

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

FORM 3

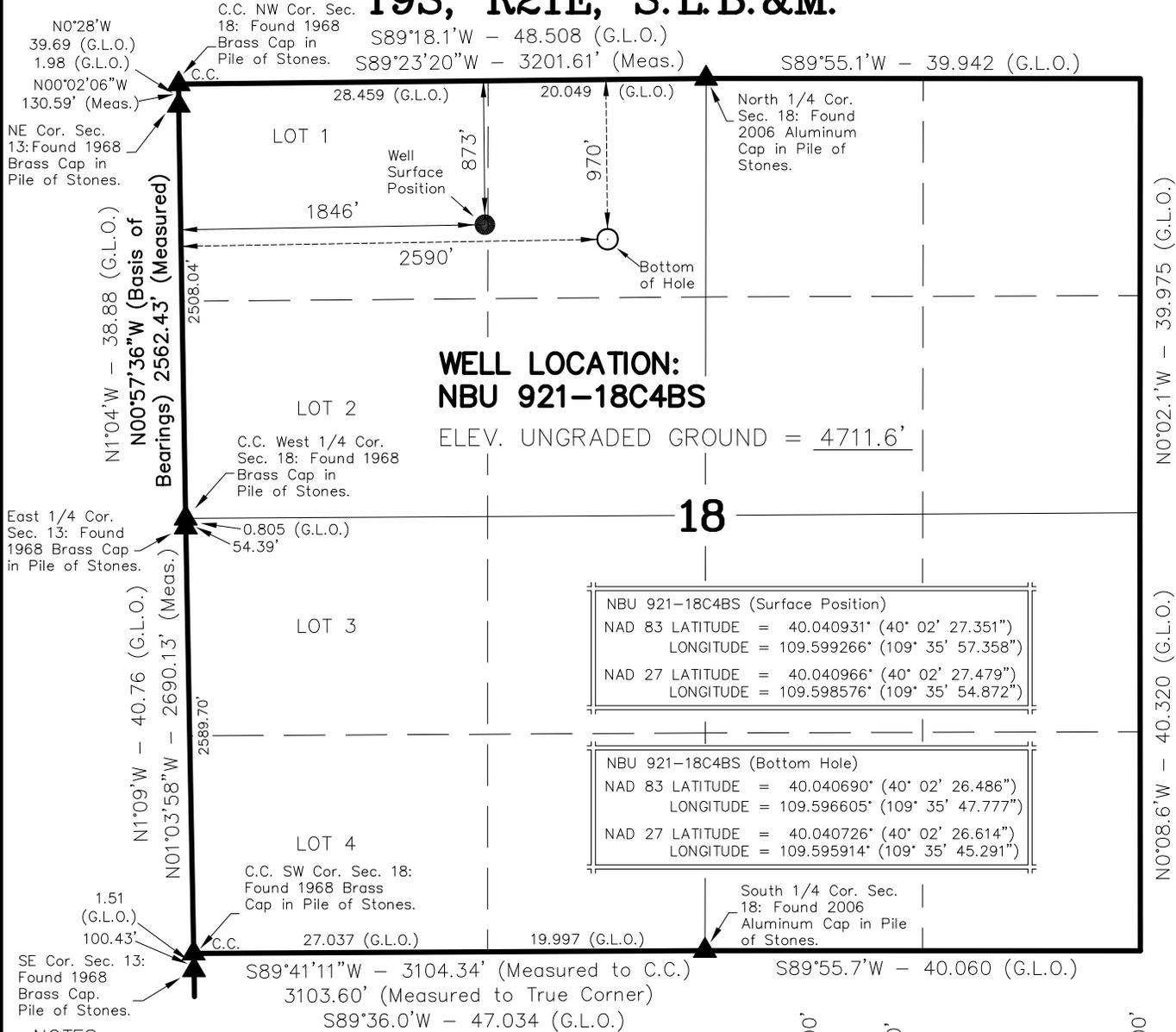
AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER NBU 921-18C4BS	
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 0581			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 type="checkbox"/> INDIAN <input checked="" 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') Ute Tribe			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>			19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN	
LOCATION AT SURFACE	873 FNL 1846 FWL	NWNW	18	9.0 S	21.0 E	S	
Top of Uppermost Producing Zone	970 FNL 2590 FWL	NENW	18	9.0 S	21.0 E	S	
At Total Depth	970 FNL 2590 FWL	NENW	18	9.0 S	21.0 E	S	
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 970			23. NUMBER OF ACRES IN DRILLING UNIT 2399	
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 670			26. PROPOSED DEPTH MD: 10678 TVD: 10570	
27. ELEVATION - GROUND LEVEL 4712			28. BOND NUMBER WYB000291			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Permit #43-8496	
ATTACHMENTS							
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES							
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER				<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)				<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)				<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
NAME Danielle Piernot			TITLE Regulatory Analyst			PHONE 720 929-6156	
SIGNATURE			DATE 07/01/2009			EMAIL danielle.piernot@anadarko.com	
API NUMBER ASSIGNED 43047505360000			APPROVAL  Permit Manager				

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	10678		
Pipe	Grade	Length	Weight			
	Grade P-110 LT&C	10678	11.6			

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	2700		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	2700	36.0			

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



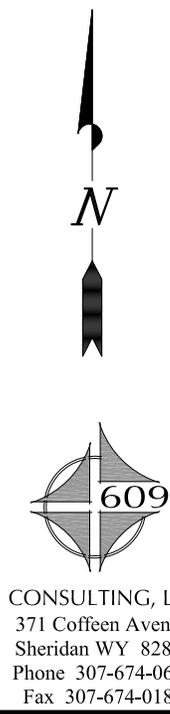
NBU 921-18C4BS (Surface Position)	
NAD 83 LATITUDE	= 40.040931° (40° 02' 27.351")
LONGITUDE	= 109.599266° (109° 35' 57.358")
NAD 27 LATITUDE	= 40.040966° (40° 02' 27.479")
LONGITUDE	= 109.598576° (109° 35' 54.872")
NBU 921-18C4BS (Bottom Hole)	
NAD 83 LATITUDE	= 40.040690° (40° 02' 26.486")
LONGITUDE	= 109.596605° (109° 35' 47.777")
NAD 27 LATITUDE	= 40.040726° (40° 02' 26.614")
LONGITUDE	= 109.595914° (109° 35' 45.291")

NOTES:

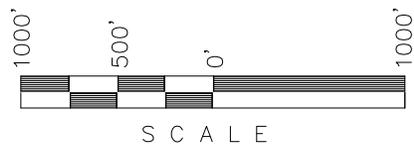
- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
- 3. The Bottom of hole bears S83°12'48"E 750.52' from the Surface Position.
- 4. Bearings are based on Global Positioning Satellite observations.
- 5. Basis of elevation is Tri-Sta "Two Water" located in the NW ¼ of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack mtn NE 7.5 Min. Quadrangle as being 5238'.

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

NBU 921-18C4BS
WELL PLAT
 970' FNL, 2590' FWL (Bottom Hole)
 NE ¼ NW ¼ OF SECTION 18, T9S, R21E,
 S.L.B.&M. UINTAH COUNTY, UTAH.

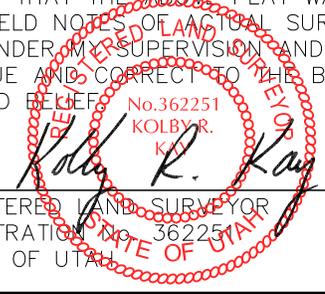


CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182



SURVEYOR'S CERTIFICATE

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



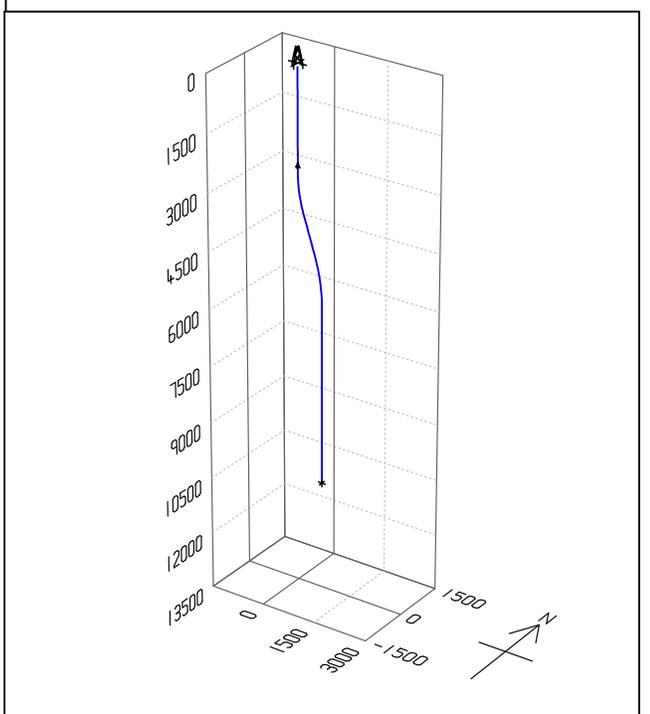
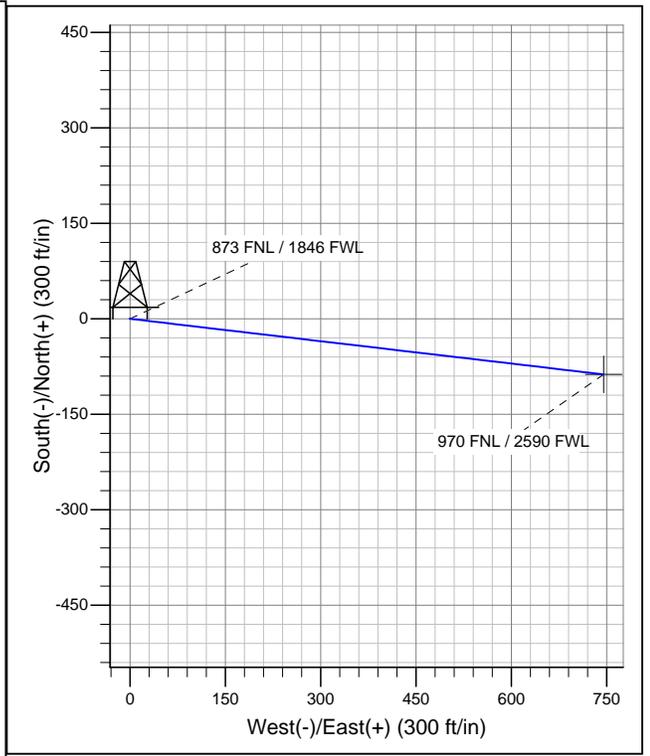
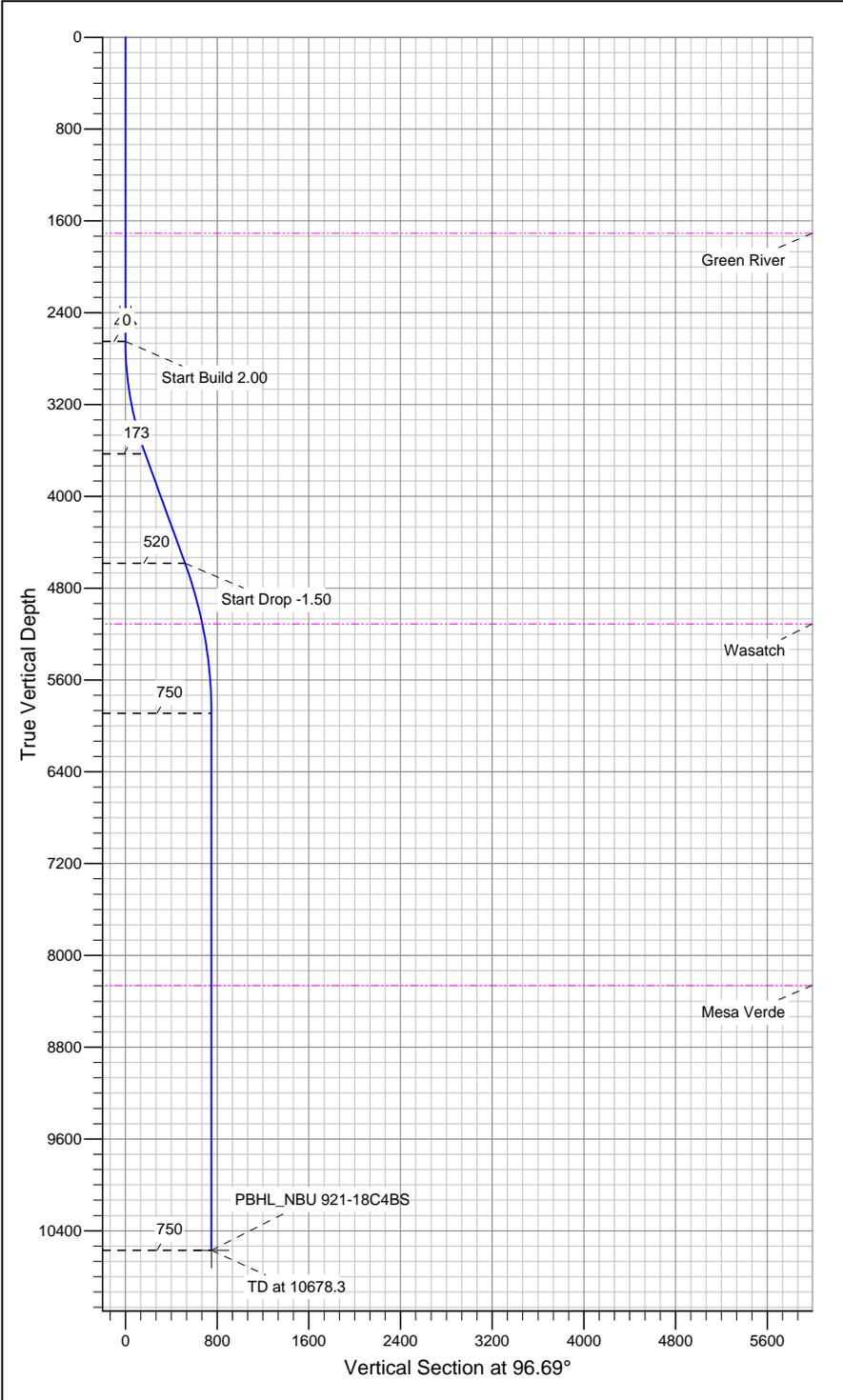
REGISTERED LAND SURVEYOR
 REGISTRATION NO. 362251
 STATE OF UTAH

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

DATE SURVEYED: 01-09-09	SURVEYED BY: M.S.B.	SHEET 4
DATE DRAWN: 01-14-09	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised: 04-16-09	OF 13



Well Name: P_NBU 921-18C4BS
 Surface Location: UINTAH_NBU 921-18D PAD
 NAD 1927 (NADCON CONUS) Universal Transverse Mercator (US Survey Feet)
 UTAH - UTM (feet), NAD27, Zone 12N
 Ground Elevation: 4711.0
 Northing 14544048.05 Easting 2032669.29 Latitude 40.040966°N Longitude 109.598576°W



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0
2	2650.0	0.00	0.00	2650.0	0.0	0.0	0.00	0.00	0.0
3	3650.0	20.00	96.69	3629.8	-20.1	171.6	2.00	96.69	172.8
4	4665.1	20.00	96.69	4583.7	-60.6	516.4	0.00	0.00	520.0
5	5998.4	0.00	0.00	5890.1	-87.4	745.2	1.50	180.00	750.3
6	10678.3	0.00	0.00	10570.0	-87.4	745.2	0.00	0.00	750.3



Azimuths to True North
 Magnetic North: 11.37°
 Magnetic Field
 Strength: 52569.7snT
 Dip Angle: 65.94°
 Date: 6/1/2009
 Model: IGRF200510

ROCKIES - PLANNING

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

UINTAH_NBU 921-18D PAD

P_NBU 921-18C4BS

P_NBU 921-18C4BS

Plan: Plan #1 06-01-09 ZJRA6

Standard Planning Report - Geographic

01 June, 2009

APC Planning Report - Geographic

Database: apc_edmp	Local Co-ordinate Reference: Well P_NBU 921-18C4BS
Company: ROCKIES - PLANNING	TVD Reference: WELL @ 4711.0ft (Original Well Elev)
Project: UTAH - UTM (feet), NAD27, Zone 12N	MD Reference: WELL @ 4711.0ft (Original Well Elev)
Site: UINTAH_NBU 921-18D PAD	North Reference: True
Well: P_NBU 921-18C4BS	Survey Calculation Method: Minimum Curvature
Wellbore: P_NBU 921-18C4BS	
Design: Plan #1 06-01-09 ZJRA6	

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

Site UINTAH_NBU 921-18D PAD		
Site Position:	Northing: 14,544,048.05 ft	Latitude: 40.040966°N
From: Lat/Long	Easting: 2,032,669.29 ft	Longitude: 109.598576°W
Position Uncertainty: 0.0 ft	Slot Radius: "	Grid Convergence: 0.90 °

Well P_NBU 921-18C4BS			
Well Position	+N/-S 0.0 ft	Northing: 14,544,048.05 ft	Latitude: 40.040966°N
	+E/-W 0.0 ft	Easting: 2,032,669.29 ft	Longitude: 109.598576°W
Position Uncertainty	0.0 ft	Wellhead Elevation: ft	Ground Level: 4,711.0 ft

Wellbore P_NBU 921-18C4BS					
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	6/1/2009	11.37	65.94	52,570

Design Plan #1 06-01-09 ZJRA6				
Audit Notes:				
Version:	Phase: PLAN	Tie On Depth: 0.0		
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	10,570.0	0.0	0.0	96.69

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
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,650.0	0.00	0.00	2,650.0	0.0	0.0	0.00	0.00	0.00	0.00	
3,650.0	20.00	96.69	3,629.8	-20.1	171.6	2.00	2.00	0.00	96.69	
4,665.1	20.00	96.69	4,583.7	-60.6	516.4	0.00	0.00	0.00	0.00	
5,998.4	0.00	0.00	5,890.1	-87.4	745.2	1.50	-1.50	0.00	180.00	
10,678.3	0.00	0.00	10,570.0	-87.4	745.2	0.00	0.00	0.00	0.00	PBHL_NBU 921-18

APC

Planning Report - Geographic

Database:	apc_edmp	Local Co-ordinate Reference:	Well P_NBU 921-18C4BS
Company:	ROCKIES - PLANNING	TVD Reference:	WELL @ 4711.0ft (Original Well Elev)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	MD Reference:	WELL @ 4711.0ft (Original Well Elev)
Site:	UINTAH_NBU 921-18D PAD	North Reference:	True
Well:	P_NBU 921-18C4BS	Survey Calculation Method:	Minimum Curvature
Wellbore:	P_NBU 921-18C4BS		
Design:	Plan #1 06-01-09 ZJRA6		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (ft)	Map Easting (ft)	Latitude	Longitude	
0.0	0.00	0.00	0.0	0.0	0.0	14,544,048.05	2,032,669.29	40.040966°N	109.598576°W	
1,707.0	0.00	0.00	1,707.0	0.0	0.0	14,544,048.05	2,032,669.29	40.040966°N	109.598576°W	
Green River										
2,500.0	0.00	0.00	2,500.0	0.0	0.0	14,544,048.05	2,032,669.29	40.040966°N	109.598576°W	
Surface Casing										
2,650.0	0.00	0.00	2,650.0	0.0	0.0	14,544,048.05	2,032,669.29	40.040966°N	109.598576°W	
3,650.0	20.00	96.69	3,629.8	-20.1	171.6	14,544,030.63	2,032,841.18	40.040911°N	109.597963°W	
4,665.1	20.00	96.69	4,583.7	-60.6	516.4	14,543,995.62	2,033,186.59	40.040800°N	109.596731°W	
5,214.8	11.75	96.69	5,112.0	-78.1	665.7	14,543,980.47	2,033,336.09	40.040752°N	109.596198°W	
Wasatch										
5,998.4	0.00	0.00	5,890.1	-87.4	745.2	14,543,972.39	2,033,415.78	40.040726°N	109.595914°W	
8,369.3	0.00	0.00	8,261.0	-87.4	745.2	14,543,972.39	2,033,415.78	40.040726°N	109.595914°W	
Mesa Verde										
10,678.3	0.00	0.00	10,570.0	-87.4	745.2	14,543,972.39	2,033,415.78	40.040726°N	109.595914°W	

Targets										
Target Name	- hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL_NBU 921-18C4	- plan hits target center	0.00	0.00	10,570.0	-87.4	745.2	14,543,972.39	2,033,415.78	40.040726°N	109.595914°W
	- Point									

Casing Points						
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")		
2,500.0	2,500.0	Surface Casing	9-5/8	12-1/4		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
1,707.0	1,707.0	Green River		0.00		
8,369.3	8,261.0	Mesa Verde		0.00		
5,214.8	5,112.0	Wasatch		0.00		

NBU 921-18C4BS

Pad: NBU 921-18D

Surface: 873' FNL, 1,846' FWL (NW/4NW/4) Lot 1

BHL: 970' FNL 2,590' FWL (NE/4NW/4)

Sec. 18 T9S R21

Uintah, Utah

Mineral Lease: UTU 0581

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	1,707'	
Birds Nest	1,984'	Water
Mahogany	2,499'	Water
Wasatch	5,112'	Gas
Mesaverde	8,261'	Gas
MVU2	9,255'	Gas
MVL1	9,806'	Gas
TVD	10,570'	
TD	10,678'	

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 10,678' TD, approximately equals 6,542 psi (calculated at 0.61 psi/foot).

Maximum anticipated surface pressure equals approximately 4,150 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

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

9. Variances:

Please refer to the attached Drilling Program.

Onshore Order #2 – Air Drilling Variance

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

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

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

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

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

Background

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

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

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

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

Variance for BOPE Requirements

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

Variance for Mud Material Requirements

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

Variance for Special Drilling Operation (surface equipment placement) Requirements

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

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

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

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

Conclusion

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

10. Other Information:

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,520	2,020	453,000
SURFACE	9-5/8"	0 to 2,700	36.00	J-55	LTC	0.82	1.60	5.93
PRODUCTION	4-1/2"	0 to 9,758	11.60	I-80	LTC	7,780	6,350	201,000
	4-1/2"	9,758 to 10,678	11.60	HCP-110	LTC	1.82	1.12	1.99
						10,690	8,650	279,000
						52.82	1.31	32.01

1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 12.0 ppg) 0.22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 4,150 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
 (Burst Assumptions: TD = 12.0 ppg) 0.61 psi/ft = bottomhole gradient
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,542 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	215	60%	15.60	1.18
Option 1							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele Premium cmt + 2% CaCl	380	0%	15.60	1.18
NOTE: If well will circulate water to surface, option 2 will be utilized							
SURFACE	LEAD	2,200'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	520	35%	12.60	1.81
Option 2							
	TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,608'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	440	40%	11.00	3.38
	TAIL	6,070'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,490	40%	14.30	1.31

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

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

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. No centralizers will be used.

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.

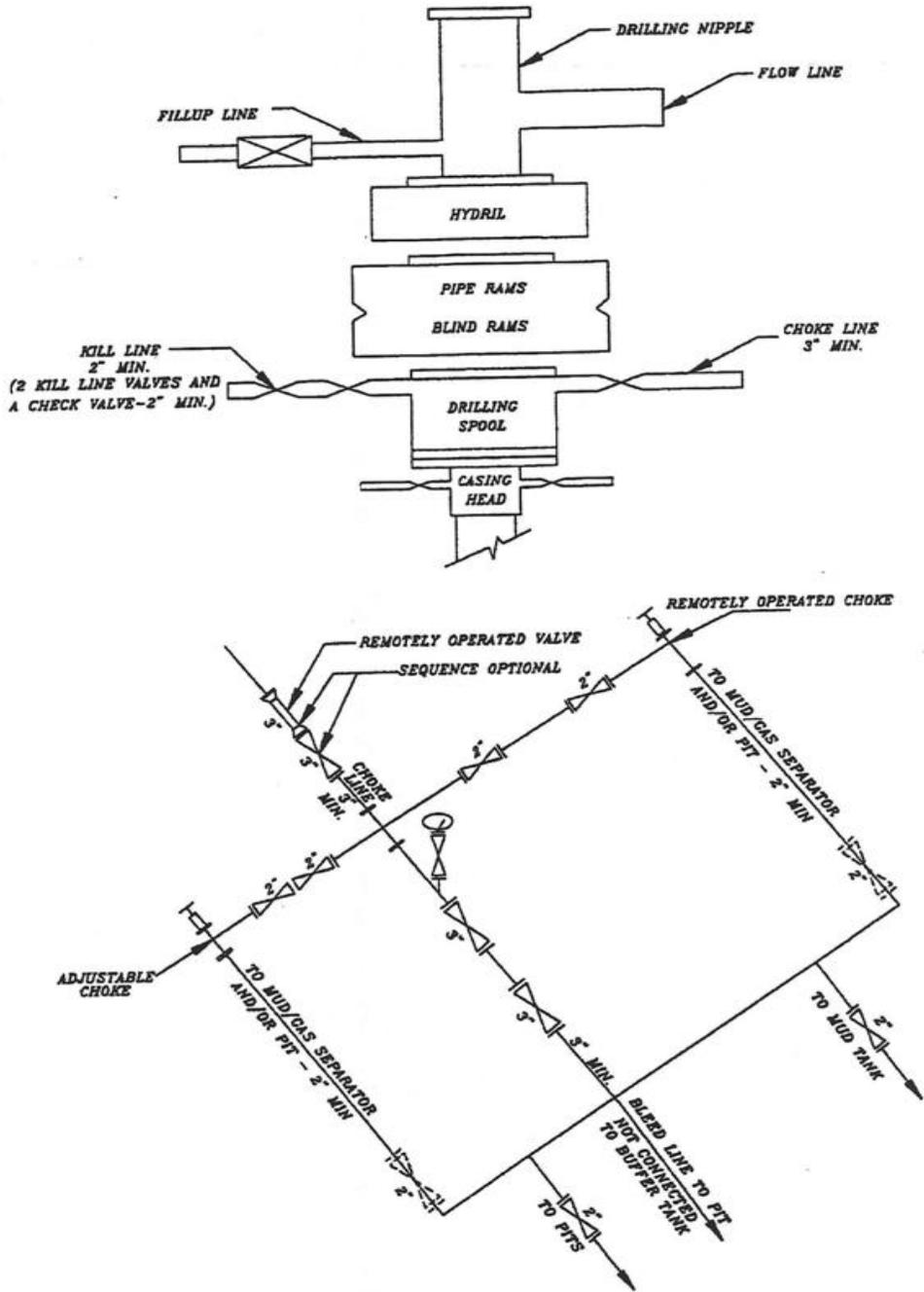
Surveys will be taken at 1,000' minimum intervals.

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

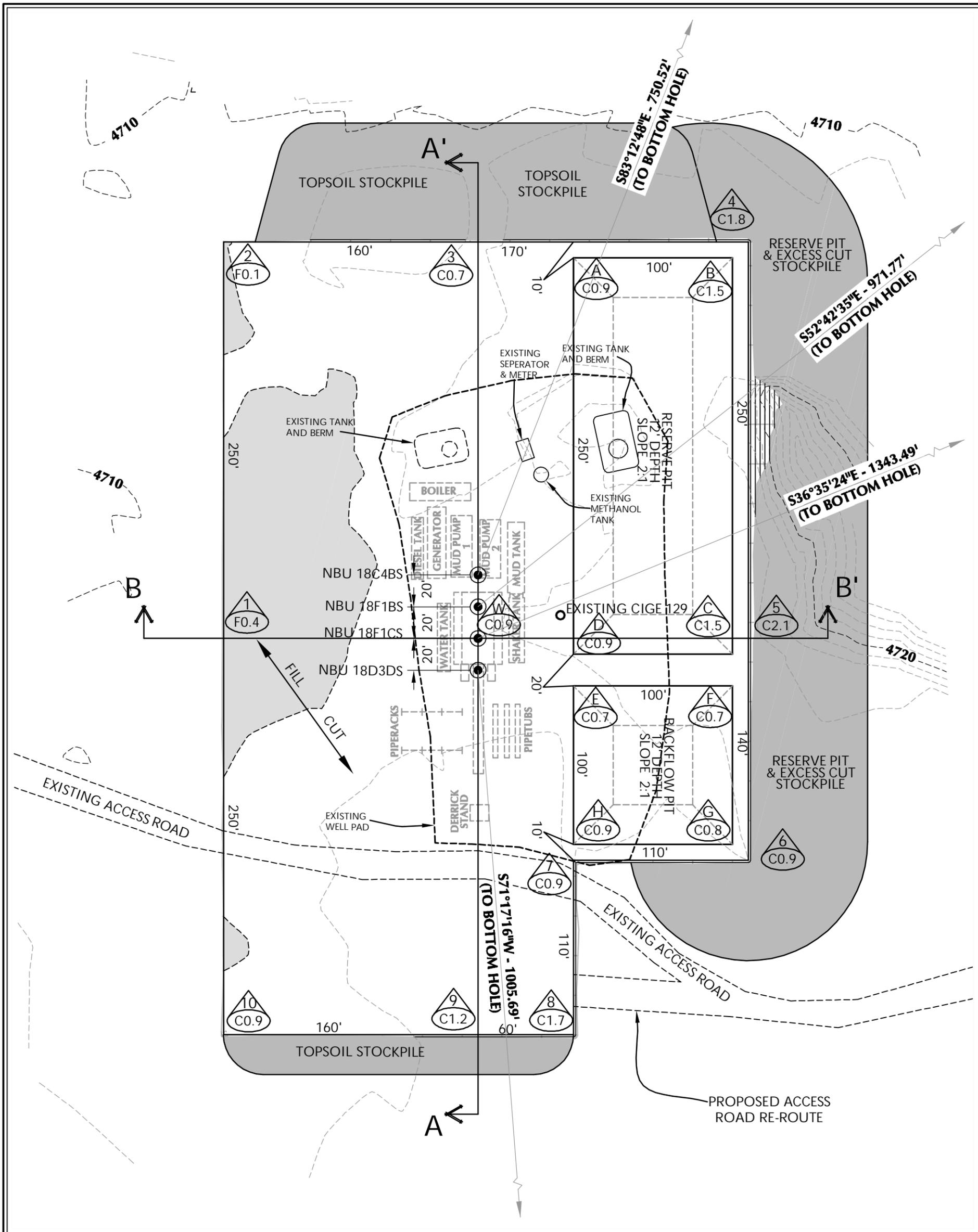
DRILLING ENGINEER: _____ **DATE:** _____
 John Huycke / Emile Goodwin

DRILLING SUPERINTENDENT: _____ **DATE:** _____
 John Merkel / Lovel Young

EXHIBIT A NBU 921-18C4BS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK



WELL PAD CIGE 129 QUANTITIES

EXISTING GRADE @ CENTER OF WELL PAD = 4712.0'
 FINISHED GRADE ELEVATION = 4711.1'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 3,608 C.Y.
 TOTAL FILL FOR WELL PAD = 522 C.Y.
 TOPSOIL @ 6" DEPTH = 2,043 C.Y.
 EXCESS MATERIAL = 3,086 C.Y.
 TOTAL DISTURBANCE = 3.60 ACRES
 SHRINKAGE FACTOR = 1.10
 SWELL FACTOR = 1.00
 RESERVE PIT CAPACITY (2' OF FREEBOARD)
 +/- 28,730 BARRELS
 RESERVE PIT VOLUME
 +/- 7,720 CY
 BACKFLOW PIT CAPACITY (2' OF FREEBOARD)
 +/- 9,490 BARRELS
 BACKFLOW PIT VOLUME
 +/- 2,660 CY

WELL PAD LEGEND

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



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

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

1099 18th Street - Denver, Colorado 80202

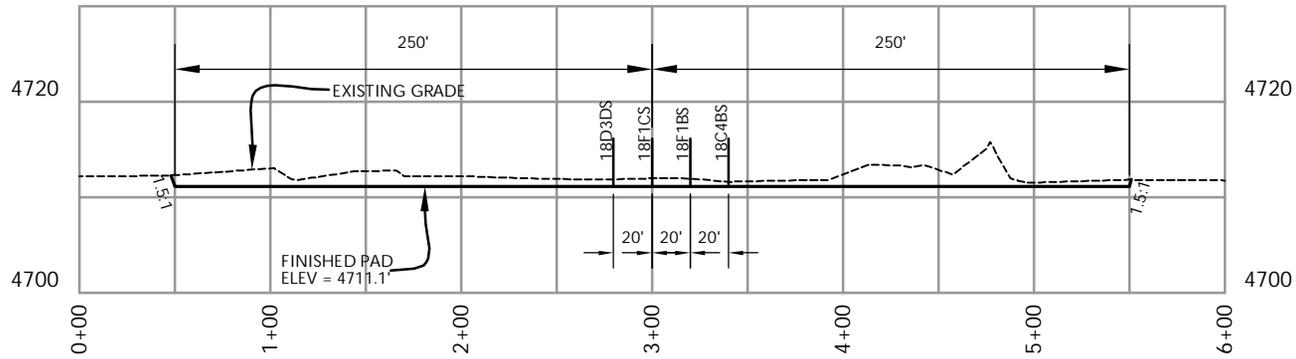


CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

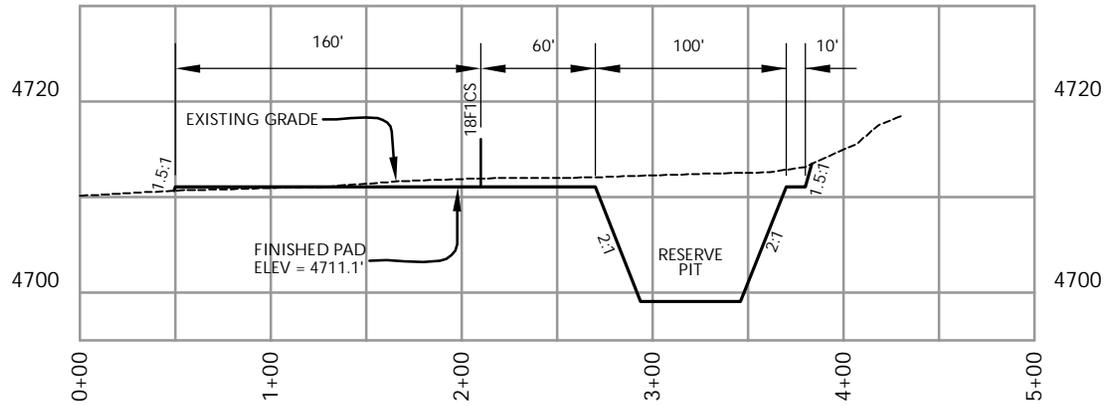
Scale: 1"=60'	Date: 2/27/09	SHEET NO:
REVISED:	GMH 5/19/09	6 6 OF 13

WELL PAD - LOCATION LAYOUT
 NBU 921-18D3DS, NBU 921-18F1CS,
 NBU 921-18F1BS & NBU 921-18C4BS
 LOCATED IN SECTION 18, T.9S., R.21E.
 S.L.B.&M., UINTAH COUNTY, UTAH

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



CROSS SECTION A-A'



CROSS SECTION B-B'

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

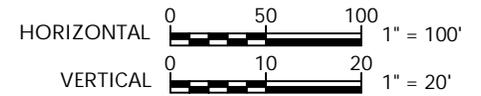
KERR-MCGEE OIL & GAS
ONSHORE L.P.
1099 18th Street - Denver, Colorado 80202

WELL PAD - CROSS SECTIONS
NBU 921-18D3DS, NBU 921-18F1CS,
NBU 921-18F1BS & NBU 921-18C4BS
LOCATED IN SECTION 18, T.9S., R.21E.
S.L.B.&M., Uintah County, Utah



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

Scale: 1"=100'	Date: 2/27/09	SHEET NO:
REVISED:	GMH 5/19/09	7 7 OF 13



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

'APIWellNo:43047505360000'
 K:\ANADARKO\21008_27_NBU_Directional_Wells\DWGS\NBU_FINAL SEC 18_19_28.dwg, 5/19/2009 3:46:55 PM, PDF-XChange for Acrobat Pro

WELL PAD INTERFERENCE PLAT

DIRECTIONAL PAD - CIGE 129

BOTTOM HOLE FOOTAGES

NBU 921-18D3DS
1200' FNL & 830' FWL

NBU 921-18F1CS
1970' FNL & 2590' FWL

NBU 921-18F1BS
1475' FNL & 2590' FWL

NBU 921-18C4BS
970' FNL & 2590' FWL

LATITUDE & LONGITUDE		
Surface Position - (NAD 83)		
WELL	N. LATITUDE	W. LONGITUDE
921-18D3DS	40°02'27.204" 40.040890°	109°35'58.107" 109.599474°
921-18F1CS	40°02'27.253" 40.040904°	109°35'57.857" 109.599405°
921-18F1BS	40°02'27.302" 40.040917°	109°35'57.608" 109.599335°
921-18C4BS	40°02'27.351" 40.040931°	109°35'57.358" 109.599266°
Existing Well CIGE 129	40°02'26.793" 40.040776°	109°35'57.509" 109.599308°

BASIS OF BEARINGS IS THE EAST LINE OF THE NE 1/4 OF SECTION 13, T9S, R20E, S.L.B.&M. WHICH IS TAKEN FROM GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR N00°57'36"W.



LATITUDE & LONGITUDE		
Bottom Hole - (NAD 83)		
WELL	N. LATITUDE	W. LONGITUDE
921-18D3DS	40°02'24.002" 40.040000°	109°36'10.345" 109.602874°
921-18F1CS	40°02'16.607" 40.037946°	109°35'47.543" 109.596540°
921-18F1BS	40°02'21.497" 40.039305°	109°35'47.659" 109.596572°
921-18C4BS	40°02'26.486" 40.040690°	109°35'47.777" 109.596605°

S75°42'23"W
AZ=255.70639°
S71°17'16"W - 1005.69'
(To Bottom Hole)
AZ=251.28778°

SURFACE POSITION FOOTAGES:

NBU 921-18D3DS
888' FNL & 1788' FWL

NBU 921-18F1CS
883' FNL & 1807' FWL

NBU 921-18F1BS
878' FNL & 1827' FWL

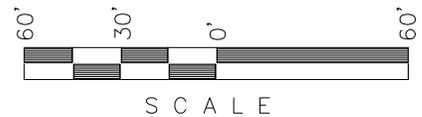
NBU 921-18C4BS
873' FNL & 1846' FWL

EXISTING WELL CIGE 129
930' FNL & 1834' FWL

LATITUDE & LONGITUDE		
Surface Position - (NAD 27)		
WELL	N. LATITUDE	W. LONGITUDE
921-18D3DS	40°02'27.332" 40.040925°	109°35'55.621" 109.598784°
921-18F1CS	40°02'27.381" 40.040939°	109°35'55.371" 109.598714°
921-18F1BS	40°02'27.430" 40.040953°	109°35'55.121" 109.598645°
921-18C4BS	40°02'27.479" 40.040966°	109°35'54.872" 109.598576°
Existing Well CIGE 129	40°02'26.920" 40.040811°	109°35'55.023" 109.598617°

LATITUDE & LONGITUDE		
Bottom Hole - (NAD 27)		
WELL	N. LATITUDE	W. LONGITUDE
921-18D3DS	40°02'24.130" 40.040036°	109°36'07.858" 109.602183°
921-18F1CS	40°02'16.735" 40.037982°	109°35'45.057" 109.595849°
921-18F1BS	40°02'21.625" 40.039340°	109°35'45.173" 109.595881°
921-18C4BS	40°02'26.614" 40.040726°	109°35'45.291" 109.595914°

RELATIVE COORDINATES		
From Surface Position to Bottom Hole		
WELL	NORTH	EAST
921-18D3DS	-323'	-953'
921-18F1CS	-1079'	801'
921-18F1BS	-589'	773'
921-18C4BS	-89'	745'



Kerr-McGee
Oil & Gas Onshore, LP

1099 18th Street - Denver, Colorado 80202

NBU 921-18D3DS, NBU 921-18F1CS,
NBU 921-18F1BS & NBU 921-18C4BS
LOCATED IN SECTION 18, T9S, R21E,
S.L.B.&M. UTAH COUNTY, UTAH.



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

DATE SURVEYED: 01-09-09	SURVEYED BY: M.S.B.
DATE DRAWN: 01-14-09	DRAWN BY: M.W.W.
REVISED: 05-04-09	

Timberline (435) 789-1365
Engineering & Land Surveying, Inc.
209 NORTH 300 WEST VERNAL, UTAH 84078

SHEET
5
OF 13









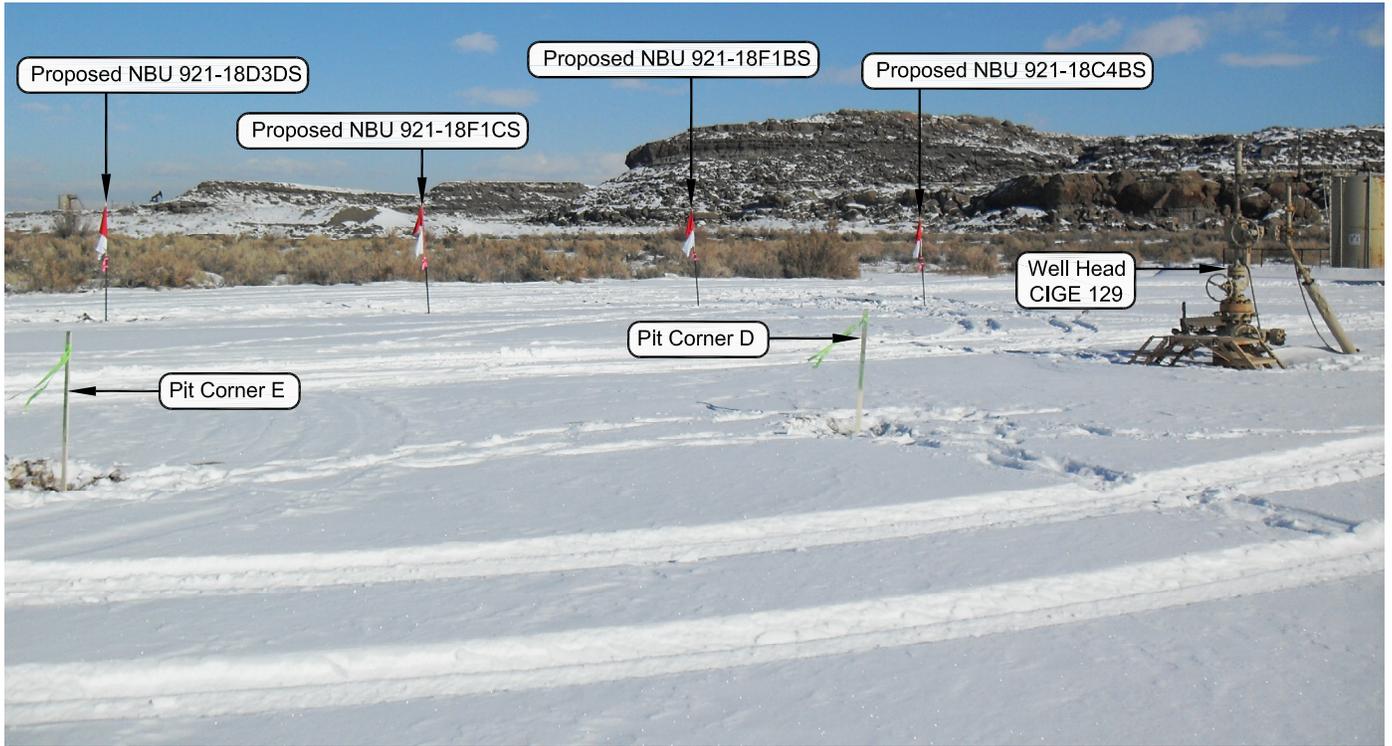


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKES

CAMERA ANGLE: NORTHEASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY

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

1099 18th Street - Denver, Colorado 80202

NBU 921-18D3DS, NBU 921-18F1CS,
NBU 921-18F1BS & NBU 921-18C4BS
LOCATED IN SECTION 18, T9S, R21E,
S.L.B.&M. UINTAH COUNTY, UTAH.



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

LOCATION PHOTOS

TAKEN BY: M.S.B.

DRAWN BY: M.W.W.

DATE TAKEN: 01-09-09

DATE DRAWN: 01-15-09

REVISED: 05-04-09

Timberline

Engineering & Land Surveying, Inc.

209 NORTH 300 WEST VERNAL, UTAH 84078

(435) 789-1365

SHEET

8

OF 13

Kerr-McGee Oil & Gas Onshore, LP
NBU 921-18D3DS NBU 921-18F1CS NBU 921-18F1BS NBU 921-18C4BS
Section 18, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 5.3 MILES TO THE INTERSECTION OF A SERVICE ROAD TO THE EAST. EXIT LEFT AND PROCEED IN A NORTHEASTERLY THEN SOUTHEASTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 4.4 MILES TO A SECOND SERVICE ROAD TO THE NORTH. EXIT LEFT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE SECOND SERVICE ROAD APPROXIMATELY 0.6 MILES TO A THIRD SERVICE ROAD TO THE EAST. EXIT RIGHT AND PROCEED IN AN EASTERLY, THEN NORTHERLY, THEN NORTHWESTERLY DIRECTION ALONG THE THIRD SERVICE ROAD 1.7 MILES TO THE EXISTING CIGE 129 WELL PAD.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 42.7 MILES IN A SOUTHERLY DIRECTION.

NBU 921-18C4BS

Surface: 873' FNL, 1,846' FWL (NW/4NW/4) Lot 1
BHL: 970' FNL 2,590' FWL (NE/4NW/4)

NBU 921-18D3DS

Surface: 888' FNL, 1,788' FWL (NW/4NW/4) Lot 1
BHL: 1,200' FNL 830' FWL (NW/4NW/4) Lot 1

NBU 921-18F1BS

Surface: 878' FNL, 1,827' FWL (NW/4NW/4) Lot 1
BHL: 1,475' FNL 2,590' FWL (SE/4NW/4)

NBU 921-18F1CS

Surface: 883' FNL, 1,807' FWL (NW/4NW/4) Lot 1
BHL: 1,970' FNL 2,590' FWL (SE/4NW/4)

Pad: NBU 921-18D
Sec. 18 T9S R21

Uintah, Utah
Mineral Lease: UTU 0581

Surface Owner: Ute Indian Tribe

ONSHORE ORDER NO. 1

***MULTI-POINT SURFACE USE & OPERATIONS PLAN
SUBMITTED WITH SITE-SPECIFIC INFORMATION***

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) and Bureau of Indian Affairs (BIA) documents. NOSs were submitted showing the surface locations in NW/4 NW/4 of Section 18 T9S R21E.

This Surface Use Plan of Operations (SUPO) or 13-point plan provides the site-specific information for the above-referenced wells. This information is to be incorporated by reference into the Master Development Plan (MDP) for Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee). The MDP is available upon request from the BIA-Ft Duchesne Office.

An on-site meeting was held on June 24, 2009. Present were:

- Verlyn Pindell and Dave Gordon – BLM;
- Kolby Kay and Mitch Batty – Timberline Surveying, Inc.
- Tony Kazeck, Jeff Samuels, Raleen White, David Liddell, and Hal Blanchard – Kerr-McGee
- Bucky Secakuku – BIA
- Nick Hall – Grasslands Consulting, Inc.
- Scott Carson – Smiling Lake Consulting
- Keith Montgomery – Montgomery Archaeological Consultants, Inc.

Directional Drilling:

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, this well will be directionally drilled in order to access portions of our lease which are otherwise inaccessible due to topography.

1. Existing Roads:

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

2. Planned Access Roads:

See MDP for additional details on road construction.

Approximately ± 0.02 ($\pm 85'$) mile of new access road is proposed. Please refer to the attached Topo Map B. No pipelines will be crossed with the new construction.

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 and are typically shown on the attached Exhibits and Topo maps.

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

Please refer to Topo Map C.

4. Location of Existing and Proposed Facilities:

See MDP for additional details on Existing and Proposed Facilities.

The following guidelines will apply if the well is productive.

Approximately $\pm 5,780'$ of new pipeline is proposed. Refer to Topo D for the existing pipeline.

Appropriate surface use agreements have been or will be obtained from the Ute Indian Tribe. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place

5. Location and Type of Water Supply:

See MDP for additional details on 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 number 43-8496, Application number 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:

See MDP for additional details on Source of Construction Materials.

7. Methods of Handling Waste Materials:

See MDP for additional details on Methods of Handling Waste Materials.

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 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

8. Ancillary Facilities:

See MDP for additional details on Ancillary Facilities.

None are anticipated.

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

See MDP for additional details on Well Site Layout.

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

- Net wire (39-inch) 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.

10. Plans for Reclamation of the Surface:

See MDP for additional details on Plans for Reclamation of the Surface.

Kerr-McGee shall call the BIA for the seed mixture prior to starting interim and/or final reclamation actions.

11. Surface/Mineral Ownership:

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

- Ute Indian Tribe
- PO Box 70
- Fort Duchesne, Utah 84026
- 435-722-5141

The mineral ownership is listed below:

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

12. **Other Information:**
See MDP for additional details on Other Information.

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

Kathy Schneebeck Dulnoan
Staff Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6007

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.


Kathy Schneebeck Dulnoan

June 29, 2009
Date

'APIWellNo:43047505360000'



Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-9779

June 9, 2009

Diana Mason
Utah Department of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, Utah 54114-6100

RE: Directional Drilling Letter R649-3-11
NBU 921-18C4BS
T9S-R21E
Section 18: NW/4NW/4 surface, NE/4NW/4 bottom hole
873' FNL, 1846' FWL (surface)
970' FNL, 2590' FWL (bottom hole)
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 921-18C4BS 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 to be granted pursuant to R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

Joe Matney
Senior Staff Landman

**Paleontological Assessment for
Anadarko Petroleum Corp.**

NBU 921-18C4BS, D3DS, F1BS, F1CS

Ouray SE Quadrangle

Uintah County, Utah

Prepared for

Anadarko Petroleum Corp.

and

Ute Tribe

Uintah and Ouray Reservation

Prepared by

SWCA Environmental Consultants

SWCA #UT09-14314-21

CLASS I REVIEW OF KERR-MCGEE OIL AND GAS
ONSHORE LP'S 34 PROPOSED WELL LOCATIONS
IN TOWNSHIP 9S, RANGE 21E,
SECTIONS 11, 15, 18, 22, 25 AND 28
UINTAH COUNTY, UTAH

By:

Patricia Stavish

Prepared For:
Ute Tribal Land
Uintah and Ouray Agency

Bureau of Land Management
Vernal Field Office
and
State of Utah
School & Institutional Trust Lands Administration

Prepared Under Contract With:

Kerr-McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, Utah 84078

Prepared By:

Montgomery Archaeological Consultants, Inc.
P.O. Box 219
Moab, Utah 84532

MOAC Report No. 08-319

February 19, 2009

United States Department of Interior (FLPMA)
Permit No. 08-UT-60122

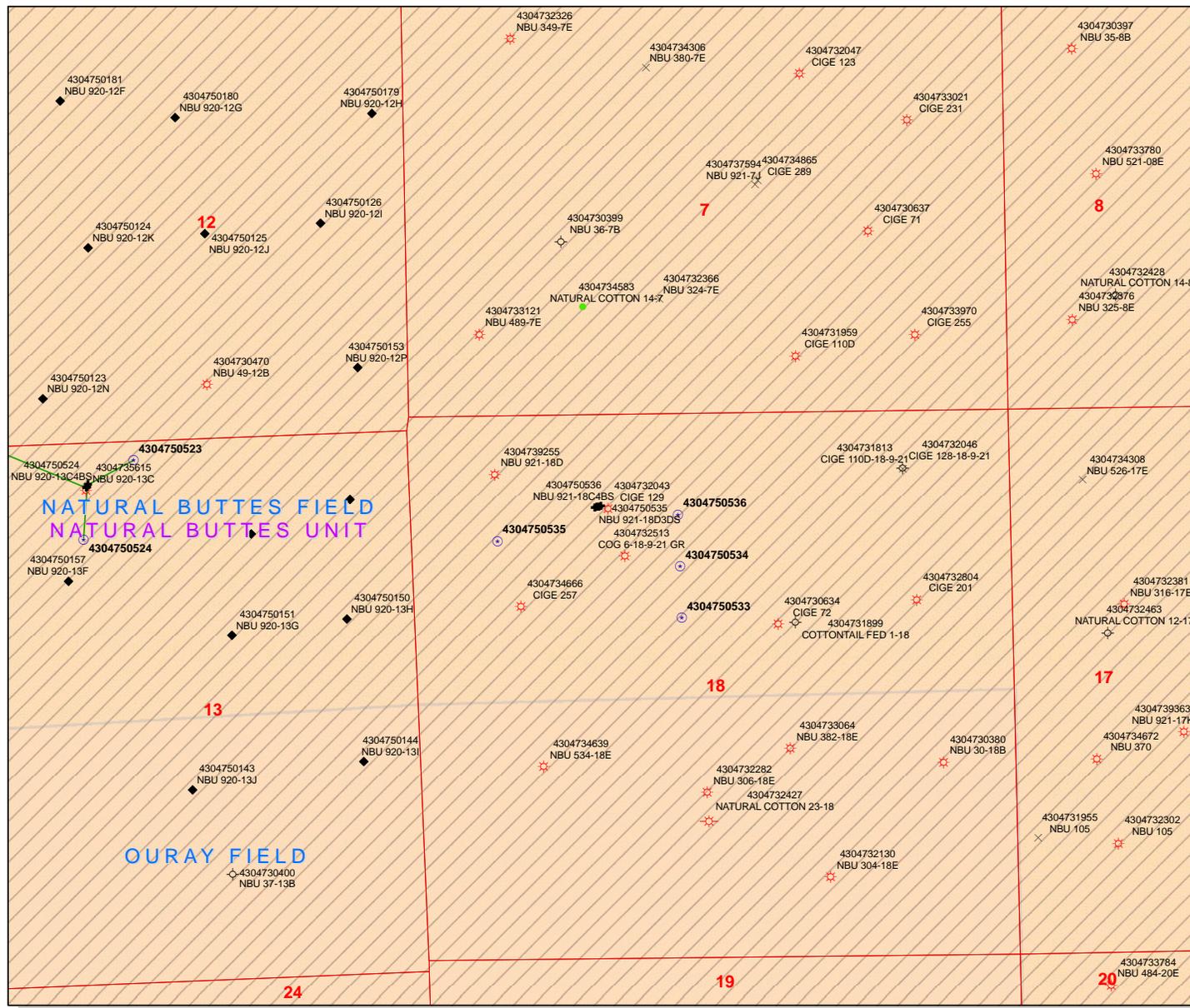
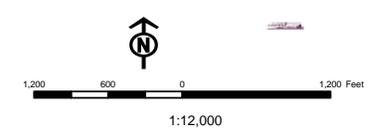
Public Lands Policy Coordination Office
Archaeological Survey Permit No. 117

Ute Tribal Permit No. A08-363

API Number: 4304750536
Well Name: NBU 921-18C4BS
Township 09.0 S Range 21.0 E Section 18
Meridian: SLBM
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query Events
STATUS	Wells Query Events
ACTIVE	<-Null>
EXPLORATORY	APD
GAS STORAGE	DRL
NF PP OIL	GI
NF SECONDARY	GS
PI OIL	LA
PP GAS	NEW
PP GEOTHERM	OPS
PP OIL	PA
SECONDARY	PGW
TERMINATED	POW
Fields	RET
ACTIVE	SGW
COMBINED	SOW
Sections	TA
	TW
	WD
	WI
	WS



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)

July 10, 2009

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2009 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
43-047-50526	NBU 920-14M1CS Sec 14	T09S R20E 0449 FSL 0640 FWL
	BHL Sec 14	T09S R20E 0840 FSL 0690 FWL
43-047-50533	NBU 921-18F1CS Sec 18	T09S R21E 0883 FNL 1807 FWL
	BHL Sec 18	T09S R21E 1970 FNL 2590 FWL
43-047-50534	NBU 921-18F1BS Sec 18	T09S R21E 0878 FNL 1827 FWL
	BHL Sec 18	T09S R21E 1475 FNL 2590 FWL
43-047-50535	NBU 921-18D3DS Sec 18	T09S R21E 0888 FNL 1788 FWL
	BHL Sec 18	T09S R21E 1200 FNL 0830 FWL
43-047-50536	NBU 921-18C4BS Sec 18	T09S R21E 0873 FNL 1846 FWL
	BHL Sec 18	T09S R21E 0970 FNL 2590 FWL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:7-10-09

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 7/1/2009

API NO. ASSIGNED: 43047505360000

WELL NAME: NBU 921-18C4BS

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

PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: NWNW 18 090S 210E

Permit Tech Review:

SURFACE: 0873 FNL 1846 FWL

Engineering Review:

BOTTOM: 0970 FNL 2590 FWL

Geology Review:

COUNTY: UINTAH

LATITUDE: 40.04089

LONGITUDE: -109.59858

UTM SURF EASTINGS: 619559.00

NORTHINGS: 4433026.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 0581

PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 2 - Indian

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

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

Commingle Approved

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 - Commingle - ddoucet
4 - Federal Approval - dmason
15 - Directional - 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 921-18C4BS
API Well Number: 43047505360000
Lease Number: UTU 0581
Surface Owner: INDIAN
Approval Date: 7/16/2009

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. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

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 Board Cause No. 173-14, commingling of 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 Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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:

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

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

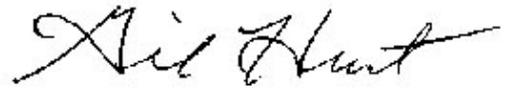
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:



Gil Hunt
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0581
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SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
--	--

1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 921-18C4BS
------------------------------------	---

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047505360000
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3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
---	--	--

4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E 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: 7/16/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: July 22, 2010

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 7/16/2010



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 43047505360000

API: 43047505360000

Well Name: NBU 921-18C4BS

Location: 0873 FNL 1846 FWL QTR NWNW SEC 18 TWP 090S RNG 210E MER S

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

Date Original Permit Issued: 7/16/2009

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

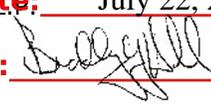
**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 7/16/2010

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

Date: July 22, 2010

By: 

RECEIVED July 16, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 01 2009

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU0581
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERRMCGEE OIL&GAS ONSHORE LP Contact: DANIELLE E PIERNOT Email: Danielle.Piernot@anadarko.com		7. If Unit or CA Agreement, Name and No. 891008900A
3a. Address PO BOX 173779 DENVER, CO 80202-3779		8. Lease Name and Well No. NBU 921-18C4BS
3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156		9. API Well No. 43-047-50536
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW Lot 1 873FNL 1846FWL 40.04093 N Lat, 109.59927 W Lon At proposed prod. zone NENW 970FNL 2590FWL 40.04069 N Lat, 109.59661 W Lon		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 12 MILES SOUTHEAST OF OURAY, UTAH		11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T9S R21E Mer SLB
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 970 FEET	16. No. of Acres in Lease 2399.60	12. County or Parish UINTAH
17. Spacing Unit dedicated to this well	13. State UT	20. BLM/BIA Bond No. on file WYB000291
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROXIMATELY 670 FEET	19. Proposed Depth 10678 MD 10570 TVD	21. Estimated duration 60-90 DAYS
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4712 GL	22. Approximate date work will start 07/20/2009	

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) DANIELLE E PIERNOT Ph: 720-929-6156	Date 07/01/2009
Title REGULATORY ANALYST		
Approved by (Signature)	Name (Printed/Typed) Jerry Kenczka	Date MAY 02 2011
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL 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.

RECEIVED

Additional Operator Remarks (see next page)

MAY 04 2011

Electronic Submission #71595 verified by the BLM Well Information System
For KERRMCGEE OIL&GAS ONSHORE LP, sent to the Vernal
Committed to AFMSS for processing by GAIL JENKINS on 07/02/2009

DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL

NOS and posted 7/6/09

UDOGM

AFMSS#

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

096XJ5115AE



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	Location:	Lot 1, Sec. 18, T9S, R21E
Well No:	NBU 921-18C4BS	Lease No:	UTU-0581
API No:	43-047-50536	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: 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 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.
- Paint old and new facilities "Shadow Gray."
- Move the existing pipeline off the damage area of the well pad.
- Monitor construction operations by a permitted archaeologist.
- Construct diversion drainages around the west side of the well pad.
- Construct Facilities According to The BLM's Hydraulic Considerations for Pipeline Crossings of Stream Channels (BLM, 2003) if needed.
- In accordance with the guidelines specified in the Utah BLM Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002, a raptor survey shall be conducted prior to expansion of the well pad or pipeline upgrade if construction will take place during raptor nesting season (January 1 through September 30). If active raptor nests are identified during a new survey, KMG shall conduct its operations according to the seasonal restrictions detailed in the Uinta Basin-specific RMP guidelines and spatial offsets specified by the USFWS Utah Raptor Guidelines. An active great horned owl nest must be offset by a distance of 0.25 mile during the nesting season from February 1 through September 30 (See Appendix D).
- If project construction operations are not initiated before June 17, 2010, KMG shall conduct additional biological surveys in accordance with the guidelines specified in the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus (See Appendix D) and conduct its operation according to its specifications.

BIA Standard Conditions of Approval:

- Soil erosion will be mitigated by reseeded all disturbed areas.
- The gathering pipelines will be constructed to lie on the surface. The surface pipelines will not be bladed or cleared of vegetation. Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way. Where pipelines do not parallel roads but cross-country between sites, they shall be welded in place at well sites or on

access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

- An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be used in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.
- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.
- A closed production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.
- Major low water crossings will be armored with pit run material to protect them from erosion.
- All personnel shall refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.
- If fossils are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.
- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.
- Noxious weeds will be controlled on all surface disturbances within the project area. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.
- If project construction operations are scheduled to occur after December 31, 2009, KMG shall conduct annual raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002. If active raptor nest are indentified during a new survey, KMG shall conduct its operations according to the seasonal restrictions detailed in the Uinta basin-specific RMP guidelines and spatial offsets specified by the USFWS Utah Raptor Guidelines (See Appendix D).
- USFWS threatened and endangered plant and animal conservation measures will be followed, as appropriate to the species identified by the biological resource survey (See Appendix D).
- All personnel shall refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- If artifacts or any culturally sensitive materials are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

- **DOWNHOLE PROGRAM**

CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- A formation integrity test shall be performed at the surface casing shoe.
- A Gama Ray Log shall be run from TD 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 two truck/trailer mounted air compressors located within 40 feet from the well bore and 60' from the blooie line.
- In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for kill fluid.
- Automatic igniter. Variance granted for igniter due to there being no productive formations while drilling with air.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. 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 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0581
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
1. TYPE OF WELL Gas Well	7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	8. WELL NAME and NUMBER: NBU 921-18C4BS
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	9. API NUMBER: 43047505360000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH
PHONE NUMBER: 720 929-6515 Ext	

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: 6/16/2011	<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 checked="" 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.

Kerr-McGee Oil and Gas Onshore, L.P. (Kerr-McGee) respectfully requests to change the total depth (TD) to include the Blackhawk formation, which is in the Mesaverde group for this well. In addition, Kerr-McGee respectfully requests approval in the well design, which includes hole and casing size changes. Please see the attached for additional details. Please contact the undersigned if you have any questions and/or comments. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: 06/20/2011

By:

NAME (PLEASE PRINT) Laura Abrams	PHONE NUMBER 720 929-6356	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 6/15/2011	

Kerr-McGee Oil & Gas Onshore. L.P.**NBU 921-18C4BS**

Surface: 873 FNL / 1846 FWL NWNW
 BHL: 970 FNL / 2590 FWL NENW

Section 18 T9S R21E

Unitah County, Utah
 Mineral Lease: UTU 0581

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	1720	
Birds Nest	1998	Water
Mahogany	2379	Water
Wasatch	5131	Gas
Mesaverde	8276	Gas
MVU2	9270	Gas
MVL1	9822	Gas
Sego	10590	Gas
Castlegate	10704	Gas
MN5	11000	Gas
TVD	11600	
TD	11708	

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 bottom hole pressure calculated at 11600' TVD, approximately equals
7,709 psi (0.66 psi/ft = actual bottomhole gradient)

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

Maximum anticipated surface pressure equals approximately 5,157 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.

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 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.

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.

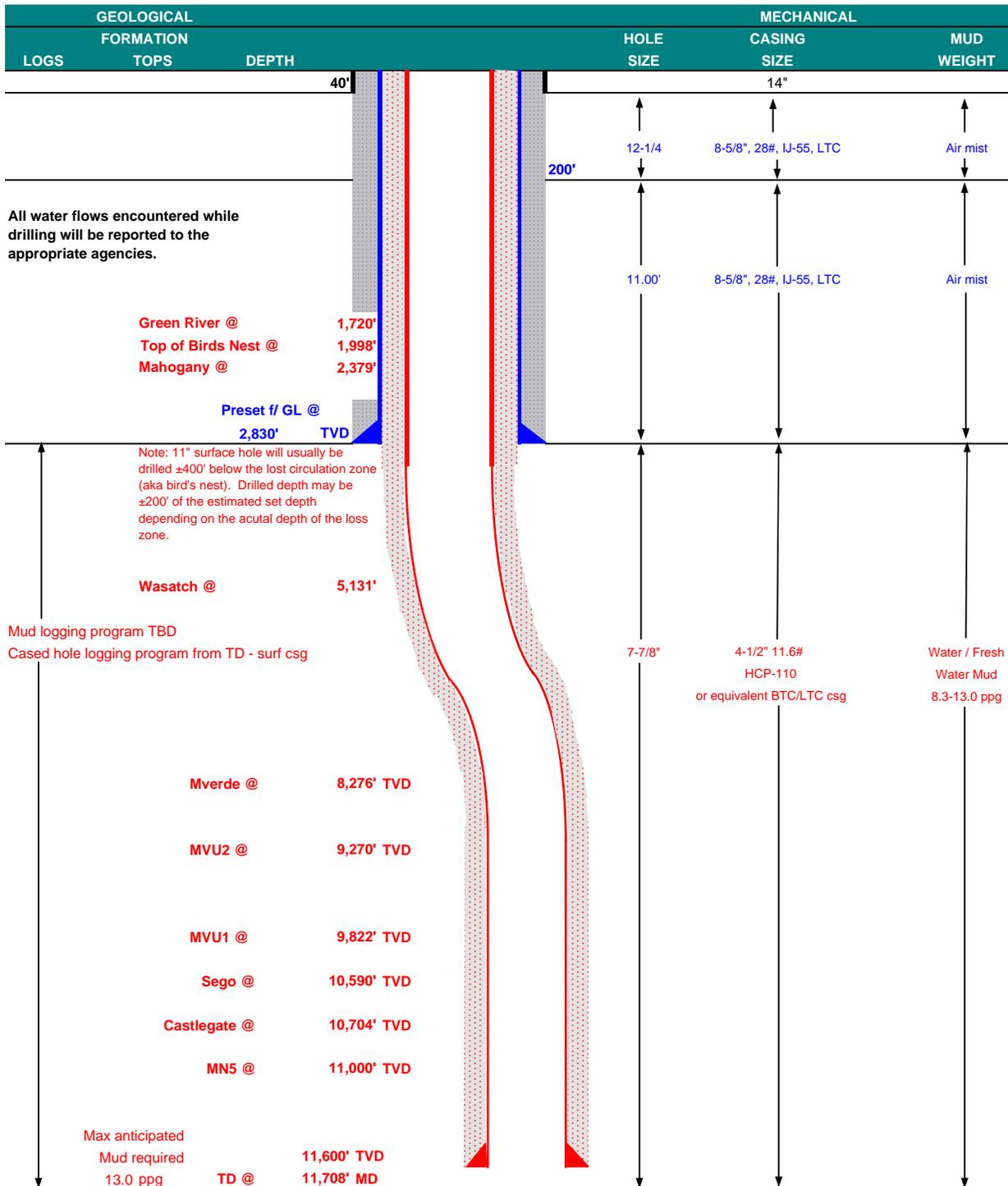
10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	June 14, 2011	
WELL NAME	NBU 921-18C4BS		TD	11,600' TVD	11,708' MD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
SURFACE LOCATION	NWNW 873 FNL	1846 FWL	Sec 18	T 9S	R 21E
	Latitude: 40.040931	Longitude: -109.599266	NAD 83		
BTM HOLE LOCATION	NENW 970 FNL	2590 FWL	Sec 18	T 9S	R 21E
	Latitude: 40.040690	Longitude: -109.595914	NAD 83		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (Minerals), BLM (Surface), UDOGM Tri-County Health Dept.				





KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS			
						BURST	COLLAPSE	LTC	BTC
								TENSION	
CONDUCTOR	14"	0-40'							
						3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0 to 2,830	28.00	IJ-55	LTC	1.91	1.42	5.02	N/A
						10,690	8,650	279,000	367,000
PRODUCTION	4-1/2"	0 to 11,708	11.60	HCP-110	LTC or BTC	1.19	1.10	2.56	3.37

Surface casing:

(Burst Assumptions: TD = 13.0 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 @ 9000 psi) 0.66 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	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
Option 1							
	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
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	LEAD	2,330'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	210	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	4,628'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	350	20%	11.00	3.38
	TAIL	7,080'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,670	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. No centralizers will be used.

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:

Nick Spence / Danny Showers

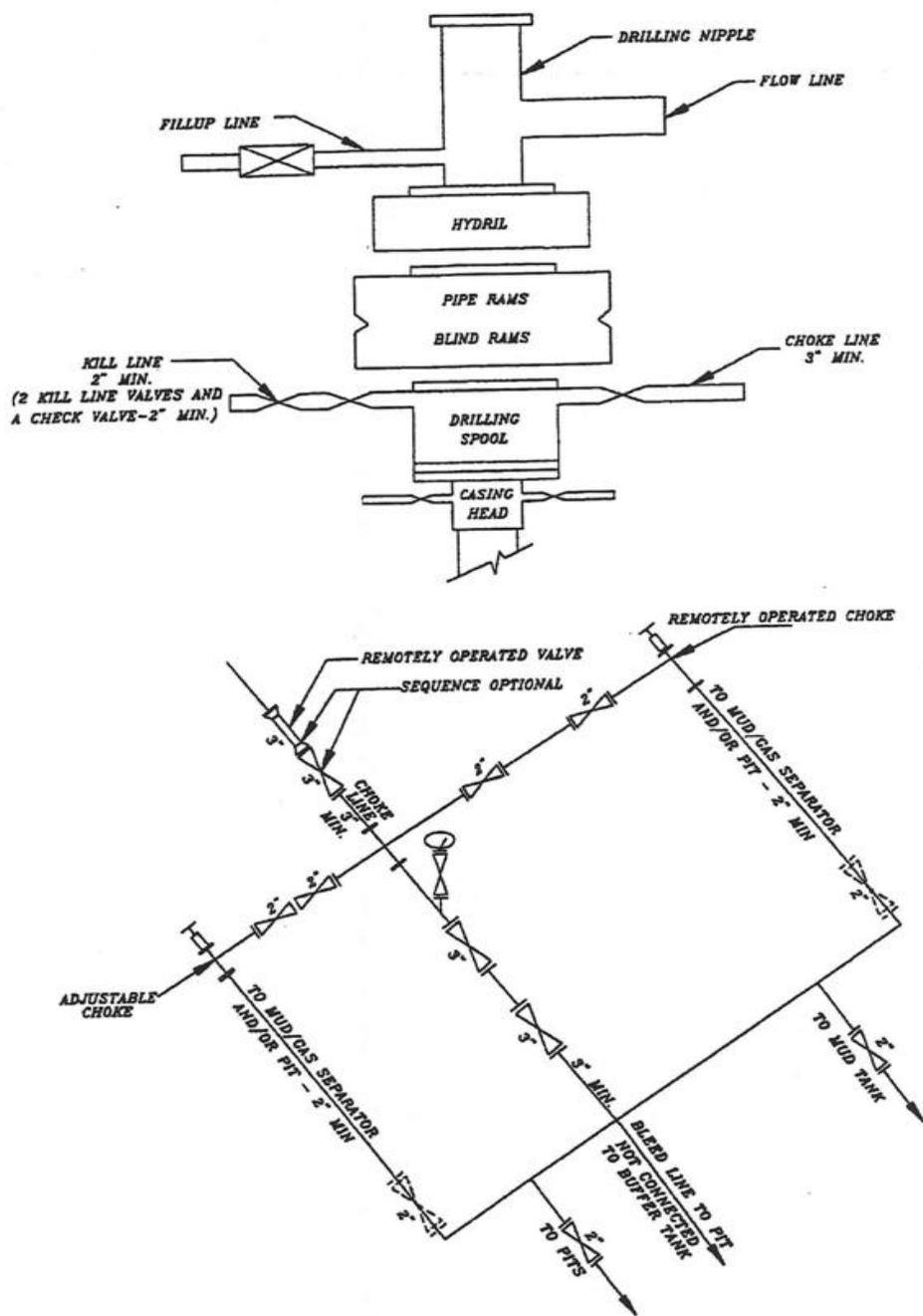
DATE:

DRILLING SUPERINTENDENT:

Kenny Gathings / Lovel Young

DATE:

EXHIBIT A NBU 921-18C4BS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

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 0581
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 921-18C4BS	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047505360000	
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: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E 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: 7/16/2011 <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"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <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: 50px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>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.</p> <div style="text-align: right; margin-top: 20px;"> <p>Approved by the Utah Division of Oil, Gas and Mining</p> <p>Date: <u>06/20/2011</u></p> <p>By: </p> </div>		
NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/13/2011	



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 43047505360000

API: 43047505360000

Well Name: NBU 921-18C4BS

Location: 0873 FNL 1846 FWL QTR NWNW SEC 18 TWNP 090S RNG 210E MER S

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

Date Original Permit Issued: 7/16/2009

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

Signature: Andy Lytle

Date: 6/13/2011

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
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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 checked="" type="checkbox"/> SPUD REPORT Date of Spud: 6/23/2011 <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <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. MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX. SPUD WELL ON 06/23/2011 AT 0900 HRS.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Sheila Wopsock	PHONE NUMBER 435 781-7024	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/27/2011	

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: UTU 0581
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 921-18C4BS
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047505360000
PHONE NUMBER: 720 929-6515 Ext		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"/> 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"/> SUBSEQUENT REPORT Date of Work Completion:	<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"/> SPUD REPORT Date of Spud:	<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: 50px;" type="text"/>	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 7/7/2011		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. MIRU AIR RIG ON JULY 4, 2011. DRILLED SURFACE HOLE TO 2850'. RAN SURFACE CASING AND CEMENTED. WELL IS WAITING ON ROTARY RIG. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH WELL COMPLETION REPORT.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 7/8/2011	

Spud
BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG
 Submitted By SHEILA WOPSOCK Phone Number 435.781.7024
 Well Name/Number NBU 921-18C4BS
 Qtr/Qtr NWNW Section 18 Township 9S Range 21E
 Lease Serial Number UTU-0581
 API Number 4304750536

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

Date/Time 06/23/2011 0800 HRS AM PM

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

- Surface Casing
 Intermediate Casing
 Production Casing
 Liner
 Other

Date/Time 07/05/2011 0800 HRS AM PM

BOPE

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

Date/Time _____ AM PM

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT
KENNY GATHINGS AT 435.781.7048 FOR MORE

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: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750536	NBU 921-18C4BS		NWNW	18	9S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	6/23/2011		6/29/11		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL ON 06/23/2011. <i>BHL = NENW</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750534	NBU 921-18F1BS		NWNW	18	9S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	6/23/2011		6/29/11		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL ON 06/23/2011 AT 1000 HRS. <i>BHL = SENW</i>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750533	NBU 921-18F1CS		NWNW	18	9S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2900	6/23/2011		6/29/11		
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 06/23/2011 AT 1100 HRS. <i>BHL = SENW</i>							

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)

SHEILA WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

6/27/2011

Date

(5/2000)

RECEIVED

JUN 27 2011

DIV. OF OIL, GAS & MINING

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG
 Submitted By SHEILA WOPSOCK Phone Number 435.781.7024
 Well Name/Number NBU 921-18C4BS
 Qtr/Qtr NWNW Section 18 Township 9S Range 21E
 Lease Serial Number UTU-0581
 API Number 4304750536

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

Date/Time 06/23/2011 0800 HRS AM PM

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

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

RECEIVED
JUN 28 2011
 DIV. OF OIL, GAS & MINING

Date/Time 07/05/2011 0800 HRS AM PM

BOPE

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

Date/Time _____ AM PM

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT 435.781.7048 FOR MORE

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0581
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
1. TYPE OF WELL Gas Well	7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	8. WELL NAME and NUMBER: NBU 921-18C4BS
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	9. API NUMBER: 43047505360000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E 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: 8/30/2011	<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: <input style="width: 50px;" type="text"/>

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

This sundry is being submitted on behalf of the Natural Buttes Unit. Kerr-McGee Oil and Gas, LP requests authorization to drill the above captioned well with a closed-loop system. Please see the attached Exhibit A. Thank you.

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

Date: 09/14/2011
 By: *Derek Quist*

NAME (PLEASE PRINT) Laura Abrams	PHONE NUMBER 720 929-6356	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 8/30/2011	

Exhibit A

Kerr-McGee Oil and Gas Onshore, LP respectfully requests authorization to drill the above captioned well utilizing a closed-loop mud system.

The drilling pit was constructed per the requirements of the Application for Permit to Drill; therefore the liner will be temporarily removed from the pit, the pit will be partially backfilled, and liner will be re-set. All other aspects of the pit shall remain the same.

Equipment for the closed-loop system will be as follows:

- 2 HS-3400 Centrifuge
- 1 Conical Clarifying Tank
- 1 Polymer/Flocculation Unit
- 1 Catch Tank for Solids
- 1 4x3 Centrifugal Pump

Storage Tank Roll (6 frac tanks - 4 water, 2 mud):

- 1 4x3 Centrifugal Pump
- 1 Manifold
- 8 3-inch hose/20 foot section x qty 8 (estimate)
- 8 4-inch hose/20 foot section x qty 8 (estimate)

A 250 KW Generator (est. 20 gal/hr fuel rate) and a Power Distribution Panel will be utilized if deemed necessary.

Please be advised that verbal authorization for the proposed closed-loop system was give by Engineer Robin Hansen to Julie Jacobson on Monday, August 29, 2011 at 12:00 pm.

State of Utah - Notification Form

Operator Anadarko Petroleum Rig Name/# PIONEER 54
Submitted By STUART NEILSON Phone Number 435- 790-2921
Well Name/Number NBU 921-18C4BS
Qtr/Qtr NW4, NW/4 Section 18 Township 9S Range 21E
Lease Serial Number UTU0581
API Number 4304750536

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 9/10/11 4 AM PM

Rig Move

Location To: _____

Date/Time _ _ AM PM

Remarks

RECEIVED

SEP 13 2011

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 0581
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
1. TYPE OF WELL Gas Well	7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	8. WELL NAME and NUMBER: NBU 921-18C4BS
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	9. API NUMBER: 43047505360000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E 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: 9/12/2011	<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 checked="" 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 and Gas Onshore, L.P. respectfully requests authorization to drill the above captioned well with a closed loop mud system. Please see the attached Exhibit A detailing the procedure and equipment to be used. This sundry notice has been submitted on behalf of the Natural Buttes Unit.

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

Date: 09/26/2011
 By: *Derek Quist*

NAME (PLEASE PRINT) Laura Abrams	PHONE NUMBER 720 929-6356	TITLE Regulatory Analyst II
SIGNATURE N/A	DATE 9/12/2011	

Exhibit A

Kerr-McGee Oil and Gas Onshore, LP respectfully requests authorization to drill the above captioned well utilizing a closed-loop mud system.

The drilling pit was constructed per the requirements of the Application for Permit to Drill; therefore the liner will be temporarily removed from the pit, the pit will be partially backfilled, and liner will be re-set. All other aspects of the pit shall remain the same.

Equipment for the closed-loop system will be as follows:

- 2 HS-3400 Centrifuge
- 1 Conical Clarifying Tank
- 1 Polymer/Flocculation Unit
- 1 Catch Tank for Solids
- 1 4x3 Centrifugal Pump

Storage Tank Roll (6 frac tanks - 4 water, 2 mud):

- 1 4x3 Centrifugal Pump
- 1 Manifold
- 8 3-inch hose/20 foot section x qty 8 (estimate)
- 8 4-inch hose/20 foot section x qty 8 (estimate)

A 250 KW Generator (est. 20 gal/hr fuel rate) and a Power Distribution Panel will be utilized if deemed necessary.

State of Utah - Notification Form

Operator Anadarko Petroleum Rig Name/# PIONEER 54
Submitted By STUART NEILSON Phone Number 435- 790-2921
Well Name/Number NBU 921-18C4BS
Qtr/Qtr NW4, NW/4 Section 18 Township 9S Range 21E
Lease Serial Number UTU0581
API Number 4304750536

Casing – Time casing run starts, not cementing times.

- Production Casing
- Other

Date/Time 9/24/11 6 AM PM

BOPE

- Initial BOPE test at surface casing point
- Other

Date/Time _ _ AM PM

Rig Move

Location To: _____

Date/Time _ _ AM PM

Remarks

RECEIVED
SEP 23 2011
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 0581
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 921-18C4BS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047505360000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6515 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E 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: 9/29/2011 <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 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: 50px;" type="text"/>

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

The operator 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. This is due to

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

NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 9/29/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0581
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 921-18C4BS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047505360000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6515 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E 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: 12/16/2011	<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 type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Cement Remediation"/>

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

The operator requests approval for the attached well procedure. The subject well will be fracture stimulated and followed by remedial cement squeezes. This well has been identified as requiring remediation and is currently being monitored and handled by our bradenhead best management practices. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: 12/20/2011

By: *Derek Quist*

NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 12/16/2011	

Greater Natural Buttes Unit



NBU 921-18C4BS

COMPLETIONS PROCEDURE AND CEMENT SQUEEZE

DATE:12/2/2011

AFE#:2028728

API#:4304750536

USER ID:OOT937 (Frac Invoices Only)

COMPLETIONS ENGINEER: Zachary Garrity, Denver, CO
(720) 929-6180 (Office)
(406) 781-6427 (Cell)

SIGNATURE:

ENGINEERING MANAGER: JEFF DUFRESNE

SIGNATURE:

REMEMBER SAFETY FIRST!

Name: NBU 921-18C4BS
Location: NW SE NE NW Sec 18 T9S R21E
LAT: 40.040931 **LONG:** -109.599266 **COORDINATE:** NAD83 (*Surface Location*)
Uintah County, UT
Date: 12/2/2011

ELEVATIONS: 4711' GL 4730' KB *Frac Registry TVD: 11622'*

TOTAL DEPTH: 11710' **PBTD:** 11652'
SURFACE CASING: 9 5/8", 36# J-55 LT&C @ 2835'
PRODUCTION CASING: 4 1/2", 11.6#, P-110 BT&C @ 11698'
 Marker Joint **5214-5235'; 8371-8392; and 11144-11165'**

TUBULAR PROPERTIES:

	BURST (psi)	COLLAPSE (psi)	DRIFT DIA. (in.)	CAPACITIES	
				(bbl/ft)	(gal/ft)
2 3/8" 4.7# J-55 tbg	7,700	8,100	1.901"	0.00387	0.1624
4 1/2" 11.6# I-80 (See above)	7780	6350	3.875"	0.0155	0.6528
4 1/2" 11.6# P-110	10691	7580	3.875"	0.0155	0.6528
2 3/8" by 4 1/2" Annulus				0.0101	0.4227

TOPS:

1765' Green River Top
 2039' Bird's Nest Top
 2566' Mahogany Top
 5246' Wasatch Top
 8359' Mesaverde Top

BOTTOMS:

8359' Wasatch Bottom
 11710' Mesaverde Bottom (TD)

T.O.C. @ 4120' Schlumberger CBL - 11/9/11

GENERAL:

- A minimum of **39** tanks (cleaned lined 500 bbl) of recycled water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Schlumberger's RST log dated 11/9/11.
 - **Please note that the perfs were picked on the RST after they had been correlated to the openhole log. Perfs will be approx. 45ft deeper when you shoot/correlate them to the RST.**
 - **Ex: Perf Letter has 11,383-11,384 → Correlated GR and shoot at approx. 11,428-11,429**
- **3** fracturing stages required for coverage.
- Procedure calls for **3** CBP's (**1-8,000 and 2-10,000** psi) .
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Pump scale inhibitor as per design
- 30/50 mesh **TLC** sand, **Slickwater frac.**
- Maximum surface pressure **9000 psi.**

- **If casing pressure test fails. MIRU with tubing and packer. Isolate leak by pressure testing above and below the packer. RIH and set appropriate casing leak remediation (specific details on remediation will be provided in post-job-report). Re-pressure test to 1000 and 3500 psi for 15 minutes each and to 9000 psi for 30 minutes.**
- Flush volumes are the sum of slick water and acid used during displacement (include scale inhibitor as mentioned above). Stage acid and scale inhibitor if necessary to cover the next perforated interval.
- **Call flush at 0 PPG @ inline densimeters. Slow to 5 bbl/min over last 10-20 bbls of flush. Flush to top perf.**
- **If distance between plug and top perf of previous stage is less than 50', it is considered to be tight spacing - over flush stage by 5 bbls (from top perf)**
- **TIGHT SPACING ON STAGE 1 and 2- OVERFLUSH BY 5 BBLs**
- **Max Sand Concentration: Blackhawk 1.5 ppg**
- **Well has possible gas migration in-between the Surface 9-5/8" and Production 4-1/2". Perform remediation after frac job has finished**

PROCEDURE:

1. Monitor current gas flow and/or pressure building up on the surface casing to establish a buildup rate.
2. NU and test BOPs. RIH 3 7/8" mill and clean out to PBTB @ ~11652' if possible, or to 11468' at a minimum. Circulate hole clean with recycled water. POOH. Run CBL (if needed).
3. ND BOPs and NU frac valves. Test frac valves and casing to 1000 and 3500 psi for 15 minutes each and to **9000 psi** for 30 minutes; if pressure test fails contact Denver engineer and see notes. As per standard operating procedure install steel blowdown line to reserve pit from 4-1/2" X 9-5/8" annulus. Lock **OPEN** the Braden head valve. Annulus will be monitored throughout stimulation. If release occurs, stimulation will be shut down. Well conditions will be assessed and actions taken as necessary to secure the well. UDOGM will be notified if a release to the annulus occurs.
4. Perf the following with 3-3/8" gun, 23 gm, 0.36"hole:

Zone	From	To	spf	# of shots
LOWER MESAVERDE	11383	11384	3	3
LOWER MESAVERDE	11396	11397	3	3
LOWER MESAVERDE	11408	11410	3	6
LOWER MESAVERDE	11416	11418	3	6
LOWER MESAVERDE	11436	11438	3	6
5. Breakdown perfs and establish injection rate (include scale inhibitor in fluid). Spot 250 gals of 15% HCL and let soak 5-10 min. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~11383' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
NOTE: TIGHT SPACING THIS STAGE, OVERFLUSH BY 5BBLs
NOTE: STAGE 1 SHOULD BE ALL 30/50 TLC SAND
6. **Set 10,000 psi CBP** at ~11,336'. Perf the following 3-3/8" gun, 23 gm, 0.36"hole:

Zone	From	To	spf	# of shots
LOWER MESAVERDE	11177	11178	3	3
LOWER MESAVERDE	11189	11190	3	3

LOWER MESAVERDE	11207	11208	3	3
LOWER MESAVERDE	11215	11216	3	3
LOWER MESAVERDE	11232	11233	3	3
LOWER MESAVERDE	11279	11280	3	3
LOWER MESAVERDE	11287	11288	3	3
LOWER MESAVERDE	11305	11306	3	3

7. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~11177' and trickle 250gal 15%HCL w/ scale inhibitor in flush.

NOTE: TIGHT SPACING THIS STAGE, OVERFLUSH BY 5BBLs

NOTE: STAGE 2 SHOULD BE ALL 30/50 TLC SAND

8. **Set 10,000 psi CBP** at ~11,166'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
LOWER MESAVERDE	11104	11106	3	6
LOWER MESAVERDE	11116	11118	3	6
LOWER MESAVERDE	11130	11132	3	6
LOWER MESAVERDE	11144	11146	3	6

9. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~11104' trickle 250gal 15%HCL w/ scale inhibitor in flush.

NOTE: STAGE 3 SHOULD BE ALL 30/50 TLC SAND

10. Set 8000 psi CBP at ~11,054'.

11. Call for tubing. ND Frac Valves , NU and Test BOPs. Pressure test casing to 1000 and 3500 psi for 15 minutes each.

12. RIH and perf the following 3-3/8" gun, 23 gm, 0.36" hole:

From	To	spf	# of shots
2890	2891	6	6

***Location picked off CBL; See Attached on pages 9-11*

13. Establish injection rate into perforations

14. Monitor annulus between surface casing and 4-1/2" casing for communication. Based on communication results; perform desired cement squeeze.

15. RIH set CICR at ~**2870'**.

16. R/U cement company and pump recommended cement job into perforations from **2890-2891'**, based off injection rate and pressure. PUH w/stinger and cap with CICR with cement. Reverse circulate clean. WOC for a minimum 12 hours prior to drill out.

17. POOH. TIH with 3 7/8" bit and tubing. D-O CICR and cement to ~**2915'**. Pressure test casing and perforations to 1000 psi for 10 minutes. Also verify that there is no gas flow or pressure building up on the surface casing. Contact engineer if there is a test failure.

18. RIH and set **20'** Weatherford casing patch over existing cement squeeze perforations from 2890-2891'.

19. Pressure test casing patches and casing to 1000, 2500, and 3500 psi for 15 minutes each. RDMO
20. TIH with 3-1/4" bit, pump off sub, SN and tubing. Drill plugs and clean out to PBTD. Shear off bit and land tubing at $\pm 11147'$ unless indicated otherwise by the well's behavior.
21. Clean out well with foam and/or swabbing unit until steady flow has been established from completion.
22. **Leave surface casing valve open.** Monitor and report any flow from surface casing. RDMO

**For design questions, please call
Zachary Garrity, Denver, CO
(720) 929-6180 (Office)
(406) 781-6427 (Cell)**

**For field implementation questions, please call
Jeff Samuels, Vernal, UT
(435) 781-7046 (Office)**

NOTES:

TIGHT SPACING ON STAGE 1 and 2– OVERFLUSH BY 5 BBLs

Verify that the Braden head valve is locked OPEN.

Max Sand Concentration: Blackhawk 1.5 ppg

Well has possible gas migration in-between the Surface 9-5/8" and Production 4-1/2". Perform remediation after frac job has finished

Name NBU 921-18C4BS
Perforation and CBP Summary

Stage	Zones	Perforations		SPF	Holes	Fracture Coverage		
		Top, ft	Bottom, ft					
1	LOWER MESAVERDE	11383	11384	3	3	11305	to	11308
	LOWER MESAVERDE	11396	11397	3	3	11381	to	11395
	LOWER MESAVERDE	11408	11410	3	6	11406	to	11438
	LOWER MESAVERDE	11416	11418	3	6			
	LOWER MESAVERDE	11436	11438	3	6			
	# of Perfs/stage				24	CBP DEPTH	11,336	
2	LOWER MESAVERDE	11177	11178	3	3	11173	to	11192
	LOWER MESAVERDE	11189	11190	3	3	11203	to	11218
	LOWER MESAVERDE	11207	11208	3	3	11278	to	11306
	LOWER MESAVERDE	11215	11216	3	3			
	LOWER MESAVERDE	11232	11233	3	3			
	LOWER MESAVERDE	11279	11280	3	3			
	LOWER MESAVERDE	11287	11288	3	3			
	LOWER MESAVERDE	11305	11306	3	3			
	# of Perfs/stage				24	CBP DEPTH	11,166	
3	LOWER MESAVERDE	11104	11106	3	6	11100	to	11146
	LOWER MESAVERDE	11116	11118	3	6			
	LOWER MESAVERDE	11130	11132	3	6			
	LOWER MESAVERDE	11144	11146	3	6			
	# of Perfs/stage				24	CBP DEPTH	11,054	
Totals				72				

NBU 921-18C4BS DIRECTIONAL SURVEY												
MD	TVD	EW	NS	INC	AZI		MD	TVD	EW	NS	INC	AZI
-	-	0.0	0.0	0.0	0.0		5,840	5,754	734.5	-82.8	1.2	12.9
15	15	0.0	0.0	0.0	0.0		5,934	5,848	734.6	-81.0	1.1	355.4
219	219	0.2	0.3	0.2	35.1		6,029	5,943	734.5	-79.6	0.6	356.9
304	304	0.9	0.4	0.9	91.0		6,124	6,038	734.4	-78.7	0.5	351.7
391	391	3.9	0.3	3.0	91.7		6,219	6,133	734.6	-76.1	2.6	4.9
481	481	10.0	-0.1	4.9	95.2		6,313	6,227	734.6	-72.5	1.9	355.9
571	570	18.7	-1.1	6.3	98.3		6,408	6,322	735.8	-69.9	1.9	54.6
661	660	29.8	-2.5	8.1	96.3		6,503	6,417	738.4	-68.5	1.7	69.9
751	749	43.5	-3.9	9.5	95.1		6,598	6,512	741.2	-67.5	1.9	70.2
841	837	59.9	-5.3	11.6	94.9		6,693	6,607	743.7	-66.3	1.4	56.9
931	925	79.7	-7.1	13.9	95.3		6,787	6,701	744.7	-65.8	0.2	170.7
1,021	1,012	101.8	-9.1	14.6	95.1		6,882	6,796	744.8	-66.3	0.4	162.7
1,111	1,099	124.5	-10.9	14.7	93.9		6,977	6,891	744.8	-67.2	0.7	190.2
1,201	1,186	147.4	-12.4	14.8	93.8		7,072	6,986	744.8	-68.8	1.2	174.6
1,291	1,273	170.7	-13.8	15.2	93.0		7,167	7,081	744.9	-70.6	1.0	179.8
1,381	1,360	194.0	-15.4	15.0	95.0		7,262	7,176	745.0	-72.4	1.1	174.5
1,471	1,447	216.8	-17.7	14.6	96.2		7,357	7,271	745.3	-74.2	1.1	166.8
1,561	1,534	239.3	-19.8	14.5	94.8		7,452	7,366	745.5	-76.2	1.2	179.7
1,651	1,621	261.9	-21.6	14.7	94.3		7,546	7,460	745.7	-78.3	1.3	174.3
1,741	1,708	284.7	-23.5	14.8	95.0		7,641	7,555	745.9	-80.6	1.5	175.4
1,951	1,910	342.0	-24.6	17.0	87.8		7,736	7,650	746.2	-83.1	1.6	171.1
2,011	1,968	359.7	-23.8	17.3	87.1		7,831	7,745	746.1	-84.8	0.5	215.4
2,101	2,054	386.2	-23.4	16.9	90.9		7,925	7,839	745.4	-84.6	0.9	318.2
2,191	2,140	412.0	-24.6	16.5	94.6		8,020	7,933	743.9	-82.6	2.2	325.9
2,281	2,226	437.5	-27.2	16.7	97.0		8,115	8,028	741.8	-79.7	2.2	320.8
2,371	2,312	462.7	-30.3	16.1	97.3		8,210	8,123	739.9	-77.2	1.7	326.6
2,461	2,399	487.2	-33.3	15.8	96.6		8,305	8,218	738.3	-74.9	1.6	323.0
2,551	2,486	511.3	-35.9	15.5	95.7		8,400	8,313	737.3	-73.0	1.1	344.3
2,641	2,572	534.9	-38.3	15.0	96.0		8,495	8,408	736.8	-71.7	0.6	331.1
2,731	2,659	557.7	-40.7	14.6	95.9		8,589	8,502	736.4	-71.0	0.4	332.6
2,810	2,736	577.1	-42.7	14.0	95.9		8,685	8,598	736.1	-70.8	0.3	232.4
2,897	2,820	598.0	-45.1	13.8	97.4		8,779	8,692	735.7	-71.3	0.5	207.1
2,993	2,914	619.5	-47.1	12.2	93.3		8,874	8,787	735.4	-72.4	0.9	186.3
3,088	3,007	638.4	-48.0	10.8	91.8		8,969	8,882	735.2	-73.9	0.9	186.9
3,182	3,100	654.5	-49.7	9.1	101.2		9,064	8,977	735.1	-75.6	1.1	182.0
3,277	3,194	667.8	-52.5	7.4	103.1		9,159	9,072	734.9	-77.2	0.9	192.9
3,372	3,288	678.0	-54.8	5.3	101.8		9,254	9,167	734.7	-78.6	0.9	181.5
3,466	3,382	685.9	-56.2	4.5	98.4		9,349	9,262	734.7	-80.2	1.1	180.4
3,561	3,477	692.3	-57.3	3.3	100.0		9,444	9,357	734.9	-81.0	0.2	57.8
3,656	3,571	698.2	-58.4	4.0	102.3		9,539	9,452	735.0	-79.8	1.3	359.9
3,751	3,666	704.4	-59.7	3.6	101.9		9,634	9,547	735.2	-78.2	0.7	17.5
3,846	3,761	709.5	-61.8	3.2	122.4		9,729	9,642	735.8	-77.1	0.8	40.4
3,941	3,856	713.6	-63.6	2.4	103.4		9,824	9,737	737.0	-76.5	0.9	83.1
4,036	3,951	717.2	-64.5	2.1	105.2		9,919	9,832	738.2	-76.4	0.5	87.2
4,131	4,046	720.1	-66.1	1.9	131.0		10,014	9,927	739.5	-76.3	1.1	89.8
4,226	4,141	722.5	-67.8	1.7	119.0		10,109	10,022	740.9	-76.6	0.7	113.4
4,320	4,235	724.8	-69.4	1.8	131.7		10,204	10,117	742.0	-77.1	0.8	121.8
4,415	4,330	726.2	-72.2	2.3	170.0		10,299	10,212	743.4	-78.1	1.3	125.8
4,510	4,425	726.8	-75.6	1.9	170.5		10,394	10,307	744.9	-79.6	1.2	142.0
4,605	4,519	727.3	-78.3	1.5	167.3		10,488	10,401	746.3	-81.1	1.3	131.4
4,700	4,614	727.9	-81.1	1.9	170.3		10,583	10,496	748.0	-82.3	1.2	119.4
4,794	4,708	728.5	-84.2	1.9	166.7		10,678	10,591	749.5	-83.6	1.2	144.2
4,889	4,803	729.1	-87.3	2.0	171.8		10,773	10,686	750.8	-85.5	1.6	148.3
4,984	4,898	729.4	-90.2	1.5	177.9		10,867	10,780	752.0	-87.8	1.6	155.1
5,079	4,993	729.7	-92.6	1.5	166.5		11,057	10,970	754.6	-93.5	2.2	156.0
5,174	5,088	730.1	-94.7	1.1	174.1		11,152	11,065	756.0	-96.9	2.1	159.5
5,269	5,183	730.4	-95.4	0.4	43.0		11,246	11,159	757.3	-100.3	2.3	157.8
5,364	5,278	731.0	-94.3	1.1	23.5		11,341	11,254	758.9	-103.6	2.2	152.2
5,460	5,374	731.6	-92.0	1.7	12.2		11,436	11,349	760.5	-106.9	2.2	156.3
5,554	5,468	732.4	-89.6	1.5	24.9		11,531	11,444	761.9	-110.2	2.1	156.5
5,649	5,563	733.5	-87.8	1.0	37.6		11,626	11,538	763.4	-113.5	2.2	154.8
5,744	5,658	734.1	-85.5	2.0	5.2		11,710	11,622	764.8	-116.4	2.2	154.8



Company: KERR MCGEE OIL & GAS ONSHORE LP
Well: NBU 921-18C4BS
Field: GREATER NATURAL BUTTES
County: UINTAH **State:** UTAH

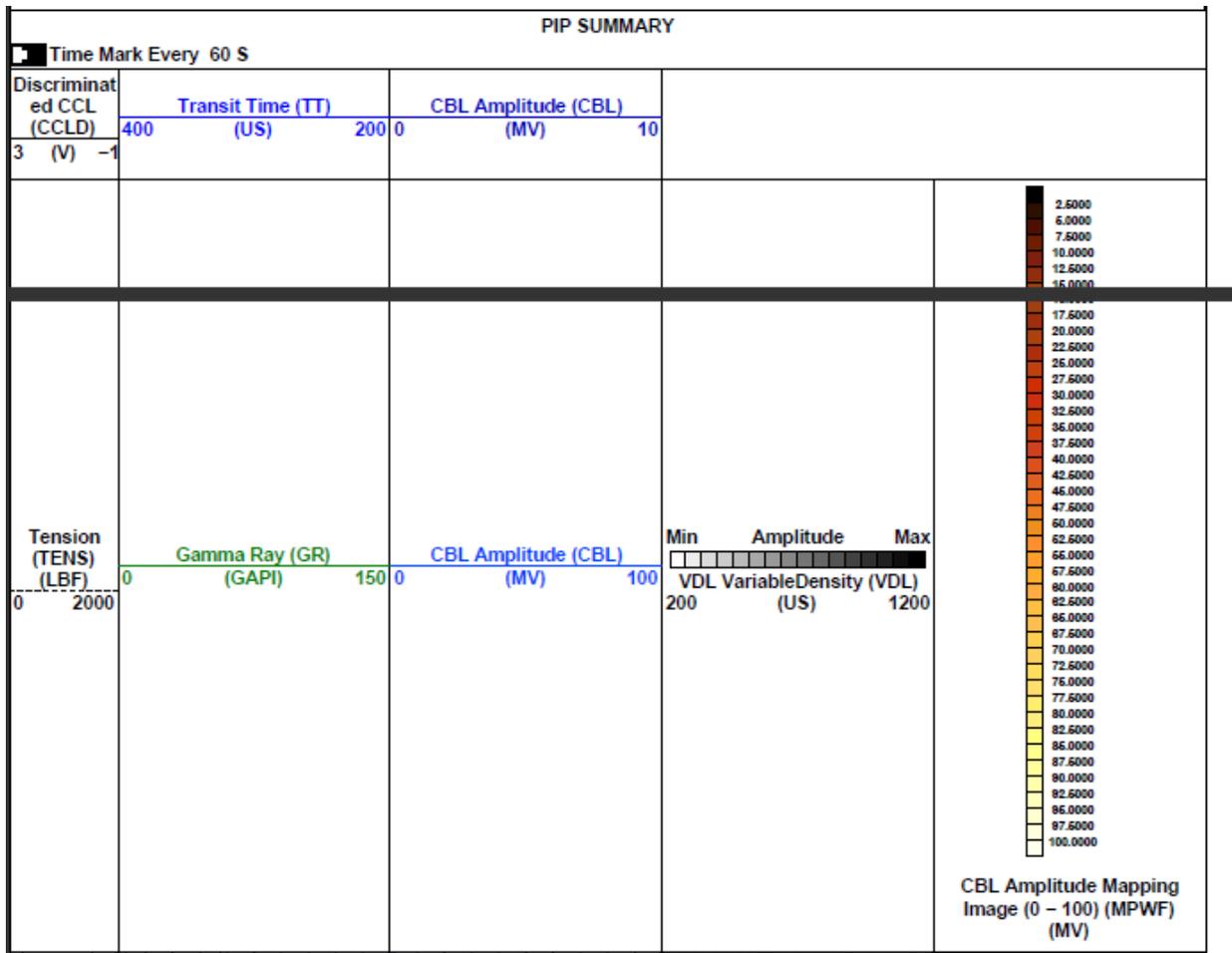
**CEMENT BOND LOG
 GAMMA RAY
 COLLARS**

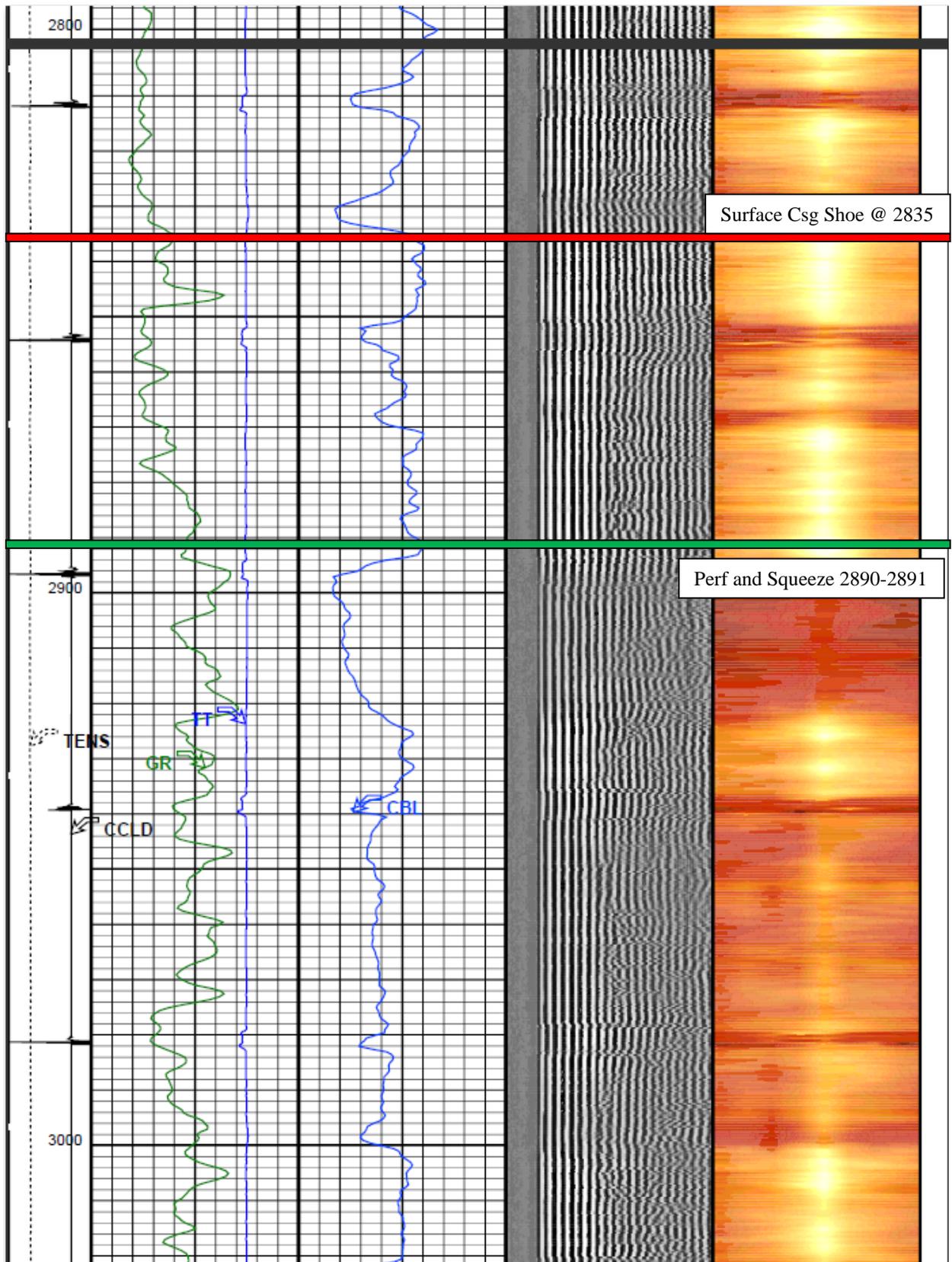
SHL: 873' FNL, 1846' FWL Elev.: K.B. 4730.00 ft
 BHL: 970' FNL, 2590' FWL G.L. 4711.00 ft
 D.F. 4731.00 ft

Permanent Datum: _____ GROUND LEVEL Elev.: 4711.00 ft
 Log Measured From: KELLY BUSHING 19.00 ft above Perm. Datum
 Drilling Measured From: KELLY BUSHING

County: UINTAH
 Field: GREATER NATURAL BUTTES
 Location: SHL: 873' FNL, 1846' FWL
 Well: NBU 921-18C4BS
 Company: KERR MCGEE OIL & GAS ONSHORE LP

Logging Date	9-Nov-2011	API Serial No.	43047505360000	Section	18	Township	9	Range	21E
Run Number	1								
Depth Driller	11600 ft								
Schlumberger Depth	11540 ft								
Bottom Log Interval	11531 ft								
Top Log Interval	9500 ft								
Casing Fluid Type	WATER								
Salinity									
Density	8.7 lbm/gal								
Fluid Level	19 ft								
BIT/CASING/TUBING STRING									
Bit Size	7.875 in								
From	19 ft								
To	11600 ft								
Casing/Tubing Size	4.500 in								
Weight	11.6 lbm/ft								
Grade									
From	19 ft								
To	11540 ft								
Maximum Recorded Temperatures	230 degF								
Logger On Bottom	9-Nov-2011	Time	10:15						
Unit Number	410	Location	VERNAL UT						
Recorded By	ANDY MAY								
Witnessed By	JEFF SAMUELS								





STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 0581	
SUNDRY NOTICES AND REPORTS ON WELLS		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE	
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 921-18C4BS	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		9. API NUMBER: 43047505360000	
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: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E 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: 1/6/2011 <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 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="Rescind Sundry"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
<p>The operator requests to rescind the approved sundry for Cement Remediation & Completion Procedure approved on 12/20/2011. This well was mistakenly identified as needing the procedure and it does not. Thank you.</p>			
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 12, 2012</p>			
NAME (PLEASE PRINT) Gina Becker	PHONE NUMBER 720 929-6086	TITLE Regulatory Analyst II	
SIGNATURE N/A	DATE 1/6/2012		

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: UTU 0581
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 921-18C4BS
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0873 FNL 1846 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 18 Township: 09.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047505360000
PHONE NUMBER: 720 929-6515 Ext		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"/> 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"/> SUBSEQUENT REPORT Date of Work Completion:	<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 style="width: 100px;" type="text"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<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	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/5/2012		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE SUBJECT WELL WAS PLACED ON PRODUCTION ON JAN. 5, 2012 AT 4:30 P.M. THE CHRONOLOGICAL WELL HISTORY WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Jaime Scharnowske	PHONE NUMBER 720 929-6304	TITLE Regularatory Analyst
SIGNATURE N/A	DATE 1/6/2012	