

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>		<b>1. WELL NAME and NUMBER</b> STATE 921-27E1D
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>		<b>3. FIELD OR WILDCAT</b> NATURAL BUTTES
<b>4. TYPE OF WELL</b> Gas Well      Coalbed Methane Well: NO		<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>
<b>6. NAME OF OPERATOR</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>7. OPERATOR PHONE</b> 720 929-6587
<b>8. ADDRESS OF OPERATOR</b> P.O. Box 173779, Denver, CO, 80217		<b>9. OPERATOR E-MAIL</b> mary.mondragon@anadarko.com
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> ST UO 1194-A	<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>		<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>		<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>	<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>	<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
<b>LOCATION AT SURFACE</b>	1974 FNL 1302 FWL	SWNW	27	9.0 S	21.0 E	S
<b>Top of Uppermost Producing Zone</b>	1974 FNL 1302 FWL	SWNW	27	9.0 S	21.0 E	S
<b>At Total Depth</b>	1974 FNL 1302 FWL	SWNW	27	9.0 S	21.0 E	S

<b>21. COUNTY</b> UINTAH	<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 1302	<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 1292
	<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 500	<b>26. PROPOSED DEPTH</b> MD: 15160 TVD:
<b>27. ELEVATION - GROUND LEVEL</b> 4948	<b>28. BOND NUMBER</b> 22013542	<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> Permit #43-8496

**ATTACHMENTS**

**VERIFY THE FOLLOWING ARE ATTACHED IN ACCORCANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES**

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

<b>NAME</b> Kevin McIntyre	<b>TITLE</b> Regulatory Analyst I	<b>PHONE</b> 720 929-6226
<b>SIGNATURE</b>	<b>DATE</b> 01/13/2009	<b>EMAIL</b> Kevin.McIntyre@anadarko.com
<b>API NUMBER ASSIGNED</b> 43047502090000	<b>APPROVAL</b>   Permit Manager	

**Proposed Hole, Casing, and Cement**

<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Surf	12.25	9.625	0	2450		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade K-55 ST&C	2450	40.0			
	<b>Cement Interval</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>			
		0	2450			
		<b>Cement Description</b>	<b>Class</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
			Class G Cement	920	1.16	15.8

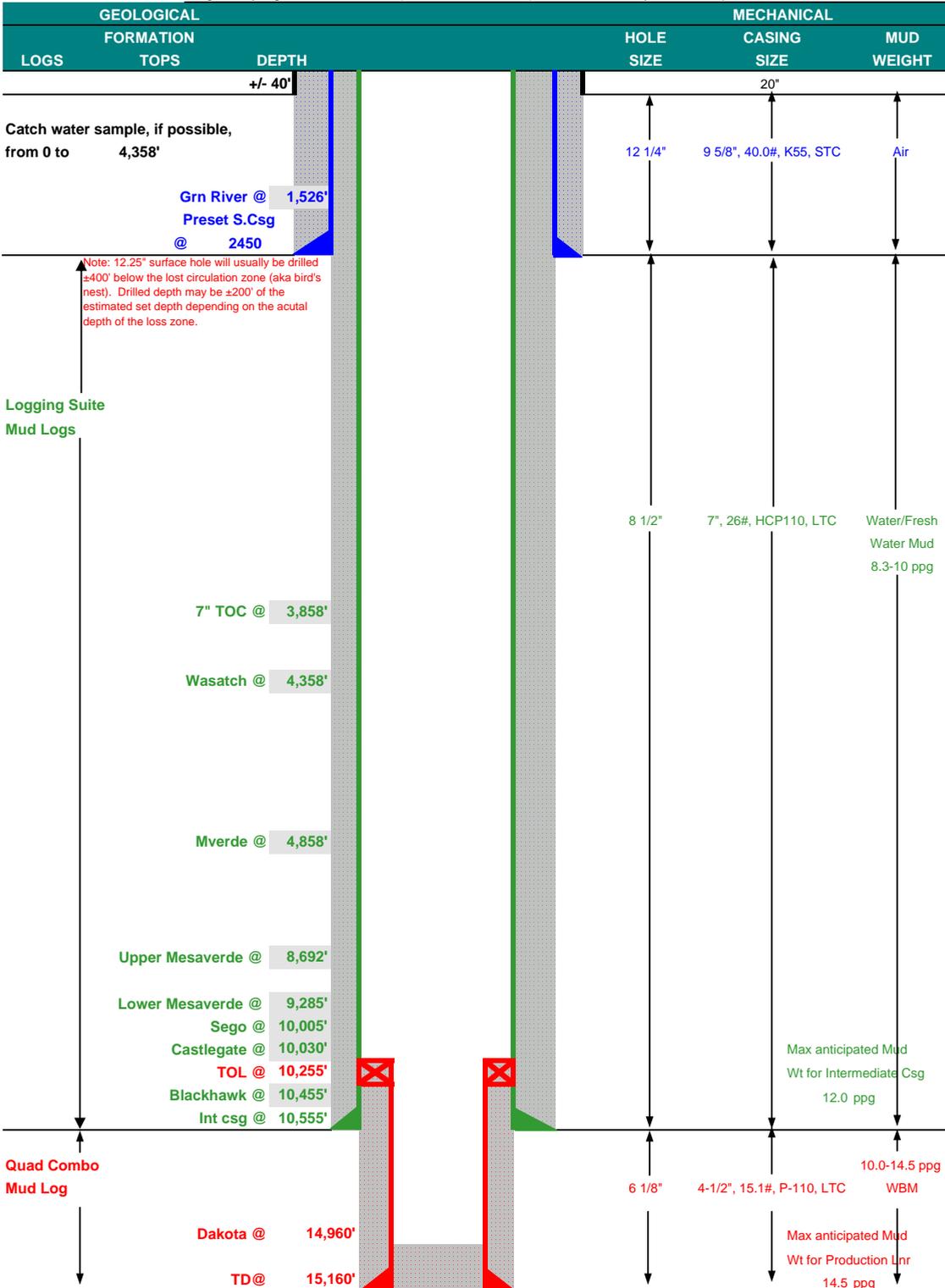
<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
I1	8.5	7	0	10555		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade HCP-110 LT&C	10555	26.0			
	<b>Cement Interval</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>			
		0	10555			
		<b>Cement Description</b>	<b>Class</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
			Premium Lite High Strength	210	3.38	11.0
			Pozzuolanic Cement	1120	1.31	14.3

<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Prod	6.125	4.5	10355	15160		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade P-110 LT&C	4805	15.1			
	<b>Cement Interval</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>			
		10355	15160			
		<b>Cement Description</b>	<b>Class</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
			Pozzuolanic Cement	470	1.54	14.1



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

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE December 11, 2008  
 WELL NAME State 921-27E1D TD 15,160' MD/TVD  
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 4,948' GL KB 4,965'  
 SURFACE LOCATION SWNW 1974' FNL & 1302' FWL, Sec. 27, T9S, R21E BHL Straight Hole  
 Latitude: 40.008942 Longitude: -109.541989 NAD 27  
 OBJECTIVE ZONE(S) Dakota  
 ADDITIONAL INFO Regulatory Agencies: UDOGM (Surface & Minerals), BLM, Tri-County Health Dept.





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

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	20"	0-40'						
SURFACE	9-5/8"	0 to 2450	40.00	K-55	STC	3,950	2,570	486,000
						0.93	2.24	7.04
INTERMEDIATE	7"	0,000' to 10,555'	26.00	HCP-110	LTC	9,950	7,800	693,000
						1.23	1.18	3.09
PRODUCTION	4-1/2"	10,355' to 15,160'	15.10	P-110	LTC	14420	14350	406000
						2.21	1.26	7.04

- 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 (Int Casing) = Pore Pressure at Next Casing Point - (.22 psi/ft-partial evac gradient x TVD of next csg point)
  - 3) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- MASP 6064  
 (Burst Assumptions:Max Pore Press @ Int shoe 12 ppg | MW @TD 14.5 ppg) .22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoyn.Fact. of wtr/mud)

**CEMENT PROGRAM**

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS*	WEIGHT	YIELD
SURFACE	2450	Class G + 2% CaCl <sub>2</sub> + 0.25 pps Celloflake	920	35%	15.80	1.16
INTERMEDIATE	LEAD 3,858'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	210	70%	11.00	3.38
		TAIL 6,697'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1120	70%	14.30
PRODUCTION	Lead 0,000'	Premium Lite II High Strength + 5 pps Korseal + 3% KCl + 0.05 pps Static-free + 0.7% R-3 + 0.25 pps celloflake + 0.7% FL-52	0	60%	13.00	1.97
		Tail 4,805'	50/50 Poz/G + 3% gel + 0.6% FL-52 + 0.3% R-3 + 0.25 pps celloflake + 20% silica + 0.05 pps Static-free	470	60%	14.10

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained  
 \*Substitute caliper hole volume plus 15% 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.
INTERMEDIATE	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of TOL 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: three 11" 10M rams with one 11" 5M annular. Test to 9,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.  
 Run Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.  
 Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: \_\_\_\_\_ DATE: \_\_\_\_\_  
 John Huycke  
 DRILLING SUPERINTENDENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 Randy Bayne

**State 921-27E1D  
SWNW Sec. 27, T9S,R21E  
UINTAH COUNTY, UTAH  
ST UO 1194-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	1526'
Wasatch	4358'
Mesaverde	4858'
MVU2	8692'
MVL1	9285'
Sego	10,005'
Castlegate	10,030'
Blackhawk	10,455'
Dakota	14,960'
TD	15,160'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1526'
Gas	Wasatch	4358'
Gas	Mesaverde	4858'
Gas	MVU2	8692'
Gas	MVL1	9285'
Gas	Sego	10,005'
Gas	Castlegate	10,030'
Gas	Blackhawk	10,455'
Gas	Dakota	14,960'
Water	N/A	
Other Minerals	N/A	

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

*Please refer to the attached Drilling Program.*

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

*Please refer to the attached Drilling Program.*

5. **Drilling Fluids Program:**

*Please refer to the attached Drilling Program.*

6. **Evaluation Program:**

*Please refer to the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 15,160' TD, approximately equals 9399 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 6064 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

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

9. **Variances:**

*Please refer to the attached Drilling Program.*

*Onshore Order #2 – Air Drilling Variance*

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

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

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

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

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

*Background*

*In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the*

*Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.*

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

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

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

#### *Variance for BOPE Requirements*

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

#### *Variance for Mud Material Requirements*

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

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

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

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

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

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

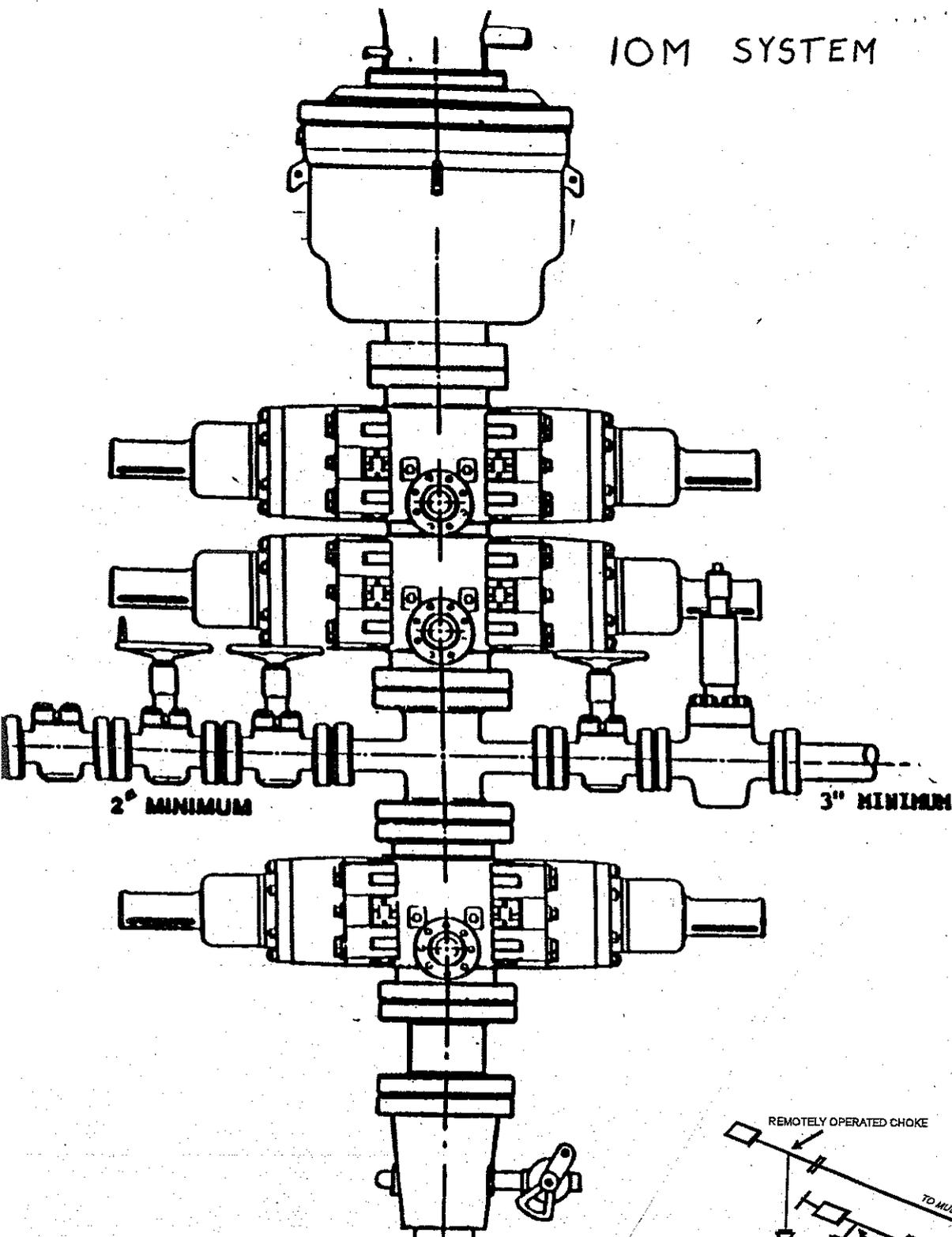
#### *Conclusion*

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

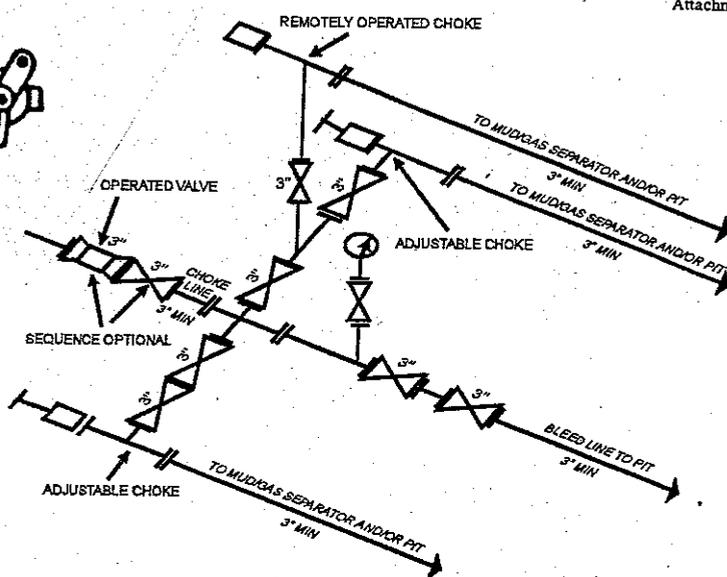
#### **10. Other Information:**

*Please refer to the attached Drilling Program.*

# 10M SYSTEM



Attachment I - 2



**State 921-27E1D  
SWNW SEC. 27, T9S, R21E  
UINTAH COUNTY, UTAH  
ST UO 1194-A**

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

**1. Existing Roads:**

Refer to Topo Map A for directions to the location.

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

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

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

**2. Planned Access Roads:**

Approximately 170' +/- of new access road is proposed. Please refer to the attached Topo Map B.

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

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

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

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

*The following guidelines will apply if the well is productive.*

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

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

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

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

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

**Approximately 69' of 4" pipeline is proposed. In addition, a total pipeline re-route of 814' is proposed. Refer to Topo D for the proposed pipeline.**

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

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

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

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

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

Any gravel will be obtained from a commercial source.

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

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

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

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

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

be disposed of in the pit.

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

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

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

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

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

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

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

**8. Ancillary Facilities:**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

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

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

*Producing Location:*

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

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

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

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

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

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

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

*Dry Hole/Abandoned Location:*

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

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

**11. Surface/Mineral Ownership:**

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

**12. Other Information:**

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

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

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

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

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

Kevin McIntyre  
Regulatory Analyst  
Kerr-McGee Oil & Gas Onshore LP  
P.O. Box 173779  
Denver, CO 80217-3779  
(720) 929-6226

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

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

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond 22013542.

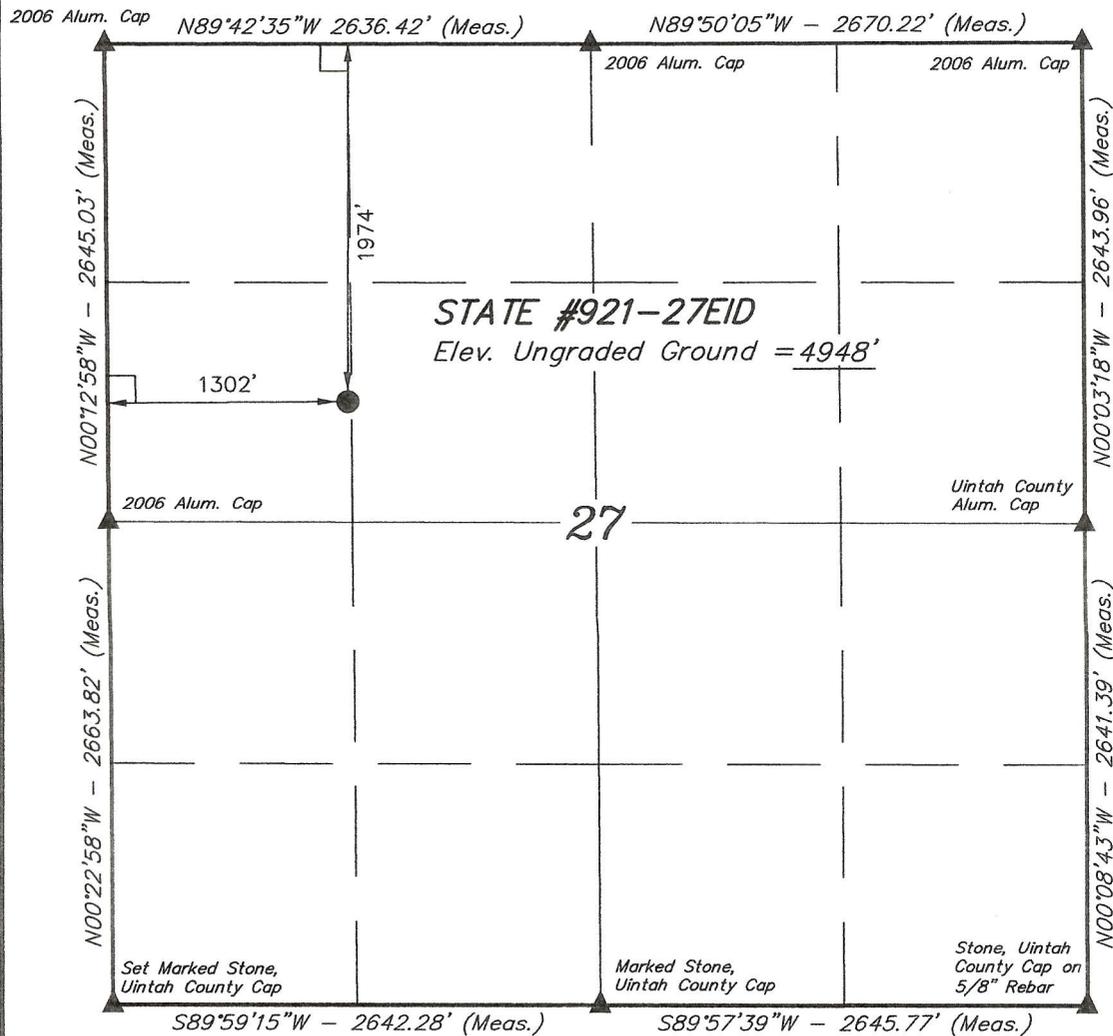
I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

\_\_\_\_\_  
Kevin McIntyre

10/23/2008

Date

**T9S, R21E, S.L.B.&M.**



**LEGEND:**

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

(NAD 83)  
 LATITUDE = 40°00'32.06" (40.008906)  
 LONGITUDE = 109°32'33.64" (109.542678)  
 (NAD 27)  
 LATITUDE = 40°00'32.19" (40.008942)  
 LONGITUDE = 109°32'31.16" (109.541989)

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

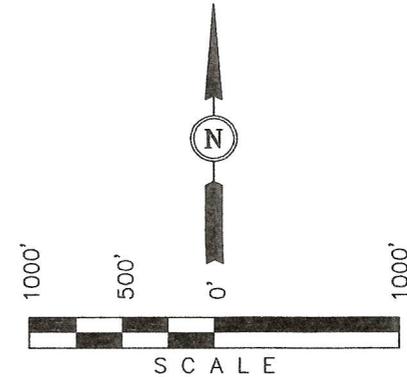
Well location, STATE #921-27EID, located as shown in the SW 1/4 NW 1/4 of Section 27, T9S, R21E, S.L.B.&M., Uintah County, Utah.

**BASIS OF ELEVATION**

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

**BASIS OF BEARINGS**

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



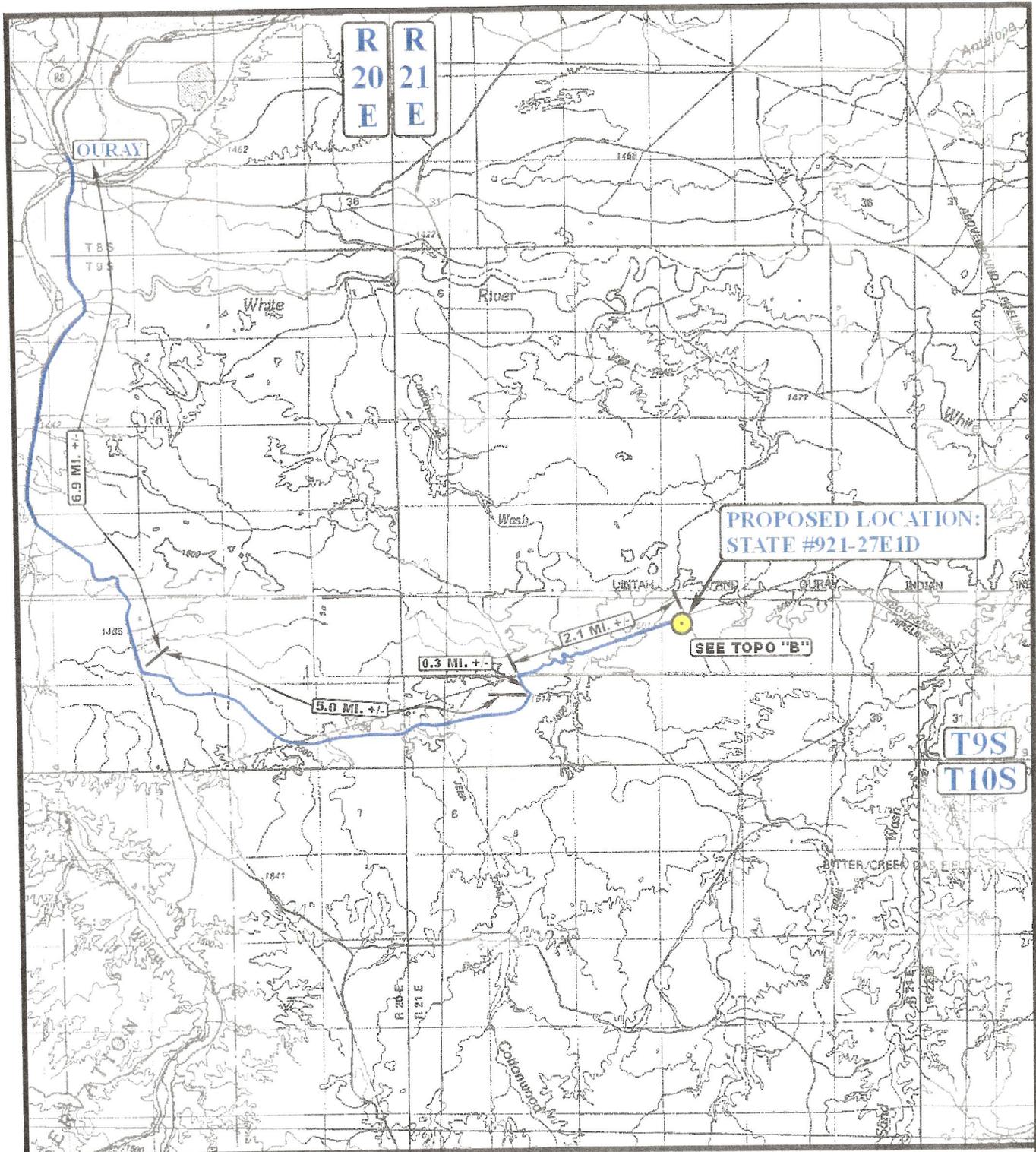
**CERTIFICATE**

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

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

SCALE 1" = 1000'	DATE SURVEYED: 09-30-08	DATE DRAWN: 10-09-08
PARTY D.K. D.D. S.P.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	



**PROPOSED LOCATION:  
STATE #921-27E1D**

**SEE TOPO "B"**

**LEGEND:**

 PROPOSED LOCATION

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

**STATE #921-27E1D  
SECTION 27, T9S, R21E, S.L.B.&M.  
1974' FNL 1302' FWL**



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

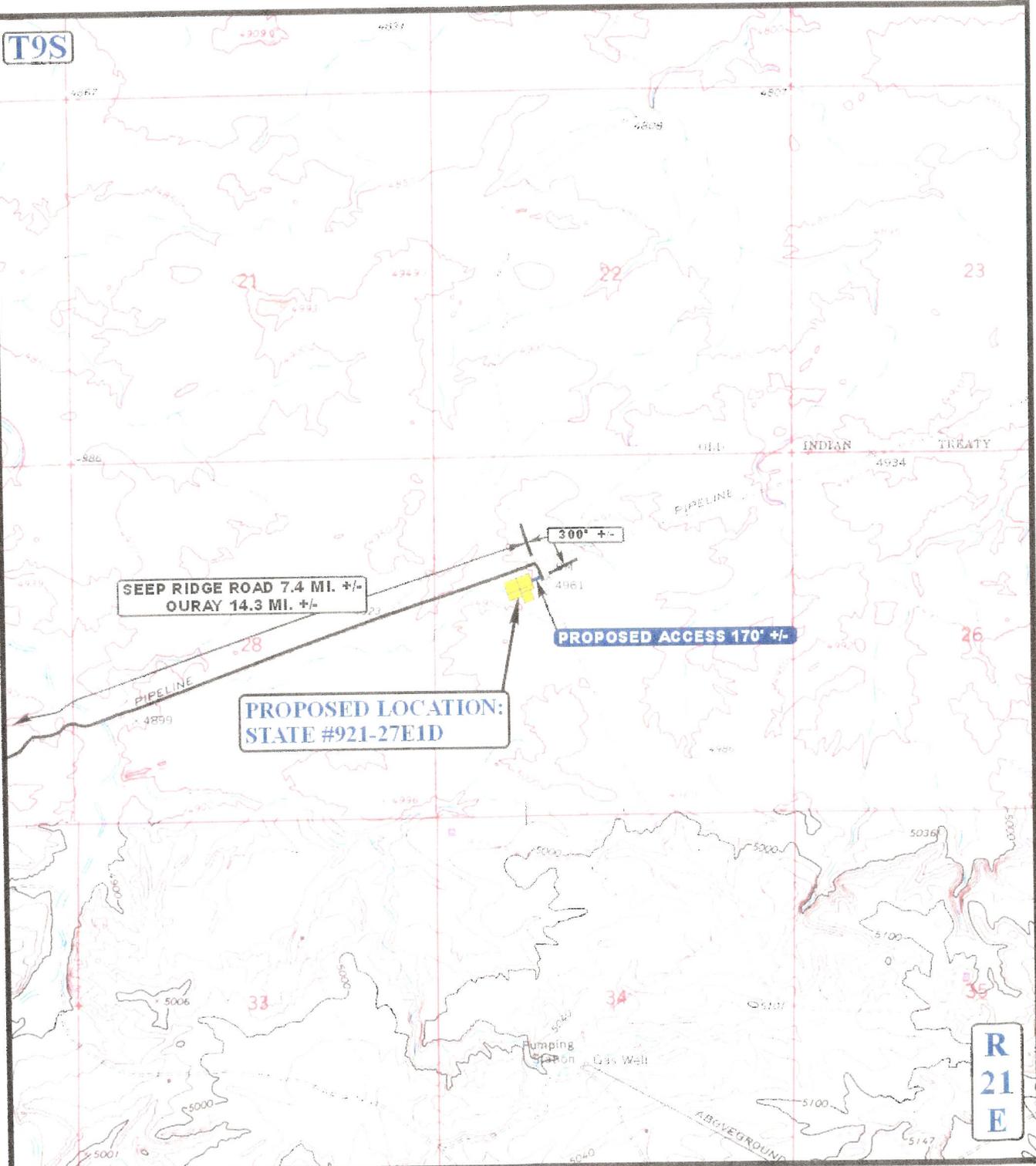


**TOPOGRAPHIC MAP** **10 10 08**  
MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: J.H. REVISED: 00-00-00



'APIWellNo:43047502090000'

T9S



R  
21  
E

**LEGEND:**

-  PROPOSED ACCESS ROAD
-  EXISTING ROAD

Kerr-McGee Oil & Gas Onshore LP

STATE #921-27E1D  
 SECTION 27, T9S, R21E, S.L.B.&M.  
 1974' FNL 1302' FWL

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



**TOPOGRAPHIC MAP** 10 10 08  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 00-00-00 **B TOPO**

'APIWellNo:43047502090000'

T9S

R21E

PROPOSED LOCATION:  
STATE #921-27E1D

**LEGEND:**

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

Kerr-McGee Oil & Gas Onshore LP

STATE #921-27E1D  
SECTION 27, T9S, R21E, S.L.B.&M.  
1974' FNL 1302' FWL

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

**TOPOGRAPHIC MAP** 10 10 08  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: J.H. REVISED: 00-00-00



'APIWellNo:43047502090000'

T9S

OLD

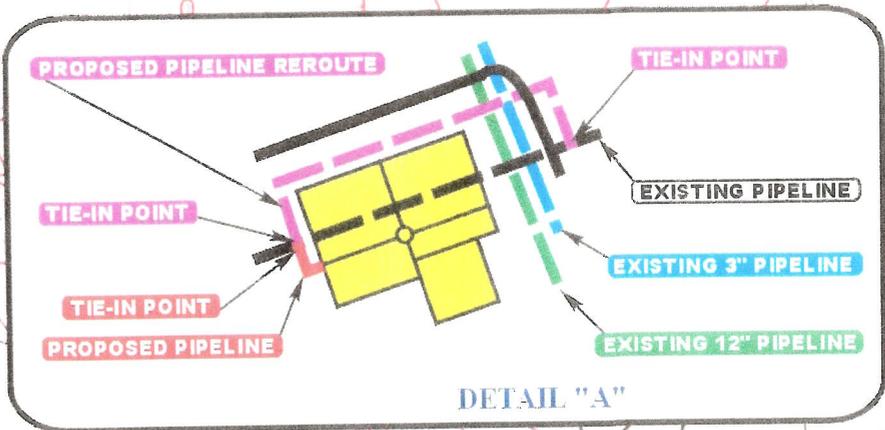
PIPELINE

BM

SEE DETAIL "A"

PROPOSED ACCESS

PROPOSED LOCATION:  
STATE #921-27E1D



R  
21  
E

APPROXIMATE TOTAL PIPELINE DISTANCE = 69' +-

APPROXIMATE TOTAL PIPELINE REROUTE DISTANCE = 814' +-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- EXISTING 3" PIPELINE
- EXISTING 12" PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE REROUTE

Kerr-McGee Oil & Gas Onshore LP

STATE #921-27E1D  
SECTION 27, T9S, R21E, S.L.B.&M.  
1974' FNL 1302' FWL



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



TOPOGRAPHIC MAP  
SCALE: 1" = 1000'  
DRAWN BY: JH.  
REVISIED: 00-00-00

10 10 08  
MONTH DAY YEAR

D  
TOPO

Kerr-McGee Oil & Gas Onshore LP  
STATE #921-27E1D  
SECTION 27, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN SOUTHEASTERLY DIRECTION APPROXIMATELY 300' TO THE JUNCTION OF THIS ROAD AND THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 170' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 45.4 MILES.

# Kerr-McGee Oil & Gas Onshore LP

STATE #921-27E1D

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 27, T9S, R21E, S.L.B.&M.

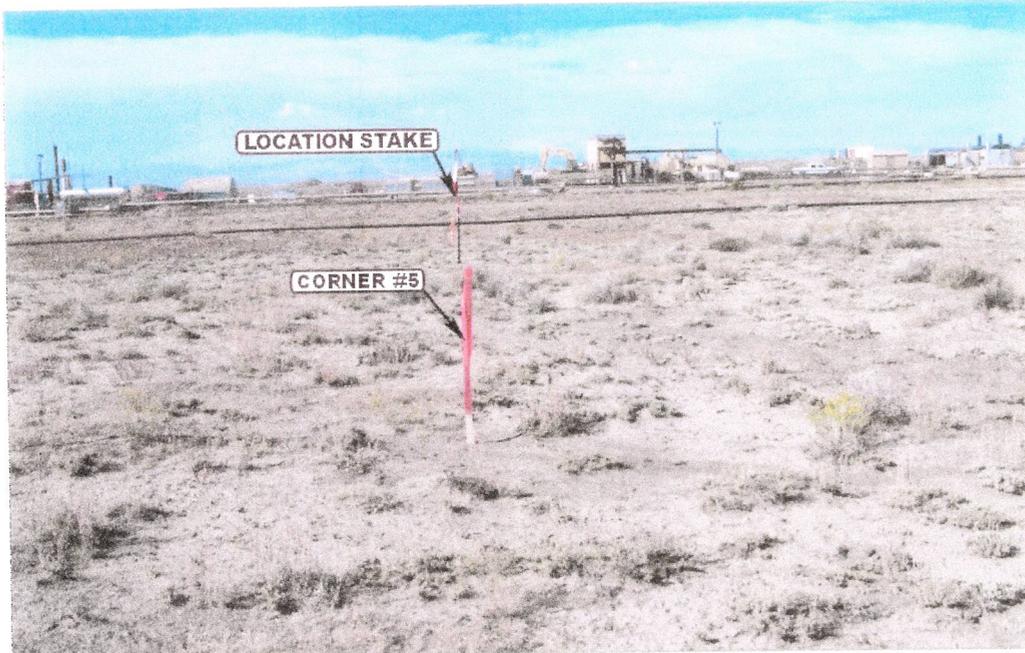


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

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

LOCATION PHOTOS

10 10 08  
MONTH DAY YEAR

PHOTO

TAKEN BY: L.K.

DRAWN BY: J.H.

REVISED: 00-00-00

'APIWellNo:43047502090000'

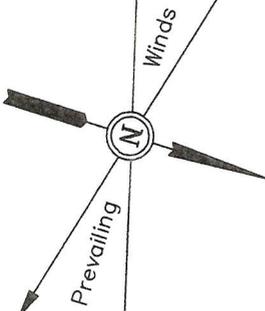
# Kerr-McGee Oil & Gas Onshore LP

FIGURE #1

## LOCATION LAYOUT FOR

STATE #921-27EID  
SECTION 27, T9S, R21E, S.L.B.&M.  
1974' FNL 1302' FWL

Approx. Toe of Fill Slope  
F-2.7'  
El. 45.0'

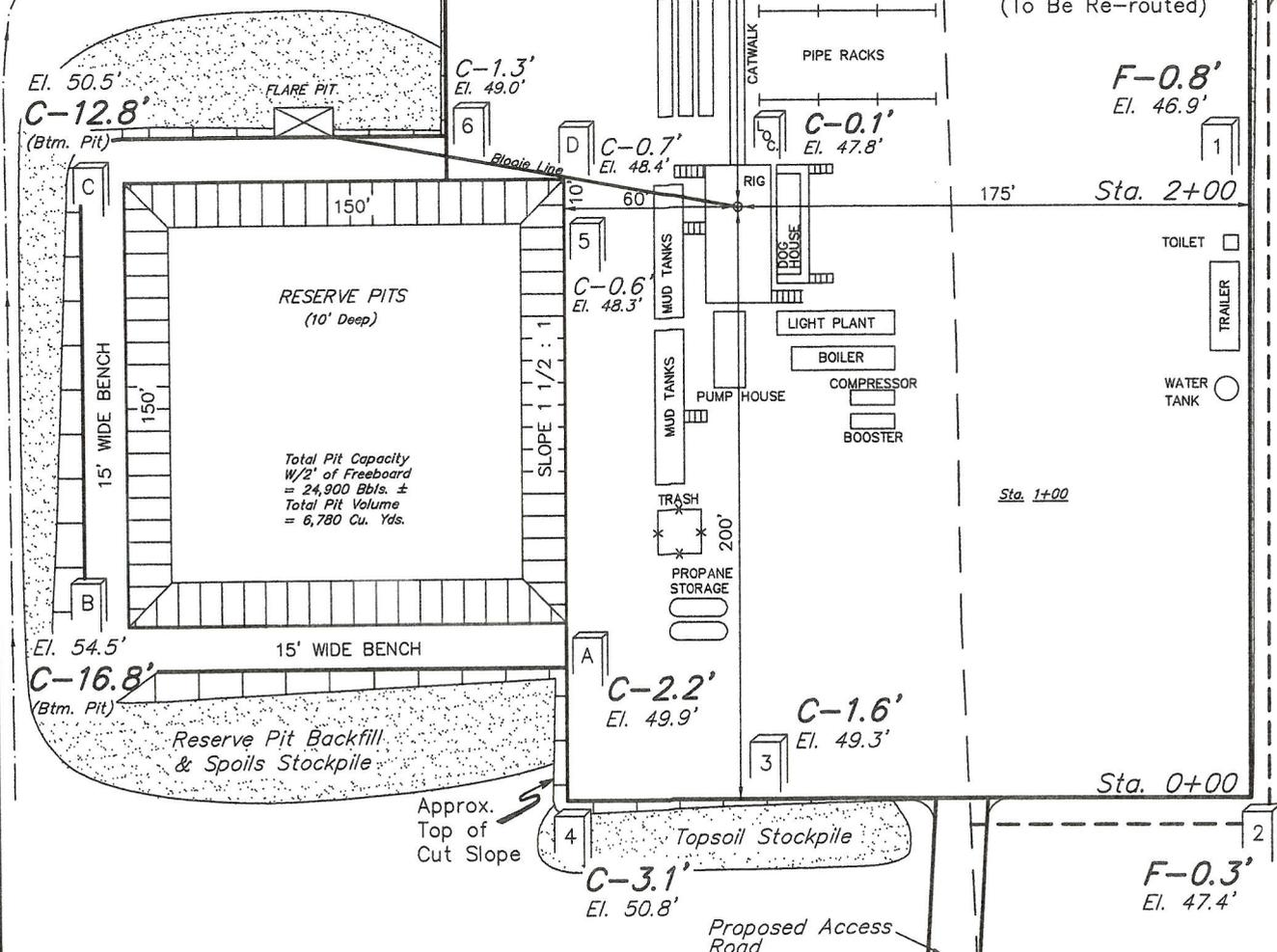
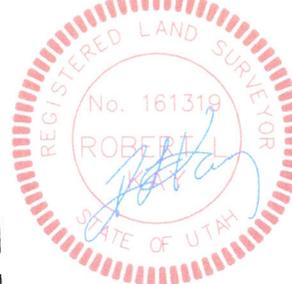


CONSTRUCT DIVERSION DITCH

SCALE: 1" = 60'  
DATE: 10-09-08  
DRAWN BY: S.P.

**NOTE:**

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



4" Pipeline (Re-routed)

Existing 4" Pipeline (To Be Re-routed)

**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 4947.8'  
FINISHED GRADE ELEV. AT LOC. STAKE = 4947.7'

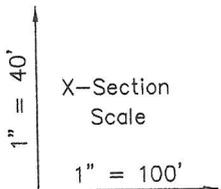
APIWellNo:43047502090000

# Kerr-McGee Oil & Gas Onshore LP

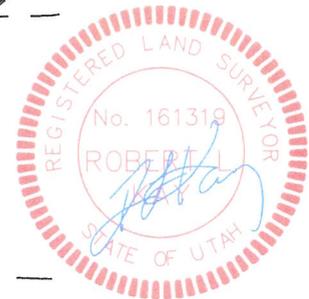
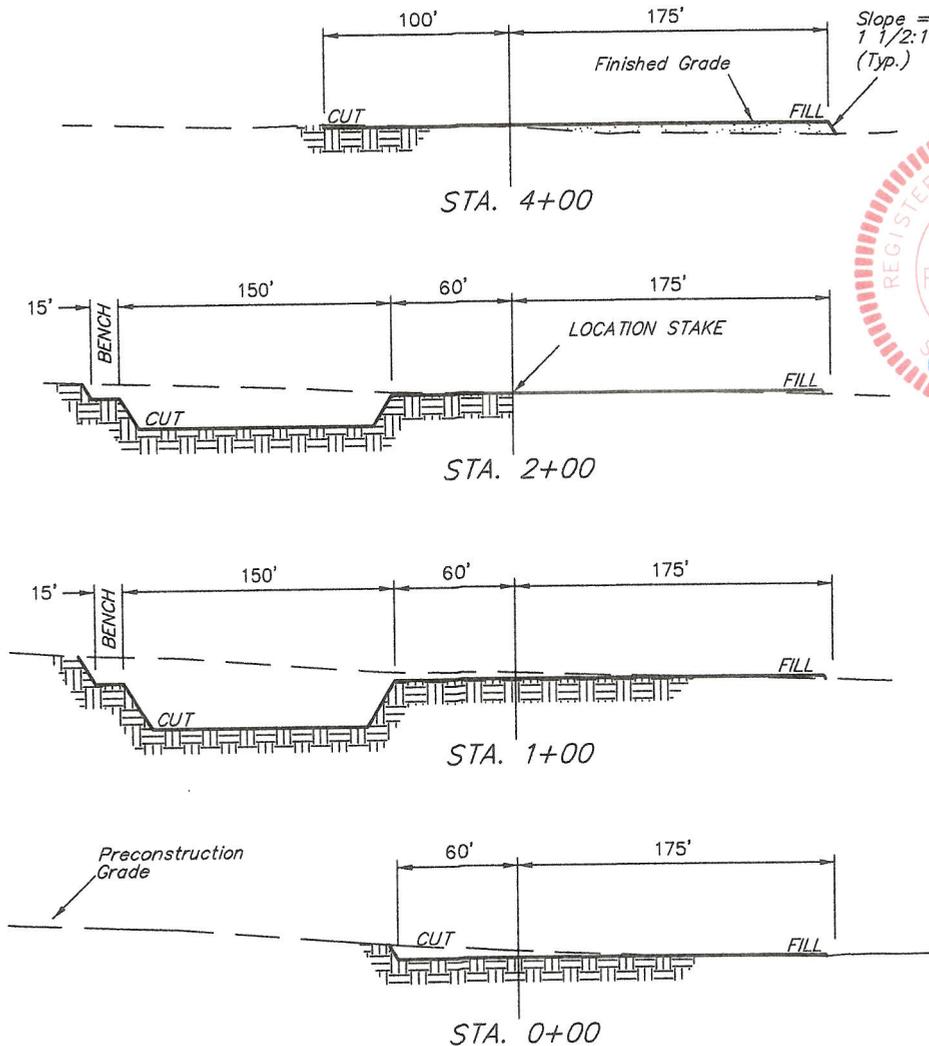
**FIGURE #2**

## TYPICAL CROSS SECTIONS FOR

STATE #921-27EID  
SECTION 27, T9S, R21E, S.L.B.&M.  
1974' FNL 1302' FWL



DATE: 10-09-08  
DRAWN BY: S.P.



**NOTE:**

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

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ±3.569 ACRES  
ACCESS ROAD DISTURBANCE = ±0.118 ACRES  
PIPELINE DISTURBANCE = ±0.048 ACRES  
PIPELINE RE-ROUTE DISTURBANCE = ±0.561 ACRES  
TOTAL = ±4.296 ACRES

**\* NOTE:**

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 2,560 Cu. Yds.  
Remaining Location = 10,660 Cu. Yds.  
  
TOTAL CUT = 13,220 CU.YDS.  
FILL = 2,870 CU.YDS.

EXCESS MATERIAL = 10,350 Cu. Yds.  
Topsoil & Pit Backfill (1/2 Pit Vol.) = 5,950 Cu. Yds.  
EXCESS UNBALANCE = 4,400 Cu. Yds. (After Interim Rehabilitation)

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

APIWellNo:43047502090000

API Number: 4304750209

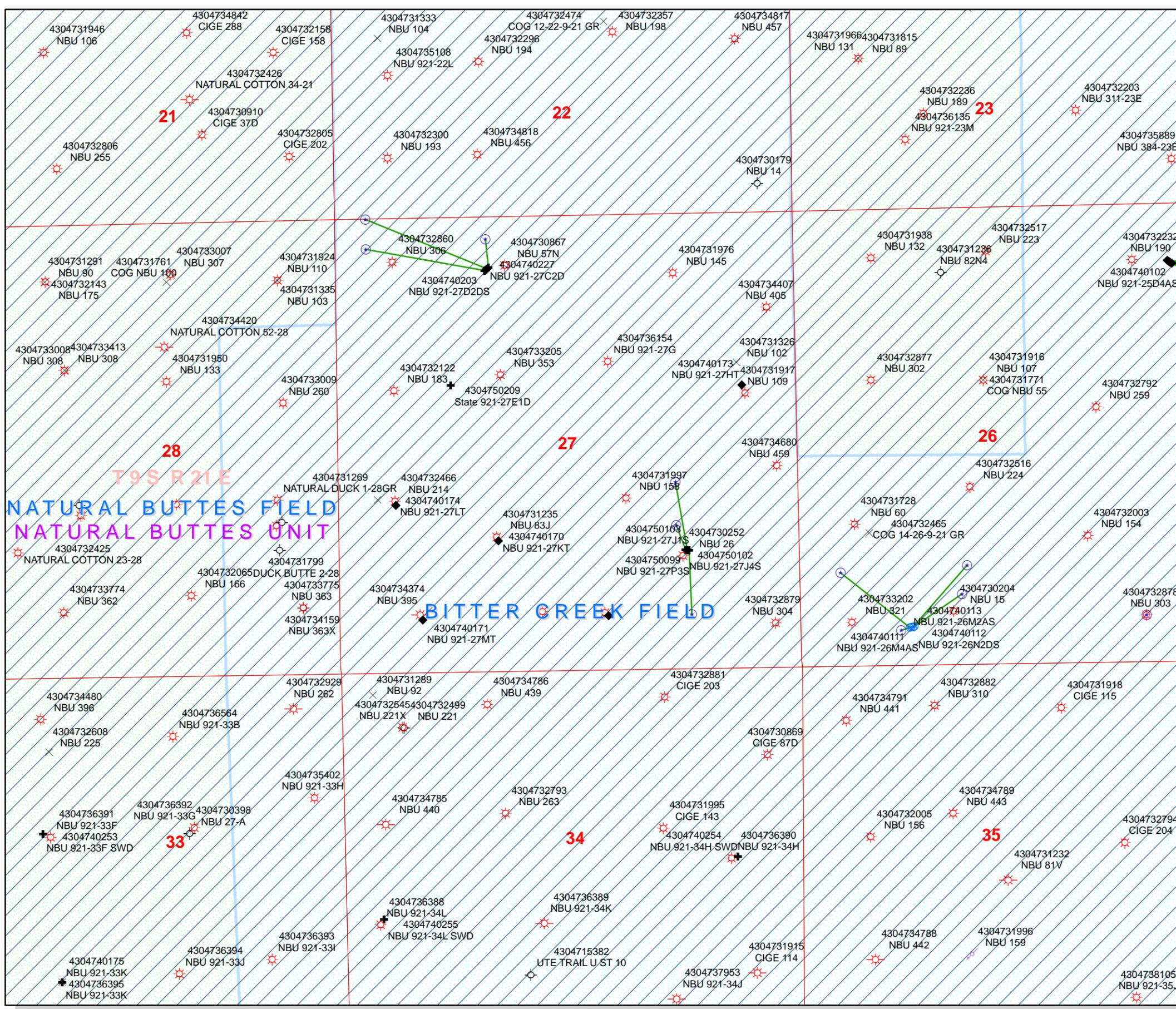
Well Name: State 921-27E1D

Township 09.0 S Range 21.0 E Section 27

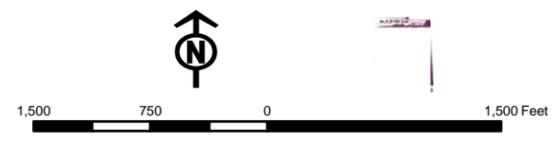
Meridian: SLBM

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

Map Prepared:  
Map Produced by Diana Mason



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



1:14,138

# Application for Permit to Drill Statement of Basis

1/13/2009

**Utah Division of Oil, Gas and Mining**

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Owner</b>	<b>CBM</b>
1149	43047502090000	LOCKED	GW	S	No
<b>Operator</b>	KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>Surface Owner-APD</b>		
<b>Well Name</b>	STATE 921-27E1D		<b>Unit</b>		
<b>Field</b>	NATURAL BUTTES		<b>Type of Work</b>	DRILL	
<b>Location</b>	SWNW 27 9S 21E S 1974 FNL 1302 FWL GPS Coord (UTM) 624453E 4429549N				

**Geologic Statement of Basis**

Kerr McGee proposes to set 2,450' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 1,900'. A search of Division of Water Rights records shows one water well within a 10,000 foot radius of the center of Section 27. The well is listed as 200 feet deep and used for drilling water. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The proposed casing and cement should adequately protect any usable ground water.

Brad Hill  
**APD Evaluator**

11/10/2008  
**Date / Time**

**Surface Statement of Basis**

This location is in the Natural Buttes Unit approximately 14 road miles southeast of Ouray, Ut.. It is accessed by the Seep Ridge Road to the Uintah County Middle Road then by existing or planned oil field development roads to within 170 feet of the site, which will require new construction. The general area is at the head of a long unnamed wash immediately east of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles below the site. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws that drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

The State 921-27E1D gas well is in rolling hills immediately south of Kerr McGee's West Cottonwood Compressor site. The area contains some sandstone outcrops with the location on the north edge of a gentle slope, which steepens to the south. The pad is laid-out longitudinally along this gentle north slope with cut being moved to the north to construct the pad. Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad. Existing Kerr McGee pipelines cross the area. They will be relocated as needed to construct the access road and the pad. The pad has been located so as to avoid as overhead power line to the west.

The selected site has no apparent concerns for constructing a pad, drilling and operating the planned well.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA reviewed the site and had no concerns regarding the proposal.

Ben Williams represented the UDWR at the pre-site visit. He explained that the area is classified as yearlong critical habitat for antelope. He stated the lack of water not forage is the limiting factor affecting the herd in the area. He did not recommend any restrictions for antelope. No other wildlife are expected to be significantly affected. He gave Jim Davis of SITLA and Ramie Hoopes of Kerr McGee copies of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the location.

# Application for Permit to Drill Statement of Basis

1/13/2009

Utah Division of Oil, Gas and Mining

Page 2

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Floyd Bartlett  
Onsite Evaluator

10/28/2008  
Date / Time

---

# Application for Permit to Drill

## Statement of Basis

1/13/2009

Utah Division of Oil, Gas and Mining

Page 3

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### Conditions of Approval / Application for Permit to Drill

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

## ON-SITE PREDRILL EVALUATION

### Utah Division of Oil, Gas and Mining

**Operator** KERR-MCGEE OIL & GAS ONSHORE, L.P.  
**Well Name** State 921-27E1D  
**API Number** 43-047-50209-0      **APD No** 1149      **Field/Unit** NATURAL BUTTES  
**Location: 1/4,1/4 SWNW**      **Sec** 27    **Tw** 9S    **Rng** 21E    1974 FNL 1302 FWL  
**GPS Coord (UTM)** 624447      4429560      **Surface Owner**

**Participants**

Floyd Bartlett (DOGM), Jim Davis (SITLA), Ramie Hoopes, Griz Oleen and Tony Kzneck (Kerr McGee), Ben Williams and Pat Rainbolt (UDWR) and David Kay (Uintah Engineering and Land Surveying)

**Regional/Local Setting & Topography**

.This location is in the Natural Buttes Unit approximately 14 road miles southeast of Ouray, Ut.. It is accessed by the Seep Ridge Road to the Uintah County Middle Road then by existing or planned oil field development roads to within 170 feet of the site, which will require new construction. The general area is at the head of a long unnamed wash immediately east of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles below the site. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws that drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

The State 921-27E1D gas well is in rolling hills immediately south of Kerr McGee's West Cottonwood Compressor site. The area contains some sandstone outcrops with the location on the north edge of a gentle slope, which steepens to the south. The pad is laid-out longitudinally along this gentle north slope with cut being moved to the north to construct the pad. Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad. Existing Kerr McGee pipelines cross the area. They will be relocated as needed to construct the access road and the pad. The pad has been located so as to avoid as overhead power line to the west.

The selected site has no apparent concerns for constructing a pad, drilling and operating the planned well.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA reviewed the site and had no concerns regarding the proposal.

**Surface Use Plan**

**Current Surface Use**

- Grazing
- Recreational
- Wildlfe Habitat

**New Road**

Miles	Well Pad	Src Const Material	Surface Formation
0.04	<b>Width</b> 400 <b>Length</b> 400	Onsite	UNTA

**Ancillary Facilities** N

**Waste Management Plan Adequate?**

**Environmental Parameters**

**Affected Floodplains and/or Wetland** N

**Flora / Fauna**

Vegetation is a salt desert shrub type. Principal species present are mat saltbrush, cheatgrass, prickly pear, greasewood, globemallow, wild onion, halogeton, pepper grass and curly mesquite grass.

Cattle, antelope and small mammals and birds.

**Soil Type and Characteristics**

Soils are a shallow to moderately deep sandy clay loam with some surface rock.

**Erosion Issues** N

**Sedimentation Issues** Y

Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad

**Site Stability Issues** N

**Drainage Diversion Required** Y

Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad

**Berm Required?** N

**Erosion Sedimentation Control Required?** Y

Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad

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

**Reserve Pit**

<b>Site-Specific Factors</b>		<b>Site Ranking</b>
<b>Distance to Groundwater (feet)</b>	100 to 200	5
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	300 to 1320	10
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>		
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	<10	0
<b>Affected Populations</b>	<10	0
<b>Presence Nearby Utility Conduits</b>	Not Present	0
	<b>Final Score</b>	25   1 <b>Sensitivity Level</b>

**Characteristics / Requirements**

The reserve pit is planned in an area of cut in the southeast corner of the location. Dimensions are 150' x 150' x 10' deep with 2' of freeboard. Kerr McGee commonly uses a 20-mil liner with an appropriate thickness of sub-felt to cushion the rock.

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

**Other Observations / Comments**

Floyd Bartlett  
**Evaluator**

10/28/2008  
**Date / Time**

Well Name	KERR-MCGEE OIL & GAS ONSHORE, L.P. STATE 921-27E1D 430475020			
String	Surf	I1	Prod	
Casing Size(")	9.625	7.000	4.500	
Setting Depth (TVD)	2450	10555	15160	
Previous Shoe Setting Depth (TVD)	40	2450	10555	
Max Mud Weight (ppg)	8.4	12.0	14.0	
BOPE Proposed (psi)	500	10000	10000	
Casing Internal Yield (psi)	3950	9950	14420	
Operators Max Anticipated Pressure (psi)	9339		11.8	

Calculations	Surf String	9.625	"
Max BPH (psi)	$.052 * \text{Setting Depth} * \text{MW} =$	1070	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) (psi)	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	776	NO
MASP (Gas/Mud) (psi)	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	531	NO
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	540	NO Reasonable Depth in area, no expected pressures
Required Casing/BOPE Test Pressure=		2450	psi
*Max Pressure Allowed @ Previous Casing Shoe=		40	psi *Assumes 1psi/ft frac gradient

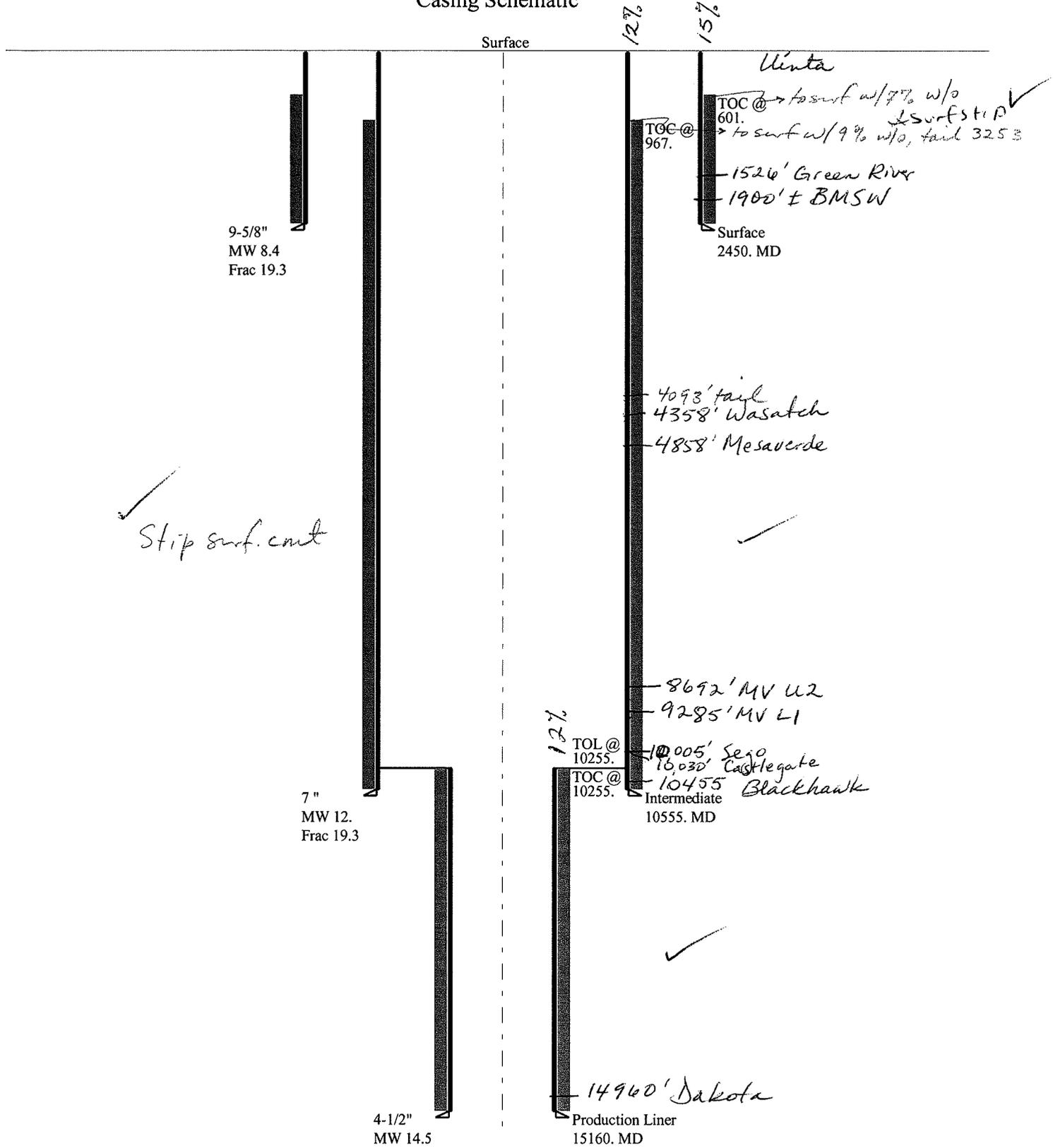
Calculations	I1 String	7.000	"
Max BPH (psi)	$.052 * \text{Setting Depth} * \text{MW} =$	6586	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) (psi)	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	5319	YES
MASP (Gas/Mud) (psi)	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	4264	YES o.k.
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	4803	NO Reasonable - note max. pressure
Required Casing/BOPE Test Pressure=		6965	psi
*Max Pressure Allowed @ Previous Casing Shoe=		2450	psi *Assumes 1psi/ft frac gradient

Calculations	Prod String	4.500	"
Max BPH (psi)	$.052 * \text{Setting Depth} * \text{MW} =$	11036	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) (psi)	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	9217	YES
MASP (Gas/Mud) (psi)	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	7701	YES o.k.
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	10023	YES o.k.
Required Casing/BOPE Test Pressure=		10000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		9950	psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BPH (psi)	$.052 * \text{Setting Depth} * \text{MW} =$		
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
MASP (Gas) (psi)	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$		NO
MASP (Gas/Mud) (psi)	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$		NO
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
Pressure At Previous Shoe	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

# 43047502090000 ST 921-27E1D

## Casing Schematic



Well name:	<b>43047502090000 ST 921-27E1D</b>	
Operator:	<b>Kerr McGee Oil &amp; Gas Onshore L.P.</b>	Project ID:
String type:	Surface	43-047-50209-0000
Location:	Uintah County, Utah	

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 109 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,300 ft  
 Cement top: 601 ft

**Burst**

Max anticipated surface pressure: 1,911 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP 2,450 psi

No backup mud specified.

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 2,144 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 10,555 ft  
 Next mud weight: 12.000 ppg  
 Next setting BHP: 6,580 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 2,450 ft  
 Injection pressure: 2,450 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2450	9.625	40.00	K-55	ST&C	2450	2450	8.75	1043.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1069	2570	2.404	2450	3950	1.61	86	486	5.67 J

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

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

Date: December 2, 2008  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2450 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43047502090000 ST 921-27E1D</b>	
Operator:	<b>Kerr McGee Oil &amp; Gas Onshore L.P.</b>	Project ID:
String type:	Intermediate	43-047-50209-0000
Location:	Uintah County, Utah	

**Design parameters:**

**Collapse**

Mud weight: 12.000 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 223 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft  
 Cement top: 967 ft

**Burst**

Max anticipated surface pressure: 8,084 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP 10,406 psi  
 Annular backup: 2.33 ppg

**Tension:**

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

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 15,160 ft  
 Next mud weight: 14.500 ppg  
 Next setting BHP: 11,419 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 10,555 ft  
 Injection pressure: 10,555 psi

Tension is based on buoyed weight.  
 Neutral point: 8,645 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	10555	7	26.00	HCP-110	LT&C	10555	10555	6.151	2267.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6580	7800	1.185	9129	9950	1.09	225	693	3.08 J

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

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

Date: December 2, 2008  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 10555 ft, a mud weight of 12 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43047502090000 ST 921-27E1D</b>	
Operator:	<b>Kerr McGee Oil &amp; Gas Onshore L.P.</b>	
String type:	Production Liner	Project ID: 43-047-50209-0000
Location:	Uintah County, Utah	

**Design parameters:**

**Collapse**

Mud weight: 14.500 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 287 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 10,255 ft

Liner top: 10,255 ft

**Non-directional string.**

**Burst**

Max anticipated surface pressure: 8,084 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 11,419 psi

No backup mud specified.

**Tension:**

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

Tension is based on buoyed weight.  
Neutral point: 14,091 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4860	4.5	15.10	P-110	LT&C	15160	15160	3.701	388
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	11419	14350	1.257	11419	14420	1.26	57	406	7.09 J

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

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

Date: December 2, 2008  
Salt Lake City, Utah

Remarks:

For this liner string, the top is rounded to the nearest 100 ft. Collapse is based on a vertical depth of 15160 ft, a mud weight of 14.5 ppg. The Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

**From:** Jim Davis  
**To:** Bonner, Ed; Mason, Diana  
**Date:** 1/5/2009 1:26 PM  
**Subject:** SITLA approval on one KMG well

**CC:** Garrison, LaVonne  
The following well has been approved by SITLA including arch and paleo clearance.

4304750209 State 921-27E1D Kerr-McGee Oil & Gas Natural Buttes SWNW 27 090S 210E  
S

-Jim

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

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** KERR-MCGEE OIL & GAS ONSHORE, L.P.  
**Well Name** STATE 921-27E1D  
**API Number** 43047502090000      **APD No** 1149      **Field/Unit** NATURAL BUTTES  
**Location: 1/4,1/4** SWNW      **Sec** 27      **Tw** 9.0S      **Rng** 21.0E      1974      **FNL** 1302      **FWL**  
**GPS Coord (UTM)** 624447 4429560      **Surface Owner**

**Participants**

Floyd Bartlett (DOGM), Jim Davis (SITLA), Ramie Hoopes, Griz Oleen and Tony Kzneck (Kerr McGee), Ben Williams and Pat Rainbolt (UDWR) and David Kay (Uintah Engineering and Land Surveying)

**Regional/Local Setting & Topography**

.This location is in the Natural Buttes Unit approximately 14 road miles southeast of Ouray, Ut.. It is accessed by the Seep Ridge Road to the Uintah County Middle Road then by existing or planned oil field development roads to within 170 feet of the site, which will require new construction. The general area is at the head of a long unnamed wash immediately east of Cottonwood Wash. Both washes enter the White River in the same general area, approximately six miles below the site. The area is characterized by rolling hills, which are frequently divided by somewhat gentle draws that drain northerly. This unnamed wash is an ephemeral drainage. No springs, seeps or streams exist in the area. An occasional pond constructed to supply water for cattle and antelope exists. The washes are sometimes rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims.

The State 921-27E1D gas well is in rolling hills immediately south of Kerr McGee’s West Cottonwood Compressor site. The area contains some sandstone outcrops with the location on the north edge of a gentle slope, which steepens to the south. The pad is laid-out longitudinally along this gentle north slope with cut being moved to the north to construct the pad. Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad. Existing Kerr McGee pipelines cross the area. They will be relocated as needed to construct the access road and the pad. The pad has been located so as to avoid as overhead power line to the west.

The selected site has no apparent concerns for constructing a pad, drilling and operating the planned well.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA reviewed the site and had no concerns regarding the proposal.

**Surface Use Plan**

**Current Surface Use**

- Grazing
- Recreational
- Wildlfe Habitat

<b>New Road Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
0.04	<b>Width</b> 400 <b>Length</b> 400	Onsite	UNTA

**Ancillary Facilities** N

**Waste Management Plan Adequate?**

**Environmental Parameters**

**Affected Floodplains and/or Wetlands** N

**Flora / Fauna**

Vegetation is a salt desert shrub type. Principal species present are mat saltbrush, cheatgrass, prickly pear, greasewood, globemallow, wild onion, halogeton, pepper grass and curly mesquite grass.

Cattle, antelope and small mammals and birds.

**Soil Type and Characteristics**

Soils are a shallow to moderately deep sandy clay loam with some surface rock.

**Erosion Issues** N

**Sedimentation Issues** Y

Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad

**Site Stability Issues** N

**Drainage Diverson Required?** Y

Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad

**Berm Required?** N

**Erosion Sedimentation Control Required?** Y

Several small drainages intersect the location from the south. A planned diversion ditch will be constructed to intercept these small drainages and divert any flows to the west and north around the pad

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

**Reserve Pit**

Site-Specific Factors		Site Ranking	
<b>Distance to Groundwater (feet)</b>	100 to 200	5	
<b>Distance to Surface Water (feet)</b>	>1000	0	
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0	
<b>Distance to Other Wells (feet)</b>	300 to 1320	10	
<b>Native Soil Type</b>	Mod permeability	10	
<b>Fluid Type</b>			
<b>Drill Cuttings</b>	Normal Rock	0	
<b>Annual Precipitation (inches)</b>		0	
<b>Affected Populations</b>			
<b>Presence Nearby Utility Conduits</b>	Not Present	0	
	<b>Final Score</b>	25	1 Sensitivity Level

**Characteristics / Requirements**

The reserve pit is planned in an area of cut in the southeast corner of the location. Dimensions are 150' x 150' x 10' deep with 2' of freeboard. Kerr McGee commonly uses a 20-mil liner with an appropriate thickness of sub-felt to cushion the rock.

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

**Other Observations / Comments**

Floyd Bartlett  
**Evaluator**

10/28/2008  
**Date / Time**

# WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 11/4/2008

**API NO. ASSIGNED:** 43047502090000

**WELL NAME:** State 921-27E1D

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

**PHONE NUMBER:** 720 929-6226

**CONTACT:** Kevin McIntyre

**PROPOSED LOCATION:** SWNW 27 090S 210E

**Permit Tech Review:**

**SURFACE:** 1974 FNL 1302 FWL

**Engineering Review:**

**BOTTOM:** 1974 FNL 1302 FWL

**Geology Review:**

**COUNTY:** UINTAH

**LATITUDE:** 40.00886

**LONGITUDE:** -109.54189

**UTM SURF EASTINGS:** 624453.00

**NORTHINGS:** 4429549.00

**FIELD NAME:** NATURAL BUTTES

**LEASE TYPE:** 3 - State

**LEASE NUMBER:** ST UO 1194-A

**PROPOSED FORMATION:** DKTA

**SURFACE OWNER:** 3 - State

**COALBED METHANE:** NO

## RECEIVED AND/OR REVIEWED:

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

## LOCATION AND SITING:

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

**Comments:** Presite Completed

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



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

## Permit To Drill

\*\*\*\*\*

**Well Name:** STATE 921-27E1D  
**API Well Number:** 43047502090000  
**Lease Number:** ST UO 1194-A  
**Surface Owner:** STATE  
**Approval Date:** 1/20/2009

**Issued to:**

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

**Authority:**

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

**Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

**General:**

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

**Conditions of Approval:**

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

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

Surface casing shall be cemented to the surface.

**Notification Requirements:**

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

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

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

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

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

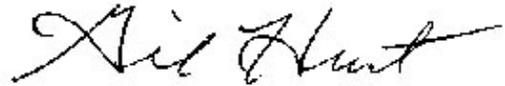
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

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

**Reporting Requirements:**

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

**Approved By:**



Gil Hunt  
Associate Director, Oil & Gas

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

FORM 9

**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.

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ST UO 1194A</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL <b>OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____		8. WELL NAME and NUMBER: <b>State 921-27E1D</b>
2. NAME OF OPERATOR: <b>Kerr-McGee Oil &amp; Gas Onshore, LP</b>		9. API NUMBER: <b>4304750209</b>
3. ADDRESS OF OPERATOR: <b>P.O. Box 173779</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80217-3779</b>		PHONE NUMBER: <b>(720) 929-6226</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1974' FNL &amp; 1302' FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Natural Buttes Field</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNW 27 9S 21E</b>		COUNTY: <b>Uintah</b>
		STATE: <b>UTAH</b>

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

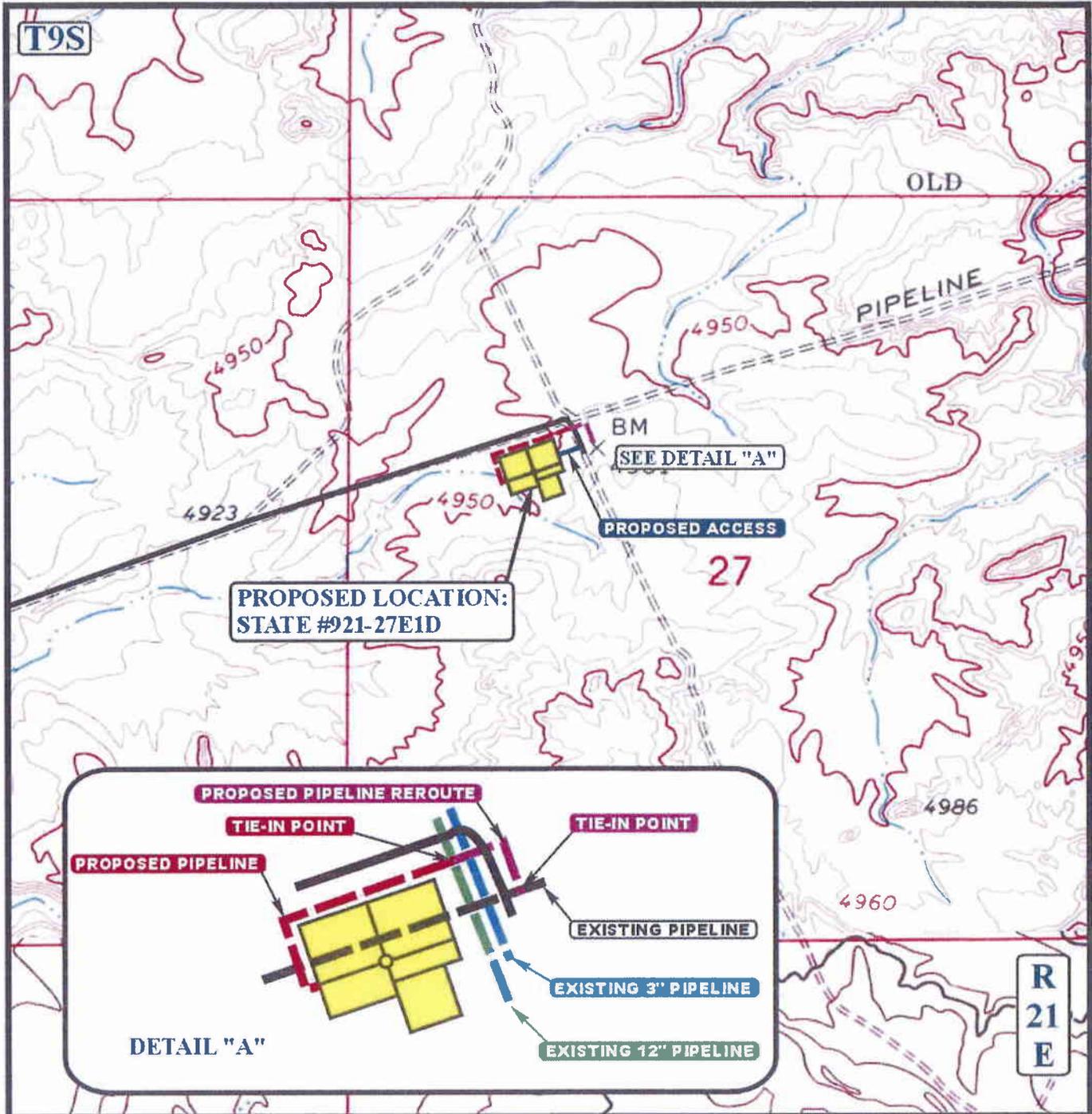
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate)  Approximate date work will start: _____  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Revised Topo D</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Kerr-McGee Oil & Gas Onshore, LP, respectfully submits the following revised TOPO D in accordance with the onsite that was performed on 10/28/2008.

NAME (PLEASE PRINT) <b>Kevin McIntyre</b>	TITLE <b>Regulatory Analyst</b>
SIGNATURE	DATE <b>11/17/2008</b>

(This space for State use only)



**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,020' +/-**

**APPROXIMATE TOTAL PIPELINE REROUTE DISTANCE = 154' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- EXISTING 3" PIPELINE
- EXISTING 12" PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE REROUTE



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

**STATE #921-27E1D  
SECTION 27, T9S, R21E, S.L.B.&M.  
1974' FNL 1302' FWL**



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

**TOPOGRAPHIC  
MAP**

**10 1008**  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.J.H. REVISED: 11-12-08



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ST UO 1194-A
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> STATE 921-27E1D
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047502090000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1974 FNL 1302 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNW Section: 27 Township: 09.0S Range: 21.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 1/20/2010  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____

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

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

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

**Date:** January 21, 2010

**By:**

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A		<b>DATE</b> 1/19/2010



**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 43047502090000**

**API:** 43047502090000

**Well Name:** STATE 921-27E1D

**Location:** 1974 FNL 1302 FWL QTR SWNW SEC 27 TWNP 090S RNG 210E MER S

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

**Date Original Permit Issued:** 1/20/2009

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

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

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

**Signature:** Danielle Piernot

**Date:** 1/19/2010

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

**Date:** January 21, 2010

**By:** 

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ST UO 1194-A
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 1/20/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
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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 checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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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: 01/19/2011  
By: 

<b>NAME (PLEASE PRINT)</b> Danielle Piernot	<b>PHONE NUMBER</b> 720 929-6156	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/19/2011	



**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 43047502090000**

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

**Signature:** Danielle Piernot

**Date:** 1/19/2011

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

**Date:** 01/19/2011  
**By:**



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 25, 2012

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

Re: APD Rescinded – State 921-27E1D, Sec. 27, T. 9S, R. 21E  
Uintah County, Utah API No. 43-047-50209

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 20, 2009. On January 21, 2010 and January 19, 2011, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 25, 2012.

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

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

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
SITLA, Ed Bonner

