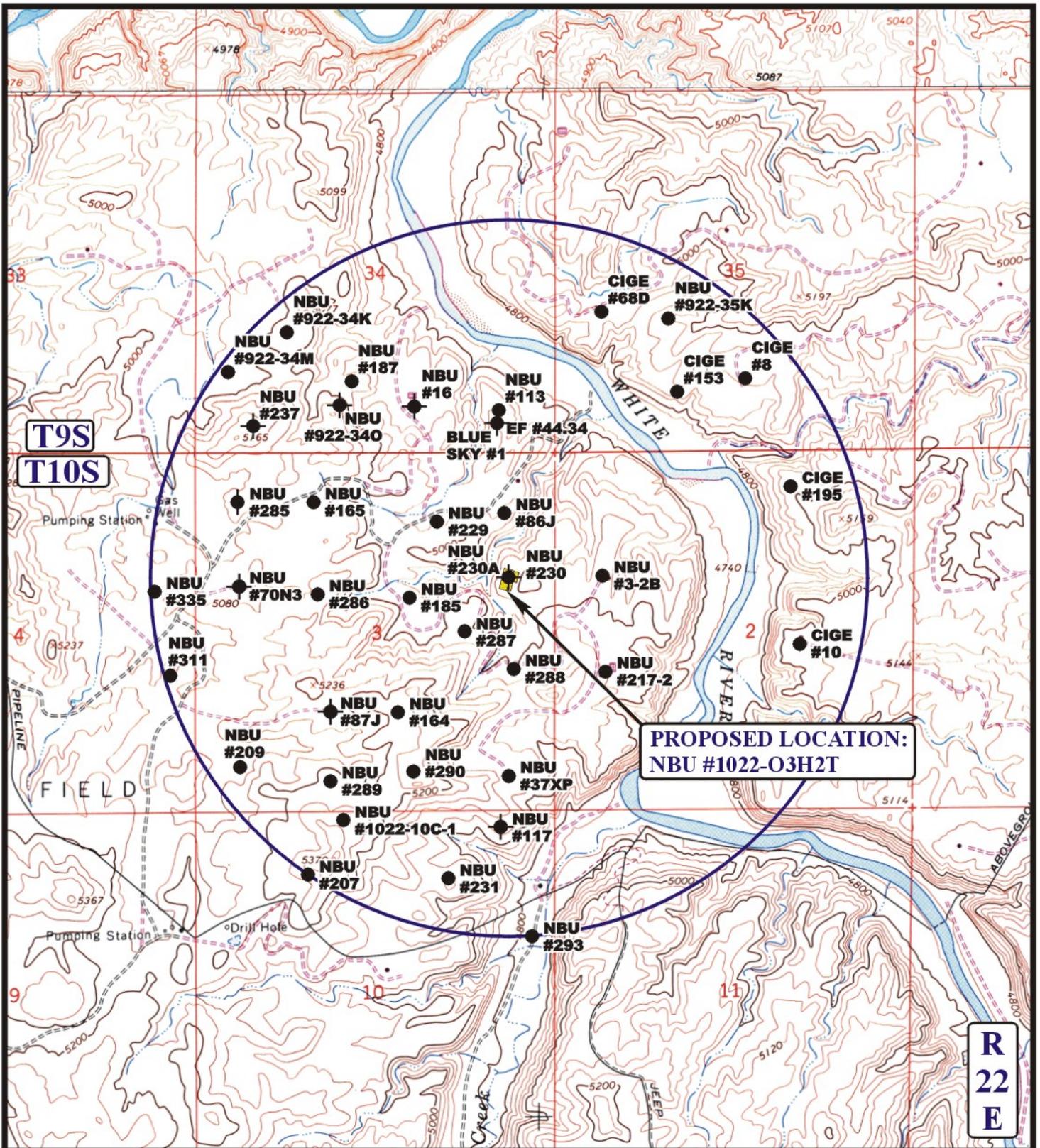
08 18 08
 MONTH DAY YEAR



SCALE: 1" = 2000'

DRAWN BY: J.J.

REV: 03-09-09 Z.L.



LEGEND:

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

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-O3H2T
SECTION 3, T10S, R22E, S.L.B.&M.
1862' FNL 690' FEL

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

TOPOGRAPHIC MAP 08 18 08
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.J. REV: 03-09-09 Z.L. **C TOPO**



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
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2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1862 FNL 0690 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/23/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

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: 12/23/2010
 By: 

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 12/20/2010	



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 43047501660000

API: 43047501660000

Well Name: NBU 1022-03H2T

Location: 1862 FNL 0690 FEL QTR SENE SEC 03 TWP 100S RNG 220E MER S

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

Date Original Permit Issued: 12/23/2008

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

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

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

Signature: Danielle Piernot

Date: 12/20/2010

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

Date: 12/23/2010
By: 

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
SUNDRY NOTICES AND REPORTS ON WELLS		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well		8. WELL NAME and NUMBER: NBU 1022-03H2T
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6515 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1862 FNL 0690 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S		COUNTY: UINTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/23/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.		
		Approved by the Utah Division of Oil, Gas and Mining Date: <u>01/03/2012</u> By: 
NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 12/21/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047501660000

API: 43047501660000

Well Name: NBU 1022-03H2T

Location: 1862 FNL 0690 FEL QTR SENE SEC 03 TWP 100S RNG 220E MER S

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

Date Original Permit Issued: 12/23/2008

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

Signature: Danielle Piernot

Date: 12/21/2011

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-3H1CS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6514
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

The operator is requesting the approval of the following changes to the originally approved APD: 1. Change the Well Name = from NBU 1022-03H2T to NBU 1022-3H1CS / 2. Surface & Bottom Hole Location Change (New Plat is Attached) / a. From = 1862 FNL/ 690 FEL To = 1935 FNL/ 576 FEL / 3. Proposed Total Depth (New Drilling Program Attached) / 4. Surface Hole Size and Casing Grade (New Wellbore Diagram Attached) / 5. Change to a Directional Well (Directional Drilling Survey Attached) / 6. Surface Use Plan of Operation (Updated Plan Attached) / 7. Updated Topos & Directions (Attached)

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

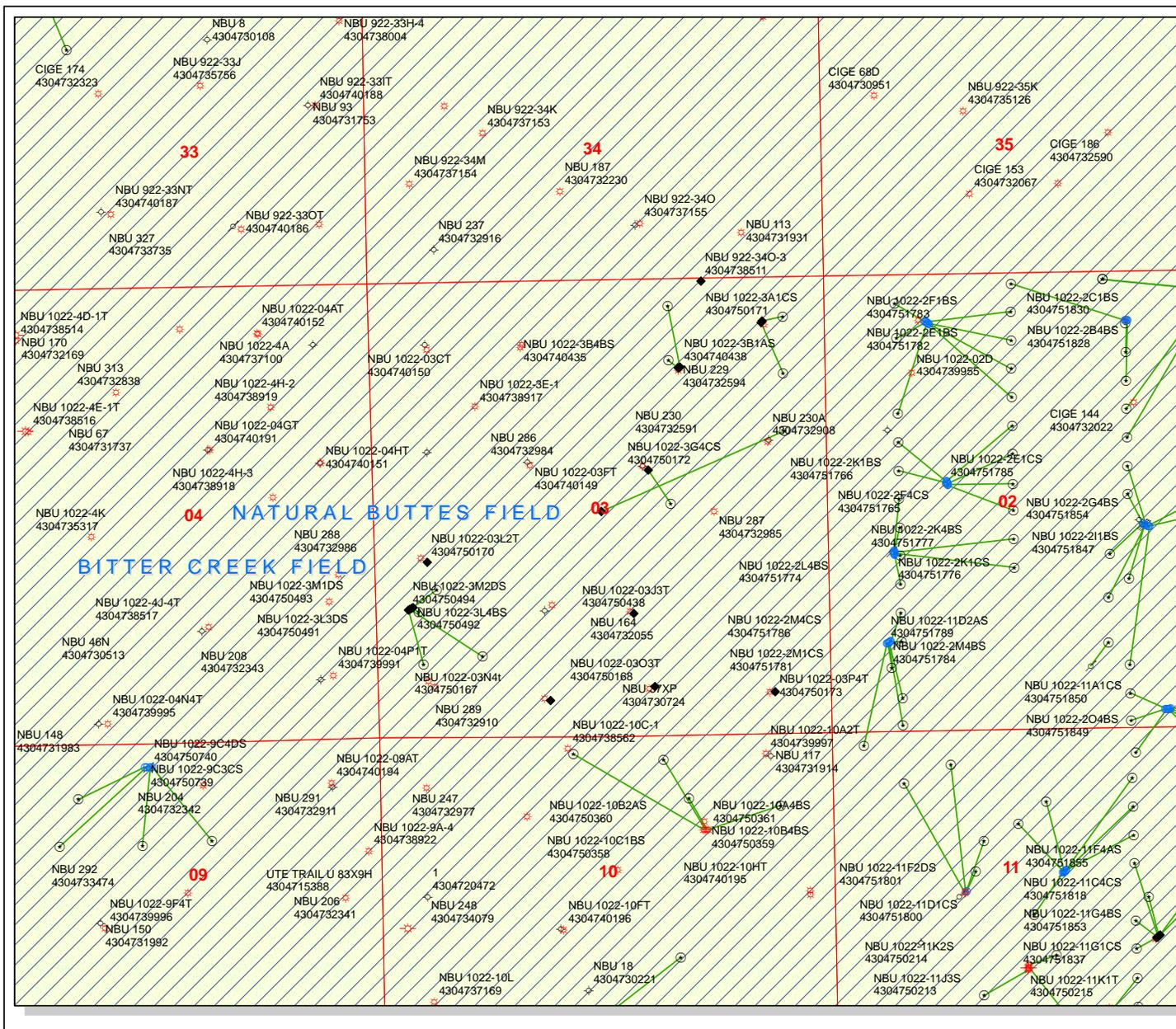
Date: June 04, 2012

By:

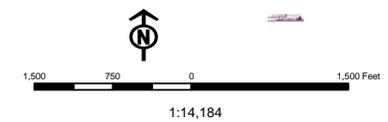
NAME (PLEASE PRINT) Gina Becker	PHONE NUMBER 720 929-6086	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 5/17/2012	

API Number: 4304750166
Well Name: NBU 1022-3H1CS
 Township T1.0 Range R2.2 Section 03
Meridian: SLBM
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

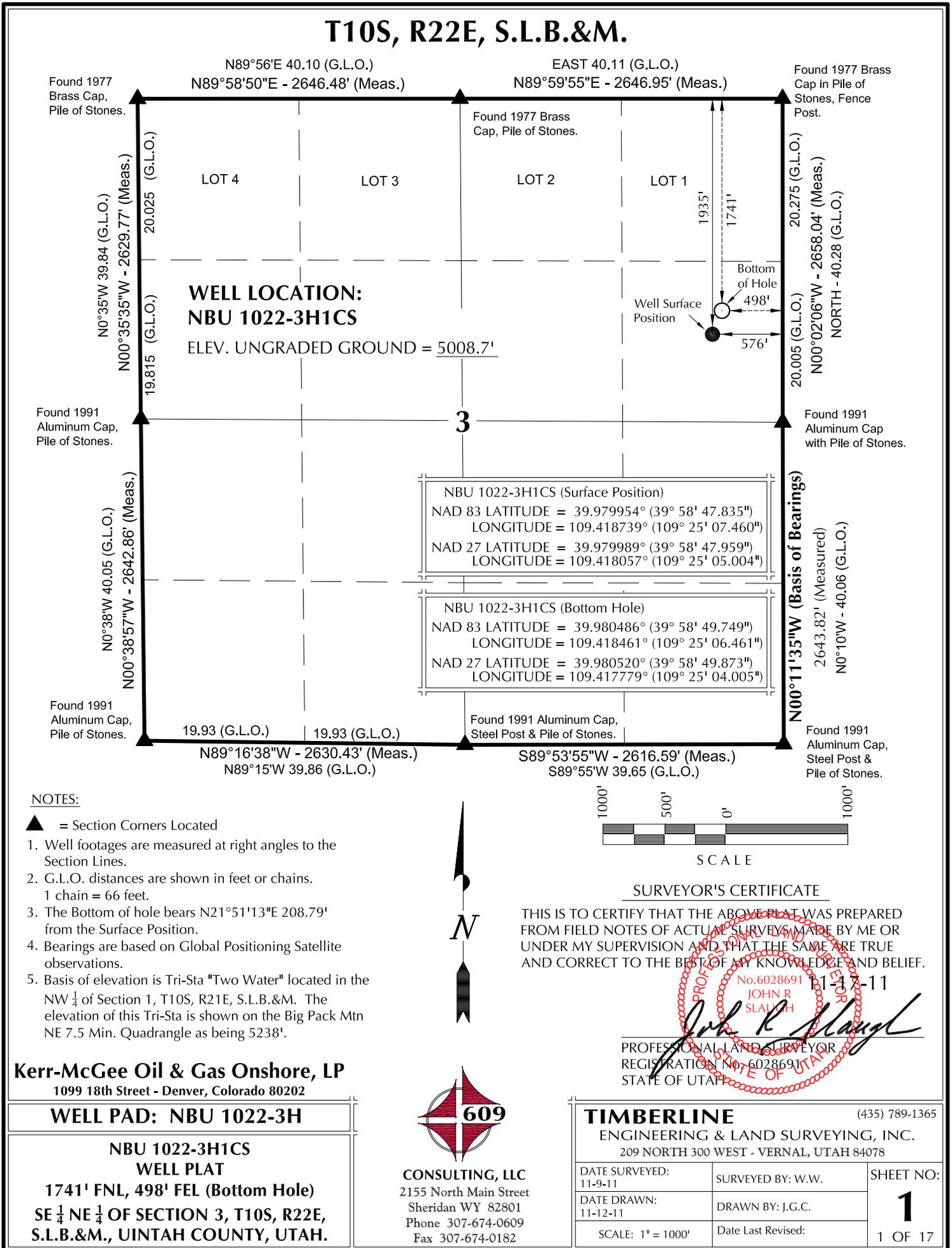
Map Prepared:
 Map Produced by Diana Mason



Units STATUS	Wells Query Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERM.	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WIW - Water Injection Well
TERMINATED	WSW - Water Supply Well



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



**Kerr-McGee Oil & Gas Onshore, LP
WELL PAD – NBU 1022-3H
WELLS - NBU 1022-3H1CS,
NBU 1022-3I1CS, NBU 1022-3I1BS,
NBU 1022-3H4CS & NBU 1022-3H4BS
Section 3, T10S, R22E, S.L.B.&M.**

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah, proceed in an easterly, then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 20.2 miles to the junction of the Glen Bench Road (County B Road 3260). Exit right and proceed in a southwesterly direction along the Glen Bench Road approximately 23.8 miles to the intersection of the Bitter Creek Road (County B Road 4120). Exit left and proceed in a southeasterly direction along the Bitter Creek Road approximately 4.0 miles to a Class D County Road to the northeast. Exit left and proceed in a northeasterly direction along the Class D County Road approximately 4.9 miles to a second Class D County Road to the northeast. Exit right and proceed in a northeasterly, then southerly direction along the second Class D County Road approximately 1.2 miles to a third Class D County Road to the southwest. Exit right and proceed in a southwesterly, then southeasterly, then northeasterly direction along the third Class D County Road approximately 1.3 miles to a service road to the north. Exit left and proceed in a northerly, then northwesterly direction along the service road approximately 0.1 miles to the proposed well location.

Total distance from Vernal, Utah to the proposed well location is approximately 58.8 miles in a southerly direction.

Kerr-McGee Oil & Gas Onshore. L.P.

	<u>NBU 1022-3H1CS</u>	
Surface:	1935 FNL / 576 FEL	SENE
BHL:	1741 FNL / 498 FEL	SENE

Section 3 T10S R22E

Uintah County, Utah
Mineral Lease: UTU-01191A

ONSHORE ORDER NO. 1**DRILLING PROGRAM**

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

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 - Surface	
Green River	1,121'	
Birds Nest	1,368'	Water
Mahogany	1,848'	Water
Wasatch	4,199'	Gas
Mesaverde	6,573'	Gas
Sego	8,708'	Gas
TVD	8,708'	
TD	8,717'	

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

Please refer to the attached Drilling Program

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

Please refer to the attached Drilling Program

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program

6. **Evaluation Program:**

Please refer to the attached Drilling Program

2/14/2012

RECEIVED: May. 17, 2012

7. Abnormal Conditions:

Maximum anticipated bottom hole pressure calculated at 8708' TVD, approximately equals
5,573 psi (0.64 psi/ft = actual bottomhole gradient)

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Maximum anticipated surface pressure equals approximately 3,645 psi (bottom hole pressure
 minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-
 (0.22 psi/ft-partial evac gradient x TVD of next csg point))

8. Anticipated Starting Dates:

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

9. Variances:

Please refer to the attached Drilling Program.

Onshore Order #2 – Air Drilling Variance

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

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

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

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

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

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

2/14/2012

RECEIVED: May. 17, 2012

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 for the first 200 feet, then will drill a 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 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 8-5/8 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.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Conclusion

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

10. **Other Information:**

Please refer to the attached Drilling Program.



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

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS			
						BURST	LTC		DQX
							COLLAPSE	TENSION	
CONDUCTOR	14"	0-40'							
SURFACE	8-5/8"	0 to 2,300	28.00	IJ-55	LTC	3,390	1,880	348,000	N/A
						7,780	6,350	223,000	267,000
PRODUCTION	4-1/2"	0 to 5,000	11.60	I-80	DQX	1.11	1.12		3.26
						1.11	1.12	6.39	

Surface Casing:

(Burst Assumptions: TD = 12.5 ppg) 0.73 psi/ft = frac gradient @ surface shoe
 Fracture at surface shoe with 0.1 psi/ft gas gradient above
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @ 7000 psi) 0.64 psi/ft = bottomhole gradient
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele	270	0%	15.80	1.15
NOTE: If well will circulate water to surface, option 2 will be utilized							
SURFACE Option 2	LEAD	1,800'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	170	35%	11.00	3.82
	TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	150	35%	15.80	1.15
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION	LEAD	3,697'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	290	35%	12.00	3.38
	TAIL	5,020'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,190	35%	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

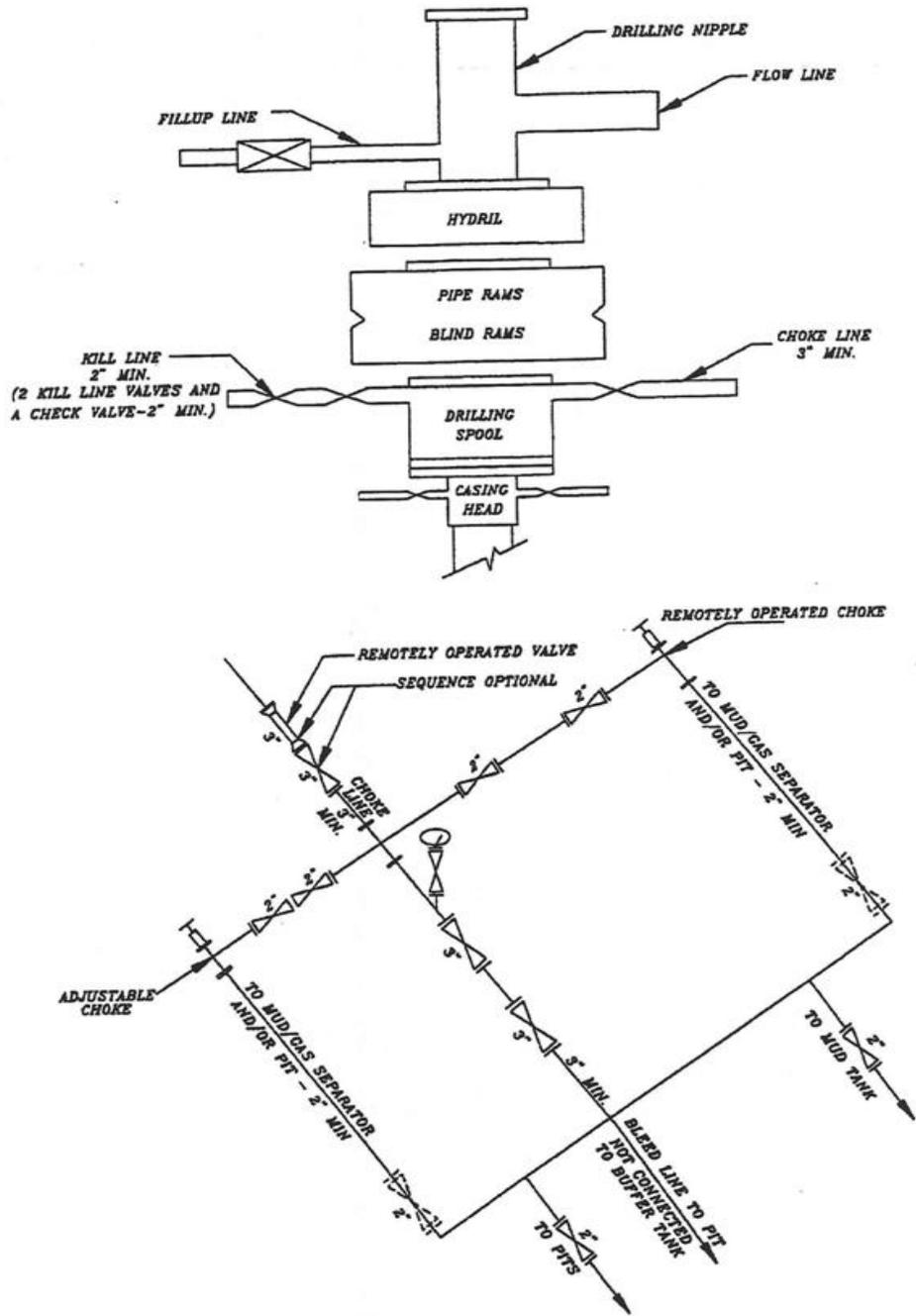
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. 15 centralizers for a Mesaverde and 20 for a Blackhawk well. 1 centralizer on the first 3 joints and one every third joint thereafter.

ADDITIONAL INFORMATION

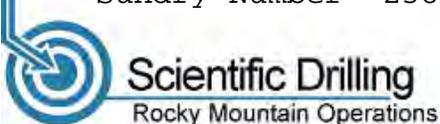
Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
 BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.
 Surveys will be taken at 1,000' minimum intervals.
 Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: _____ **DATE:** _____
 Nick Spence / Danny Showers / Chad Loesel
DRILLING SUPERINTENDENT: _____ **DATE:** _____
 Kenny Gathings / Lovel Young

EXHIBIT A NBU 1022-3H1CS



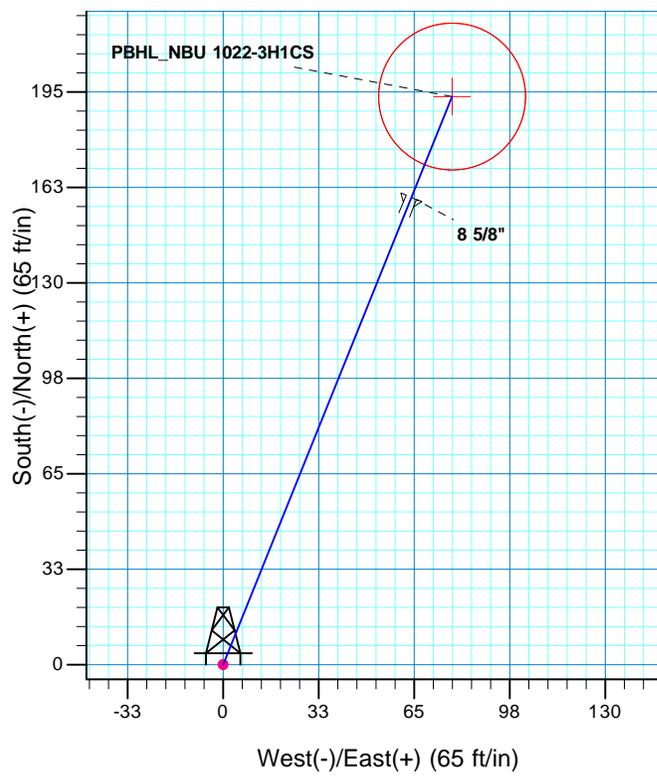
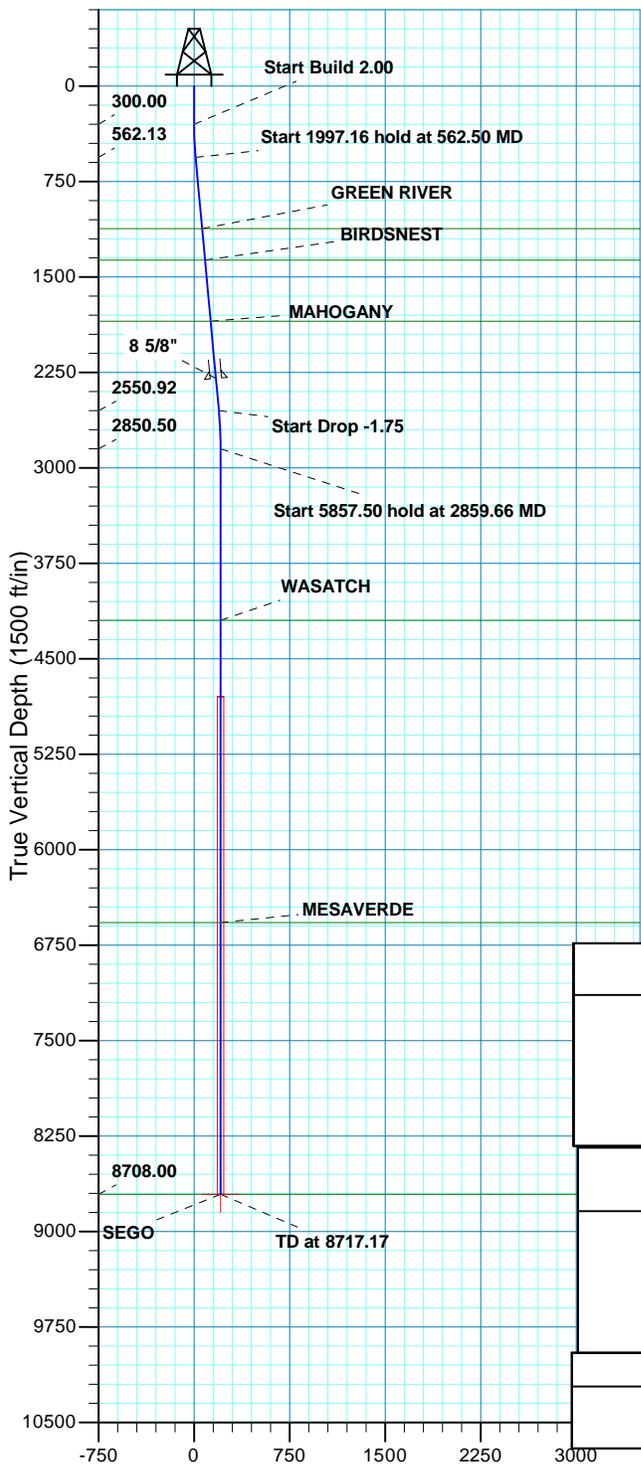
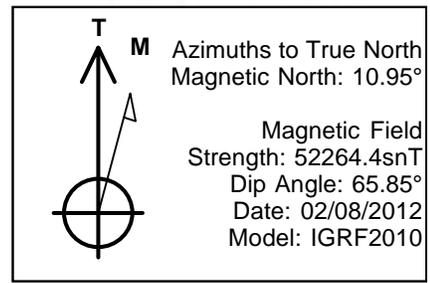
SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK



Site: NBU 1022-3H PAD
Well: NBU 1022-3H1CS
Wellbore: OH
Design: PLAN #1



WELL DETAILS: NBU 1022-3H1CS							
GL 5006 & KB 4 @ 5010.00ft (ASSUMED)							
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude		
0.00	0.00	14522689.23	2083592.18	39.979989	-109.418057		
DESIGN TARGET DETAILS							
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
PBHL	8708.00	193.40	77.90	14522883.98	2083666.63	39.980520	-109.417779
		- plan hits target center		Shape Circle (Radius: 25.00)			



SECTION DETAILS									
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	
562.50	5.25	21.94	562.13	11.15	4.49	2.00	21.94	12.02	
2559.66	5.25	21.94	2550.92	180.66	72.76	0.00	0.00	194.76	
2859.66	0.00	0.00	2850.50	193.40	77.90	1.75	180.00	208.50	
8717.17	0.00	0.00	8708.00	193.40	77.90	0.00	0.00	208.50	PBHL_NBU 1022-3H1CS

PROJECT DETAILS: UTAH - UTM (feet), NAD27, Zone 12N		
Geodetic System: Universal Transverse Mercator (US Survey Feet)		
Datum: NAD 1927 (NADCON CONUS)		
Ellipsoid: Clarke 1866		
Zone: Zone 12N (114 W to 108 W)		
Location: SECTION 3 T10S R22E		
System Datum: Mean Sea Level		
FORMATION TOP DETAILS		
TVDPath	MDPath	Formation
1121.00	1123.72	GREEN RIVER
1368.00	1371.76	BIRDSNEST
1848.00	1853.78	MAHOGANY
4199.00	4208.17	WASATCH
6573.00	6582.17	MESAVERDE
8708.00	8717.17	SEGO

CASING DETAILS			
TVD	MD	Name	Size
2298.00	2305.68	8 5/8"	8.625

REC



US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N

NBU 1022-3H PAD

NBU 1022-3H1CS

OH

Plan: PLAN #1

Standard Planning Report

08 February, 2012





SDI
Planning Report



Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Company:	US ROCKIES REGION PLANNING	TVD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	MD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Site:	NBU 1022-3H PAD	North Reference:	True
Well:	NBU 1022-3H1CS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Project	UTAH - UTM (feet), NAD27, Zone 12N		
Map System:	Universal Transverse Mercator (US Survey Feet)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Zone 12N (114 W to 108 W)		

Site	NBU 1022-3H PAD, SECTION 3 T10S R22E				
Site Position:	Northing:	14,522,689.23 usft	Latitude:	39.979989	
From:	Lat/Long	Easting:	2,083,592.17 usft	Longitude:	-109.418057
Position Uncertainty:	0.00 ft	Slot Radius:	13.200 in	Grid Convergence:	1.02 °

Well	NBU 1022-3H1CS, 1935 FNL 576 FEL					
Well Position	+N/-S	0.00 ft	Northing:	14,522,689.23 usft	Latitude:	39.979989
	+E/-W	0.00 ft	Easting:	2,083,592.17 usft	Longitude:	-109.418057
Position Uncertainty		0.00 ft	Wellhead Elevation:		Ground Level:	5,006.00 ft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	02/08/12	10.95	65.85	52,264

Design	PLAN #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	21.94

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
562.50	5.25	21.94	562.13	11.15	4.49	2.00	2.00	0.00	21.94	
2,559.66	5.25	21.94	2,550.92	180.66	72.76	0.00	0.00	0.00	0.00	
2,859.66	0.00	0.00	2,850.50	193.40	77.90	1.75	-1.75	0.00	180.00	
8,717.17	0.00	0.00	8,708.00	193.40	77.90	0.00	0.00	0.00	0.00	PBHL_NBU 1022-3H



SDI
Planning Report



Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Company:	US ROCKIES REGION PLANNING	TVD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	MD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Site:	NBU 1022-3H PAD	North Reference:	True
Well:	NBU 1022-3H1CS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
Start Build 2.00										
400.00	2.00	21.94	399.98	1.62	0.65	1.75	2.00	2.00	0.00	
500.00	4.00	21.94	499.84	6.47	2.61	6.98	2.00	2.00	0.00	
562.50	5.25	21.94	562.13	11.15	4.49	12.02	2.00	2.00	0.00	
Start 1997.16 hold at 562.50 MD										
600.00	5.25	21.94	599.48	14.33	5.77	15.45	0.00	0.00	0.00	
700.00	5.25	21.94	699.06	22.82	9.19	24.60	0.00	0.00	0.00	
800.00	5.25	21.94	798.64	31.31	12.61	33.75	0.00	0.00	0.00	
900.00	5.25	21.94	898.22	39.79	16.03	42.90	0.00	0.00	0.00	
1,000.00	5.25	21.94	997.80	48.28	19.45	52.05	0.00	0.00	0.00	
1,100.00	5.25	21.94	1,097.38	56.77	22.86	61.20	0.00	0.00	0.00	
1,123.72	5.25	21.94	1,121.00	58.78	23.68	63.37	0.00	0.00	0.00	
GREEN RIVER										
1,200.00	5.25	21.94	1,196.96	65.26	26.28	70.35	0.00	0.00	0.00	
1,300.00	5.25	21.94	1,296.54	73.74	29.70	79.50	0.00	0.00	0.00	
1,371.76	5.25	21.94	1,368.00	79.83	32.16	86.07	0.00	0.00	0.00	
BIRDSNEST										
1,400.00	5.25	21.94	1,396.12	82.23	33.12	88.65	0.00	0.00	0.00	
1,500.00	5.25	21.94	1,495.70	90.72	36.54	97.80	0.00	0.00	0.00	
1,600.00	5.25	21.94	1,595.28	99.21	39.96	106.95	0.00	0.00	0.00	
1,700.00	5.25	21.94	1,694.86	107.69	43.38	116.10	0.00	0.00	0.00	
1,800.00	5.25	21.94	1,794.44	116.18	46.80	125.25	0.00	0.00	0.00	
1,853.78	5.25	21.94	1,848.00	120.75	48.63	130.17	0.00	0.00	0.00	
MAHOGANY										
1,900.00	5.25	21.94	1,894.02	124.67	50.21	134.40	0.00	0.00	0.00	
2,000.00	5.25	21.94	1,993.60	133.16	53.63	143.55	0.00	0.00	0.00	
2,100.00	5.25	21.94	2,093.18	141.64	57.05	152.70	0.00	0.00	0.00	
2,200.00	5.25	21.94	2,192.76	150.13	60.47	161.85	0.00	0.00	0.00	
2,300.00	5.25	21.94	2,292.34	158.62	63.89	171.00	0.00	0.00	0.00	
2,305.68	5.25	21.94	2,298.00	159.10	64.08	171.52	0.00	0.00	0.00	
8 5/8"										
2,400.00	5.25	21.94	2,391.92	167.11	67.31	180.15	0.00	0.00	0.00	
2,500.00	5.25	21.94	2,491.50	175.59	70.73	189.30	0.00	0.00	0.00	
2,559.66	5.25	21.94	2,550.92	180.66	72.76	194.76	0.00	0.00	0.00	
Start Drop -1.75										
2,600.00	4.54	21.94	2,591.11	183.85	74.05	198.21	1.75	-1.75	0.00	
2,700.00	2.79	21.94	2,690.90	189.79	76.44	204.60	1.75	-1.75	0.00	
2,800.00	1.04	21.94	2,790.84	192.89	77.69	207.95	1.75	-1.75	0.00	
2,859.66	0.00	0.00	2,850.50	193.40	77.90	208.50	1.75	-1.75	0.00	
Start 5857.50 hold at 2859.66 MD										
2,900.00	0.00	0.00	2,890.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,000.00	0.00	0.00	2,990.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,100.00	0.00	0.00	3,090.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,200.00	0.00	0.00	3,190.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,300.00	0.00	0.00	3,290.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,400.00	0.00	0.00	3,390.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,500.00	0.00	0.00	3,490.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,600.00	0.00	0.00	3,590.84	193.40	77.90	208.50	0.00	0.00	0.00	
3,700.00	0.00	0.00	3,690.84	193.40	77.90	208.50	0.00	0.00	0.00	



SDI
Planning Report



Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Company:	US ROCKIES REGION PLANNING	TVD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	MD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Site:	NBU 1022-3H PAD	North Reference:	True
Well:	NBU 1022-3H1CS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,800.00	0.00	0.00	3,790.84	193.40	77.90	208.50	0.00	0.00	0.00
3,900.00	0.00	0.00	3,890.84	193.40	77.90	208.50	0.00	0.00	0.00
4,000.00	0.00	0.00	3,990.84	193.40	77.90	208.50	0.00	0.00	0.00
4,100.00	0.00	0.00	4,090.84	193.40	77.90	208.50	0.00	0.00	0.00
4,200.00	0.00	0.00	4,190.84	193.40	77.90	208.50	0.00	0.00	0.00
4,208.17	0.00	0.00	4,199.00	193.40	77.90	208.50	0.00	0.00	0.00
WASATCH									
4,300.00	0.00	0.00	4,290.84	193.40	77.90	208.50	0.00	0.00	0.00
4,400.00	0.00	0.00	4,390.84	193.40	77.90	208.50	0.00	0.00	0.00
4,500.00	0.00	0.00	4,490.84	193.40	77.90	208.50	0.00	0.00	0.00
4,600.00	0.00	0.00	4,590.84	193.40	77.90	208.50	0.00	0.00	0.00
4,700.00	0.00	0.00	4,690.84	193.40	77.90	208.50	0.00	0.00	0.00
4,800.00	0.00	0.00	4,790.84	193.40	77.90	208.50	0.00	0.00	0.00
4,900.00	0.00	0.00	4,890.84	193.40	77.90	208.50	0.00	0.00	0.00
5,000.00	0.00	0.00	4,990.84	193.40	77.90	208.50	0.00	0.00	0.00
5,100.00	0.00	0.00	5,090.84	193.40	77.90	208.50	0.00	0.00	0.00
5,200.00	0.00	0.00	5,190.84	193.40	77.90	208.50	0.00	0.00	0.00
5,300.00	0.00	0.00	5,290.84	193.40	77.90	208.50	0.00	0.00	0.00
5,400.00	0.00	0.00	5,390.84	193.40	77.90	208.50	0.00	0.00	0.00
5,500.00	0.00	0.00	5,490.84	193.40	77.90	208.50	0.00	0.00	0.00
5,600.00	0.00	0.00	5,590.84	193.40	77.90	208.50	0.00	0.00	0.00
5,700.00	0.00	0.00	5,690.84	193.40	77.90	208.50	0.00	0.00	0.00
5,800.00	0.00	0.00	5,790.84	193.40	77.90	208.50	0.00	0.00	0.00
5,900.00	0.00	0.00	5,890.84	193.40	77.90	208.50	0.00	0.00	0.00
6,000.00	0.00	0.00	5,990.84	193.40	77.90	208.50	0.00	0.00	0.00
6,100.00	0.00	0.00	6,090.84	193.40	77.90	208.50	0.00	0.00	0.00
6,200.00	0.00	0.00	6,190.84	193.40	77.90	208.50	0.00	0.00	0.00
6,300.00	0.00	0.00	6,290.84	193.40	77.90	208.50	0.00	0.00	0.00
6,400.00	0.00	0.00	6,390.84	193.40	77.90	208.50	0.00	0.00	0.00
6,500.00	0.00	0.00	6,490.84	193.40	77.90	208.50	0.00	0.00	0.00
6,582.17	0.00	0.00	6,573.00	193.40	77.90	208.50	0.00	0.00	0.00
MESAVERDE									
6,600.00	0.00	0.00	6,590.84	193.40	77.90	208.50	0.00	0.00	0.00
6,700.00	0.00	0.00	6,690.84	193.40	77.90	208.50	0.00	0.00	0.00
6,800.00	0.00	0.00	6,790.84	193.40	77.90	208.50	0.00	0.00	0.00
6,900.00	0.00	0.00	6,890.84	193.40	77.90	208.50	0.00	0.00	0.00
7,000.00	0.00	0.00	6,990.84	193.40	77.90	208.50	0.00	0.00	0.00
7,100.00	0.00	0.00	7,090.84	193.40	77.90	208.50	0.00	0.00	0.00
7,200.00	0.00	0.00	7,190.84	193.40	77.90	208.50	0.00	0.00	0.00
7,300.00	0.00	0.00	7,290.84	193.40	77.90	208.50	0.00	0.00	0.00
7,400.00	0.00	0.00	7,390.84	193.40	77.90	208.50	0.00	0.00	0.00
7,500.00	0.00	0.00	7,490.84	193.40	77.90	208.50	0.00	0.00	0.00
7,600.00	0.00	0.00	7,590.84	193.40	77.90	208.50	0.00	0.00	0.00
7,700.00	0.00	0.00	7,690.84	193.40	77.90	208.50	0.00	0.00	0.00
7,800.00	0.00	0.00	7,790.84	193.40	77.90	208.50	0.00	0.00	0.00
7,900.00	0.00	0.00	7,890.84	193.40	77.90	208.50	0.00	0.00	0.00
8,000.00	0.00	0.00	7,990.84	193.40	77.90	208.50	0.00	0.00	0.00
8,100.00	0.00	0.00	8,090.84	193.40	77.90	208.50	0.00	0.00	0.00
8,200.00	0.00	0.00	8,190.84	193.40	77.90	208.50	0.00	0.00	0.00
8,300.00	0.00	0.00	8,290.84	193.40	77.90	208.50	0.00	0.00	0.00
8,400.00	0.00	0.00	8,390.84	193.40	77.90	208.50	0.00	0.00	0.00
8,500.00	0.00	0.00	8,490.84	193.40	77.90	208.50	0.00	0.00	0.00
8,600.00	0.00	0.00	8,590.84	193.40	77.90	208.50	0.00	0.00	0.00
8,700.00	0.00	0.00	8,690.84	193.40	77.90	208.50	0.00	0.00	0.00



SDI
Planning Report



Database:	EDM5000-RobertS-Local	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Company:	US ROCKIES REGION PLANNING	TVD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	MD Reference:	GL 5006 & KB 4 @ 5010.00ft (ASSUMED)
Site:	NBU 1022-3H PAD	North Reference:	True
Well:	NBU 1022-3H1CS	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
8,717.17	0.00	0.00	8,708.00	193.40	77.90	208.50	0.00	0.00	0.00	
SEGO - PBHL_NBU 1022-3H1CS										

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL_NBU 1022-3H1C - hit/miss target - Shape - plan hits target center - Circle (radius 25.00)	0.00	0.00	8,708.00	193.40	77.90	14,522,883.98	2,083,666.62	39.980520	-109.417779

Casing Points						
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)		
2,305.68	2,298.00	8 5/8"	8.625	11.000		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
1,123.72	1,121.00	GREEN RIVER				
1,371.76	1,368.00	BIRDSNEST				
1,853.78	1,848.00	MAHOGANY				
4,208.17	4,199.00	WASATCH				
6,582.17	6,573.00	MESAVERDE				
8,717.17	8,708.00	SEGO				

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment	
300.00	300.00	0.00	0.00	Start Build 2.00	
562.50	562.13	11.15	4.49	Start 1997.16 hold at 562.50 MD	
2,559.66	2,550.92	180.66	72.76	Start Drop -1.75	
2,859.66	2,850.50	193.40	77.90	Start 5857.50 hold at 2859.66 MD	
8,717.17	8,708.00	193.40	77.90	TD at 8717.17	

Kerr-McGee Oil & Gas Onshore. L.P.**NBU 1022-3H PAD****API #4304750166****NBU 1022-3H1CS**

Surface:	1935 FNL / 576 FEL	SENE	Lot
BHL:	1741 FNL / 498 FEL	SENE	Lot

API #**NBU 1022-3H4BS**

Surface:	1953 FNL / 540 FEL	SENE	Lot
BHL:	2065 FNL / 494 FEL	SENE	Lot

API #**NBU 1022-3H4CS**

Surface:	1949 FNL / 549 FEL	SENE	Lot
BHL:	2396 FNL / 494 FEL	SENE	Lot

API #**NBU 1022-3I1BS**

Surface:	1944 FNL / 558 FEL	SENE	Lot
BHL:	2562 FSL / 494 FEL	NESE	Lot

API #**NBU 1022-3I1CS**

Surface:	1939 FNL / 567 FEL	SENE	Lot
BHL:	2232 FSL / 494 FEL	NESE	Lot

This Surface Use Plan of Operations (SUPO) or 13-point plan provides site-specific information for the above-referenced wells.

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

An on-site meeting was held on December 6, 2011. Present were:

- David Gordon, Tyler Cox - BLM;
- Jacob Dunham - 609 Consulting;
- John Slaugh, Mitch Batty - Timberline Engineering & Land Surveying, Inc.; and
- Gina Becker, Charles Chase, Doyle Holmes, Casey McGee, Grizz Oleen, Sheila Wopsock - Kerr-McGee

A. Existing Roads:

Existing roads consist of county and improved/unimproved access roads (two-tracks). In accordance with Onshore Order #1, Kerr-McGee will, in accordance with BMPs, improve or maintain existing roads in a condition that is the same as or better than before operations began. New or reconstructed proposed access roads are discussed in Section B.

The existing roads will be maintained in a safe and usable condition. Maintenance for existing roads will continue until final abandonment and reclamation of well pads and/or other facilities, as applicable. Road maintenance will include, but is not limited to, blading, ditching, and/or culvert installation and cleanout. To ensure safe operating conditions, gravel surfacing will be performed where excessive rutting or erosion may occur. Dust control will be performed as necessary to ensure safe operating conditions.

Roads, gathering lines and electrical distribution lines will occupy common disturbance corridors where possible. Where available, roadways will be used as the staging area and working space for installation of gathering lines. All disturbances located in the same corridor will overlap each other to the maximum extent possible, while maintaining safe and sound construction and installation practices. Unless otherwise approved or requested in site specific documents, in no case will the maximum disturbance widths of the access road and utility corridors exceed the widths specified in Part D of this document.

Please refer to Topo B, for existing roads.

B. New or Reconstructed Access Roads:

All new or reconstructed roads will be located, designed, and maintained to meet the standards of the BLM. BMPs. Described in the BLM's Surface Operating Standards for Oil and Gas Exploration and Development, 4th Edition (Gold Book) (USDI and USDA, 2007) and/or BLM Manual Section 9113 (1985) will be considered in consultation with the BLM in the design, construction, improvement and maintenance of all new or reconstructed roads. If a new road would cross a water of the United States, Kerr-McGee will adhere to the requirements of applicable Nationwide Permits of the Department of Army Corps of Engineers.

Each new well pad or pad expansion may require construction of a new access road and/or de-commissioning of an older road. Plans, routes, and distances for new roads and road improvements are provided in design packages, exhibits and maps for a project. Project-specific maps are submitted to depict the locations of existing, proposed, and/or decommissioned and include the locations for supporting structures, including, but not limited to, culverts, bridges, low water crossings, range infrastructure, and haul routes, as per OSO 1. Designs for cuts and fills, including spoils source and storage areas, are provided with the road designs, as necessary.

Where safety objectives can be met. As applicable, Kerr-McGee may use unimproved and/or two-track roads for lease operations, to lessen total disturbance.

Road designs will be based on the road safety requirements, traffic characteristics, environmental conditions, and the vehicles the road is intended to carry. Generally, newly constructed unpaved lease roads will be crowned and ditched with the running surfaces of the roads approximately 12-18 feet wide and a total road corridor width not to exceed 45 feet, except where noted in the road design for a specific project. Maximum grade will generally not exceed 8%. Borrow ditches will be back sloped 3:1 or less. Construction BMPs will be employed to control onsite and offsite erosion.

Where topography would direct storm water runoff to an access road or well pad, drainage ditches or other common drainage control facilities, such as V- or wing-ditches, will be constructed to divert surface water runoff. Drainage features, including culverts, will be constructed or installed prior to commencing other operations, including drilling or facilities placement. Riprap will be placed at the inlet and outlet at the culvert(s), as necessary.

Prior to construction, new access road(s) will be staked according to the requirements of OSO 1. Construction activity will not be conducted using frozen or saturated materials or during periods when significant watershed damage (e.g. rutting, extensive sheet soil erosion, formation of rills/gullies, etc.) is likely to occur. Vegetative debris will not be placed in or under fill embankments.

New road maintenance will include, but is not limited to, blading, ditching, culvert installation and cleanout, gravel surfacing where excessive rutting or erosion may occur and dust control, as necessary to ensure safe operating conditions. All vehicular traffic, personnel movement, construction/restoration operations will be confined to the approved area and to existing roadways and/or access routes.

Snow removal will be conducted on an as-needed basis to accommodate safe travel. Snow removal will occur as necessary throughout the year, as will necessary drainage ditch construction. Removed snow may be stored on permitted well pads to reduce hauling distances and/or at the aerial extent of approved disturbance boundaries to facilitate snow removal for the remainder of the season.

If a county road crossing or encroachment permit is needed, it will be obtained prior to construction.

There are no new proposed access roads associated with this pad. Please refer to Topo B.

C. Location of Existing Wells:

A) Refer to Topo Map C.

D. Location of Existing and/or Proposed Facilities:

This pad will expand the existing pad for the NBU 230, which is a plugged and abandoned well, and the NBU 230A, which is a producing gas well according to Utah Division of Oil, Gas and Mining (UDOGM) records on February 10, 2012. Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (Kerr-McGee).

Should the well(s) prove productive, production facilities will be installed on the disturbed portion of each well pad. A berm will be constructed completely around production components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will generally be constructed of compacted subsoil or corrugated metal, and will hold the capacity of the largest tank and have sufficient freeboard to accommodate a 25 year rainfall event. This includes pumping units. Aboveground structures constructed or installed onsite for 6 months or longer, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with the BLM (typically Shadow Gray). A production facility layout is provided as part of a project-specific APD, ROW or NOS submission.

GAS GATHERING

Please refer to Exhibit A and Topo D2- Pad and Pipeline Detail.

The gas gathering pipeline material: Steel line pipe. Surface = Bare pipe. Buried = Coated with fusion bonded epoxy coating (or equivalent). The total gas gathering pipeline distance from the meter to the tie in point is $\pm 1,040'$ and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- $\pm 390'$ (0.07 miles) – Section 3 T10S R22E (SE/4 NE/4) – On-lease UTU-01191A, BLM surface, New 8" buried gas gathering pipeline from the meter to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.
- $\pm 650'$ (0.12 miles) – Section 3 T10S R22E (SE/4 NE/4) – On-lease UTU-01191A, 600' on BLM surface and 50' on ST UT ML 22651, State surface, New 8" buried gas gathering pipeline from the edge of the pad to tie-in to the approved 16" gas pipeline. Please refer to Topo D2 - Pad and Pipeline Detail and Exhibit A, Lines 15 and 16.

LIQUID GATHERING

Please refer to Exhibit B and Topo D2- Pad and Pipeline Detail.

The total liquid gathering pipeline distance from the separator to the tie in point is $\pm 1,040'$ and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- $\pm 390'$ (0.07 miles) – Section 3 T10S R22E (SE/4 NE/4) – On-lease UTU-01191A, BLM surface, New 6" buried liquid gathering pipeline from the separator to the edge of the pad. Please refer to Topo D2 - Pad and Pipeline Detail.
- $\pm 650'$ (0.12 miles) – Section 3 T10S R22E (SE/4 NE/4) – Lease UTU-01191A, 600' on BLM surface and 60' on ST UT ML 22651, State surface, New 6" buried liquid gathering pipeline from the edge of the pad to tie-in to the approved liquid pipeline. Please refer to Topo D2 - Pad and Pipeline Detail and Exhibit B, Lines 15 and 16.

Pipeline Gathering Construction

Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee. Gas gathering pipeline(s), gas lift, or liquids pipelines may be constructed to lie on the surface or be buried. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. The area of disturbance during construction from the edge of road or well pad will typically be 30' in width. Where pipelines run cross country, the width of disturbance will typically

be 45 ft for buried lines and 30 ft for surface lines. In addition, Kerr-McGee requests for a permanent 30' disturbance width that will be maintained for the portion adjacent to the road. The need for the 30' permanent disturbance width is for maintenance and repairs. Cross country permanent disturbance width also are required to be 30ft.

Above-ground installation will generally not require clearing of vegetation or blading of the surface, except where safety considerations necessitate earthwork. In some surface pipeline installation instances pipe cannot be constructed where it will lay. In these cases where an above-ground pipeline is constructed parallel and adjacent to a road, it will be welded/fused on the road and then lifted from the road to the pipeline route. In other cases where a pipeline route is not parallel and adjacent to a road (cross-country between sites), it will be welded/fused in place at a well pad, access road, or designated work area and pulled between connection locations with a suitable piece of equipment.

Buried pipelines will generally be installed parallel and adjacent to existing and/or newly constructed roads and within the permitted disturbance corridor. Buried pipelines may vary from 2 inches (typically fuel gas lines) to 24 inches (typically transportation lines) in diameter, but 6 to 16 inches is typical for a buried gas line. The diameter of liquids pipelines may vary from 2 inches to 12 inches, but 6 inches is the typical diameter. Gas lift lines may vary from 2 to 12 inches in diameter, but 6-inch diameter pipes are generally used for gas lift. If two or more pipelines are present (gas gathering, gas lift, and fluids), they will share a common trench where possible.

Typically, to install a buried pipeline, topsoil will be removed, windrowed and placed on the non-working side of the route for later reclamation. Because working room is limited, the spoil may be spread out across the working side and construction will take place on the spoil. The working side of the corridor will be used for pipe stringing, bending, welding and equipment travel. Small areas on the working side displaying ruts or uneven ground will be groomed to facilitate the safe passage of equipment. After the pipelines are installed, spoil will be placed back into the trench, and the topsoil will be redistributed over the disturbed corridor prior to final reclamation. Typical depth of the trench will be 6 feet, but depths may vary according to site-specific conditions (presence of bedrock, etc.). The proposed trench width for the pipeline would range from 18-48 inches.

The pipeline will be welded along the proposed route and lowered into place. Trenching equipment will cut through the soil or into the bedrock and create good backfill, eliminating the need to remove large rocks. The proposed buried pipeline will be visually and radiographically inspected and the entire pipeline will be pneumatically or hydrostatically tested before being placed into service. Routine vehicle traffic will be prevented from using pipeline routes as travel ways by posting signs at the route's intersection with an access road.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

If pipelines or roads encounter a drainage that could be subject to flooding or surface water during extreme precipitation events, Kerr-McGee will apply all applicable Army Corps mandates as well as the BLM's Hydraulic Considerations for Pipeline Crossings of Stream Channels (BLM Technical Note 423, April 2007). In addition, all stream and drainage crossings will be evaluated to determine the need for stream alteration permits from the State of Utah Division of Water Rights and if necessary, required permits will be secured. Similarly, where a road or pipeline crossing exists the pipe will be butt welded and buried to a depth between 24 and 48 inches or more. Dirt roads will be cut and restored to a condition equivalent to the existing condition. All Uintah County road encroachment and crossing permits, where applicable, will be obtained prior to crossing construction. In no case will pressure testing of pipelines result in discharge of liquids to the surface.

Pipeline signs will be installed along the route to indicate the pipeline proximity, ownership, and to provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations for production integrity and safety purposes.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to section J for more details regarding final reclamation.

2/15/2012

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When no longer deemed necessary by the operator, Kerr-McGee or it's successor will consult with the BLM, Vernal Field Office before terminating of the use of the pipeline(s).

The Anadarko Completions Transportation System (ACTS) information:

Please refer to Exhibit C for ACTs Lines

Kerr-McGee will use either a closed loop drilling system that will require one pit and one storage area to be constructed on the drilling pad or a traditional drilling operation with one pit. The storage area will be used to contain only the de-watered drill cuttings and will be lined and reclaimed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit is lined and will be used for the wells drilled on the pad or used as part of our Anadarko Completions Transportation (ACTS) system which is discussed in more detail below. Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completion pit.

If Kerr-McGee does not use a closed loop system, it will construct a drilling reserve pit to contain drill cuttings and for use in completion operations. Depending on the location of the pit, its relation to future drilling locations, the reserve/completion pit will be utilized for the completion of the wells on that pad and/or be used as part of our ACTS system.

Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of frac fluids by utilizing existing reserve pits and temporary, surface-laid aluminum liquids transfer lines between frac locations. The pit will be refurbished as follows when a traditional drill pit is used: mix and pile up drill cuttings with dry dirt, bury the original liner in the pit, walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurb will be done in a normal procedure and there will be no modification to the pit.

All four sides of the completions pit will be fenced in according to standard pit fencing procedures. Netting will be installed over all pits.

Any hydrocarbons collected will be treated and sold at approved sales facilities. A loading rack with drip containment will also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit .

ACTS will require temporarily laying multiple 6" aluminum water transfer lines on the surface between either existing or refurbished reserve pits. Please see the attached ACTS exhibit C for placement of the proposed temporary lines. The temporary aluminum transfer lines will be utilized to transport frac fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads or pipeline corridors. Upon completion of the frac operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig. Kerr-McGee requests to keep the netted pit open for one year from first production of the first produced well on the pad. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other frac jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim. If the pit is not needed for an entire year it will be backfilled and reclaimed earlier. Kerr-McGee understands that due to the temporary nature of this system, BLM considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BLM.

E. Location and Types of Water Supply:

Water for drilling and completion operations will be obtained from the following sources:

Permit # 49-2307	JD Field Services	Green River- Section 15, T2N, R22E
Permit # 49-2321	R.N. Industries	White River- Section 2, T10S, R24E
Permit # 49-2319	R.N. Industries	White River- Various Sources
Permit # 49-2320	R.N. Industries	Green River- Section 33, T8S, R23E

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

No water well is to be drilled on this lease.

F. Construction Materials:

Construction operations will typically be completed with native materials found on location. Construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source (described in site-specific documents). No construction materials will be removed from federal lands without prior approval from the BLM. A source location other than an on-location construction site will be designated either via a map or narrative within the project specific materials provided to the BLM.

G. Methods for Handling Waste:

All wastes subject to regulation will be handled in compliance with applicable laws to minimize the potential for leaks or spills to the environment. Kerr-McGee also maintains a Spill Control and Countermeasure Plan, which includes notification requirements, including the BLM, for all reportable spills of oil, produced liquids, and hazardous materials.

Any accidental release, such as a leak or spill in excess of the reportable quantity, as established by 40 CFR Part 117.3, will be reported as per the requirements of CERCLA, Section 102 B. If a release involves petroleum hydrocarbons or produced liquids, Kerr-McGee will comply with the notification requirements of NTL-3A. Drill cuttings and/or drilling fluids will be contained in the reserve/frac pit whether a closed loop system is used or not. Cuttings will be buried in pit(s) upon closure. Unless specifically approved by the BLM, no oil or other oil-based drilling additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water (as specified above), biodegradable polymer soap, bentonite clay, and/or non-toxic additives will be used in the mud system.

Pits will be constructed to minimize the accumulation of surface precipitation runoff into the pit (via appropriate placement of subsoil storage areas and/or construction of berms, ditches, etc). Should unexpected liquid petroleum hydrocarbons (crude oil or condensate) be encountered during drilling, completions or well testing, liquid petroleum hydrocarbons will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be released into a reserve/completion pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternate is approved by the BLM. Should timely removal not be feasible, the pit will be netted as soon as practical. Similarly, hydrocarbon removal will take place prior to the closure of the pit, unless authorization is provided for disposal via alternate pit closure methods (e.g. solidification).

The reserve and/or fracture stimulation pit will be lined with an impermeable liner. The liner will be a synthetic material 30 mil or thicker. The bottom and side walls of the pit will be void of any sharp rocks that could puncture the liner. The liner will be installed over smooth fill subgrade that is free of pockets, loose rocks, or other materials (i.e. sand, sifted dirt, bentonite, straw, etc.) that could damage the liner. After evaporation and when dry, the reserve pit liners will be cut off, ripped and/or folded back (as safety considerations allow) as near to the mud surface as possible and buried on location or hauled to a landfill prior to backfilling the pit with a minimum of five feet of soil material.

Where necessary and if conditions (freeboard, etc.) allow, produced liquids from newly completed wells may be temporarily disposed of into pits for a period not to exceed 90 days as per Onshore Order Number 7 (OSO 7). Subsequently, permanent approved produced water disposal methods will be employed in accordance with OSO 7 and/or as described in a Water Management Plan (WMP). Otherwise, fluids disposal locations and associated haul routes, for

ROW consideration, are typically depicted on Topo A of individual projects. Revisions to the water source or method of transportation will be subject to written approval from the BLM.

Any additional pits necessary for subsequent operations, such as temporary flare or workover pits, will be contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of work at a well location.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after one year from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse (trash and other solid waste including cans, paper, cable, etc.) generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility. Immediately after removal of the drilling rig, all debris and other waste materials not contained within trash receptacles will be collected and removed from the well location.

For the protection of livestock and wildlife, all open pits (excluding flare pits) will be fenced to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet. Siphons, catchments, and absorbent pads will be installed to keep hydrocarbons produced by the drilling rig or other equipment on location from entering the reserve pit. Hydrocarbons, contaminated pads, and/or soils will be disposed of in accordance with state and federal requirements.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Hazardous materials may be contained in some grease or lubricants, solvents, acids, paint, and herbicides, among others as defined above. Kerr-McGee maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances that are used during the course of construction, drilling, completion, and production operations for this project. The transport, use, storage and handling of hazardous materials will follow procedures specified by federal and state regulations. Transportation of hazardous materials to the well location is regulated by the Department of Transportation (DOT) under 49 CFR, Parts 171-180. DOT regulations pertain to the packing, container handling, labeling, vehicle placarding, and other safety aspects.

Potentially hazardous materials used in the development or operation of wells will be kept in limited quantities on well sites and at the production facilities for short periods of time. Chemicals meeting the criteria for being an acutely hazardous material/substance or meet the quantities criteria per BLM Instruction Memorandum No. 93-344 will not be used.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities (crude oil/condensate, produced

water). They may also be kept in limited quantities on drilling sites (barite, diesel fuel, cement, cottonseed hulls etc.) for short periods of time during drilling or completion activities.

Fluids disposal and pipeline/haul routes are depicted on Topo Map A.

Any produced water separated from recoverable condensate from the proposed well will be contained in a water tank and will then be transported by pipeline and/or truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E
NBU #159 in Sec. 35 T9S R21E
Ace Oilfield in Sec. 2 T6S R20E
MC&MC in Sec. 12 T6S R19E
Pipeline Facility in Sec. 36 T9S R20E
Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E
Bonanza Evaporation Pond in Sec. 2 T10S R23E

Or to one of the following Kerr-McGee active Salt Water Disposal (SWD) wells:

NBU 159 SWD in Sec. 35 T9S R21E
CIGE 112D SWD in Sec. 19 T9S R21E
CIGE 114 SWD in Sec. 34 T9S R21E
NBU 921-34K SWD in Sec. 34 T9S R21E
NBU 921-33F SWD in Sec. 34 T9S R21E

H. Ancillary Facilities:

No additional ancillary facilities are planned for this location.

I. Well Site Layout:

The location, orientation and aerial extent of each drill pad, reserve/completion/flare pit (for closed loop or non-closed loop operations), access road ingress/egress points, drilling rig, dikes/ditches, existing wells/infrastructure, proposed cuts and fills, and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment depending on whether a closed loop system is used. Surface distance may be less if using closed loop. But in either case, the area of disturbance will not exceed the maximum disturbance outlined in the attached exhibits.

For the protection of livestock and wildlife, all open pits and cellars will be fenced to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

Each well will utilize either a centralized tank battery, centralized fluids management system, or have tanks installed on its pad. Production/ Produced Liquid tanks will be constructed, maintained, and operated to prevent unauthorized surface or subsurface discharges of liquids and to prevent livestock or wildlife entry. The tanks will be kept reasonably free from surface accumulations of liquid hydrocarbons. The tanks are not to be used for disposal of liquids from additional sources without prior approval of BLM.

J. Plans for Surface Reclamation:

The surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. Interim reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation may include pit evaporation, fluid removal, pit solidification, re-contouring, ripping, spreading top soil, seeding, and/or weed control. Interim reclamation will be performed in accordance with OSO 1, or written notification will be provided to the BLM for approval. Where feasible, drilling locations, reserve pits, or access routes not utilized for production operations will be re-contoured to a natural appearance.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left "rough" after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit. Disposal of pit fluids and linings is discussed in Section G.

Final Reclamation

Final reclamation will be performed for unproductive wells and after the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by Kerr-McGee. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. The BLM will be notified prior to commencement of reclamation operations. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring the site to the approximate contour that existed prior to pad construction, final grading will be conducted over the entire surface of the well site and access road. The area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers, where practical. The surface soil material will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep, where practical. The entire area will be uniformly covered with the depressions constructed perpendicular to the natural flow of water.

Reclamation of roads will be performed at the discretion of the BLM. All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-contoured to approximate the original contour of the ground and seeded in accordance with the seeding specifications of the BLM.

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to the BLM.

Measures Common to Interim and Final Reclamation

Soil preparation will be conducted using a disk for areas in need of more soil preparation following site preparation. This will provide primary soil tillage to a depth no greater than 6 inches. Prior to reseeding, compacted areas will be scarified by ripping or chiseling to loosen compacted soils, promote water infiltration, and improve soil aeration and root penetration.

Seeding will occur year-round as conditions allow and will typically be accomplished through the use of a no-till rangeland style seed drill with a “picker box” in order to seed “fluffy” seed. Where drill seeding is not the preferred method, seed will be broadcast and then raked into the ground at double the rate of drill seeding. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The seed mixes will be selected from a list provided by or approved by the BLM, or a specific seed mix will be proposed by Kerr-McGee to the BLM and used after its approval. The selected specific seed mix for each well location and road segment will be utilized while performing interim and final reclamation for each project. All seed will be certified and tags will be maintained by Kerr-McGee. Every effort will be made to obtain “cheat grass free seed”.

Seed Mix to be used for Well Site, Access Road, and Pipeline (as applicable):

Bonanza Area Mix	Pure Live Seed lbs/acre
Crested Wheat (Hycrest)	2
Bottlebrush Squirreltail	1
Western Wheatgrass (Arriba)	1
Indian Ricegrass	1
Fourwing Saltbush	2
Shadscale	2
Forage Kochia	0.25
Rocky Mountain Bee	0.5
Total	9.75

Additional soil amendments and/or stabilization may be required on sites with poor soils and/or excessive erosion potential. Where severe erosion can become a problem and/or the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. Slopes will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to: erosion control blankets, hydro-mulch, and/or bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage. Soil amendments such as “Sustain” (an organic fertilizer that will be applied at the rate 1,800 – 2,100 lbs/acre with seed) may also be dry broadcast or applied with hydro-seeding equipment.

Weed Control

All weed management will be done in accordance with the Vernal BLM Surface Disturbance Weed Policy. Noxious weeds will be controlled, as applicable, on project areas. Monitoring and management of noxious and/or invasive weeds of concern will be completed annually until the project is deemed successfully reclaimed by the surface management agency and/or owner according to the Anadarko Integrated Weed Management Plan. Noxious weed infestations will be mapped using a GPS unit and submitted to the BLM with information required in the Vernal BLM Surface Disturbance Weed Policy. If herbicide is to be applied it will be done according to an approved Pesticide Use Permit (PUP), inclusive of applicable locations. All pesticide applications will be recorded using a Pesticide Application Record (PAR) and will be submitted along with a Pesticide Use Report (PUR) annually prior to Dec. 31.

Monitoring

Monitoring of reclaimed project areas will be completed annually during the growing season and actions to ensure reclamation success will be taken as needed. During the first two growing seasons an ocular methodology will be used to determine the success of the reclamation activities. During the 3rd growing season a 200 point line intercept (quantitative) methodology will be used to obtain basal cover. The goal is to have the reclaimed area reach 30% basal cover when compared to the reference site. If after three growing seasons the area has not reached 30% basal cover, additional reclamation activities may be necessary. Monitoring will continue until the reclaimed area reaches 75% basal cover of desirable vegetation when compared to the reference site. (Green River District Reclamation Guidelines)

All monitoring reports will be submitted electronically to the Vernal BLM in the form of a geo-database no later than March 1st of the calendar year following the data collection.

K. Surface/Mineral Ownership:

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

L. Other Information:**Onsite Specifics:**

- Keep spoils (toe of fill slope) out of drainage (corners 1, 2, 3 and 11)
- Double felt and double line pit
- Remove hill at corner 6 during reclamation. May mound to look natural if desired.
- Need to obtain a storm water permit
- BMP on the pit use (waddles, hay bails or silt fence)

Cultural and Paleontological Resources

All personnel are strictly prohibited from collecting artifacts, any paleontological specimens or fossils, and from disturbing any significant cultural resources in the area. If artifacts, fossils, or any culturally sensitive materials are exposed or identified in the area of construction, all construction operations that would affect the newly discovered resource will cease, and Kerr-McGee will provide immediate notification to the BLM.

Resource Reports:

A Class I literature review was completed on February 1, 2012 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 11-404.

A paleontological reconnaissance survey was completed on February 3, 2012 by Intermountain Paleo Consultants. For additional details please refer to report IPC 11-202PRE.

Biological field survey was completed on June 14, 2011 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-688.

Proposed Action Annual Emissions Tables:

Table 1: Proposed Action Annual Emissions (tons/year)¹			
Pollutant	Development	Production	Total
NO _x	3.8	0.12	3.92
CO	2.2	0.11	2.31
VOC	0.1	4.9	5
SO ₂	0.005	0.0043	0.0093
PM ₁₀	1.7	0.11	1.81
PM _{2.5}	0.4	0.025	0.425
Benzene	2.2E-03	0.044	0.046
Toluene	1.6E-03	0.103	0.105
Ethylbenzene	3.4E-04	0.005	0.005
Xylene	1.1E-03	0.076	0.077
n-Hexane	1.7E-04	0.145	0.145
Formaldehyde	1.3E-02	8.64E-05	1.31E-02

¹ Emissions include 1 producing well and associated operations traffic during the year in which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison			
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III
NOx	19.6	16,547	0.12%
VOC	25	127,495	0.02%

^a http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Uintah Basin Data

NBU 1022-3H1CS/ 1022-3H4BS/
1022-3H4CS/ 1022-3I1BS/ 1022-3I1CS

Surface Use Plan of Operations
13 of 13

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

Gina T. Becker
Regulatory Analyst II
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6086

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

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

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by 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 I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.



Gina T. Becker

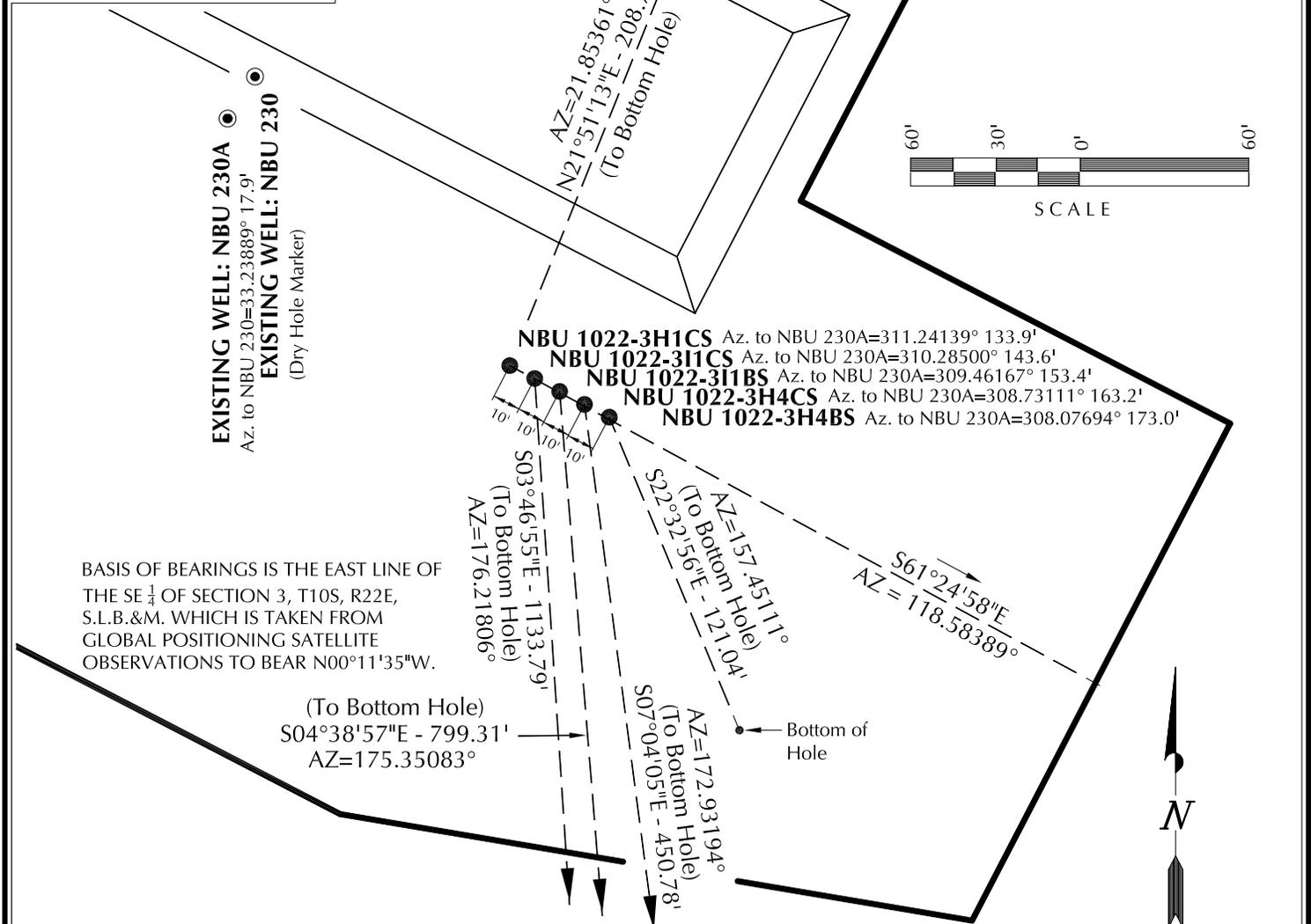
February 15, 2012

Date

WELL NAME	SURFACE POSITION					BOTTOM HOLE				
	NAD83		NAD27		FOOTAGES	NAD83		NAD27		FOOTAGES
	LATITUDE	LONGITUDE	LATITUDE	LONGITUDE		LATITUDE	LONGITUDE	LATITUDE	LONGITUDE	
NBU 1022-3H1CS	39°58'47.835"	109°25'07.460"	39°58'47.959"	109°25'05.004"	1935' FNL 576' FEL	39°58'49.749"	109°25'06.461"	39°58'49.873"	109°25'04.005"	1741' FNL 498' FEL
NBU 1022-3I1CS	39°58'47.789"	109°25'07.346"	39°58'47.913"	109°25'04.890"	1939' FNL 567' FEL	39°58'36.611"	109°25'06.393"	39°58'36.735"	109°25'03.937"	2232' FSL 494' FEL
NBU 1022-3I1BS	39°58'47.743"	109°25'07.232"	39°58'47.867"	109°25'04.776"	1944' FNL 558' FEL	39°58'39.872"	109°25'06.405"	39°58'39.996"	109°25'03.949"	2562' FSL 494' FEL
NBU 1022-3H4CS	39°58'47.697"	109°25'07.118"	39°58'47.822"	109°25'04.662"	1949' FNL 549' FEL	39°58'43.277"	109°25'06.408"	39°58'43.402"	109°25'03.953"	2396' FNL 494' FEL
NBU 1022-3H4BS	39°58'47.652"	109°25'07.004"	39°58'47.776"	109°25'04.548"	1953' FNL 540' FEL	39°58'46.548"	109°25'06.409"	39°58'46.672"	109°25'03.953"	2065' FNL 494' FEL
NBU 230A	39°58'48.707"	109°25'08.752"	39°58'48.831"	109°25'06.296"	1847' FNL 676' FEL	39°58'48.707"	109°25'08.752"	39°58'48.831"	109°25'06.296"	1847' FNL 676' FEL
NBU 230	39°58'48.855"	109°25'08.626"	39°58'48.979"	109°25'06.170"	1832' FNL 667' FEL	39°58'48.855"	109°25'08.626"	39°58'48.979"	109°25'06.170"	1832' FNL 667' FEL

RELATIVE COORDINATES - From Surface Position to Bottom Hole

WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST	WELL NAME	NORTH	EAST
NBU 1022-3H1CS	193.8'	77.7'	NBU 1022-3I1CS	-1131.3'	74.8'	NBU 1022-3I1BS	-796.7'	64.8'	NBU 1022-3H4CS	-447.4'	55.5'
NBU 1022-3H4BS	-111.8'	46.4'									



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

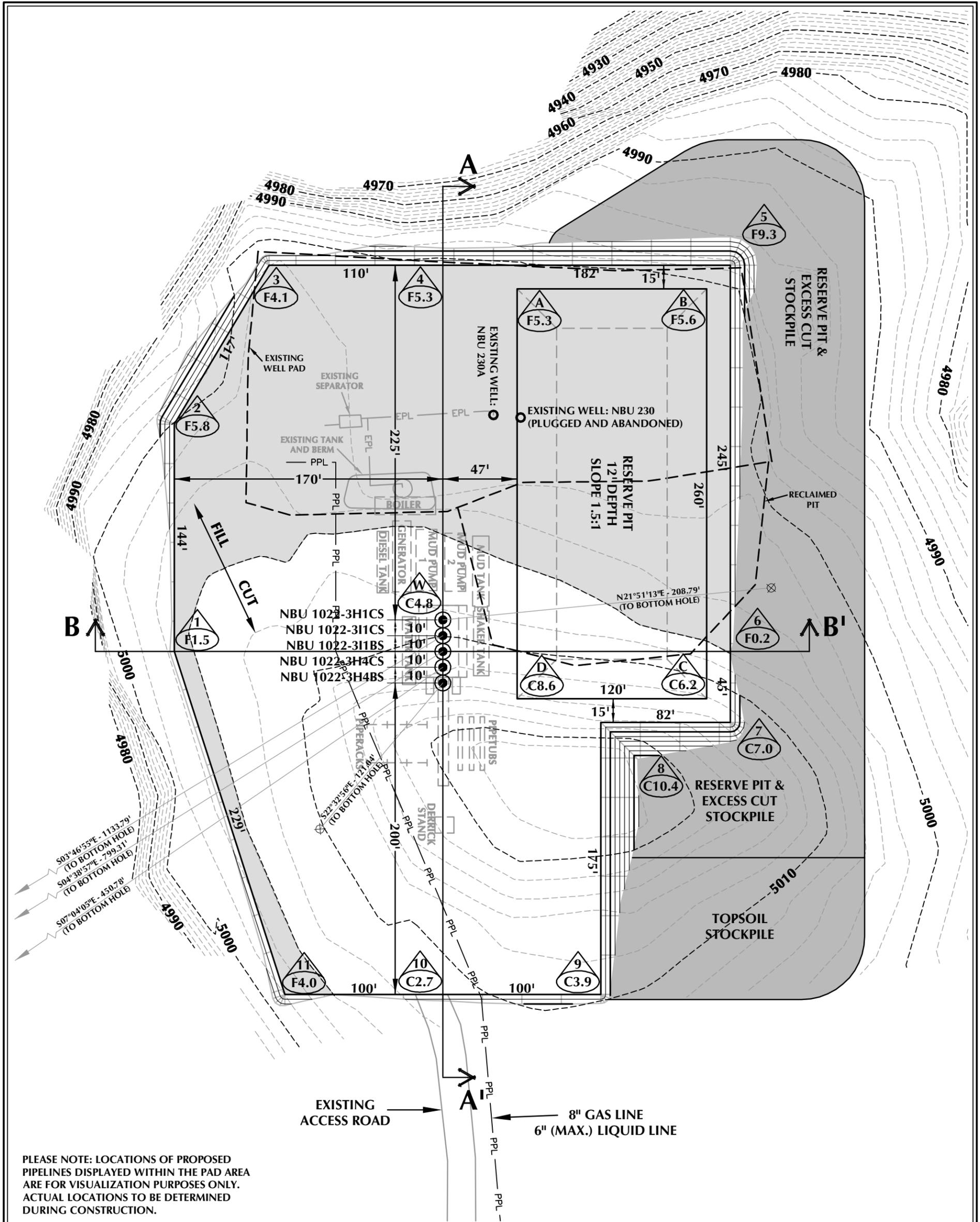
WELL PAD - NBU 1022-3H
WELL PAD INTERFERENCE PLAT
WELLS - NBU 1022-3H1CS,
NBU 1022-3I1CS, NBU 1022-3I1BS,
NBU 1022-3H4CS & NBU 1022-3H4BS
LOCATED IN SECTION 3, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH.



CONSULTING, LLC
2155 North Main Street
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

TIMBERLINE (435) 789-1365
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED: 11-9-11	SURVEYED BY: W.W.	SHEET NO: 6 6 OF 17
DATE DRAWN: 11-12-11	DRAWN BY: J.G.C.	
SCALE: 1" = 60'		Date Last Revised:



PLEASE NOTE: LOCATIONS OF PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUALIZATION PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.

WELL PAD - NBU 1022-3H DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 5010.8'
 FINISHED GRADE ELEVATION = 5006.0'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1
 TOTAL WELL PAD AREA = 3.49 ACRES
 TOTAL DISTURBANCE AREA = 4.82 ACRES
 SHRINKAGE FACTOR = 1.10
 SWELL FACTOR = 1.00

WELL PAD QUANTITIES
 TOTAL CUT FOR WELL PAD = 14,638 C.Y.
 TOTAL FILL FOR WELL PAD = 11,962 C.Y.
 TOPSOIL @ 6" DEPTH = 1,968 C.Y.
 EXCESS MATERIAL = 2,676 C.Y.

RESERVE PIT QUANTITIES
 TOTAL CUT FOR RESERVE PIT +/- 11,020 C.Y.
 RESERVE PIT CAPACITY (2' OF FREEBOARD) +/- 42,290 BARRELS

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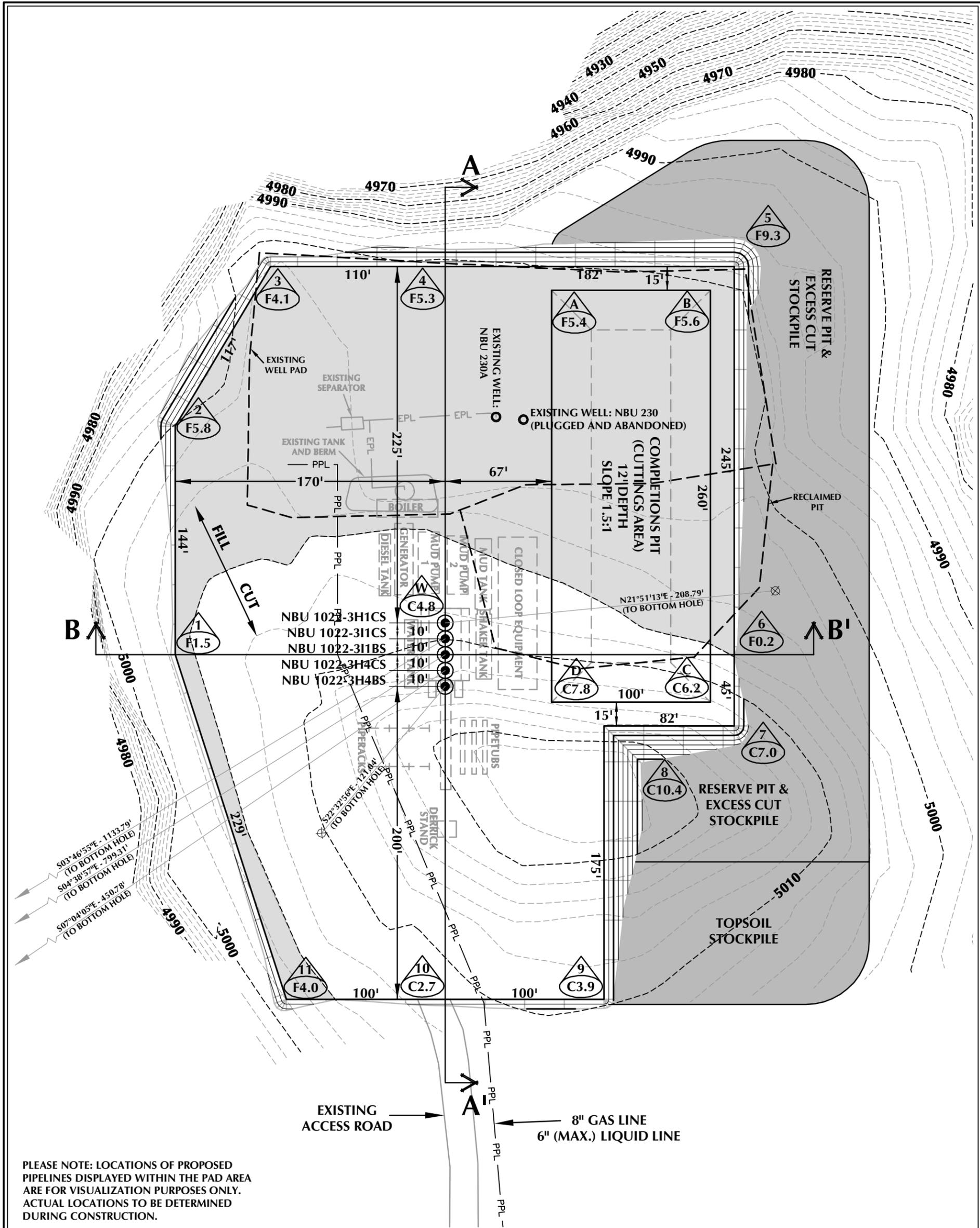
WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PROPOSED PIPELINE
- EXISTING PIPELINE



HORIZONTAL 0 30' 60' 1" = 60'
 2' CONTOURS

SCALE: 1"=60' DATE: 11/18/11 SHEET NO:
 REVISED: 7 7 OF 17



PLEASE NOTE: LOCATIONS OF PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUALIZATION PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.

WELL PAD - NBU 1022-3H (CLOSED LOOP) DESIGN SUMMARY

EXISTING GRADE @ CENTER OF WELL PAD = 5010.8'
 FINISHED GRADE ELEVATION = 5006.0'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1
 TOTAL WELL PAD AREA = 3.49 ACRES
 TOTAL DISTURBANCE AREA = 4.82 ACRES
 SHRINKAGE FACTOR = 1.10
 SWELL FACTOR = 1.00

WELL PAD QUANTITIES

TOTAL CUT FOR WELL PAD = 14,638 C.Y.
 TOTAL FILL FOR WELL PAD = 11,962 C.Y.
 TOPSOIL @ 6" DEPTH = 1,968 C.Y.
 EXCESS MATERIAL = 2,676 C.Y.

COMPLETIONS PIT QUANTITIES

TOTAL CUT FOR COMPLETIONS PIT +/- 8,870 C.Y.
 COMPLETIONS PIT CAPACITY (2' OF FREEBOARD) +/- 33,770 BARRELS

WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PROPOSED PIPELINE
- EXISTING PIPELINE



HORIZONTAL 0 30' 60' 1" = 60'
 2' CONTOURS

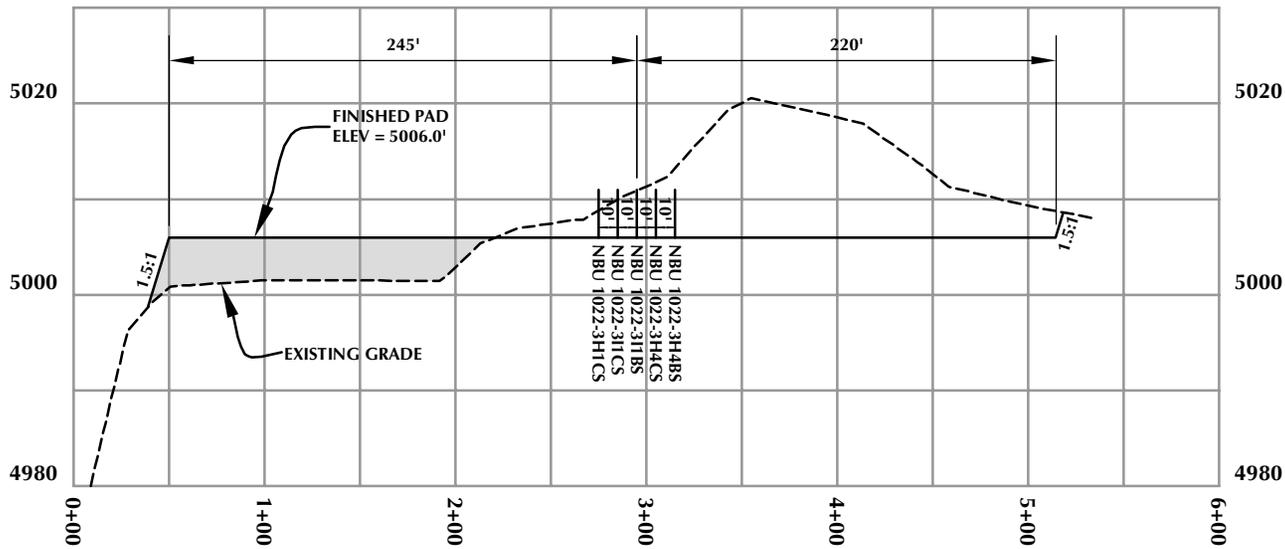
Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street - Denver, Colorado 80202



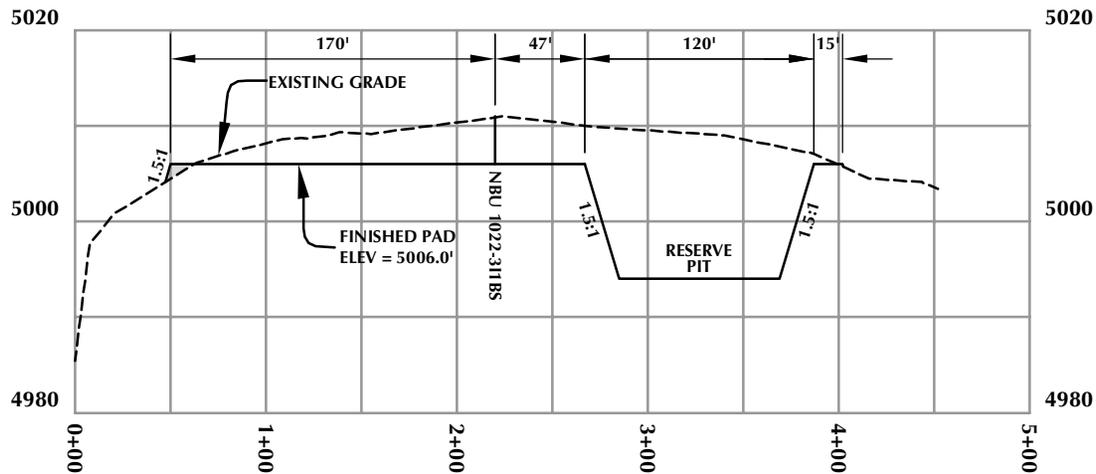
CONSULTING, LLC
 2155 North Main Street
 Sheridan, WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

TIMBERLINE (435) 789-1365
 ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

SCALE: 1"=60' DATE: 1/11/12 SHEET NO:
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CROSS SECTION A-A'



CROSS SECTION B-B'

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

WELL PAD - NBU 1022-3H

WELL PAD - CROSS SECTIONS

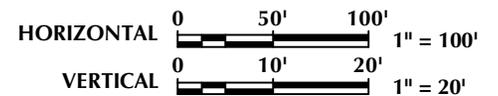
**NBU 1022-3H1CS,
NBU 1022-3I1CS, NBU 1022-3I1BS,
NBU 1022-3H4CS & NBU 1022-3H4BS
LOCATED IN SECTION 3, T10S, R22E,
S.L.B.&M., UTAH COUNTY, UTAH**



CONSULTING, LLC
2155 North Main Street
Sheridan, WY 82801
Phone 307-674-0609
Fax 307-674-0182

TIMBERLINE
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365



Scale: 1"=100'

Date: 11/18/11

SHEET NO:

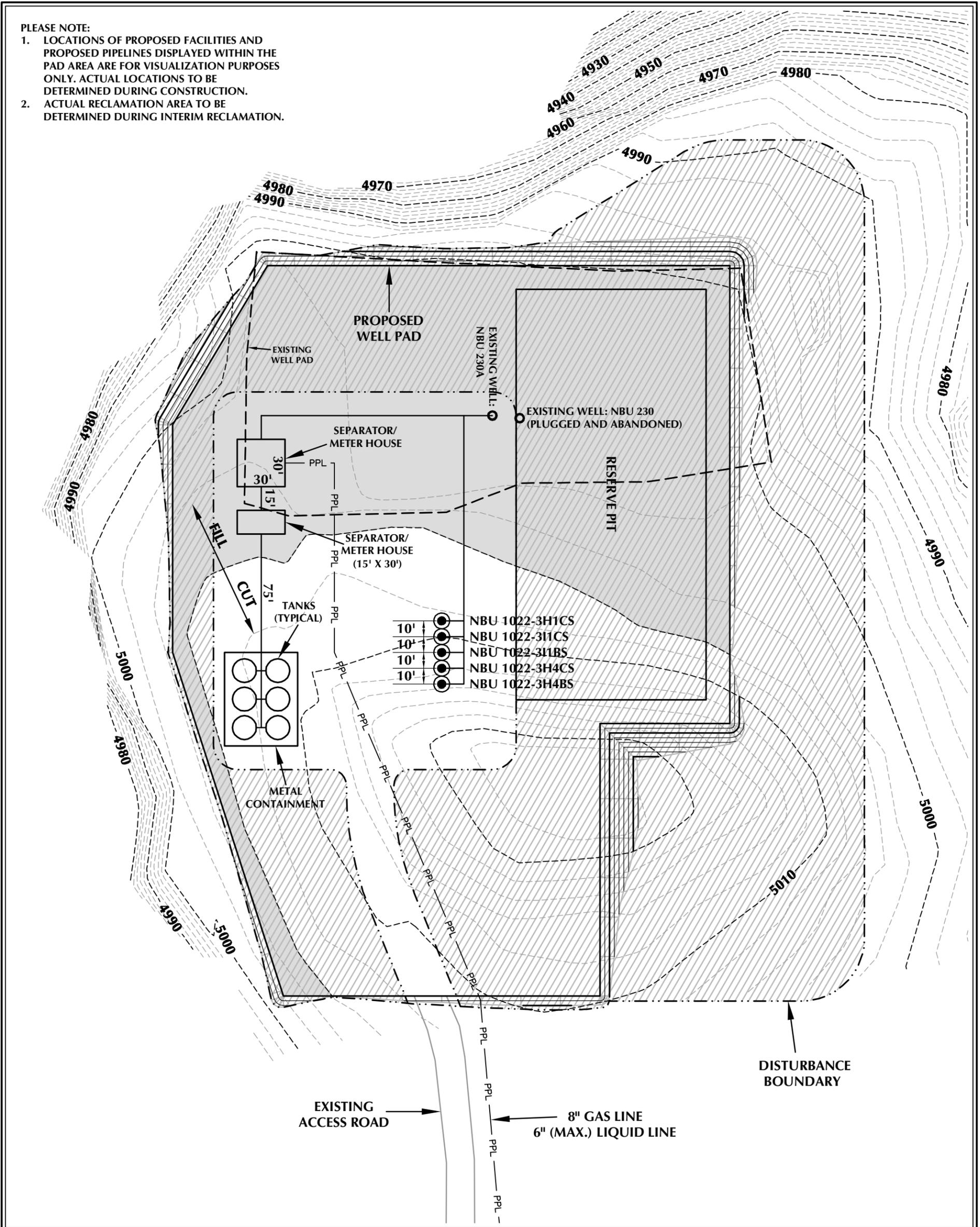
REVISED:

8

8 OF 17

PLEASE NOTE:

1. LOCATIONS OF PROPOSED FACILITIES AND PROPOSED PIPELINES DISPLAYED WITHIN THE PAD AREA ARE FOR VISUALIZATION PURPOSES ONLY. ACTUAL LOCATIONS TO BE DETERMINED DURING CONSTRUCTION.
2. ACTUAL RECLAMATION AREA TO BE DETERMINED DURING INTERIM RECLAMATION.



WELL PAD - NBU 1022-3H DESIGN SUMMARY

TOTAL DISTURBANCE AREA = 4.82 ACRES (INCLUDING EXISTING)
 RECLAMATION AREA = 3.67 ACRES
 TOTAL WELL PAD AREA AFTER RECLAMATION = 1.15 ACRES

WELL PAD LEGEND

- EXISTING WELL LOCATION
- PROPOSED WELL LOCATION
- PROPOSED BOTTOM HOLE LOCATION
- EXISTING CONTOURS (2' INTERVAL)
- PROPOSED CONTOURS (2' INTERVAL)
- PPL PROPOSED PIPELINE
- EPL EXISTING PIPELINE
- RECLAMATION AREA



HORIZONTAL 0 30' 60' 1" = 60'
 2' CONTOURS

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

WELL PAD - NBU 1022-3H

WELL PAD - RECLAMATION LAYOUT
 NBU 1022-3H1CS,
 NBU 1022-3H1CS, NBU 1022-3H1BS,
 NBU 1022-3H4CS & NBU 1022-3H4BS
 LOCATED IN SECTION 3, T10S, R22E,
 S.L.B.&M., UINTAH COUNTY, UTAH



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 209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

SCALE: 1"=60' DATE: 1/11/12 SHEET NO:

REVISED: **9** 9 OF 17

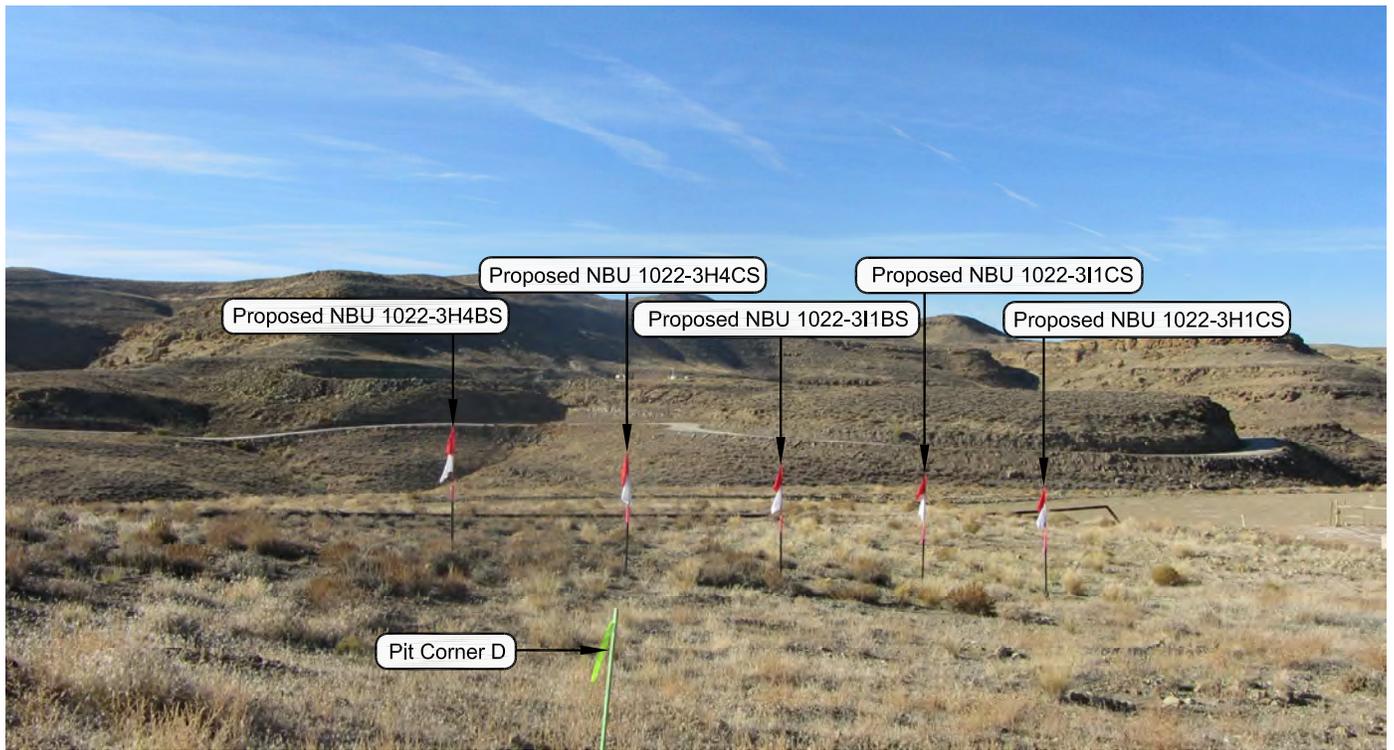


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO VIEW: FROM EXISTING ACCESS ROAD

CAMERA ANGLE: NORTHERLY

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

WELL PAD - NBU 1022-3H

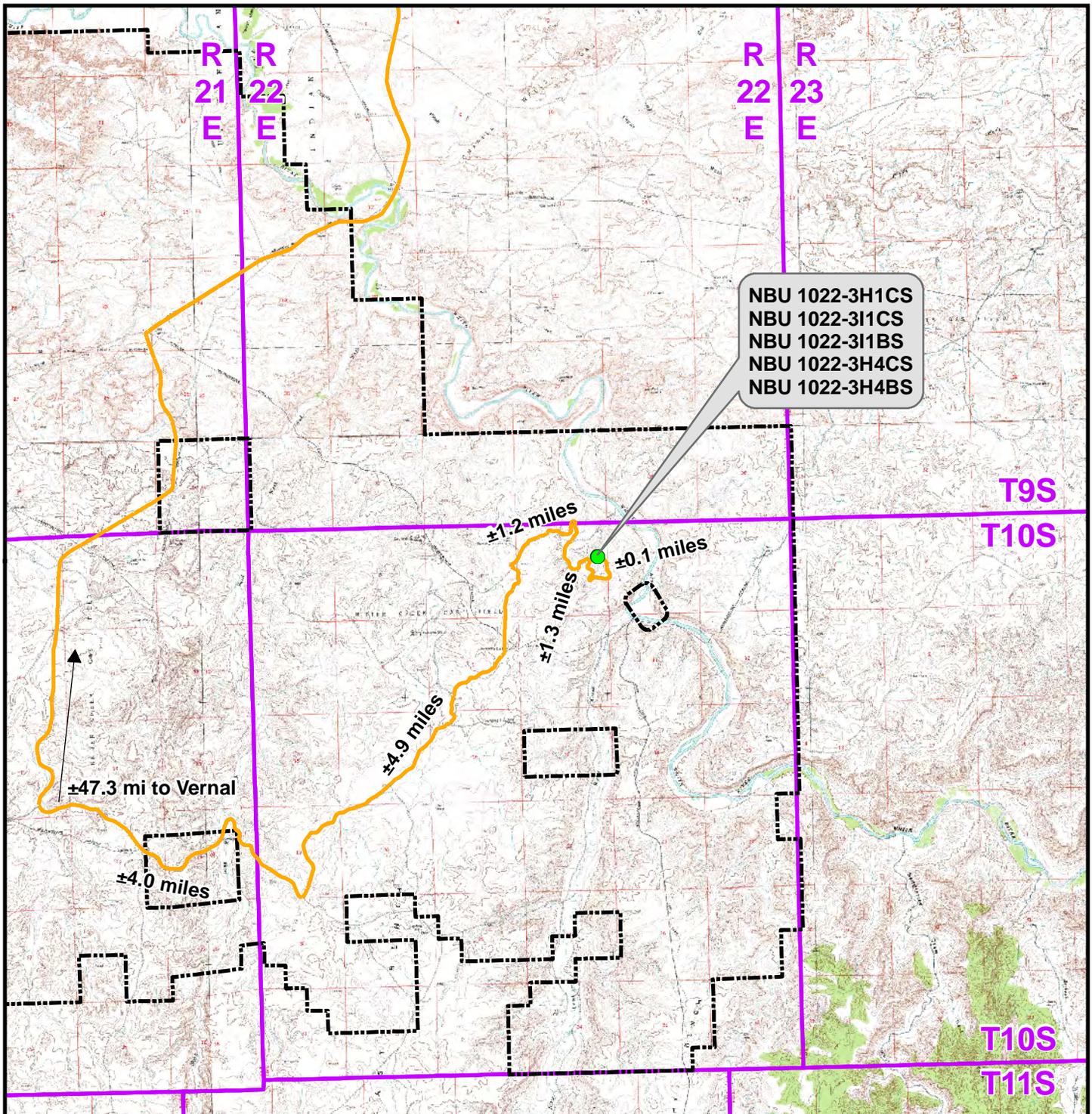
LOCATION PHOTOS
 NBU 1022-3H1CS,
 NBU 1022-3I1CS, NBU 1022-3I1BS,
 NBU 1022-3H4CS & NBU 1022-3H4BS
 LOCATED IN SECTION 3, T10S, R22E,
 S.L.B.&M., UINTAH COUNTY, UTAH.



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 ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN: 11-9-11	PHOTOS TAKEN BY: W.W.	SHEET NO: 10
DATE DRAWN: 11-12-11	DRAWN BY: J.G.C.	
Date Last Revised:		10 OF 17



Legend

- Proposed Well Location
- Natural Buttes Unit Boundary
- Access Route - Proposed

Distance From Well Pad - NBU 1022-3H To Unit Boundary: ±3,260ft

WELL PAD - NBU 1022-3H

TOPO A
 NBU 1022-3H1CS,
 NBU 1022-3I1CS, NBU 1022-3I1BS,
 NBU 1022-3H4CS & NBU 1022-3H4BS
 LOCATED IN SECTION 3, T10S, R22E,
 S.L.B.&M., UINTAH COUNTY, UTAH

**Kerr-McGee Oil &
 Gas Onshore L.P.**

1099 18th Street
 Denver, Colorado 80202



CONSULTING, LLC
 2155 North Main Street
 Sheridan, Wyoming 82801
 Phone 307-674-0609
 Fax 307-674-0182



SCALE: 1:100,000

NAD83 USP Central

SHEET NO:

DRAWN: TL

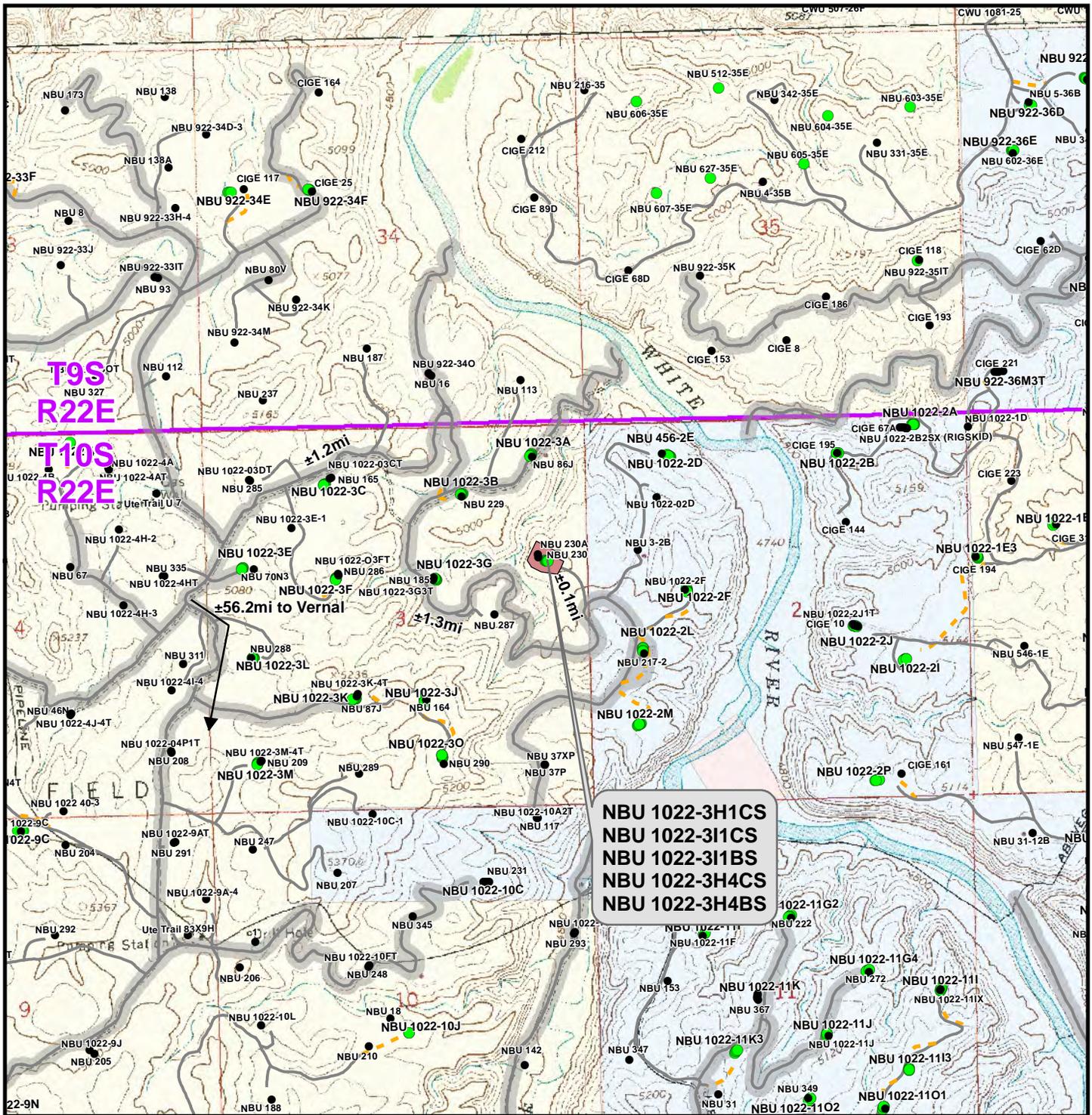
DATE: 18 Nov 2011

11

REVISED:

DATE:

11 OF 17



Legend

- Well - Proposed
- Well - Existing
- Well Pad
- Road - Proposed
- Road - Existing
- County Road
- Bureau of Land Management
- Indian Reservation
- State
- Private

Total Proposed Road Length: ±0ft

WELL PAD - NBU 1022-3H

TOPO B
 NBU 1022-3H1CS,
 NBU 1022-3I1CS, NBU 1022-3I1BS,
 NBU 1022-3H4CS & NBU 1022-3H4BS
 LOCATED IN SECTION 3, T10S, R22E,
 S.L.B.&M., UINTAH COUNTY, UTAH

**Kerr-McGee Oil &
 Gas Onshore L.P.**

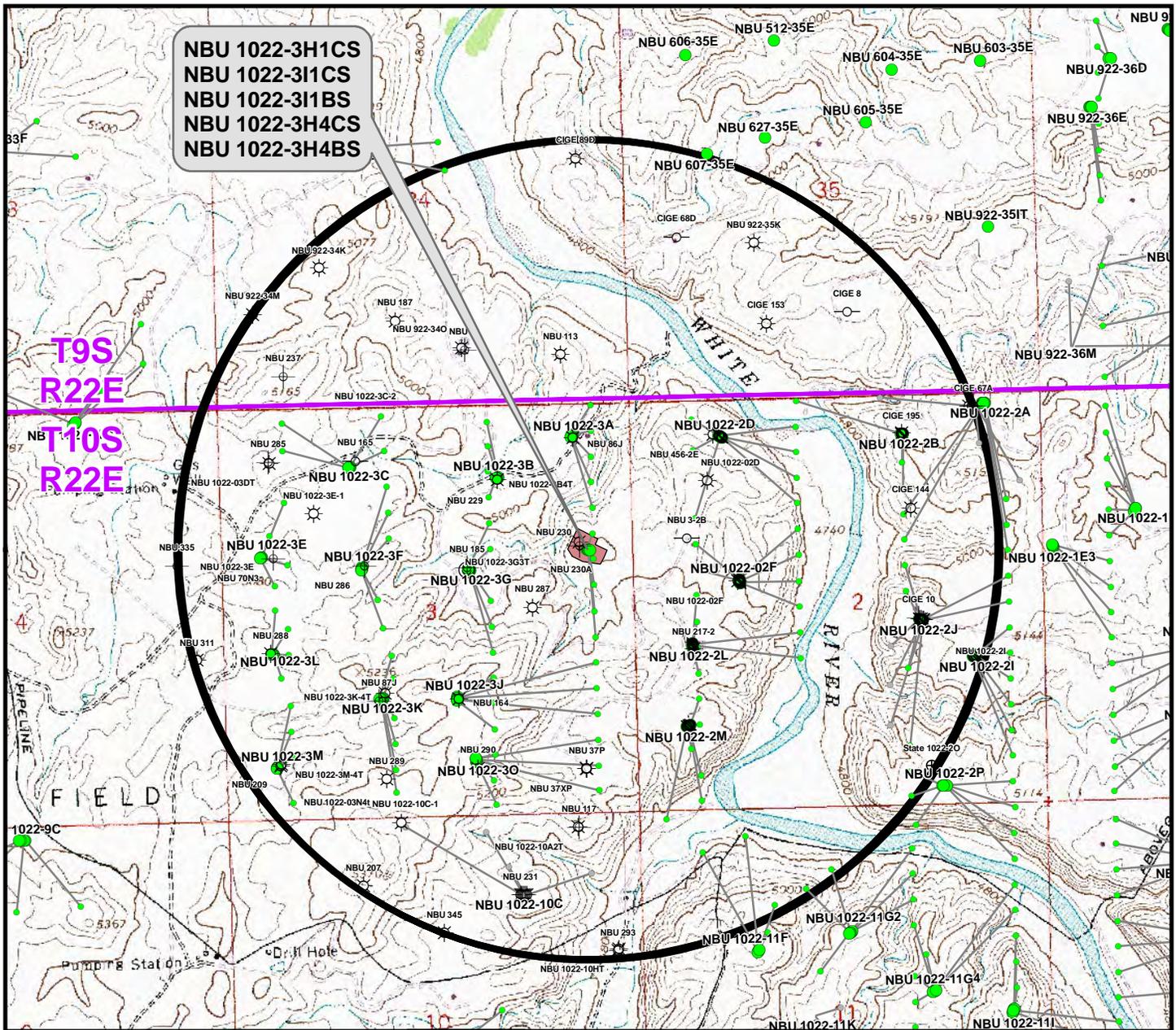
1099 18th Street
 Denver, Colorado 80202

609 CONSULTING, LLC
 2155 North Main Street
 Sheridan, Wyoming 82801
 Phone 307-674-0609
 Fax 307-674-0182

N

SCALE: 1" = 2,000ft	NAD83 USP Central	SHEET NO:
DRAWN: TL	DATE: 18 Nov 2011	12
REVISED:	DATE:	

12 OF 17



NBU 1022-3H1CS
 NBU 1022-3I1CS
 NBU 1022-3I1BS
 NBU 1022-3H4CS
 NBU 1022-3H4BS

T9S
 R22E
 T10S
 R22E

Well locations derived from Utah Division of Oil, Gas and Mining (UDOGM) (oilgas.ogm.utah.gov). The estimated distances from proposed bore locations to the nearest existing bore locations are based on UDOGM data.

Proposed Well	Nearest Well Bore	Footage
NBU 1022-3H1CS	NBU 230	200ft
NBU 1022-3I1CS	NBU 287	900ft
NBU 1022-3I1BS	NBU 287	805ft
NBU 1022-3H4CS	NBU 230A	579ft
NBU 1022-3H4BS	NBU 230A	284ft

Legend

- Well - Proposed
- Well Path
- ☀ Producing
- ⊕ Deferred
- ☀ Active Injector
- ⊕ Plugged & Abandoned
- Bottom Hole - Proposed
- Well Pad
- ☺ Spudded
- ⊗ Cancelled
- ☀ Location Abandoned
- Bottom Hole - Existing
- ◻ Well - 1 Mile Radius
- APD Approved
- ⊖ Temporarily Abandoned
- Shut-In
- ⊖ Preliminary Location

WELL PAD - NBU 1022-3H
 TOPO C
 NBU 1022-3H1CS,
 NBU 1022-3I1CS, NBU 1022-3I1BS,
 NBU 1022-3H4CS & NBU 1022-3H4BS
 LOCATED IN SECTION 3, T10S, R22E,
 S.L.B.&M., UINTAH COUNTY, UTAH

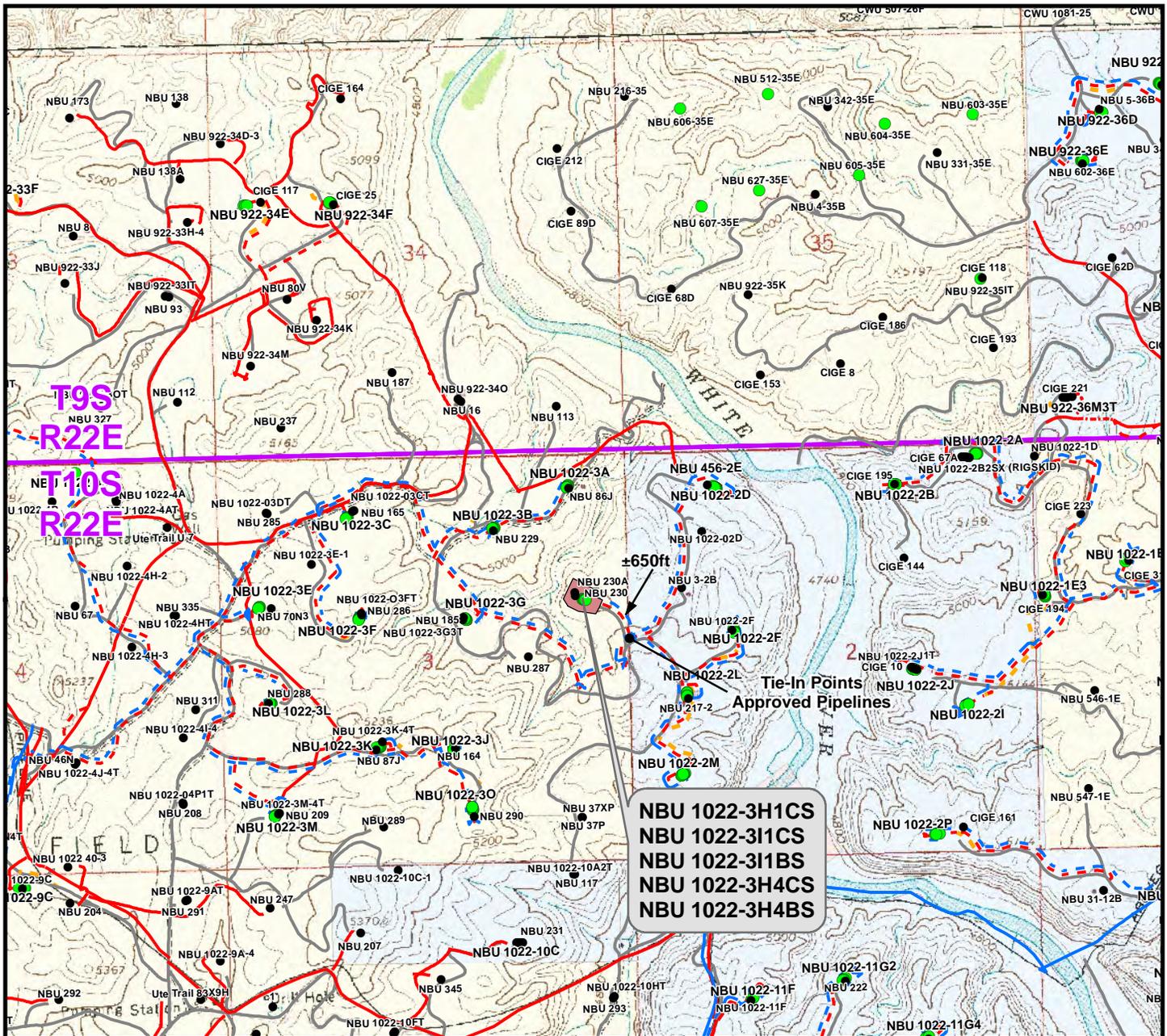
**Kerr-McGee Oil &
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 Denver, Colorado 80202



CONSULTING, LLC
 2155 North Main Street
 Sheridan, Wyoming 82801
 Phone 307-674-0609
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SCALE: 1" = 2,000ft	NAD83 USP Central	13
DRAWN: TL	DATE: 18 Nov 2011	
REVISED:	DATE:	

SHEET NO:
13 OF 17



Proposed Liquid Pipeline	Length	Proposed Gas Pipeline	Length
-----		-----	
Buried 6" (Max.) (Meter House to Edge of Pad)	±390ft	Buried 8" (Meter House to Edge of Pad)	±390ft
Buried 6" (Max.) (Edge of Pad to Approved Liquid Pipeline)	±650ft	Buried 8" (Edge of Pad to Approved 16" Gas Pipeline)	±650ft
TOTAL PROPOSED BURIED LIQUID PIPELINE =	±1,040ft	TOTAL PROPOSED BURIED GAS PIPELINE =	±1,040ft

Legend			
● Well - Proposed	- - - Gas Pipeline - Proposed	- - - Liquid Pipeline - Proposed	- - - Road - Proposed
● Well - Existing	- - - Gas Pipeline - To Be Upgraded	- - - Liquid Pipeline - Existing	- - - Road - Existing
■ Well Pad	- - - Gas Pipeline - Existing		
		■ Bureau of Land Management	■ State
		■ Indian Reservation	■ Private

WELL PAD - NBU 1022-3H
TOPO D
NBU 1022-3H1CS,
NBU 1022-311CS, NBU 1022-311BS,
NBU 1022-3H4CS & NBU 1022-3H4BS
LOCATED IN SECTION 3, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.
1099 18th Street
Denver, Colorado 80202

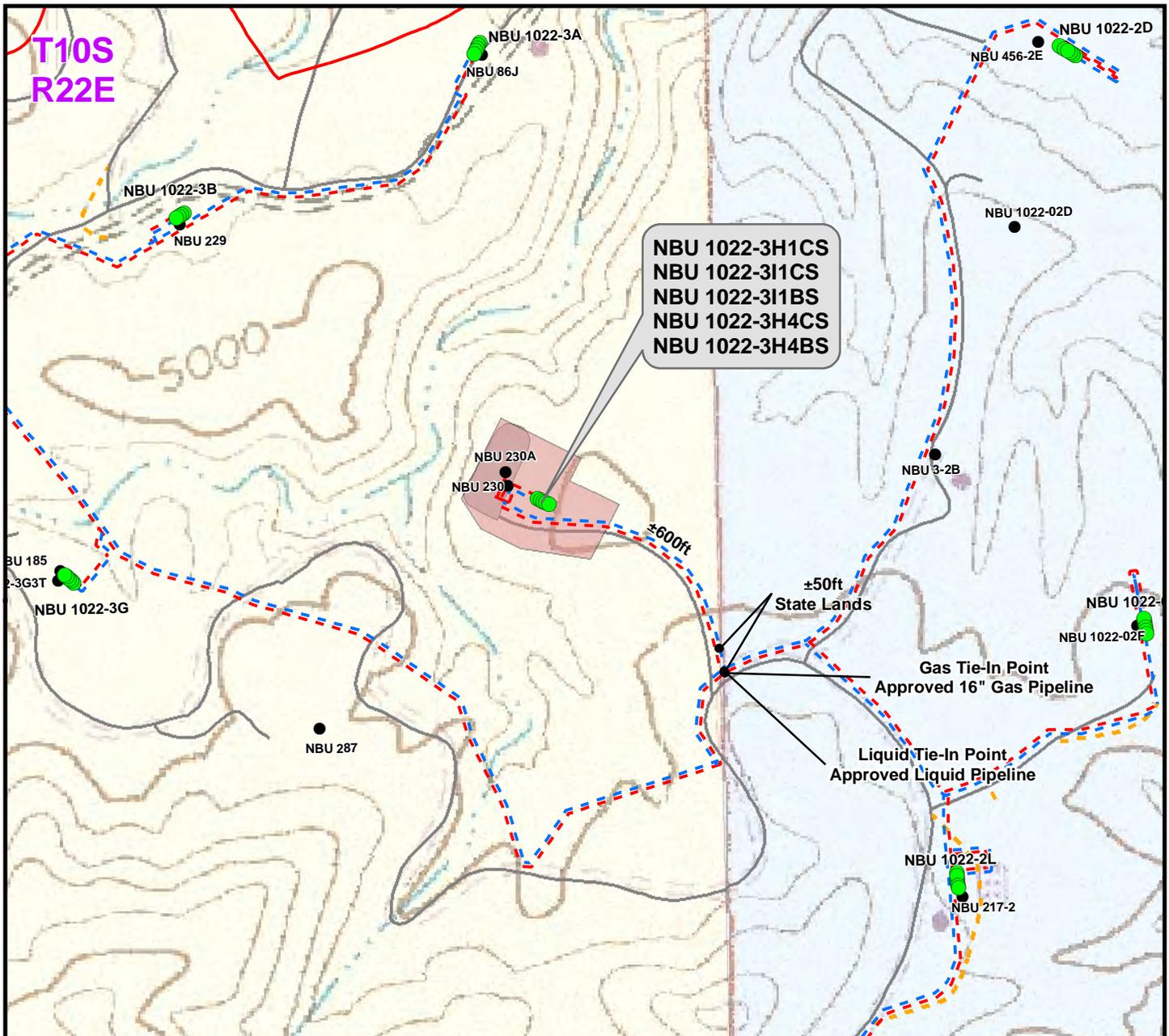


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 Fax 307-674-0182

SCALE: 1" = 2,000ft
 DRAWN: TL
 REVISED:

NAD83 USP Central
 DATE: 18 Nov 2011
 DATE:

SHEET NO:
14
 14 OF 17



Proposed Liquid Pipeline	Length
Buried 6" (Max.) (Meter House to Edge of Pad)	±390ft
Buried 6" (Max.) (Edge of Pad to Approved Liquid Pipeline)	±650ft
TOTAL PROPOSED BURIED LIQUID PIPELINE =	±1,040ft

Proposed Gas Pipeline	Length
Buried 8" (Meter House to Edge of Pad)	±390ft
Buried 8" (Edge of Pad to Approved 16" Gas Pipeline)	±650ft
TOTAL PROPOSED BURIED GAS PIPELINE =	±1,040ft

Legend						
● Well - Proposed	 Well Pad - Proposed	--- Gas Pipeline - Proposed	--- Liquid Pipeline - Proposed	--- Road - Proposed	 Bureau of Land Management	
● Well - Existing	 Well Pad - Existing	--- Gas Pipeline - To Be Upgraded	--- Liquid Pipeline - Existing	--- Road - Existing	 Indian Reservation	
		--- Gas Pipeline - Existing			 State	
					 Private	

WELL PAD - NBU 1022-3H
TOPO D2 (PAD & PIPELINE DETAIL)
NBU 1022-3H1CS,
NBU 1022-3I1CS, NBU 1022-3I1BS,
NBU 1022-3H4CS & NBU 1022-3H4BS
LOCATED IN SECTION 3, T10S, R22E,
S.L.B.&M., UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore L.P.
1099 18th Street
Denver, Colorado 80202

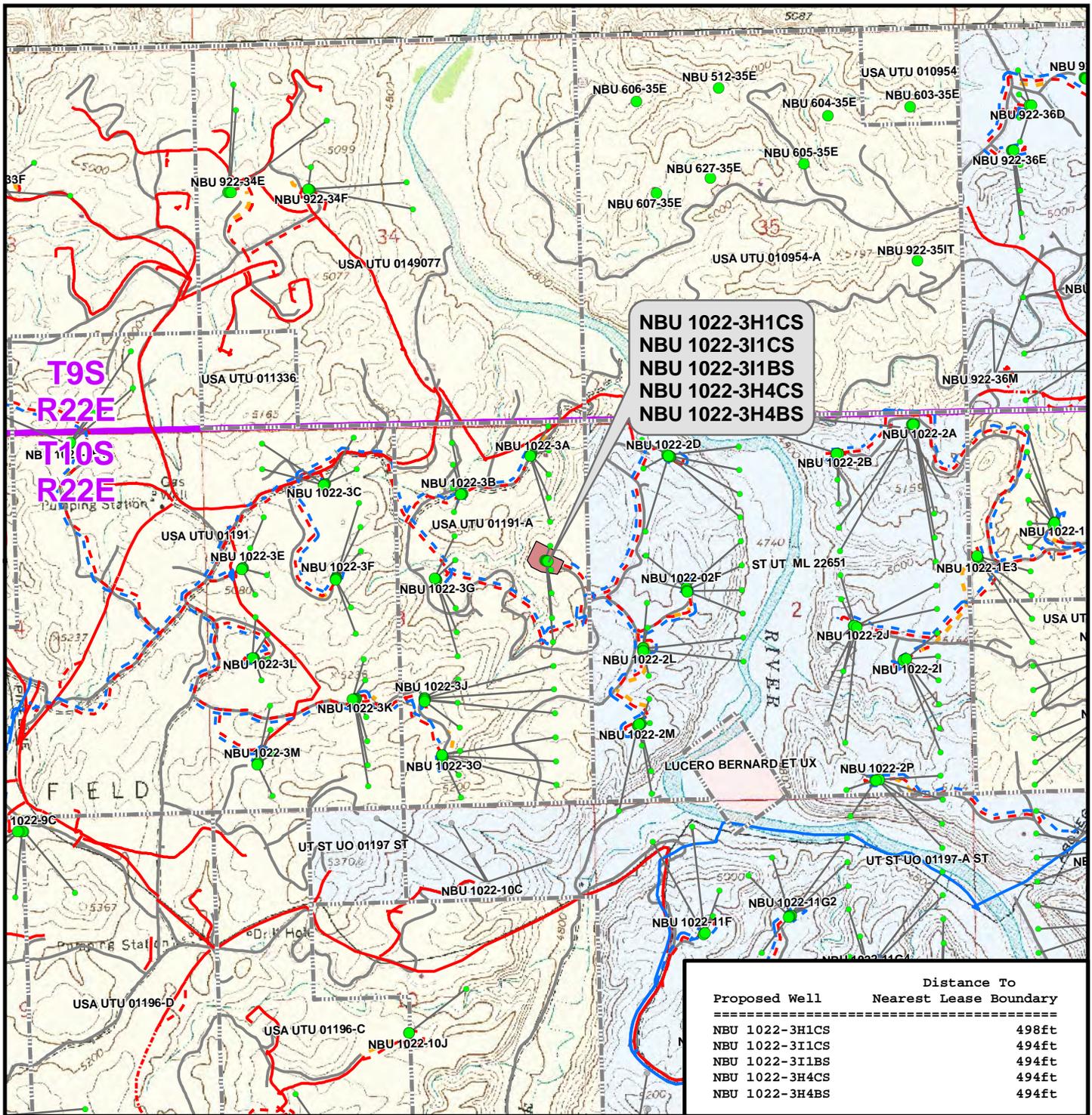


CONSULTING, LLC
 2155 North Main Street
 Sheridan, Wyoming 82801
 Phone 307-674-0609
 Fax 307-674-0182



SCALE: 1" = 500ft	NAD83 USP Central	15
DRAWN: TL	DATE: 18 Nov 2011	
REVISED:	DATE:	

SHEET NO:
15 OF 17



Legend

- Well - Proposed
- Bottom Hole - Proposed
- Bottom Hole - Existing
- Well Path
- Well Pad
- ▭ Lease Boundary
- Gas Pipeline - Proposed
- Gas Pipeline - To Be Upgraded
- Gas Pipeline - Existing
- Liquid Pipeline - Proposed
- Liquid Pipeline - Existing
- Road - Proposed
- Road - Existing
- Bureau of Land Management
- Indian Reservation
- State
- Private

WELL PAD - NBU 1022-3H

TOPO E
 NBU 1022-3H1CS,
 NBU 1022-3I1CS, NBU 1022-3I1BS,
 NBU 1022-3H4CS & NBU 1022-3H4BS
 LOCATED IN SECTION 3, T10S, R22E,
 S.L.B.&M., UINTAH COUNTY, UTAH

**Kerr-McGee Oil &
 Gas Onshore L.P.**

1099 18th Street
 Denver, Colorado 80202



CONSULTING, LLC

2155 North Main Street
 Sheridan, Wyoming 82801
 Phone 307-674-0609
 Fax 307-674-0182

SCALE: 1" = 2,000ft

DRAWN: TL

REVISED:

NAD83 USP Central

DATE: 18 Nov 2011

DATE:

SHEET NO:

16

16 OF 17



Kerr-McGee Oil & Gas Onshore LP
1099 18TH STREET STE. 1800
DENVER, CO 80202
720-929-6708 • FAX 720-929-7708
E-MAIL: JOE.JOHNSON@ANADARKO.COM

February 14, 2012

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

Re: Directional Drilling R649-3-11
NBU 1022-3H1CS
T10S-R22E
Section 3: SENE/SENE
Surface: 1935' FNL, 576' FEL
Bottom Hole: 1741' FNL, 498' FEL
Uintah County, Utah

Dear Ms. Mason:

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

- Kerr-McGee's NBU 1022-3H1CS is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

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

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

A handwritten signature in blue ink, appearing to read 'Joe D. Johnson', with a horizontal line underneath.

Joseph D. Johnson
Landman

RECEIVED

Sept 18 2008
EED 27 2012

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM, Vernal Utah

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-01191A	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zones		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. If Unit or CA Agreement, Name and No. UTU63047A	
3a. Address P.O. BOX 173779 DENVER, COLORADO 80202-3779		8. Lease Name and Well No. NBU 1022-3HICS	
3b. Phone No. (include area code) PHONE 720-929-6086 FAX 720-929-7086		9. API Well No. 4304750166	
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface SENE 1935 FNL 576 FEL LAT = 39.979954 LONG = -109.418739 At proposed prod. Zone SENE 1741 FNL 498 FEL LAT = 39.980486 LONG = -109.418461		10. Field and Pool, or Exploratory NATURAL BUTTES	
14. Distance in miles and direction from the nearest town or post office* Approximately 59 miles Southeast from Vernal, Utah		12. County or Parish UINTAH	13. State UT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 498	16. No. of acres in lease 1363.21	17. Spacing Unit dedicated to this well	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 200	19. Proposed Depth 8717 MD 8708 TVD	20. BLM/ BIA Bond No. on file WYB000291	
21. Elevations (Show whether DF, RT, GR, etc.) 5008.7 GR	22. Approximate date work will start* 8/8/2012	23. Estimated duration 60-90 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 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 officer.

25. Signature 	Name (Printed/ Typed) GINA T BECKER	Date February 16, 2012
Title REGULATORY ANALYST II		

Approved By (Signature) 	Name (Printed/ Typed) Jerry Kenczka	Date JUL 31 2012
Title 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 ATTACHED

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.

Kerr-McGee Oil & Gas Onshore, L.P. hereby certifies that it is authorized by the proper lease interest owners and responsible under the terms and conditions of the lease to conduct lease operation associated with this application.

NOTICE OF APPROVAL

UDOGM

NO NOS

09CXSD006A



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 Location: SENE, Sec. 3, T10S, R22E
Well No: NBU 1022-3H1CS Lease No: UTU-01191A
API No: 43-047-50166 Agreement: Natural Buttes Unit

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

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm ut vn opreport@blm.gov
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify 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)**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All new and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- The following will be used as standard operating procedures: Green completion or controlled VOC emissions methods with 90% efficiency for Oil or Gas Atmospheric Storage Tanks, VOC Venting controls or flaring, Glycol Dehydration and Amine Unites, Well Completion, Re-Completion, Venting, and Planned Blowdown Emissions.
- All reclamation activities will comply with the Green River Reclamation Guidelines.
- All vehicles and equipment shall be cleaned either through power-washing, or other approved method, if the vehicles or equipment were previously operated outside the Uinta Basin, to prevent weed seed introduction.
- All disturbance areas shall be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established.
- Noxious and invasive weeds will be controlled by the proponent throughout the area of project disturbance.
- Noxious weeds will be inventoried and reported to BLM in the annual reclamation report. Where an integrated pest management program is applicable, coordination has been undertaken with the state and local management program (if existing). A copy of the pest management plan will be submitted for each project.
- A pesticide use proposal (PUP) will be obtained for the project, by the proponent if applicable.
- A permitted paleontologist is to be present to monitor construction at all well pads during all surface disturbing activities: examples include the following; building of the well pad, access road, and pipelines.

To maintain compliance with current cactus survey protocols, the following measures will be required:

1. If construction does not occur within 4 years of the original survey date, new 100% clearance surveys will be required.
2. Prior to construction within 4 years of the original survey date, a spot check survey will be required during the year of construction. KMG and their respective 3rd party surveyor will refer to the current

Sclerocactus Spot Check Survey Methods, to determine site specific survey distances and intensity levels.

3. Spot check reports will be reported to the BLM and the US Fish and Wildlife Service.
4. Construction will not commence until written approval is received from the BLM.

Discovery Stipulation: Reinitiation of section 7 consultation with the USFWS will be sought immediately if any loss of plants or occupied habitat for Uinta Basin hookless cactus is anticipated as a result of project activities.

- Construction or drilling is not allowed from January 1 – August 31 on the NBU 1022-3O pad to minimize impacts during golden eagle nesting.
- If it is anticipated that construction or drilling will occur during the given timing restriction, a BLM or qualified biologist shall be notified to conduct surveys for raptors. Depending upon the results of the surveys, permission to proceed may or may not be granted by the Authorized Officer.
- The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
 - a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
 - b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and
 - c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with 3/32 inch mesh material.
- Approach velocities for intake structures will follow the National Marine Fisheries Service's document "Fish Screening Criteria for Anadromous Salmonids." For projects with an in-stream intake that operate in stream reaches where larval fish may be present, the approach velocity will not exceed 0.33 feet per second (ft/s).
- Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

Northeastern Region
318 North Vernal Avenue
Vernal, UT 84078
Phone: (435) 781-9453
- Kerr McGee can only use the following water source:
Permit # 49-2307 JD Field Services Green River-Section 15, T2N, R22E

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

SITE SPECIFIC DOWNHOLE COAs:

Site Specific Drilling Plan COA's:

- Gamma ray Log shall be run from Total Depth to Surface.

Variances Granted:

Air Drilling

- Properly lubricated and maintained rotating head. Variance granted to use a properly maintained and lubricated diverter bowl in place of a rotating head.
- Blooie line discharge 100' from the well bore. Variance granted for blooie line discharge to be 45' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for truck/trailer mounted air compressors located 40' from the well bore.
- In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for the kill medium and will utilize a skid pump near the reserve pit to supply the water to the well bore if necessary.
- Automatic igniter. Variance granted for igniter due to there being no productive formations encountered while air drilling.
- FIT Test. Variance granted due to well known geology and the problems that can occur with the FIT test.

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 BLM_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.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- 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 ($\frac{1}{4}$ 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.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
1. TYPE OF WELL Gas Well	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S	8. WELL NAME and NUMBER: NBU 1022-3H1CS
PHONE NUMBER: 720 929-6511	9. API NUMBER: 43047501660000
9. FIELD and POOL or WILDCAT: NATURAL BUTTES	COUNTY: UINTAH
	STATE: UTAH

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

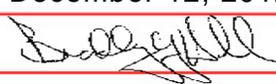
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/23/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: December 12, 2012

By: 

NAME (PLEASE PRINT) Luke Urban	PHONE NUMBER 720 929-6501	TITLE Regulatory Specialist
SIGNATURE N/A	DATE 12/11/2012	



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 43047501660000

API: 43047501660000

Well Name: NBU 1022-3H1CS

Location: 1935 FNL 0576 FEL QTR SENE SEC 03 TWNP 100S RNG 220E MER S

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

Date Original Permit Issued: 12/23/2008

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

Signature: Luke Urban

Date: 12/11/2012

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

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG
 Submitted By L. Urban Phone Number 720.929.6501
 Well Name/Number NBU 1022-3H1CS
 Qtr/Qtr SE/NE Section 03 Township 10S Range 22E
 Lease Serial Number UTU-01191-A
 API Number 4304750166

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

Date/Time 1/3/2013 07:00 HRS AM PM

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

- Surface Casing
 Intermediate Casing
 Production Casing
 Liner
 Other

Date/Time 1/23/2013 08:00 HRS AM PM

BOPE

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

RECEIVED

JAN 03 2013

DIV. OF OIL, GAS & MINING

Date/Time _____ AM PM

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT

435.828.0986 OR LOVEL YOUNG AT 435.781.7051

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well		8. WELL NAME and NUMBER: NBU 1022-3H1CS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6511	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S		COUNTY: UINTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/3/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>MIRU TRIPLE A BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 CONDUCTOR PIPE. CEMENT WITH 28 SACKS READY MIX. SPUD WELL LOCATION ON JANUARY 3, 2013 AT 10:00 HRS.</p>		
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 16, 2013</p>		
NAME (PLEASE PRINT) Lindsey Frazier	PHONE NUMBER 720 929-6857	TITLE Regulatory Analyst II
SIGNATURE N/A		DATE 1/15/2013

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) 929-6857

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750166	NBU 1022-3H1CS		SENE	3	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	1/3/2013		1/31/13		
Comments: MIRU TRIPLE A BUCKET RIG. WSMVD SPUD WELL LOCATION ON January 3, 2012 AT 10:00 HRS. bhl SENE							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304752914	NBU 1022-3I1BS		SENE	3	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	1/3/2013		1/31/13		
Comments: MIRU TRIPLE A BUCKET RIG. WSMVD SPUD WELL LOCATION ON January 3, 2012 AT 15:00 HRS. bhl NESE							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304752910	NBU 1022-3H4BS		SENE	3	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	1/4/2013		1/31/13		
Comments: MIRU TRIPLE A BUCKET RIG. WSMVD SPUD WELL LOCATION ON January 4, 2012 AT 11:00 HRS. bhl SENE							

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)

Lindsey Frazier

Name (Please Print)

Lindsey Frazier

Signature

REGULATORY ANALYST II

1/15/2013

Title

Date

RECEIVED
JAN 15 2013

Div. of Oil, Gas & Mining

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES	
8. WELL NAME and NUMBER: NBU 1022-3H1CS	
9. API NUMBER: 43047501660000	
9. FIELD and POOL or WILDCAT: NATURAL BUTTES	
COUNTY: UINTAH	
STATE: UTAH	

SUNDRY NOTICES AND REPORTS ON WELLS
 Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL Gas Well
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6511
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S

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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 3/4/2013	<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.
 No Activity for the month of February 2013. Well TD at 2,367

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 March 04, 2013**

NAME (PLEASE PRINT) Lindsey Frazier	PHONE NUMBER 720 929-6857	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 3/4/2013	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-3H1CS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047501660000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6514 9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S	COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 2/21/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Multi-Phase Meter"/>

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

The operator is requesting the option to measure total gas produced from a pad, and to allocate gas production to the individual wells on the pad based upon multi-phase flow measurement at each well and periodic well tests. Please see the attached documents. Thank you.
 NBU 1022-03H NBU 1022-3H1CS 4304750166 NBU 1022-3I1CS
 4304752906 NBU 1022-3I1BS 4304752914 NBU 1022-3H4CS
 4304752902 NBU 1022-3H4BS 4304752910

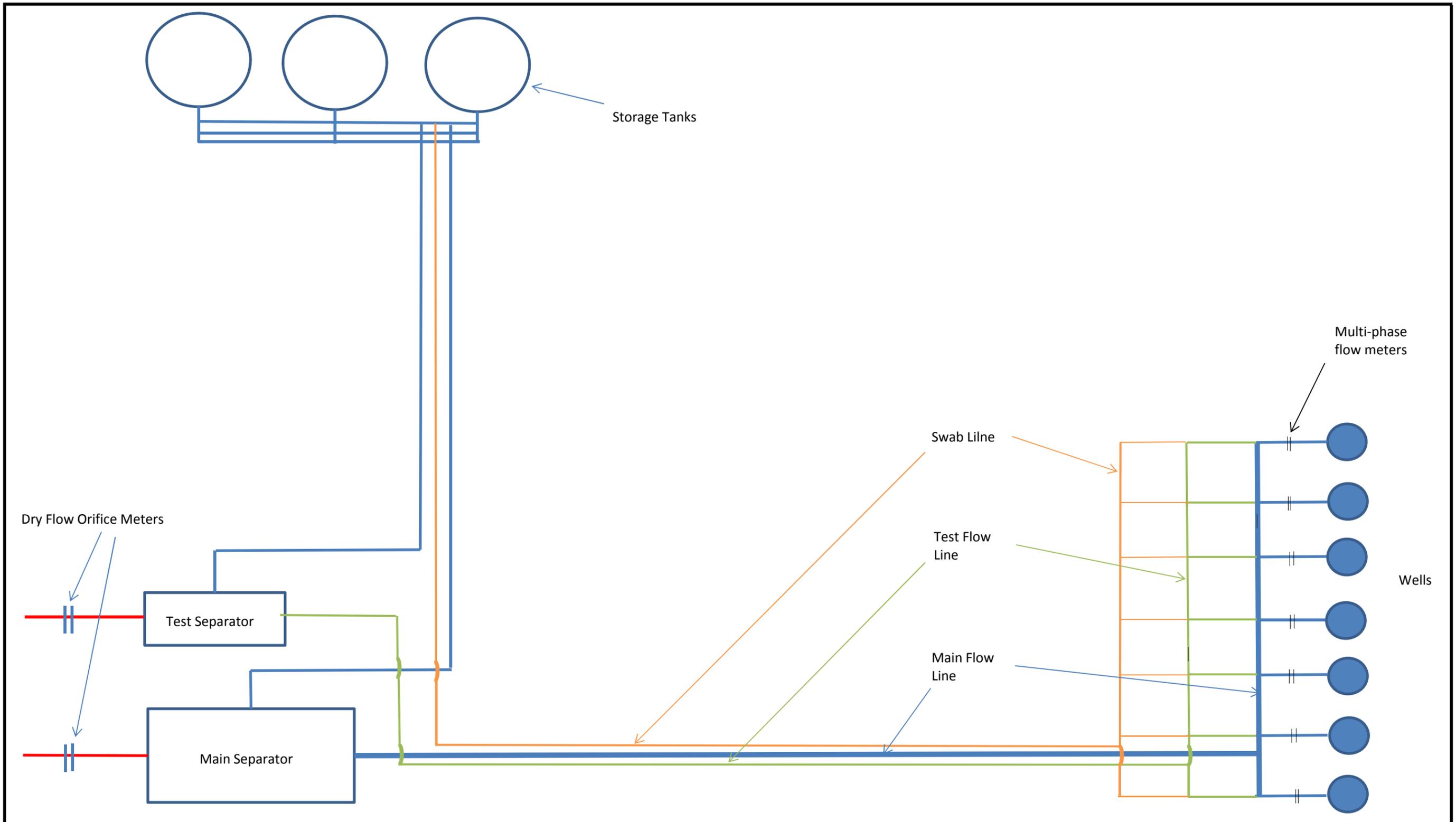
**Approved by the
 Utah Division of
 Oil, Gas and Mining**

Date: March 07, 2013

By: *Derek Quist*

NAME (PLEASE PRINT) Lindsey Frazier	PHONE NUMBER 720 929-6857	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 2/21/2013	

The fluids from each well will be measured utilizing a multi-phase flow meter and then directed to a common separator for all wells on the pad. Liquids would be directed to tanks and the gas from all the wells measured through a calibrated orifice meter. The volume of gas measured through this meter, plus fuel gas consumed on location, will be the volume of gas that is produced from the pad. Gas volume for each individual well on the pad will be based on an allocation formula utilizing the total pad volume measured plus fuel gas consumed and the calculated volume from each well utilizing the multi-phase flow meters. The multi-phase flow meter volume calculation will be calibrated by periodic individual well tests.



Location Diagram with Multi-phase flow meters, main separator, test separator and associated storage tanks and flowlines.
28-Jun-12

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
1. TYPE OF WELL Gas Well	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S	8. WELL NAME and NUMBER: NBU 1022-3H1CS
PHONE NUMBER: 720 929-6511	9. API NUMBER: 43047501660000
9. FIELD and POOL or WILDCAT: NATURAL BUTTES	COUNTY: UINTAH
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 4/3/2013	<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.

No Activity for the month of March 2013. Well TD at 8,730

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

Date: April 03, 2013

By: X
signature

NAME (PLEASE PRINT) Teena Paulo	PHONE NUMBER 720 929-6236	TITLE Staff Regulatory Specialist
SIGNATURE N/A	DATE 4/3/2013	

State of Utah - Notification Form

Operator Anadarko Petroleum Rig Name/# PIONEER 54
Submitted By KENNY MORRIS Phone Number 435-790-2921
Well Name/Number NBU 1022-3H1CS
Qtr/Qtr SE/NE Section 3 Township 10S Range 22E
Lease Serial Number UTU-01191A
API Number 4304750166

Casing – Time casing run starts, not cementing times.

- Production Casing
- Other

Date/Time _____ AM PM

BOPE

- Initial BOPE test at surface casing point
- Other

Date/Time 3/24/2013 08:00 AM PM

Rig Move

Location To: _____

Date/Time _ _ AM PM

RECEIVED

MAR 22 2013

DIV. OF OIL, GAS & MINING

Remarks NBU 1022-O3H PAD WELL 1 OF 5

State of Utah - Notification Form

Operator Anadarko Petroleum Rig Name/# PIONEER 54
Submitted By KENNY MORRIS Phone Number 435-790-2921
Well Name/Number NBU 1022-3H1CS
Qtr/Qtr SE/NE Section 3 Township 10S Range 22E
Lease Serial Number UTU-01191A
API Number 4304750166

Casing – Time casing run starts, not cementing times.

- Production Casing
 Other

Date/Time 3/28/2013 06:00 AM PM

BOPE

- Initial BOPE test at surface casing point
 Other

Date/Time _ _ _ AM PM

Rig Move

Location To: _____

Date/Time _ _ AM PM

Remarks NBU 1022-O3H PAD WELL 1 OF 5

RECEIVED
MAR 26 2013
DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES	
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9. API NUMBER: 43047501660000	
9. FIELD and POOL or WILDCAT: NATURAL BUTTES	
COUNTY: UINTAH	
STATE: UTAH	

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL Gas Well
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6511
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S

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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 5/3/2013	<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.

No Activity for the month of April 2013. Well TD at 8,730

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

FOR RECORD ONLY

May 03, 2013

NAME (PLEASE PRINT) Teena Paulo	PHONE NUMBER 720 929-6236	TITLE Staff Regulatory Specialist
SIGNATURE N/A	DATE 5/3/2013	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A	
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		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES	
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 1022-3H1CS		
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047501660000		
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6511	9. FIELD and POOL or WILDCAT: NATURAL BUTTES	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S	COUNTY: UINTAH		
	STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 6/4/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER		<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
<p>Subject well was placed on production on 06/04/2013. The chronological well history will be submitted with the well completion report.</p>			
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY June 06, 2013</p>			
NAME (PLEASE PRINT) Matthew P Wold	PHONE NUMBER 720 929-6993	TITLE Regulatory Analyst I	
SIGNATURE N/A	DATE 6/6/2013		

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01191-A	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES	
8. WELL NAME and NUMBER: NBU 1022-3H1CS	
9. API NUMBER: 43047501660000	
9. FIELD and POOL or WILDCAT: NATURAL BUTTES	
COUNTY: UINTAH	
STATE: UTAH	

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL Gas Well
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6511
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1935 FNL 0576 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 03 Township: 10.0S Range: 22.0E Meridian: S

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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 6/5/2013	<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.

Started completing the well. Well TD at 8,730 ft.

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 June 06, 2013**

NAME (PLEASE PRINT) Teena Paulo	PHONE NUMBER 720 929-6236	TITLE Staff Regulatory Specialist
SIGNATURE N/A	DATE 6/5/2013	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU01191A

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
 Other _____

6. If Indian, Allottee or Tribe Name _____

7. Unit or CA Agreement Name and No.
UTU63047A

2. Name of Operator **KERR MCGEE OIL&GAS ONSHORE** Contact: **TEENA PAULO**
 Email: **teena.paulo@anadarko.com**

8. Lease Name and Well No.
NBU 1022-3H1CS

3. Address **PO BOX 173779** 3a. Phone No. (include area code)
DENVER, CO 80217 Ph: **720-929-6236**

9. API Well No. **43-047-50166**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface **SENE 1935FNL 576FEL 39.979954 N Lat, 109.418739 W Lon**
 At top prod interval reported below **SENE 1731FNL 510FEL**
 At total depth **SENE 1742FNL 477FEL**

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area **Sec 3 T10S R22E Mer SLB**

12. County or Parish **UINTAH** 13. State **UT**

14. Date Spudded **01/03/2013** 15. Date T.D. Reached **03/27/2013** 16. Date Completed **06/04/2013**
 D & A Ready to Prod.

17. Elevations (DF, KB, RT, GL)*
5025 KB

18. Total Depth: MD **8730** TVD **8719** 19. Plug Back T.D.: MD **8673** TVD **8661** 20. Depth Bridge Plug Set: MD **MD** TVD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL/GR/CCL/TEMP

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit analysis)
 Directional Survey? No 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
11.000	8.625 IJ-55	28.0	0	230		125		0	
7.875	4.500 I-80	11.6	23	8718		1475		1070	

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	8169							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5524	6372	5524 TO 6372	0.360	62	OPEN
B) MESAVERDE	6850	8583	6850 TO 8583	0.360	176	OPEN
C)						
D)						

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

Depth Interval	Amount and Type of Material
5524 TO 8583	PUMP 11,766 BBLs SLICK H2O & 264,687 LBS 30/50 OTTAWA 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
06/04/2013	06/11/2013	24	→	0.0	2469.0	0.0			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 1444	1795.0	→	0	2469	0		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		→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #212308 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

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	1037
				BIRD'S NEST	1398
				MAHOGANY	1893
				WASATCH	4238
				MESAVERDE	6490

32. Additional remarks (include plugging procedure):

The first 210 ft of the surface hole was drilled with a 12 1/4 inch bit. The remainder of the surface hole was drilled with an 11 inch bit. DQX csg was run from surface to 5005 ft; LTC csg was run from 5005 ft. to 8718 ft. Attached is the chronological well history, perforation report and final survey.

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 #212308 Verified by the BLM Well Information System.
For KERR MCGEE OIL&GAS ONSHORE,LP, sent to the Vernal**

Name (please print) TEENA PAULO Title STAFF REGULATORY SPECIALIST

Signature (Electronic Submission) Date 07/01/2013

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

RECEIVED: Aug. 03, 2013

**US ROCKIES REGION
Operation Summary Report**

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH	Site: NBU 1022-03H PAD	Rig Name No: PROPETRO 12/12, PIONEER 54/54	
Event: DRILLING	Start Date: 1/28/2013	End Date: 3/28/2013	
Active Datum: RKB @5,025.00usft (above Mean Sea Level)	UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
2/6/2013	6:00 - 13:00	7.00	MIRU	01	A	P		CLEAN PITS / LOAD OUT TRAILERS AND TANKS / CHAIN UP TRUCKS
	13:00 - 20:00	7.00	MIRU	01	A	P		MOVE IN AND RIG UP CAMPS AND CLOSED LOOP SYSTEM / STALLION 2 SEMI-TRUCKS 2 CREW TRUCKS - 4 HANDS / J.D FIELD SERVICE 3 SEMI-TRUCKS - 2 CREW RIDES 1 BOBCAT - 6 TOTAL HANDS / PRO PETRO 1 RIG, 5 SEMI-TRUCKS 2 CREW RIDES - 6 HANDS (1 MILE RIG MOVE - MUDDY & SLICK ROADS) TRUCKS RELEASED @ 20:00
	20:00 - 21:30	1.50	MIRU	01	C	P		RIG UP DIVERTER & FLOWLINE / SPOT RIG OVER WELL, SET CATWALK & PIPE RACKS, HOOK UP & PRIME PUMP / DERRICK IN AIR @ 19:00
	21:30 - 0:00	2.50	DRLSUR	21	E	P		***WAITING ON NOV TO FINISH RIG UP
2/7/2013	0:00 - 1:30	1.50	DRLSUR	02	B	P		DRILL 12.25" SURFACE HOLE F/44'-210' ROP= 166' @ 110 FPH WOB= 5-15K. RPM= TOP DRIVE~55 / MOTOR ~83 / TOTAL RPM~138 GPM= 491 @ 120 SPM SPP ON/OFF= 800/600 UP/DN/ROT = 22/20/20 NOV ON LINE
	1:30 - 2:00	0.50	DRLSUR	06	A	P		TOOH & LAY DOWN 12.25" BIT
	2:00 - 3:30	1.50	DRLSUR	06	A	P		PICK UP 11" BIT & DIR. TOOLS, SCRIBE & TIH
	3:30 - 12:00	8.50	DRLSUR	02	B	P		DRILL 11" SURFACE HOLE F/210' - T/1,280' ROP= 1,070' @ 125.8 FPH WOB= 18-22K. RPM= TOP DRIVE~50 / MOTOR ~83 / TOTAL RPM~133 GPM= 491 @ 120 SPM SPP ON/OFF= 1,120/880 PSI UP/DOWN/ ROT= 65/58/60K.-DRAG= 5K TORQUE ON/OFF = 3000/1100 NOV ON LINE MW= 8.4 NO HOLE ISSUES SLID 31' = 7% 10' ABOVE AND 0.4 RIGHT OF THE LINE

Operation Summary Report

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No: PROPETRO 12/12, PIONEER 54/54
Event: DRILLING		Start Date: 1/28/2013	End Date: 3/28/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	12:00 - 17:30	5.50	DRLSUR	02	B	P		DRILL 11" SURFACE HOLE F/1,280' - T/1,850' ROP= 570' @ 103 FPH WOB= 18-22K. RPM= TOP DRIVE~50 / MOTOR ~83 / TOTAL RPM~133 GPM= 491 @ 120 SPM SPP ON/OFF= 1,170/940 PSI UP/DOWN/ ROT= 78/68/72K.-DRAG= 6K TORQUE ON/OFF = 3000/1250 NOV ON LINE MW= 8.4 HOLE ISSUES = LOST CIRCULATION @ 1,550' SLID 30' = 8% 8' ABOVE AND 0.3 RIGHT OF THE LINE
	17:30 - 23:00	5.50	DRLSUR	02	B	P		DRILL 11" SURFACE HOLE F/1,850' - T/2,367' ROP= 517" @ 79.5 FPH WOB= 18-22K. RPM= TOP DRIVE~50 / MOTOR ~83 / TOTAL RPM~133 GPM= 491 @ 120 SPM SPP ON/OFF= 1,460/1,230 PSI UP/DOWN/ ROT= 84/70/75K.-DRAG= 9K TORQUE ON/OFF = 3000/1400 NOV ON LINE MW= 8.4 HOLE ISSUES = LOST CIRCULATION @ 1,550' SLID 66' =15.71% 5.01' ABOVE AND .40' LEFT OF THE LINE
	23:00 - 0:00	1.00	DRLSUR	05	C	P		CIRCULATE & CONDITION HOLE F/ 8-5/8" CSG (FILL PITS)
2/8/2013	0:00 - 1:00	1.00	DRLSUR	05	C	P		CIRCULATE & CONDITION HOLE F/ 8-5/8" CSG (FILL PITS)
	1:00 - 4:30	3.50	DRLSUR	06	A	P		LAY DOWN DRILL STRING & DIR. TOOLS
	4:30 - 6:00	1.50	DRLSUR	12	A	P		PJSM FOR TIH CSG / MOVE PIPE RACKS & CATWALK / MOVE CSG INTO POSITION
	6:00 - 9:30	3.50	CSGSUR	12	C	P		RUN 52 JTS, 8-5/8", 28#, J-55, LT&C CSG. / SHOE SET @ 2,292.7' & BAFFLE @ 2,246.33
	9:30 - 10:30	1.00	CSGSUR	12	E	P		RUN 200' OF 1" DOWN BACKSIDE, RIG DOWN & MOVE OFF WELL / INSTALL CMT. HEAD & LOAD PLUG / PRE JOB SAFETY MEETING FOR CEMENTING

Operation Summary Report

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No: PROPETRO 12/12, PIONEER 54/54
Event: DRILLING		Start Date: 1/28/2013	End Date: 3/28/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	10:30 - 14:00	3.50	DRLSUR	12	E	P		HELD SM WITH PRO PETRO CEMENTERS. PRESSURE TEST LINES TO 2000 PSI. PUMP 135 BBLS OF WATER AHEAD. PUMP 20 BBLS OF 8.3# GEL WATER AHEAD. MIX AND PUMP (300 SX) 61.4 BBLS OF 15.8# 1.15 YD 5 GAL/SK PREMIUM CEMENT W/ 2% CALC. DROP PLUG ON FLY. DISPLACE W/ 143 BBLS OF H2O. NO CIRC THROUGH OUT. FINAL LIFT OF 400 PSI AT 4 BBL/MIN. BUMP PLUG WITH 700 PSI FOR 5 MIN. FLOAT HELD. MIX AND PUMP (150 SX) 30.7 BBLS OF SAME TAIL CEMENT W/ 4% CALC. DOWN BACKSIDE, NO CEMENT TO SURFACE. SHUT DOWN AND CLEAN TRUCK.. WAIT 2.0 HOURS MIX AND PUMP (225SXS OF SAME TAIL CEMENT W/ 4% CALC. DOWN BACKSIDE NO CEMENT TO SURFACE. PUMP 3RD. TOP OUT W/225SXS. NO CEMENT TO SURFACE. RELEASED RIG @ 14:00
3/23/2013	0:00 - 7:00	7.00	MIRU3	01	E	P	2367	PREP FOR TRUCKS
	7:00 - 19:00	12.00	MIRU3	01	B	P	2367	MOVE 1.2 MILES,WITH 5-BED,2-HAUL TRUCKS,2-FORKLIFTS,3-SWAMPERS, 1-PUSHER,1-JC CRANE,8-RIG HANDS ,TAKE DERRICK OFF FLOOR PULL ROTARY TABLE & ROTATING HEAD SLIDE SUB FOREWARD TO REACH DRAWTOOL W/ CRANE DUE TO SINKHOLE IN BACKYARD,ATTEMPT TO ONE PIECE DERRICK TO NEW LOCATION HAD TO RETURN AND SPLIT DERRICK TO MAKE SHARP CORNER ON ROAD,SET IN PITS AND BACK YARD,STACK AND BOTTOM HALF OF SUB TRUCKS AND CRAIN STOPPED WORK FOR NIGHT AT 19:30,60% MOVED 40% RIGGED UP
	19:00 - 0:00	5.00	MIRU3	01	B		2367	RIG UP BACK YARD AND PITS WITH MORNING TOUR
3/24/2013	0:00 - 7:00	7.00	MIRU3	01	B	P	2382	RIG UP BACK YARD WITH MORNING TOUR
	7:00 - 17:00	10.00	MIRU3	01	B	S	2382	TRUCK RIG W/4-BED,2-HAULTRUCKS,2-FORKLIFTS, 2-SWAMPERS,1-PUSHER,1-CRANE, 8-ROUGHNECKS,1-PIONEER PUSHER RAISE DERRICK @ 14:30, RELEASE JC CRANE@15:30 RELEASE WESTROC TRUCKS@17:00 (HOWCROFT TO MOVE MUD STORAGE WAS 3-HOURS LATE I SENT HIM BACK HOME & MADE OTHER ARRANGMENTS)
	17:00 - 21:00	4.00	MIRU3	01	B	P	2382	RIG UP FLOOR, TOPDRIVE,ST-80,HOSE,
	21:00 - 22:00	1.00	PRPSPD	14	A	P	2382	NIPPLE UP.FUNCTION TEST BOP
	22:00 - 0:00	2.00	PRPSPD	15	A	P	2382	HELD SAFETY MEETING WITH RIG CREW & B & C TESTER, R/U & TEST BOPE, TEST PIPE RAMS, BLIND RAMS, INNER-OUTER BOP VALVES, CHOKE VALVES, FLOOR VALVES TO 5 MIN 250 LOW,10 MIN 5000 HIGH, ANN 5 MIN 250- 10 MIN 2500, SURFACE CASING 1500 FOR 30 MIN'S
3/25/2013	0:00 - 2:00	2.00	PRPSPD	15	A	P	2382	FINISH BOP TEST,METHANOL LINES
	2:00 - 3:00	1.00	PRPSPD	14	B	P	2382	INSTALL WEARBUSHING,PRE-SPUD SAFETY INSPECTION,RIG UP FRANKS LAYDOWN MACHINE,

Operation Summary Report

Well: NBU 1022-3H1CS RED

Spud Date: 2/7/2013

Project: UTAH-UINTAH

Site: NBU 1022-03H PAD

Rig Name No: PROPETRO 12/12, PIONEER 54/54

Event: DRILLING

Start Date: 1/28/2013

End Date: 3/28/2013

Active Datum: RKB @5,025.00usft (above Mean Sea Level)

UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	3:00 - 7:00	4.00	PRPSPD	06	A	P	2382	PJSM,SCRIBE BHA #1,PICK UP PIPE AND TRIP IN TO 2157'
	7:00 - 8:00	1.00	PRPSPD	09	A	P	2382	CUT AND SLIP DRILL LINE
	8:00 - 10:00	2.00	PRPSPD	07	C	P	2382	CHANGE SAVER SUB & OIL IN TOPDRIVE
	10:00 - 11:30	1.50	DRLPRC	02	D	P	2382	DRILL CEMENT & SHOE TRACK F/2250-2382
	11:30 - 17:00	5.50	DRLPRC	02	D	P	2382	CLOSED LOOP SYSTEM DRILL F/ 2382 TO 3471=1089 AVG FPH WOB / 18-20 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 200 GPM 586 MW 8.6 PPG VIS 32 TRQ ON/OFF =8/5 K PSI ON /OFF 1900-1500 , DIFF 200-450 PU/SO/RT =98/85/90 K SLIDE =20 2% FTG ROT=1069 98% FTG NOV / 2-DEWATER 18 N OF TARGET CENTER 0 DRILL FLARE, 0 CONN FLARE
	17:00 - 17:30	0.50	DRLPRC	07	A	P	3471	DAILY RIG SERVICE/CROWN & BLOCKS
	17:30 - 0:00	6.50	DRLPRV	02	D	P	3471	CLOSED LOOP SYSTEM DRILL F/3471 TO 4800=1329 AVG 204 FPH WOB / 18-21 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 200 GPM 586 MW 8.6 PPG VIS 30 TRQ ON/OFF =10/5 K PSI ON /OFF 2100/1600 , DIFF 300-500 PU/SO/RT =115/98/105 K SLIDE = 36', 2.20%, 5.85% Time , ROT =1293', 97.80%, 94.15% time NOV / 2-DEWATER 8 N & 9 W OF TARGET CENTER 0 DRILL FLARE, 0 CONN FLARE
3/26/2013	0:00 - 8:00	8.00	DRLPRV	02	D	P	4800	CLOSED LOOP SYSTEM DRILL F/4800 TO 6010=1210 AVG 151 FPH WOB / 18-21 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 200 GPM 586 MW 8.6 PPG VIS 30 TRQ ON/OFF =10/5 K PSI ON /OFF 2200/1800, DIFF 300-500 PU/SO/RT =136/125/130 K SLIDE =30 ROT =1180 NOV / 2-DEWATER 10 N & 11 W OF TARGET CENTER 0 DRILL FLARE, 0 CONN FLARE

Operation Summary Report

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No: PROPETRO 12/12, PIONEER 54/54
Event: DRILLING		Start Date: 1/28/2013	End Date: 3/28/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	8:00 - 15:30	7.50	DRLPRV	02	D	P	6010	CLOSED LOOP SYSTEM DRILL F/6010 TO 6678 =668 AVG 89 FPH WOB / 18-21 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 200 GPM 586 MW 8.7 PPG VIS 32 TRQ ON/OFF =9/6 K PSI ON /OFF 2200/1800, DIFF 300-500 PU/SO/RT =155/140/150 K SLIDE =38 ROT =630 NOV / 2-DEWATER 1 N & 9 W OF TARGET CENTER 0 DRILL FLARE, 0 CONN FLARE BOP DRILL DAYLIGHTS
	15:30 - 16:00	0.50	DRLPRV	07	A	P	6678	RIG SERVICE
	16:00 - 0:00	8.00	DRLPRV	02	D	P	6678	CLOSED LOOP SYSTEM DRILL F/6678 TO 7580=902 AVG 112 FPH WOB / 18-22 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 200 GPM 586 MW 8.7 PPG VIS 32 TRQ ON/OFF =11/7 K PSI ON /OFF 2200/1800, DIFF 300-500 PU/SO/RT =195/155/165 K SLIDE =20 ROT =882 NOV / 2-DEWATER 10 N & 1 W OF TARGET CENTER 3 DRILL FLARE, 10' CONN FLARE BOP DRILL DAYLIGHTS
3/27/2013	0:00 - 5:30	5.50	DRLPRV	02	D	P	7580	CLOSED LOOP SYSTEM DRILL F/7580 TO 8100=520 AVG 95'/HR WOB / 18-22 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 200 GPM 586 MW 8.7 PPG VIS 32 TRQ ON/OFF =9/7 K PSI ON /OFF 2200/1800, DIFF 300-500 PU/SO/RT =195/155/165 K SLIDE =0 ROT =520 NOV / 2-CONVENTIONAL 10 N & 1 W OF TARGET CENTER 8' DRILL FLARE, 15' CONN FLARE
	5:30 - 6:30	1.00	DRLPRV	05	G	P	8100	DISPLACE HOLE WITH 11.8/39 MUD,SAVE DRILL WATER TO STORAGE

Operation Summary Report

Well: NBU 1022-3H1CS RED

Spud Date: 2/7/2013

Project: UTAH-UINTAH

Site: NBU 1022-03H PAD

Rig Name No: PROPETRO 12/12, PIONEER 54/54

Event: DRILLING

Start Date: 1/28/2013

End Date: 3/28/2013

Active Datum: RKB @5,025.00usft (above Mean Sea Level)

UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	6:30 - 16:00	9.50	DRLPRV	02	D	P	8100	CLOSED LOOP SYSTEM DRILL F/8100 TO 8574', 474' AVG 49.8/HR WOB / 18-22 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 170 GPM 500 MW 11.8 PPG VIS 38 TRQ ON/OFF =9/7 K PSI ON /OFF 2500/2000, DIFF 300-500 PU/SO/RT =195/145/175 K SLIDE = 0 ROT = 474 NOV / 2-CONVENTIONAL/BYPASSED 5' N & 15'E OF TARGET CENTER 0 DRILL FLARE, 5/10' CONN FLARE
	16:00 - 16:30	0.50	DRLPRV	07	A	P		SERVICE RIG
	16:30 - 18:30	2.00	DRLPRV	02	B	P	8574	CLOSED LOOP SYSTEM DRILL F/ 8574 TO 8730', 156' @ 78' PH (TD) WOB / 22-24 RPM TOP DRIVE 55-60 (2 PUMPS) - SPM 170 GPM 500 MW 11.8 PPG VIS 38 TRQ ON/OFF =9/7 K PSI ON /OFF 2500/2000, DIFF 300-500 PU/SO/RT =185-150-165 K SLIDE = 0 ROT = 156 NOV / 2-CONVENTIONAL/BYPASSED 0 N & 21' E OF TARGET CENTER 0 DRILL FLARE, 5/10' CONN FLARE
	18:30 - 19:30	1.00	DRLPRV	05	C	P		CIRC & COND HOLE FOR SHORT TRIP
	19:30 - 20:30	1.00	DRLPRV	06	E	P		SHORT TRIP 10 STANDS
	20:30 - 21:30	1.00	DRLPRV	05	C	P		CIRC OUT GAS & CLEAN HOLE, 15' FLARE FOR 10 MIN'S
	21:30 - 0:00	2.50	DRLPRV	06	A	P		TRIP OUT, HOLE LOOKS GOOD
3/28/2013	0:00 - 1:00	1.00	DRLPRV	06	A	P		TRIP OUT FOR LOGS, LAYDOWN DIR TOOLS & MM
	1:00 - 1:30	0.50	DRLPRV	14	B	P		PULL WEAR BUSHING
	1:30 - 7:30	6.00	CSGPRO	12	C	P		HELD SAFETY MEETING WITH RIG & CASING CREWS, R/U & RUN 86 JTS 4 1/2" LTC I-80, 113 JTS 4 1/2" DQX, SHOE @ 8718', FLOAT @ 8673', MVL MARKER @ 6606', X/O @ 5026'
	7:30 - 8:30	1.00	CSGPRO	05	D	P		CIRC OUT GAS & PULL ROTARING RUBBER
	8:30 - 9:30	1.00	CSGPRO	05	D	P		INSTALL MANDREL & LANDING JT & WASH 10' TO BOTTOM, LAND CASING WITH 90K
	9:30 - 10:30	1.00	CSGPRO	22	L	Z		BJ PUMP WOULD NOT READ PRESS - DOWN 45 MIN, @ 10:15 LOST CIRC

Operation Summary Report

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No: PROPETRO 12/12, PIONEER 54/54
Event: DRILLING		Start Date: 1/28/2013	End Date: 3/28/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	10:30 - 14:30	4.00	CSGPRO	12	E	P		HELD SAFETY MEETING WITH RIG & CEMENTING CREWS, TEST LINES TO 6000, DROP TOP PLUG, PUMP 25 BBLS WATER SPACER, LEAD 20% EXCESS 475 SACKS 12.5 PPG 1.98 YLD, TAIL 15% EXCESS 1000 SACKS 1.32 YLD, SHUT DOWN CLEAN LINES, DROP BOTTOM PLUG & DISPLACE WITH 135 BBLS CLAYCARE WATER, BUMP PLUG @ 2400 PSI, 500 OVER FINAL LIFT OF 1850 PSI, FLOATS HELD, 145 BBLS INTO JOB REGAINED RETURNS, FULL RETURNS AFTER THAT, 0 BBLS SPACER TO CATCH TANK, 2 BBLS BACK TO TRUCK, EST TOP OF TAIL 5600', LEAD 3500', FLUSH STACK & R/D CEMENTER'S
	14:30 - 15:00	0.50	CSGPRO	14	B	P		SET CASING PACKOFF
	15:00 - 18:00	3.00	CSGPRO	14	A	P		N/D BOP, CLEAN PITS, TRANSFER MUD TO STORAGE & DRILL WATER TO PITS, PREPARE TO SKID, RELEASE RIG TO THE NBU 1022-311CS @ 18:00 - 3/28/13

US ROCKIES REGION

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	NBU 1022-3H1CS RED	Wellbore No.	OH
Well Name	NBU 1022-3H1CS	Wellbore Name	NBU 1022-3H1CS
Report No.	1	Report Date	5/27/2013
Project	UTAH-UJINTAH	Site	NBU 1022-03H PAD
Rig Name/No.		Event	COMPLETION
Start Date	4/25/2013	End Date	6/4/2013
Spud Date	2/7/2013	Active Datum	RKB @5.025.00usft (above Mean Sea Level)
UWI	SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0		

1.3 General

Contractor		Job Method		Supervisor	
Perforated Assembly		Conveyed Method			

1.4 Initial Conditions

Fluid Type	Fluid Density	Gross Interval	5.524.0 (usft)-8.583.0 (usft)	Start Date/Time	5/27/2013 12:00AM
Surface Press	Estimate Res Press	No. of Intervals	64	End Date/Time	5/27/2013 12:00AM
TVD Fluid Top	Fluid Head	Total Shots	238	Net Perforation Interval	74.00 (usft)
Hydrostatic Press	Press Difference	Avg Shot Density	3.22 (shot/ft)	Final Surface Pressure	
Balance Cond	NEUTRAL			Final Press Date	

1.5 Summary

Fluid Density	Shot Density (shot/ff)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
Estimate Res Press	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO	N

2 Intervals

2.1 Perforated Interval

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ff)	Misfires/ Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
5/27/2013 12:00AM	WASATCH/			5.524.0	5.525.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO	N

US ROCKIES REGION

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
5/27/2013 12:00AM	WASATCH/			5,529.0	5,531.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			5,741.0	5,743.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			5,748.0	5,749.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			5,818.0	5,819.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			5,969.0	5,971.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			6,063.0	6,065.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			6,234.0	6,236.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			6,262.0	6,264.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			6,312.0	6,314.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	WASATCH/			6,370.0	6,372.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			6,850.0	6,851.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			6,869.0	6,870.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			6,880.0	6,881.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,040.0	7,041.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,063.0	7,064.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,071.0	7,073.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,118.0	7,119.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,147.0	7,148.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,162.0	7,163.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,236.0	7,237.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,261.0	7,262.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

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US ROCKIES REGION

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
5/27/2013 12:00AM	MESAVERDE/			7,277.0	7,278.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,292.0	7,293.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,329.0	7,330.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,363.0	7,364.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,434.0	7,435.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,558.0	7,559.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,575.0	7,576.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,588.0	7,589.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,609.0	7,611.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,637.0	7,638.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,652.0	7,653.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,687.0	7,688.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,699.0	7,700.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,708.0	7,709.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,728.0	7,729.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,913.0	7,914.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,924.0	7,925.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,934.0	7,935.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,950.0	7,951.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			7,966.0	7,967.0	4.00		0.360	EXP/	3.375	90.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,025.0	8,026.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

US ROCKIES REGION

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (usft)	CCL-T S (usft)	MD Top (usft)	MD Base (usft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
5/27/2013 12:00AM	MESAVERDE/			8,043.0	8,044.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,059.0	8,060.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,079.0	8,080.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,132.0	8,133.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,154.0	8,155.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,178.0	8,179.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,210.0	8,211.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,226.0	8,227.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,233.0	8,234.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,256.0	8,257.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,273.0	8,274.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,281.0	8,282.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,309.0	8,310.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,334.0	8,335.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,403.0	8,404.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,416.0	8,417.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,448.0	8,449.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,470.0	8,471.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,528.0	8,529.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,543.0	8,544.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	
5/27/2013 12:00AM	MESAVERDE/			8,582.0	8,583.0	3.00		0.360	EXP/	3.375	120.00		23.00	PRODUCTIO N	

RECEIVED: Aug. 03, 2013

US ROCKIES REGION
Operation Summary Report

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No:
Event: COMPLETION		Start Date: 4/25/2013	End Date: 6/4/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
4/25/2013	-							
5/23/2013	11:00 - 12:00	1.00	SUBSPR	33	C	P		FILL SURFACE CSG. MIRU CAMERON QUICK TEST. PRESSURE TEST CSG & FRAC VALVES 1ST PSI TEST T/ 7000 PSI. HELD FOR 15 MIN LOST 140 PSI. 2ND PSI TEST T/ 7000 PSI. HELD FOR 15 MIN LOST 90 PSI NO COMMUNICATION OR MIGRATION WITH SURFACE CSG BLEED OFF PSI. PRESSURE TEST 8 5/8 X 4 1/2 TO 603 PSI HELD FOR 5 MIN LOST -50 PSI,BLED PSI OFF, REINSTALLED POP OFF SWIFN FILL SURFACE WITH 7 BBLs, SURFACE HAD 20 PSI
5/24/2013	7:00 - 10:00	3.00	SUBSPR	37		P		PERF STG 1)PU 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH PERF AS PER PERF DESIGN. POOH. SWIFW HSM. HIGH PSI LINES.
5/28/2013	6:45 - 7:00	0.25	FRAC	48		P		HSM. HIGH PSI LINES.
	7:00 - 18:00	11.00	FRAC	36	B	P		FRAC STG 1)WHP 1293 PSI, BRK 3747 PSI @ 5.1 BPM. ISIP 2632 PSI, FG. 0.75 ISIP 2680 PSI, FG. 0.75, NPI 48 PSI. SWI, XO T/ WL. SET CBP & PERF STG 2 AS DESIGNED. FRAC STG 2)WHP 2363 PSI, BRK 2625 PSI @ 4.7 BPM. ISIP 2406 PSI, FG. 0.73 ISIP 2813 PSI, FG. 0.78, NPI 407 PSI. SWI, XO T/ WL. SET CBP & PERF STG 3 AS DESIGNED. FRAC STG 3)WHP 2272 PSI, BRK 2824 PSI @ 4.9 BPM. ISIP 2349 PSI, FG. 0.73 ISIP 2730 PSI, FG. 0.78, NPI 381 PSI. SWI, XO T/ WL. SET CBP & PERF STG 4 AS DESIGN. FRAC STG 4)WHP 2003 PSI, BRK 3243 PSI @ 5.1 BPM. ISIP 2435 PSI, FG. 0.75 ISIP 2605 PSI, FG. 0.77, NPI 170 PSI. SWI, XO T/ WL. SET CBP & PERF STG 5 AS DESIGN.

Operation Summary Report

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No:
Event: COMPLETION		Start Date: 4/25/2013	End Date: 6/4/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
5/29/2013	7:30 - 18:00	10.50	FRAC	36	B	P		<p>FRAC STG 5)WHP 1661 PSI, BRK 3108 PSI @ 4.7 BPM. ISIP 2112 PSI, FG. 0.71 ISIP 2339 PSI, FG. 0.74, NPI 227 PSI. SWI, XO T/ WL.</p> <p>SET CBP & PERF STG 6 AS DESIGN.</p> <p>FRAC STG 6)WHP 1893 PSI, BRK 2104 PSI @ 4.9 BPM. ISIP 1895 PSI, FG. 0.69 ISIP 2500 PSI, FG. 0.77, NPI 605 PSI. SWI, XO TO WL.</p> <p>SET CBP & PERF STG 7 AS DESIGN.</p> <p>FRAC STG 7)WHP 1482 PSI, BRK 2856 PSI @ 4.7 BPM. ISIP 1692 PSI, FG. 0.67 ISIP 2329 PSI, FG. 0.76, NPI 637 PSI. SWI, XO T/ WL.</p> <p>SET CBP & PERF STG 8 AS DESIGNED. POOH, SWIFN.</p>
5/30/2013	7:00 - 18:00	11.00	FRAC	36	B	P		<p>FRAC STG 8)WHP 1147 PSI, BRK 1663 PSI @ 5 BPM. ISIP 1280 PSI, FG. 0.63 ISIP 2026 PSI, FG. 0.73, NPI 746 PSI. SWI, XO T/ WL.</p> <p>SET CBP & PERF STG 9 AS DESIGNED.</p> <p>FRAC STG 9)WHP 123 PSI, BRK 2112 PSI @ 4.7 BPM. ISIP 1283 PSI, FG. 0.64 ISIP 2026 PSI, FG. 0.73, NPI 743 PSI. SWI, XO T/ WL.</p> <p>SET CBP & PERF STG 10 AS DESIGNED.</p> <p>FRAC STG 10)WHP 130 PSI, BRK 2136 PSI @ 4.8 BPM. ISIP 1184 PSI, FG. 0.64 ISIP 1589 PSI, FG. 0.71, NPI 405 PSI. SWI, XO T/ WL.</p> <p>SET CBP & PERF STG 11 AS DESIGN.</p> <p>FRAC STG 11)WHP 805 PSI, BRK 1532 PSI @ 4.7 BPM. ISIP 908 PSI, FG. 0.6 ISIP 1303 PSI, FG. 0.67, NPI 395 PSI. SWI, XO T/ WL.</p> <p>PU 4 1/2 8K HAL CBP. RIH SET KILL PLUG @ 5474'. POOH. DONE FRACING THIS WELL.</p> <p>TOTAL SAND = 264,687 LBS TOTAL CLFL = 11,766 BBL</p>
5/31/2013	14:00 - 17:00	3.00		30	A	P		MOVE RIG & EQUIP F/ BON 1023-6A1CS & SPOT EQUIP SDFWE
6/3/2013	7:00 - 7:30	0.50	DRLOUT	48		P		HSM, NIPPLE UP BOPS & PICKING UP TBG OFF FLOAT.
	7:30 - 8:30	1.00	DRLOUT	30	A	P		RIG UP RIG.

Operation Summary Report

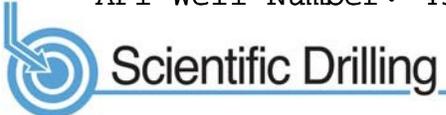
Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No:
Event: COMPLETION		Start Date: 4/25/2013	End Date: 6/4/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	8:30 - 17:00	8.50	DRLOUT	31	I	P		<p>ND WH NU BOPS RU FLOOR & TBG EQUIP. TALLY & PU 37/8 BIT, POBS, 1.875 X/N & 150 JTS 23/8 J-55 & 22 JTS 23/8 L-80, TAG UP @ 5449', RU DRLG EQUIP BROKE CIRC CONV, TEST BOPS TO 3,000 PSI, RIH.</p> <p>C/O 20' SAND TAG 1ST PLG @ 5474' DRL PLG IN 5 MINS 0 PSI INCREASE RIH.</p> <p>C/O 30' SAND TAG 2ND PLG @ 5777' DRL PLG IN 6 MINS 0 PSI INCREASE RIH.</p> <p>C/O 25' SAND TAG 3RD PLG @ 6095' DRL PLG IN 5 MINS 0 PSI INCREASE RIH.</p> <p>C/O 25' SAND TAG 4TH PLG @ 6402' DRL PLG IN 4 MINS 400 PSI INCREASE RIH.10' TO 6412 WORK TBG CIRC WELL CLEAN, SWI LOCKED RAMS,SDFN. HSM, DRILLING OUT CBPS.</p>
6/4/2013	7:00 - 7:30	0.50	DRLOUT	48		P		SICP 1900 PSI, OPEN TO PIT RIH.
	7:30 - 10:00	2.50	DRLOUT	44	C	P		<p>C/O 20' SAND TAG 5TH PLG @ 7103' DRL PLG IN 5 MINS 500 PSI INCREASE RIH.</p> <p>C/O 30' SAND TAG 6TH PLG @ 7353' DRL PLG IN 5 MINS 600 PSI INCREASE RIH. X/O BOX ON SWIVEL GAULDED HAD TO GET NEW X/O FROM TOWN. WAIT ON X/O FOR SWIVEL TO COME FROM TOWN.</p>
	10:00 - 12:00	2.00	DRLOUT	46	A	Z		

Operation Summary Report

Well: NBU 1022-3H1CS RED		Spud Date: 2/7/2013	
Project: UTAH-UINTAH		Site: NBU 1022-03H PAD	Rig Name No:
Event: COMPLETION		Start Date: 4/25/2013	End Date: 6/4/2013
Active Datum: RKB @5,025.00usft (above Mean Sea Level)		UWI: SE/NE/0/10/S/22/E/3/0/0/26/PM/N/1935/E/0/576/0/0	

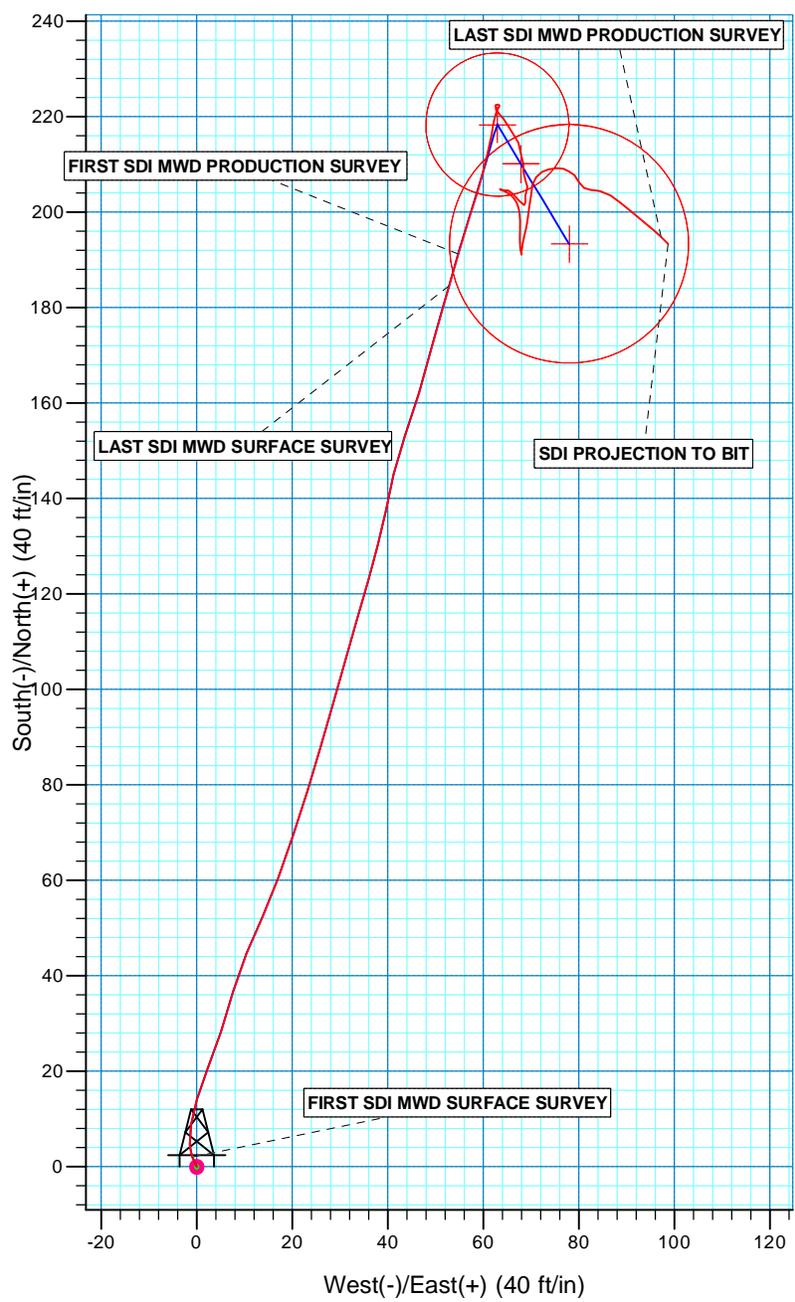
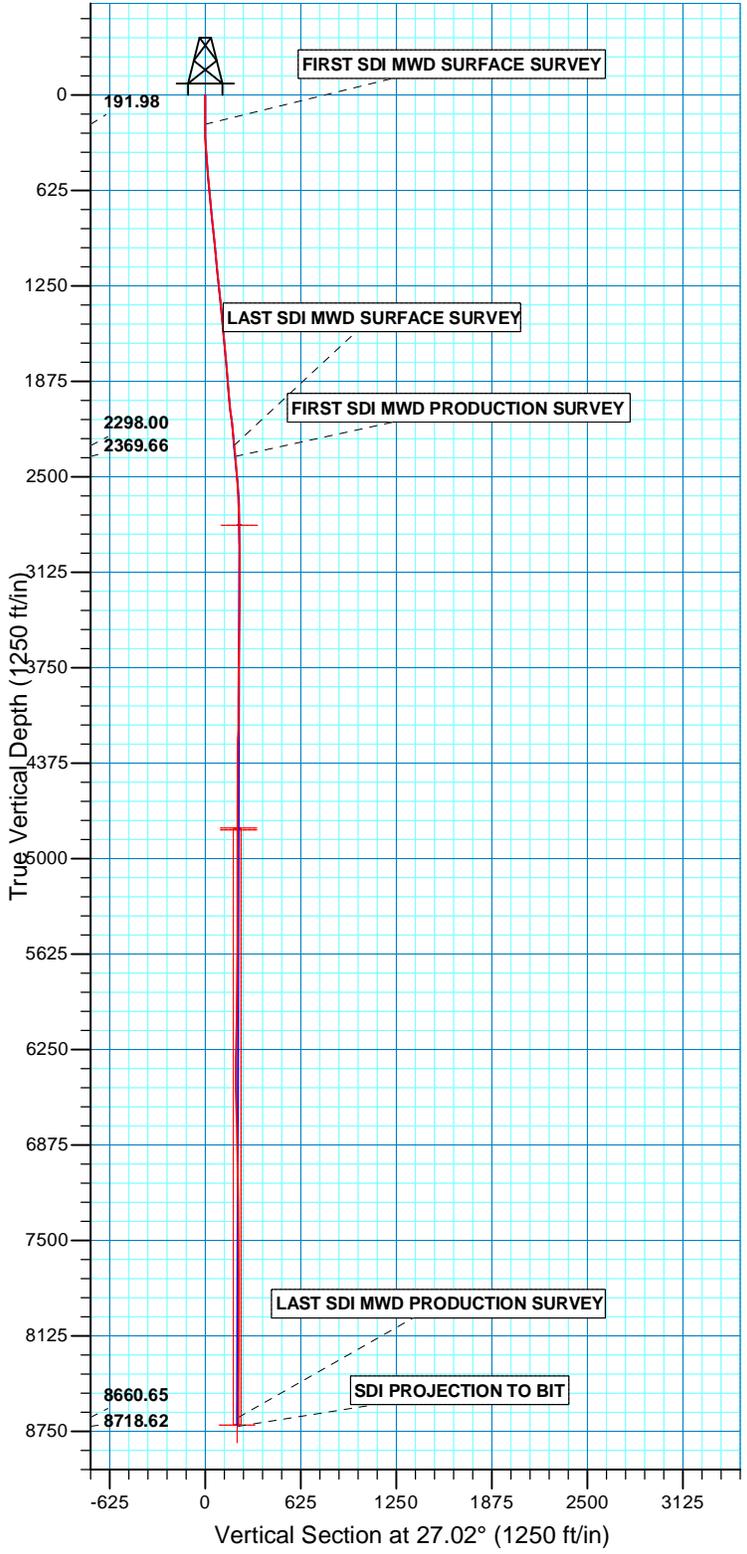
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	12:00 - 17:00	5.00	DRLOUT					<p>C/O 25' SAND TAG 7TH PLG @ 7627' DRL PLG IN 5 MINS 400 PSI INCREASE RIH.</p> <p>C/O 20' SAND TAG 8TH PLG @ 7759' DRL PLG IN 6 MINS 500 PSI INCREASE RIH.</p> <p>C/O 35' SAND TAG 9TH PLG @ 8003' DRL PLG IN 5 MINS 200 PSI INCREASE RIH</p> <p>C/O 30' SAND TAG 10TH PLG @ 8200' DRL PLG IN 4 MINS 700 PSI INCREASE RIH.</p> <p>C/O 25' SAND TAG 11TH PLG @ 8365' DRL PLG IN 5 MINS 500 PSI INCREASE RIH</p> <p>C/O TO @ 8668' PBTD @ 8673'CIRC CLN, HANG SWIVEL, L/D 16 JTS , LAND TBG ON 257 JTS 23/8, ND BOPS NU WH, TEST FLOW LINE, PUMPED OFF BIT, TURN OVER TO FB CREW. SDFN</p> <p>KB = 19'</p> <p>41/16 HANGER = .83' (SURFAC VALVE IS OPEN & LOCKED)</p> <p>107 JTS 23/8 L-80 = 3397.87 1900</p> <p>SICP 100 FTP</p> <p>6' 23/8 L-80 PUP JT = 6.13'</p> <p>150 JTS 23/8 J-55 = 4743.03'</p> <p>POBS W/ 1.875 X/N = 2.20'</p> <p>EOT @ 8169.06'</p> <p>TWTR = 12,431 BBLS</p> <p>TWR = 2500 BBLS</p> <p>TWLTR = 9931 BBLS</p> <p>315 JTS DELIVERED 150 J-55, 165 L-80</p> <p>257 LANDED</p> <p>58 TO RETURN L-80</p>



WELL DETAILS: NBU 1022-3H1CS					
GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)					
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	14522689.23	2083592.18	39.9799890	-109.4180570

Azimuths to True North
 Magnetic North: 10.95°

Magnetic Field
 Strength: 52264.3snT
 Dip Angle: 65.85°
 Date: 02/08/2012
 Model: IGRF2010



PROJECT DETAILS: UTAH - UTM (feet), NAD27, Zone 12N
Geodetic System: Universal Transverse Mercator (US Survey Feet)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: Zone 12N (114 W to 108 W)
Location: SECTION 3 T10S R22E
System Datum: Mean Sea Level



Scientific Drilling

US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N

NBU 1022-3H PAD

NBU 1022-3H1CS

OH

Design: OH

Standard Survey Report

03 April, 2013





Company:	US ROCKIES REGION PLANNING	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	TVD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Site:	NBU 1022-3H PAD	MD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Well:	NBU 1022-3H1CS	North Reference:	True
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	OH	Database:	EDM 5000.1 Single User Db

Project	UTAH - UTM (feet), NAD27, Zone 12N		
Map System:	Universal Transverse Mercator (US Survey Feet)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Zone 12N (114 W to 108 W)		

Site	NBU 1022-3H PAD, SECTION 3 T10S R22E				
Site Position:		Northing:	14,522,689.23 usft	Latitude:	39.9799890
From:	Lat/Long	Easting:	2,083,592.17 usft	Longitude:	-109.4180570
Position Uncertainty:	0.00 ft	Slot Radius:	13.200 in	Grid Convergence:	1.02 °

Well	NBU 1022-3H1CS, 1935 FNL 576 FEL					
Well Position	+N/-S	0.00 ft	Northing:	14,522,689.23 usft	Latitude:	39.9799890
	+E/-W	0.00 ft	Easting:	2,083,592.17 usft	Longitude:	-109.4180570
Position Uncertainty		0.00 ft	Wellhead Elevation:	ft	Ground Level:	5,006.00 ft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	02/08/12	10.95	65.85	52,264

Design	OH				
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.00	0.00	0.00	27.02	

Survey Program	Date	04/03/13			
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description	
15.00	2,307.00	Survey #1 SDI MWD SURFACE (OH)	SDI MWD	SDI MWD - Standard ver 1.0.1	
2,379.00	8,730.00	Survey #2 SDI MWD PRODUCTION (OH)	SDI MWD	SDI MWD - Standard ver 1.0.1	

Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15.00	0.00	0.00	15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
192.00	1.41	334.96	191.98	1.97	-0.92	1.34	0.80	0.80	0.80	0.00
FIRST SDI MWD SURFACE SURVEY										
275.00	2.37	356.06	274.94	4.61	-1.47	3.44	1.41	1.16	25.42	
362.00	3.25	7.75	361.83	8.85	-1.26	7.31	1.20	1.01	13.44	
447.00	3.96	18.12	446.66	14.03	-0.03	12.48	1.13	0.84	12.20	
537.00	4.84	20.06	536.40	20.55	2.24	19.32	0.99	0.98	2.16	
627.00	5.69	19.42	626.02	28.32	5.03	27.51	0.95	0.94	-0.71	
717.00	5.51	15.26	715.59	36.70	7.65	36.17	0.49	-0.20	-4.62	



Company:	US ROCKIES REGION PLANNING	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	TVD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Site:	NBU 1022-3H PAD	MD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Well:	NBU 1022-3H1CS	North Reference:	True
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	OH	Database:	EDM 5000.1 Single User Db

Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
807.00	5.25	21.97	805.19	44.68	10.33	44.50	0.76	-0.29	7.46	
897.00	5.36	25.15	894.81	52.31	13.65	52.80	0.35	0.12	3.53	
987.00	6.00	19.27	984.37	60.55	16.99	61.66	0.96	0.71	-6.53	
1,077.00	6.42	19.53	1,073.84	69.74	20.23	71.31	0.47	0.47	0.29	
1,167.00	5.85	16.14	1,163.32	78.88	23.19	80.81	0.75	-0.63	-3.77	
1,257.00	5.88	16.57	1,252.85	87.71	25.78	89.84	0.06	0.03	0.48	
1,347.00	5.98	16.54	1,342.37	96.62	28.42	98.99	0.11	0.11	-0.03	
1,437.00	5.85	15.21	1,431.89	105.54	30.96	108.09	0.21	-0.14	-1.48	
1,527.00	5.90	15.67	1,521.42	114.42	33.42	117.11	0.08	0.06	0.51	
1,617.00	5.14	16.80	1,611.00	122.73	35.83	125.61	0.85	-0.84	1.26	
1,707.00	4.69	13.21	1,700.67	130.18	37.84	133.16	0.61	-0.50	-3.99	
1,797.00	4.84	12.50	1,790.36	137.46	39.50	140.40	0.18	0.17	-0.79	
1,887.00	5.10	13.38	1,880.02	145.06	41.25	147.97	0.30	0.29	0.98	
1,977.00	5.81	18.54	1,969.61	153.27	43.62	156.36	0.96	0.79	5.73	
2,067.00	6.07	16.98	2,059.13	162.14	46.46	165.55	0.34	0.29	-1.73	
2,157.00	5.45	14.08	2,148.67	170.84	48.89	174.40	0.76	-0.69	-3.22	
2,247.00	5.36	16.54	2,238.27	179.02	51.12	182.70	0.28	-0.10	2.73	
2,307.00	5.63	16.10	2,298.00	184.53	52.74	188.35	0.46	0.45	-0.73	
LAST SDI MWD SURFACE SURVEY										
2,379.00	5.54	16.79	2,369.66	191.25	54.72	195.23	0.16	-0.13	0.96	
FIRST SDI MWD PRODUCTION SURVEY										
2,475.00	5.10	17.58	2,465.24	199.75	57.35	204.00	0.46	-0.46	0.82	
2,570.00	3.69	14.41	2,559.96	206.74	59.39	211.15	1.51	-1.48	-3.34	
2,663.00	2.99	14.85	2,652.80	211.98	60.75	216.44	0.75	-0.75	0.47	
2,756.00	2.46	8.79	2,745.70	216.30	61.68	220.71	0.65	-0.57	-6.52	
2,851.00	1.32	10.72	2,840.64	219.39	62.19	223.70	1.20	-1.20	2.03	
2,944.00	1.06	24.87	2,933.62	221.22	62.75	225.59	0.42	-0.28	15.22	
3,040.00	0.35	36.48	3,029.62	222.27	63.30	226.76	0.75	-0.74	12.09	
3,133.00	0.18	264.81	3,122.62	222.48	63.33	226.97	0.53	-0.18	-141.58	
3,227.00	0.26	308.85	3,216.61	222.60	63.01	226.93	0.19	0.09	46.85	
3,320.00	0.53	232.30	3,309.61	222.47	62.51	226.58	0.57	0.29	-82.31	
3,413.00	1.14	146.51	3,402.61	221.44	62.68	225.74	1.31	0.66	-92.25	
3,506.00	1.93	140.19	3,495.57	219.46	64.19	224.67	0.87	0.85	-6.80	
3,599.00	0.88	156.27	3,588.54	217.60	65.48	223.60	1.20	-1.13	17.29	
3,694.00	1.58	145.02	3,683.52	215.86	66.53	222.52	0.78	0.74	-11.84	
3,787.00	0.35	169.01	3,776.51	214.53	67.31	221.70	1.36	-1.32	25.80	
3,881.00	1.14	165.41	3,870.50	213.35	67.60	220.77	0.84	0.84	-3.83	
3,974.00	0.98	164.82	3,963.48	211.68	68.05	219.49	0.17	-0.17	-0.63	
4,067.00	1.14	177.63	4,056.46	209.99	68.29	218.10	0.31	0.17	13.77	
4,160.00	0.79	170.24	4,149.45	208.44	68.44	216.78	0.40	-0.38	-7.95	
4,253.00	1.32	165.32	4,242.44	206.77	68.82	215.46	0.58	0.57	-5.29	
4,346.00	0.44	177.72	4,335.42	205.37	69.11	214.35	0.96	-0.95	13.33	
4,440.00	0.57	191.90	4,429.42	204.56	69.02	213.59	0.19	0.14	15.09	



Company:	US ROCKIES REGION PLANNING	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	TVD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Site:	NBU 1022-3H PAD	MD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Well:	NBU 1022-3H1CS	North Reference:	True
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	OH	Database:	EDM 5000.1 Single User Db

Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
4,534.00	0.79	190.02	4,523.41	203.46	68.81	212.52	0.24	0.23	-2.00	
4,627.00	0.88	176.05	4,616.40	202.12	68.75	211.29	0.24	0.10	-15.02	
4,722.00	0.44	287.05	4,711.40	201.50	68.45	210.60	1.17	-0.46	116.84	
4,818.00	1.23	321.68	4,807.39	202.41	67.46	210.97	0.94	0.82	36.07	
4,912.00	1.06	317.90	4,901.37	203.85	66.25	211.70	0.20	-0.18	-4.02	
5,006.00	0.53	275.45	4,995.36	204.54	65.24	211.85	0.81	-0.56	-45.16	
5,101.00	0.58	275.37	5,090.36	204.62	64.32	211.51	0.05	0.05	-0.08	
5,195.00	0.51	285.22	5,184.35	204.78	63.44	211.25	0.12	-0.07	10.48	
5,291.00	0.70	104.59	5,280.35	204.74	63.60	211.29	1.26	0.20	186.84	
5,385.00	0.70	119.09	5,374.34	204.32	64.66	211.39	0.19	0.00	15.43	
5,480.00	0.62	128.58	5,469.34	203.72	65.57	211.27	0.14	-0.08	9.99	
5,575.00	0.70	141.42	5,564.33	202.94	66.33	210.92	0.18	0.08	13.52	
5,670.00	0.97	158.20	5,659.32	201.74	66.99	210.15	0.38	0.28	17.66	
5,765.00	0.35	168.66	5,754.31	200.71	67.35	209.40	0.66	-0.65	11.01	
5,860.00	0.62	169.37	5,849.31	199.92	67.50	208.76	0.28	0.28	0.75	
5,954.00	0.97	176.75	5,943.30	198.63	67.64	207.67	0.39	0.37	7.85	
6,049.00	0.97	184.75	6,038.29	197.02	67.62	206.23	0.14	0.00	8.42	
6,144.00	1.14	179.74	6,133.27	195.27	67.55	204.65	0.20	0.18	-5.27	
6,238.00	1.32	175.52	6,227.25	193.26	67.64	202.90	0.21	0.19	-4.49	
6,333.00	0.62	170.77	6,322.24	191.66	67.81	201.55	0.74	-0.74	-5.00	
6,429.00	0.09	166.90	6,418.23	191.08	67.91	201.07	0.55	-0.55	-4.03	
6,524.00	0.97	5.71	6,513.23	191.80	68.01	201.76	1.11	0.93	-169.67	
6,618.00	1.32	8.09	6,607.21	193.67	68.24	203.53	0.38	0.37	2.53	
6,713.00	1.06	18.98	6,702.19	195.58	68.68	205.43	0.36	-0.27	11.46	
6,808.00	2.02	5.63	6,797.16	198.08	69.13	207.86	1.07	1.01	-14.05	
6,905.00	1.67	11.87	6,894.11	201.16	69.59	210.82	0.42	-0.36	6.43	
6,997.00	1.41	3.08	6,986.07	203.61	69.92	213.15	0.38	-0.28	-9.55	
7,093.00	1.14	18.19	7,082.05	205.69	70.29	215.17	0.45	-0.28	15.74	
7,187.00	1.06	35.07	7,176.03	207.29	71.08	216.96	0.35	-0.09	17.96	
7,282.00	0.88	55.11	7,271.02	208.43	72.18	218.47	0.40	-0.19	21.09	
7,377.00	0.97	75.41	7,366.01	209.05	73.56	219.65	0.36	0.09	21.37	
7,473.00	1.14	87.80	7,461.99	209.29	75.30	220.65	0.30	0.18	12.91	
7,568.00	0.67	115.88	7,556.98	209.08	76.74	221.13	0.67	-0.49	29.56	
7,663.00	0.88	116.98	7,651.97	208.51	77.89	221.14	0.22	0.22	1.16	
7,758.00	0.79	137.37	7,746.96	207.70	78.99	220.91	0.32	-0.09	21.46	
7,852.00	1.32	146.60	7,840.94	206.32	80.02	220.15	0.59	0.56	9.82	
7,947.00	0.62	119.18	7,935.93	205.15	81.07	219.59	0.86	-0.74	-28.86	
8,042.00	1.06	98.79	8,030.92	204.77	82.39	219.85	0.55	0.46	-21.46	
8,137.00	1.41	100.46	8,125.90	204.42	84.41	220.45	0.37	0.37	1.76	
8,232.00	1.58	125.16	8,220.87	203.45	86.63	220.60	0.70	0.18	26.00	
8,327.00	1.58	125.95	8,315.83	201.93	88.76	220.21	0.02	0.00	0.83	
8,421.00	1.85	130.52	8,409.79	200.19	90.96	219.66	0.32	0.29	4.86	
8,516.00	1.85	128.50	8,504.74	198.23	93.33	218.99	0.07	0.00	-2.13	
8,611.00	1.85	131.66	8,599.69	196.26	95.67	218.30	0.11	0.00	3.33	



Company:	US ROCKIES REGION PLANNING	Local Co-ordinate Reference:	Well NBU 1022-3H1CS
Project:	UTAH - UTM (feet), NAD27, Zone 12N	TVD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Site:	NBU 1022-3H PAD	MD Reference:	GL 5006 & KB 19 @ 5025.00ft (PIONEER 54)
Well:	NBU 1022-3H1CS	North Reference:	True
Wellbore:	OH	Survey Calculation Method:	Minimum Curvature
Design:	OH	Database:	EDM 5000.1 Single User Db

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,672.00	2.02	134.21	8,660.65	194.86	97.18	217.74	0.31	0.28	4.18
LAST SDI MWD PRODUCTION SURVEY									
8,730.00	2.02	134.21	8,718.62	193.43	98.64	217.13	0.00	0.00	0.00
SDI PROJECTION TO BIT									

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
DTGT_NBU 1022-3H1C - hit/miss target - Shape	0.00	0.00	2,817.75	218.40	62.90	14,522,908.71	2,083,651.19	39.9805887	-109.4178325
- actual wellpath misses target center by 0.91ft at 2828.09ft MD (2817.74 TVD, 218.82 N, 62.09 E)									
- Circle (radius 15.00)									
TOC @ 4799.00 NBU 1C - hit/miss target - Shape	0.00	0.00	4,814.00	210.22	67.81	14,522,900.62	2,083,656.24	39.9805662	-109.4178150
- actual wellpath misses target center by 7.71ft at 4824.72ft MD (4814.11 TVD, 202.53 N, 67.37 E)									
- Point									
PBHL_NBU 1022-3H1C: - hit/miss target - Shape	0.00	0.00	8,708.00	193.40	77.90	14,522,883.98	2,083,666.62	39.9805200	-109.4177790
- actual wellpath misses target center by 20.47ft at 8718.87ft MD (8707.49 TVD, 193.70 N, 98.36 E)									
- Circle (radius 25.00)									

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
192.00	191.98	1.97	-0.92	FIRST SDI MWD SURFACE SURVEY
2,307.00	2,298.00	184.53	52.74	LAST SDI MWD SURFACE SURVEY
2,379.00	2,369.66	191.25	54.72	FIRST SDI MWD PRODUCTION SURVEY
8,672.00	8,660.65	194.86	97.18	LAST SDI MWD PRODUCTION SURVEY
8,730.00	8,718.62	193.43	98.64	SDI PROJECTION TO BIT

Checked By: _____ Approved By: _____ Date: _____