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 920-23N
2. TYPE OF WORK: DRILL NEW WELL (●) REENTER P&A WELL ( ) DEEPEN WELL ( )		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 0577A	11. MINERAL OWNERSHIP: FEDERAL (●) INDIAN ( ) STATE ( ) FEE ( )	12. SURFACE OWNERSHIP: FEDERAL ( ) INDIAN (●) STATE ( ) FEE ( )
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 (●) (Submit Commingling Application) NO ( )	19. SLANT: VERTICAL (●) DIRECTIONAL ( ) HORIZONTAL ( )

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	837 FSL 1702 FWL	SESW	23	9.0 S	20.0 E	S
Top of Uppermost Producing Zone	837 FSL 1702 FWL	SESW	23	9.0 S	20.0 E	S
At Total Depth	837 FSL 1702 FWL	SESW	23	9.0 S	20.0 E	S

21. COUNTY: UINTAH	22. DISTANCE TO NEAREST LEASE LINE (Feet): 837	23. NUMBER OF ACRES IN DRILLING UNIT: 2091
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed): 940	26. PROPOSED DEPTH: MD: 10471 TVD: 10471
27. ELEVATION - GROUND LEVEL: 4883	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

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME: Danielle Piernot	TITLE: Regulatory Analyst	PHONE: 720 929-6156
SIGNATURE	DATE: 07/15/2009	EMAIL: danielle.piernot@anadarko.com

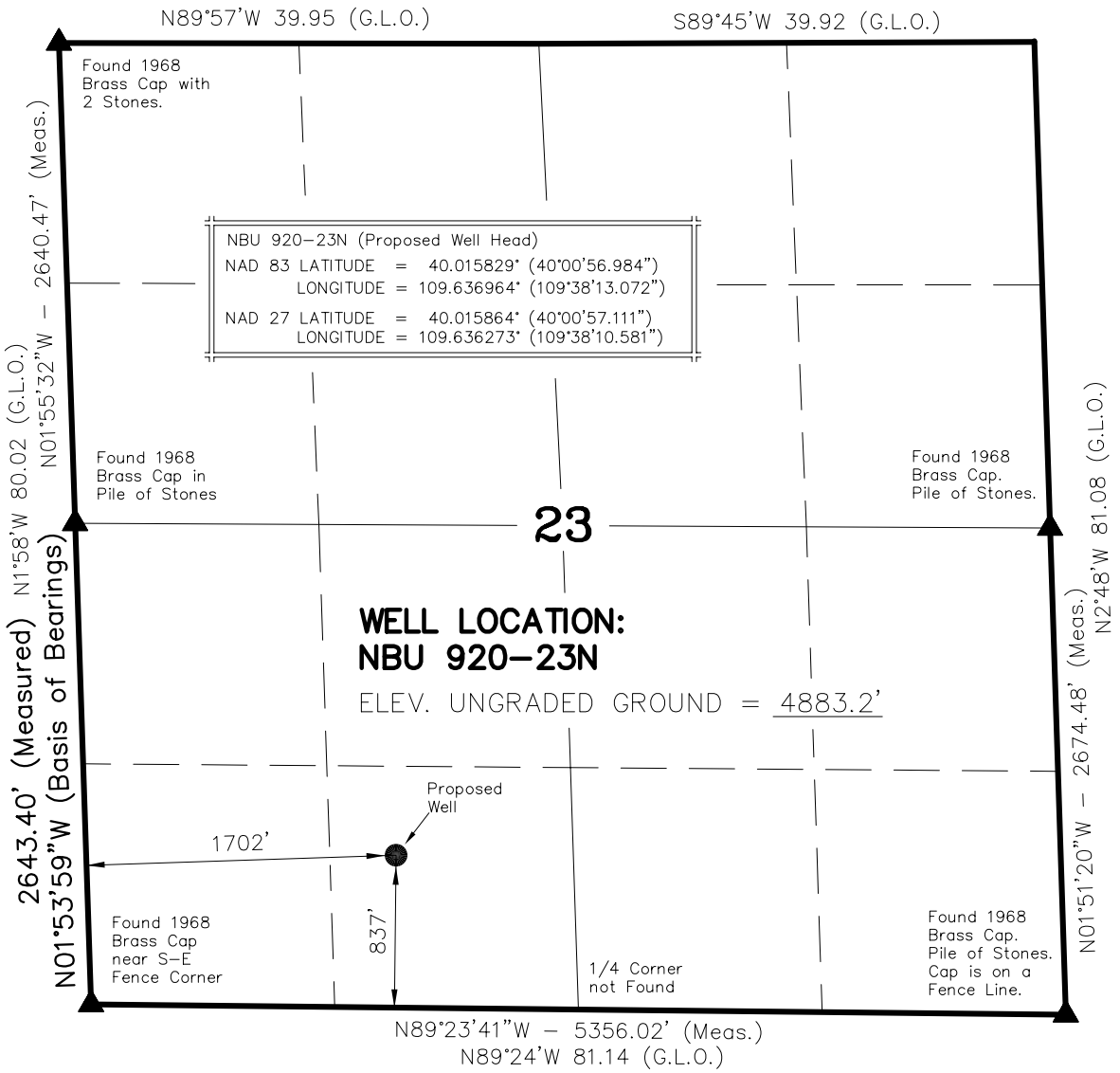
API NUMBER ASSIGNED	APPROVAL
43047505630000	 Permit Manager

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	10471		
Pipe	**Grade**	**Length**	**Weight**			
	Grade HCP-110 LT&C	871	11.6			
	Grade I-80 LT&C	9600	11.6			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2675		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 LT&C	2675	36.0			

'APIWellNo:43047505630000'

T9S, R20E, S.L.B.&M.



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. Bearings are based on Global Positioning Satellite observations.
4. Basis of elevation is the Northwest Corner of Section 12, T9S, R20E, S.L.B.&M. The elevation of this Section Corner is shown on the Ouray SE 7.5 Min. Quadrangle as being 4676'.

N

1000' 500' 0' 1000'

SCALE

SURVEYOR'S CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

REGISTERED LAND SURVEYOR No.362251 KOLBY R. KAY STATE OF UTAH

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

NBU 920-23N
WELL PLAT
837' FSL, 1702' FWL
SE ¼ SW ¼ OF SECTION 23, T9S, R20E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

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

DATE SURVEYED: 01-02-09	SURVEYED BY: B.J.S.	SHEET 1 OF 9
DATE DRAWN: 01-29-09	DRAWN BY: K.K.O.	
SCALE: 1" = 1000'	Date Last Revised:	

NBU 920-23N
Surface: 837' FSL, 1,702' FWL (SE/4SW/4)
Sec. 23 T9S R20E

Uintah, Utah
Mineral Lease: UTU 0577A

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

Formation	Depth	Resource
Uinta	0 – Surface	
Green River	1,719'	
Birds Nest	1,963'	Water
Mahogany	2,471'	Water
Wasatch	5,082'	Gas
Mesaverde	8,325'	Gas
MVU2	9,274'	Gas
MVL1	9,646'	Gas
TD	10,471'	

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 10,471' TD, approximately equals 6,524 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,220 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:

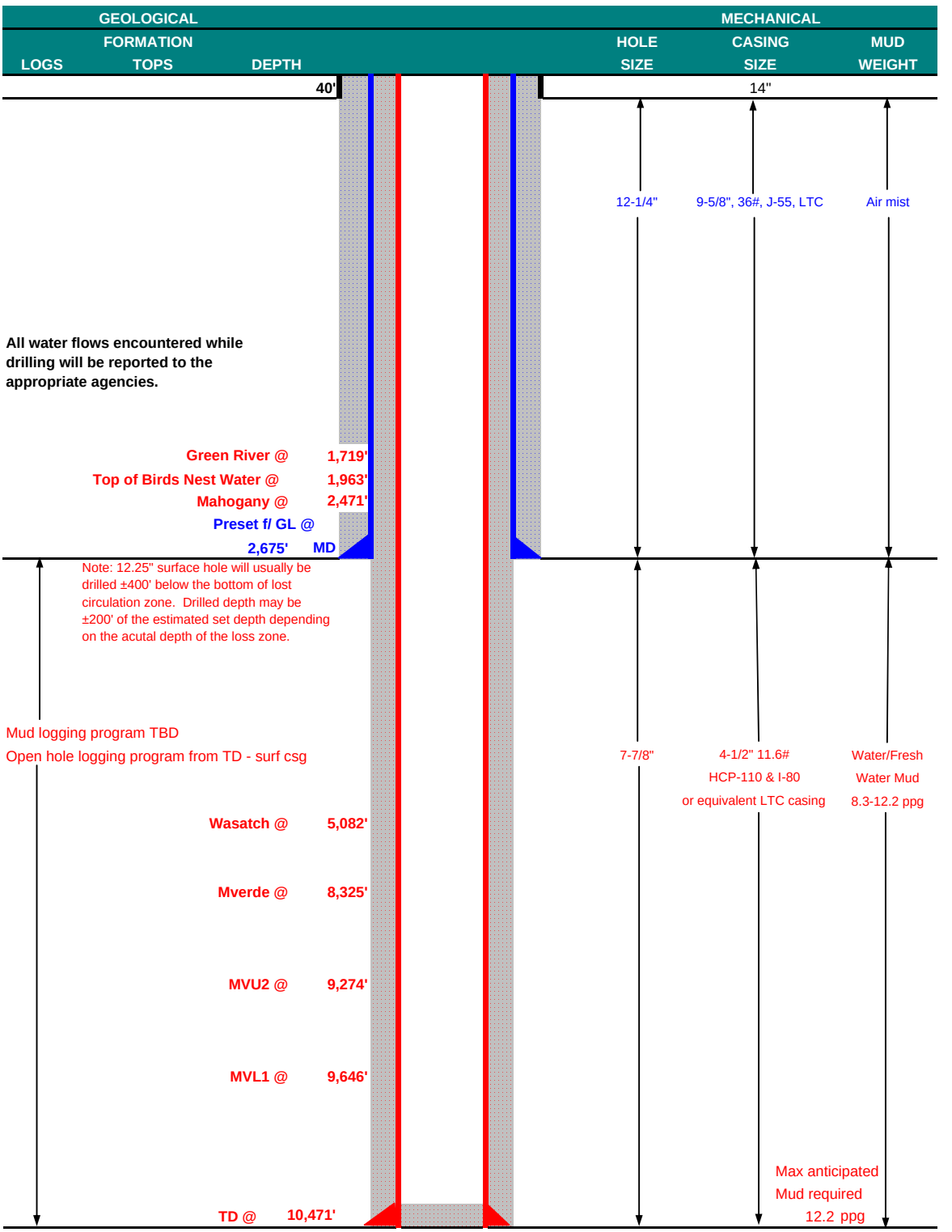
Please refer to the attached Drilling Program.

'APIWellNo:43047505630000'

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP			DATE	July 8, 2009
WELL NAME	**NBU 920-23N**			TD	10,471' MD/TVD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah	FINISHED ELEVATION	4,881'
SURFACE LOCATION	SE/4 SW/4 837' FSL 1,702' FWL	Sec 23	T 9S	R 20E		BHL	Straight Hole
	Latitude: 40.015829	Longitude: -109.636964		NAD 83			
OBJECTIVE ZONE(S)	Wasatch/Mesaverde						
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.						



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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	2675	36.00	J-55	LTC	0.81*	1.61	4.70
								7,780	6,350	201,000
PRODUCTION	4-1/2"	0	to	9600	11.60	I-80	LTC	1.79	1.04	2.03
								10,690	8,650	279,000
		9600	to	10471	11.60	HCP-110	LTC	2.46	1.30	33.94

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.09

1) Max Anticipated Surf. Press.(MASP) (Surf Csg) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac grad 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 = 12.2 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 4,220 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,524 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ 0.25 pps flocele				
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	380	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**				
Option 2	LEAD	2,175'	Prem cmt + 16% Gel + 10 pps gilsonite	250	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,581'	Premium Lite II + 0.25 pps celloflake +	440	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+ 1% Retarder				
	TAIL	5,890'	50/50 Poz/G + 10% salt + 2% gel	1440	40%	14.30	1.31
			+ 0.1% R-3				

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

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

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.

ADDITIONAL INFORMATION

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

BOPE: 11" 5M with one annular and 2 rams. 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.

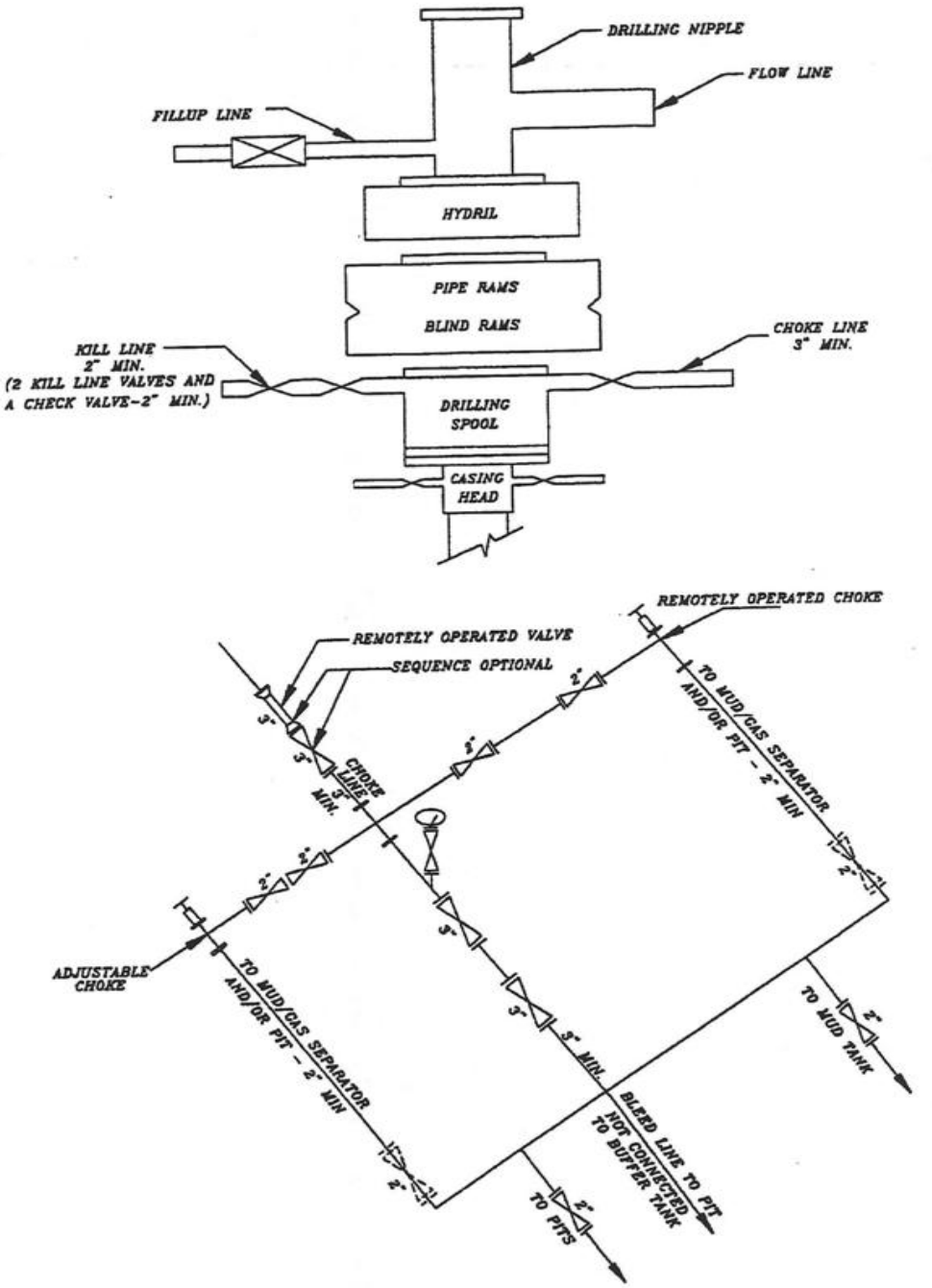
Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

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

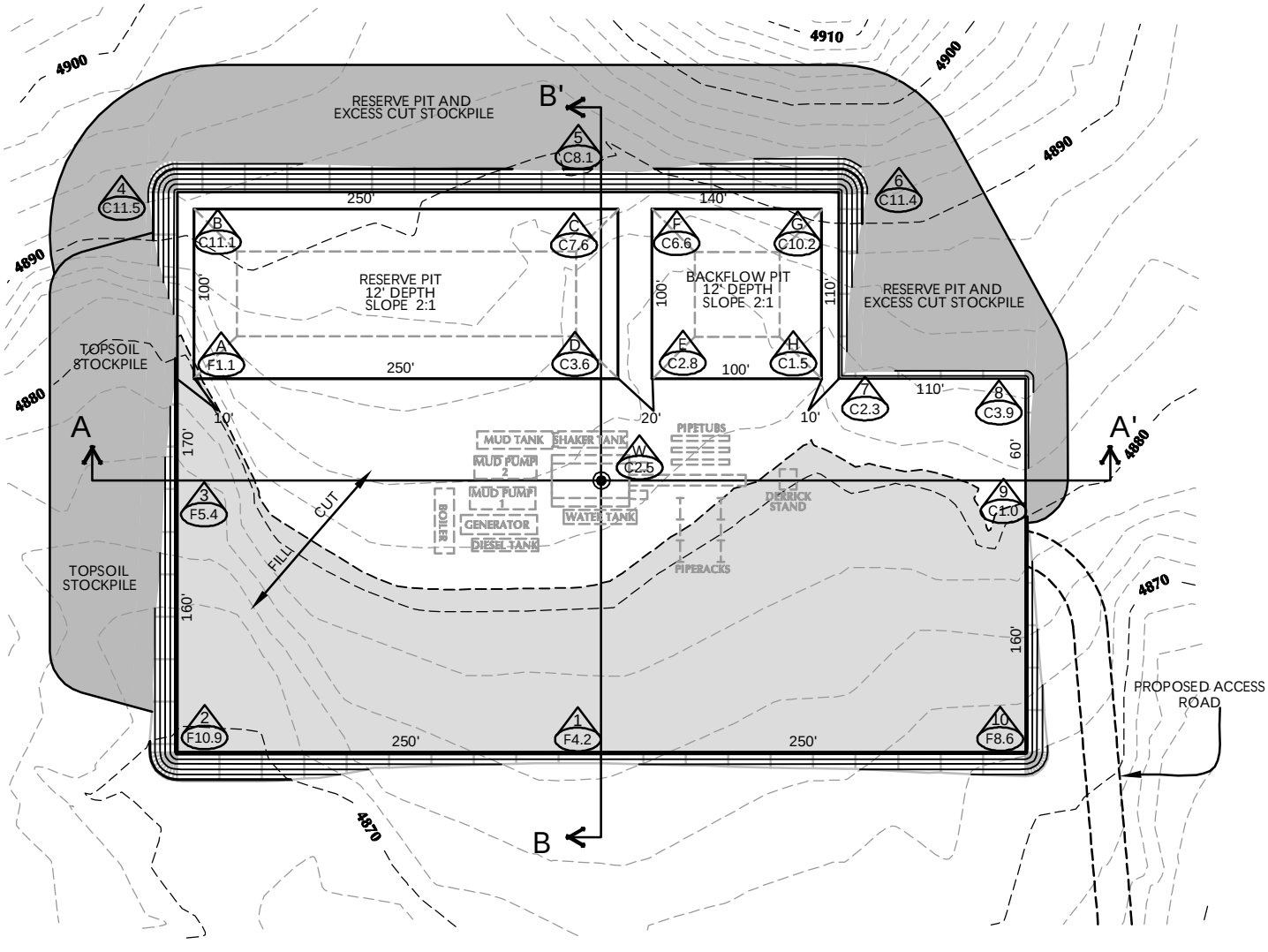
DRILLING ENGINEER: _____ **DATE:** _____
John Huycke / Emile Goodwin

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

EXHIBIT A
NBU 920-23N



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK



WELL PAD LEGEND

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

WELL PAD NBU 920-23N QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4883.2'
FINISHED GRADE ELEVATION = 4880.7'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 13,662 C.Y.
TOTAL FILL FOR WELL PAD = 13,328 C.Y.
TOPSOIL @ 6" DEPTH = 3,178 C.Y.
EXCESS MATERIAL = 334 C.Y.
TOTAL DISTURBANCE = 3.94 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

HORIZONTAL 0 50 100 1" = 100'
2' CONTOURS

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

NBU 920-23N
WELL PAD - LOCATION LAYOUT
837' FSL, 1702' FWL
SE1/4 SW1/4, SECTION 23, T9S, R20E,
S.L.B.&M., UINTAH COUNTY, UTAH

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

Scale: 1"=100'	Date: 2/19/09	SHEET NO:
REVISED:	BY DATE	2 2 OF 9

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

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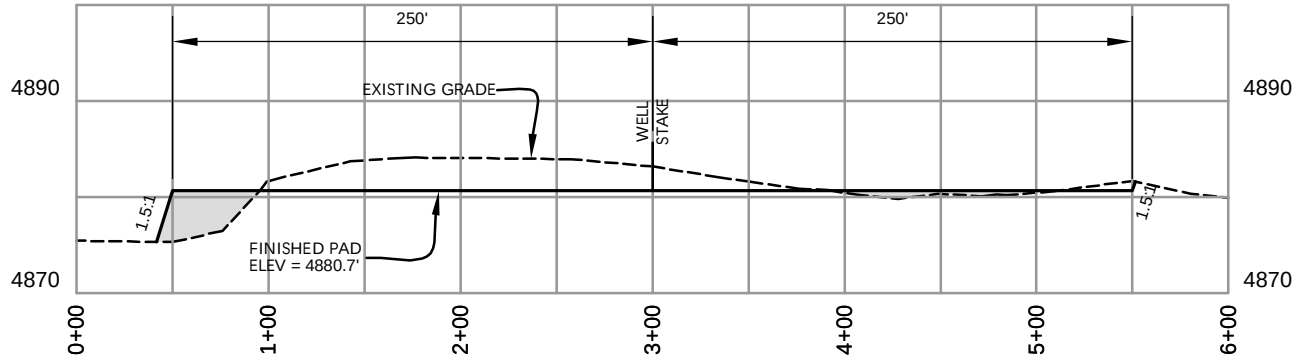
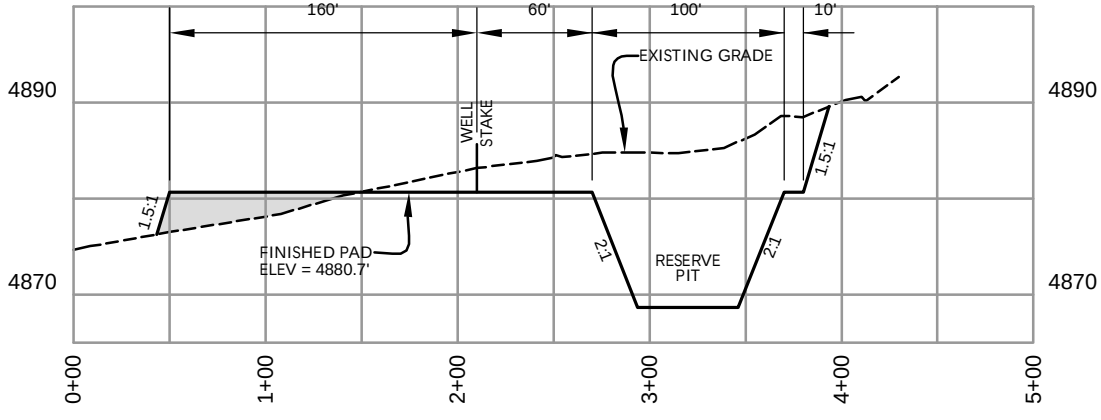


CROSS SECTION A-A'



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

NBU 920-23N
WELL PAD - CROSS SECTIONS
837' FSL, 1702' FWL
SE1/4 SW1/4, SECTION 23, T9S, R20E,
S.L.B.&M., UINTAH COUNTY, UTAH

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Sheridan WY 82801
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HORIZONTAL 0 50 100 1" = 100'
VERTICAL 0 10 20 1" = 20'

Scale: 1"=100'	Date: 2/19/09	SHEET NO: 3 3 OF 9
REVISED:	BY DATE	

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

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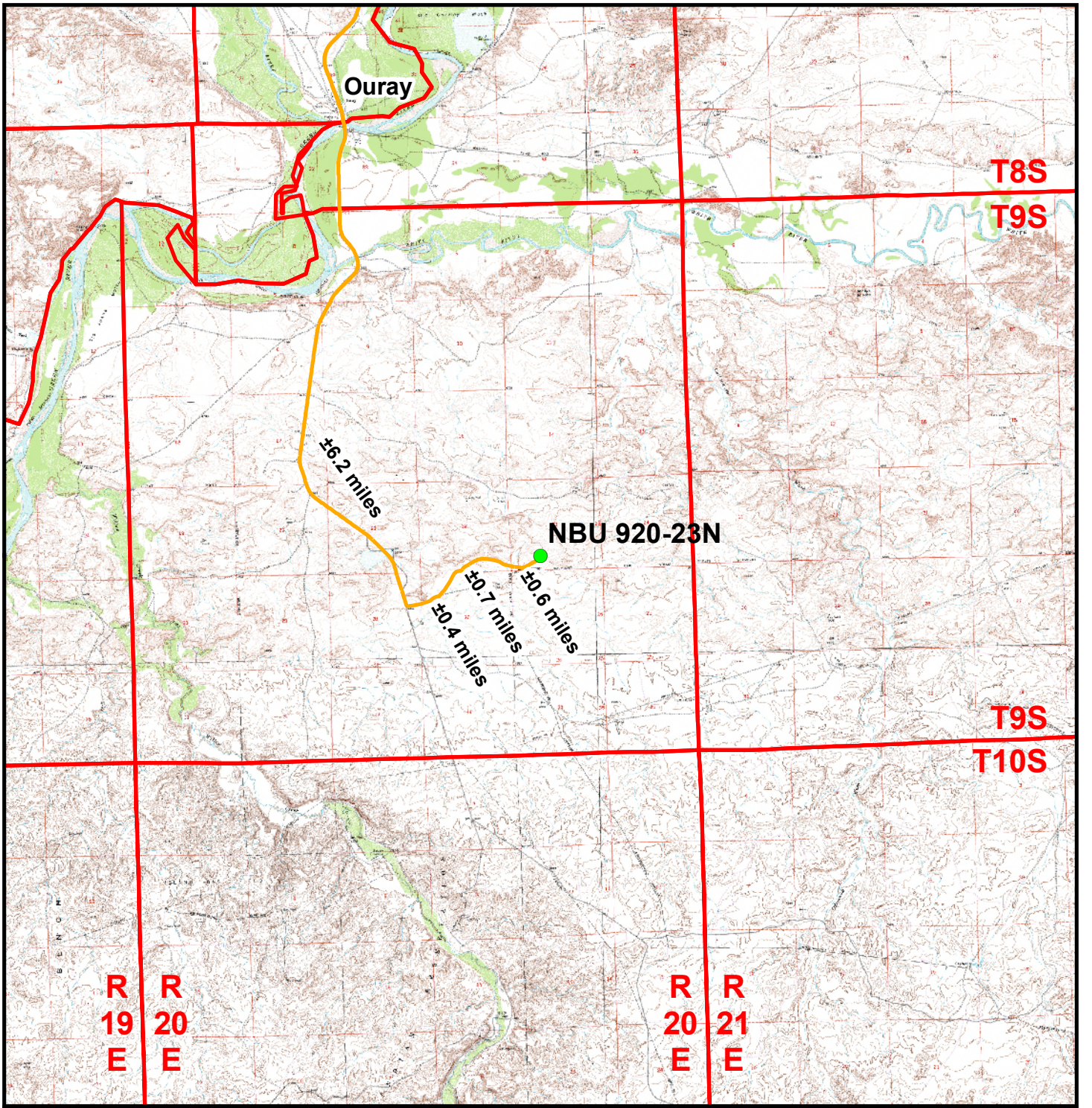

Legend

- Proposed NBU 920-23N Well Location
- Access Route - Proposed

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

NBU 920-23N
Topo A
837' FSL, 1702' FWL
SE¼ SW¼, Section 23, T9S, R20E
S.L.B.&M., Uintah County, Utah

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

N

Scale: 1:100,000	NAD83 USP Central	Sheet No: 5	5 of 9
Drawn: JELo	Date: 10 Feb 2009		
Revised:	Date:		

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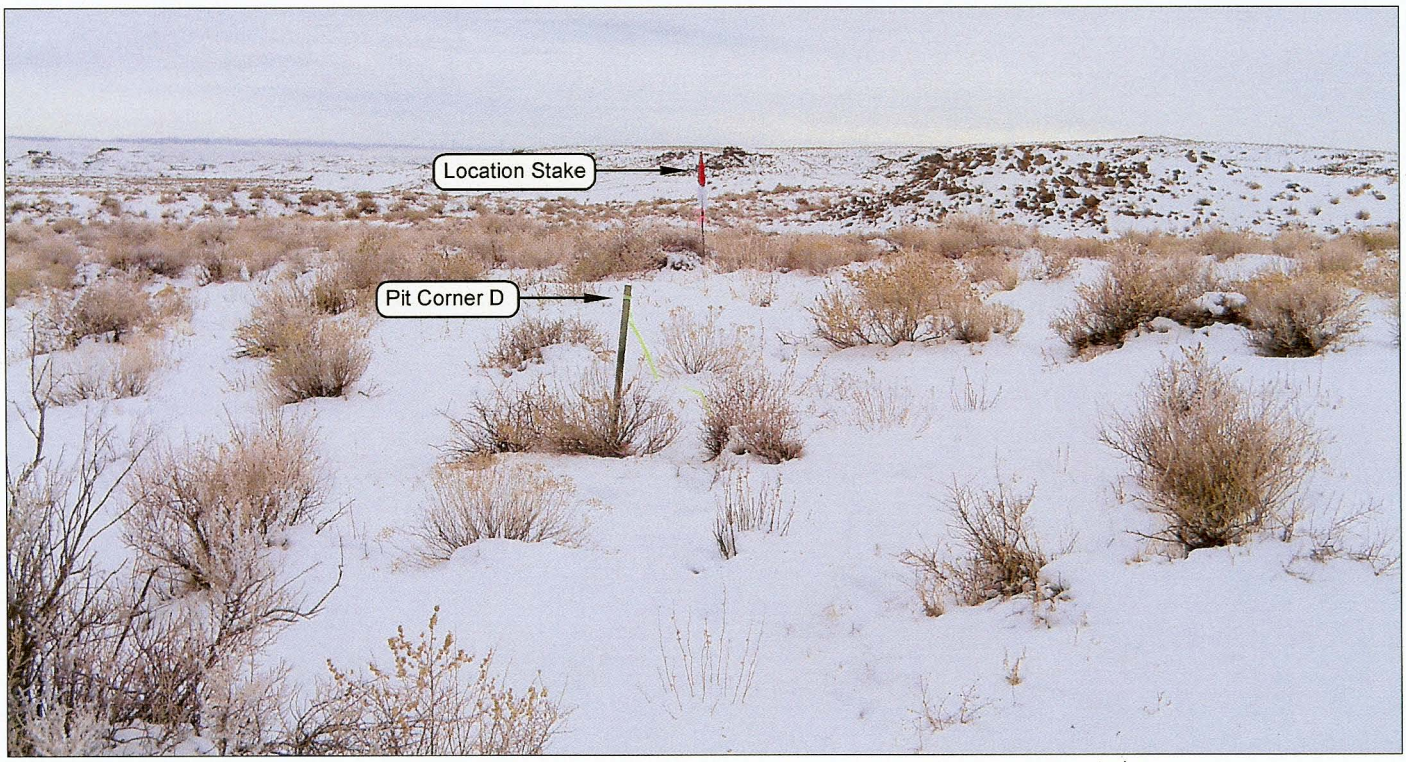


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY

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

NBU 920-23N
837' FSL, 1702' FWL
SE ¼ SW ¼ OF SECTION 23, T9S, R20E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

LOCATION PHOTOS		DATE TAKEN: 01-02-09
		DATE DRAWN: 01-29-09
TAKEN BY: B.J.S.	DRAWN BY: K.K.O.	REVISED:

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

Kerr-McGee Oil & Gas Onshore, LP
NBU 920-23N
Section 23, T9S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 6.2 MILES TO THE INTERSECTION OF A CLASS D COUNTY ROAD TO THE EAST. EXIT LEFT AND PROCEED IN AN EAST BY NORTHEAST DIRECTION ALONG THE CLASS D COUNTY ROAD APPROXIMATELY 0.4 MILES TO A SERVICE ROAD TO THE NORTHEAST. EXIT LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 0.7 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 3,350 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 38.6 MILES IN A SOUTHERLY DIRECTION.

NBU 920-23N
Surface: 837' FSL, 1,702' FWL (SE/4SW/4)

Sec. 23 T9S R20E

Uintah, Utah

Mineral Lease: UTU 0577A
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. An NOS was submitted showing the surface location in the SE/4 SW/4 of Section 23 T9S R20E.

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.

1. <u>Existing Roads</u>:

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. <u>Planned Access Roads</u>:

See MDP for additional details on road construction.

Approximately ±0.63 miles (±3,350') 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 ±3,980' of 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

July 15, 2009
Date

’APIWellNo:43047505630000’

CLASS I REVIEW OF KERR-MCGEE OIL AND GAS ONSHORE LP’S 88 PROPOSED WELL LOCATIONS (T9S, R20E, SECS. 1, 14, 15, 20, 21, 22, 23, 27, 29, 32, 33, 34) UINTAH COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Ute Indian Tribe
Uintah and Ouray Agency

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. 08-318

March 4, 2009

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

IPC #09-70

Paleontological Reconnaissance Survey Report

Survey of Kerr McGee's Proposed Well Pads, Access Roads and Pipelines for "NBU #920-21N, 22O, 23K, M, N & 32E" (Sec. 21-23 & 32, T 9 S, R 20 E)

Ouray
Topographic Quadrangle
Uintah County, Utah

May 13, 2009

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

’APIWellNo:43047505630000’

Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237

(303) 759-5377 Office (303) 759-5324 Fax

SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT

Operator: Kerr-McGee Oil & Gas Onshore LP

Wells: NBU 920-23D, NBU 920-23F, NBU 920-23I, NBU 920-23J, NBU 920-23K, NBU 920-23L, NBU 920-23M, NBU 920-23N, NBU 920-23O, NBU 920-23P

Pipelines: Proposed pipelines leading to all proposed wells.

Access Roads: Access roads lead to all proposed wells.

Location: Section 23, Township 9 South, Range 20 East; Uintah County, Utah

Survey-Species: Uinta Basin Hookless Cactus (*Sclerocactus wetlandicus*) and nesting raptors

Date: 06/15/2009, 06/16/2009, and 06/18/2009

Observer(s): Grasslands Consulting, Inc. Biologists: Chris Gayer, Nick Hall, BJ Lukins, Jay Slocum, Dan Hamilton, Matt Kelahan, and Jonathan Sexauer. Technicians: Chad Johnson.

Weather: Partly cloudy, 80-85ºF, 0-5 mph winds with no precipitation.

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 17, 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.

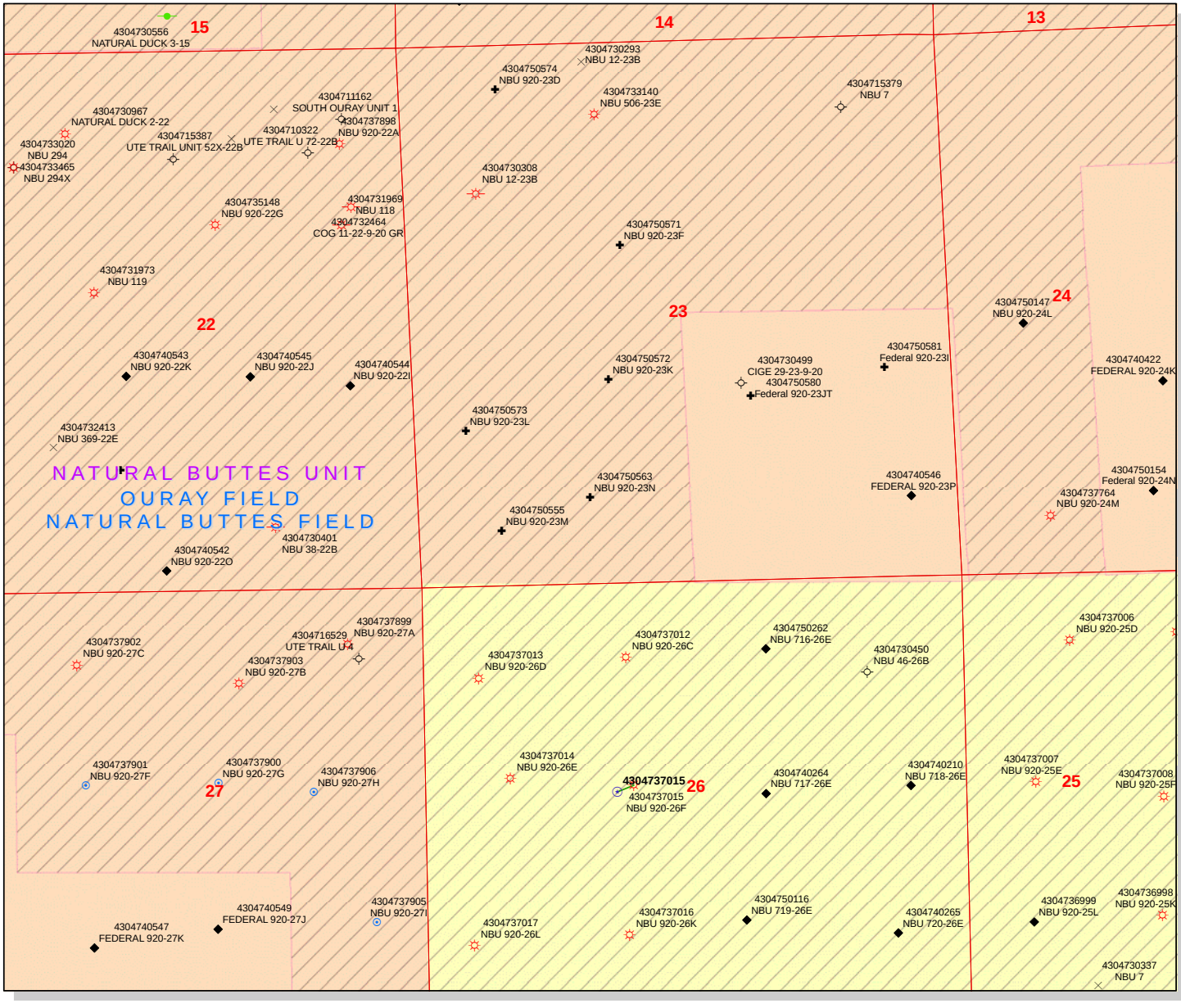
API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
43-047-50555	NBU 920-23M	Sec 23 T09S R20E 0510 FSL 0821 FWL
43-047-50560	NBU 920-22N	Sec 22 T09S R20E 1206 FSL 2411 FWL
43-047-50562	NBU 920-20G3CS	Sec 20 T09S R20E 2011 FSL 0794 FEL
		BHL Sec 20 T09S R20E 2580 FNL 2660 FEL
43-047-50563	NBU 920-23N	Sec 23 T09S R20E 0837 FSL 1702 FWL
43-047-50566	NBU 920-20H4CS	Sec 20 T09S R20E 1993 FSL 0786 FEL
		BHL Sec 20 T09S R20E 2410 FNL 0650 FEL
43-047-50567	NBU 920-20I2AS	Sec 20 T09S R20E 2029 FSL 0803 FEL
		BHL Sec 20 T09S R20E 2415 FSL 0925 FEL
43-047-50568	NBU 920-20L4CS	Sec 20 T09S R20E 0660 FSL 0849 FWL
		BHL Sec 20 T09S R20E 1470 FSL 0675 FWL
43-047-50569	NBU 920-20M2AS	Sec 20 T09S R20E 0656 FSL 0829 FWL
		BHL Sec 20 T09S R20E 1205 FSL 0650 FWL
43-047-50570	NBU 920-20M3AS	Sec 20 T09S R20E 0652 FSL 0810 FWL
		BHL Sec 20 T09S R20E 0545 FSL 0660 FWL
43-047-50571	NBU 920-23F	Sec 23 T09S R20E 1988 FNL 2118 FWL
43-047-50572	NBU 920-23K	Sec 23 T09S R20E 1996 FSL 1939 FWL
43-047-50573	NBU 920-23L	Sec 23 T09S R20E 1491 FSL 0517 FWL
43-047-50574	NBU 920-23D	Sec 23 T09S R20E 0429 FNL 0967 FWL
43-047-50575	NBU 920-15I	Sec 15 T09S R20E 2071 FSL 0562 FEL
43-047-50576	NBU 920-14F	Sec 14 T09S R20E 2335 FNL 2412 FWL
43-047-50577	NBU 920-14C	Sec 14 T09S R20E 0477 FNL 1890 FWL
43-047-50578	NBU 920-14B	Sec 14 T09S R20E 0981 FNL 2071 FEL
43-047-50579	NBU 920-14A	Sec 14 T09S R20E 0589 FNL 0593 FEL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:7-17-09



API Number: 4304750563

Well Name: NBU 920-23N

Township 09.0 S Range 20.0 E Section 23

Meridian: SLBM

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

Map Prepared:
Map Produced by Diana Mason

Units

STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields

STATUS
- ACTIVE
- COMBINED
- Sections

Wells Query Events

<all other values>

GIS_STAT_TYPE
- <Null>
- APD
- DRL
- GI
- GS
- LA
- NEW
- OPS
- PA
- PGW
- POW
- RET
- SGW
- SOW
- TA
- TW
- WD
- WI
- WS

1,200 600 0 1,200 Feet

1:12,000

'APIWellNo:43047505630000'

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/15/2009 **API NO. ASSIGNED:** 43047505630000

WELL NAME: NBU 920-23N

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) **PHONE NUMBER:** 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: SESW 23 090S 200E **Permit Tech Review:** ☑

SURFACE: 0837 FSL 1702 FWL **Engineering Review:** ☑

BOTTOM: 0837 FSL 1702 FWL **Geology Review:** ☑

COUNTY: UINTAH

LATITUDE: 40.01583 **LONGITUDE:** -109.63636

UTM SURF EASTINGS: 616378.00 **NORTHINGS:** 4430194.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 0577A **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**

Commingling 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 - Commingling - ddoucet
4 - Federal Approval - dmason
17 - Oil Shale 190-5(b) - dmason

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Permit To Drill

****

Well Name: NBU 920-23N
API Well Number: 43047505630000
Lease Number: UTU 0577A
Surface Owner: INDIAN
Approval Date: 8/11/2009

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

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

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

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

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

Notification Requirements:
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during

drilling of this well:

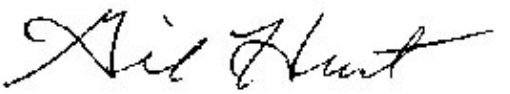
- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at http://oilgas.ogm.utah.gov

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

API Well No: 43047505630000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
✓ NOTICE OF INTENT Approximate date work will start: 11/19/2009	☐ ACIDIZE	✓ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests to change the surface casing size for this well. The surface casing size is changing FROM: 9-5/8" TO: 8-5/8". Please see the attached drilling program for additional details. If you have any questions, please contact the undersigned. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: November 23, 2009

By:

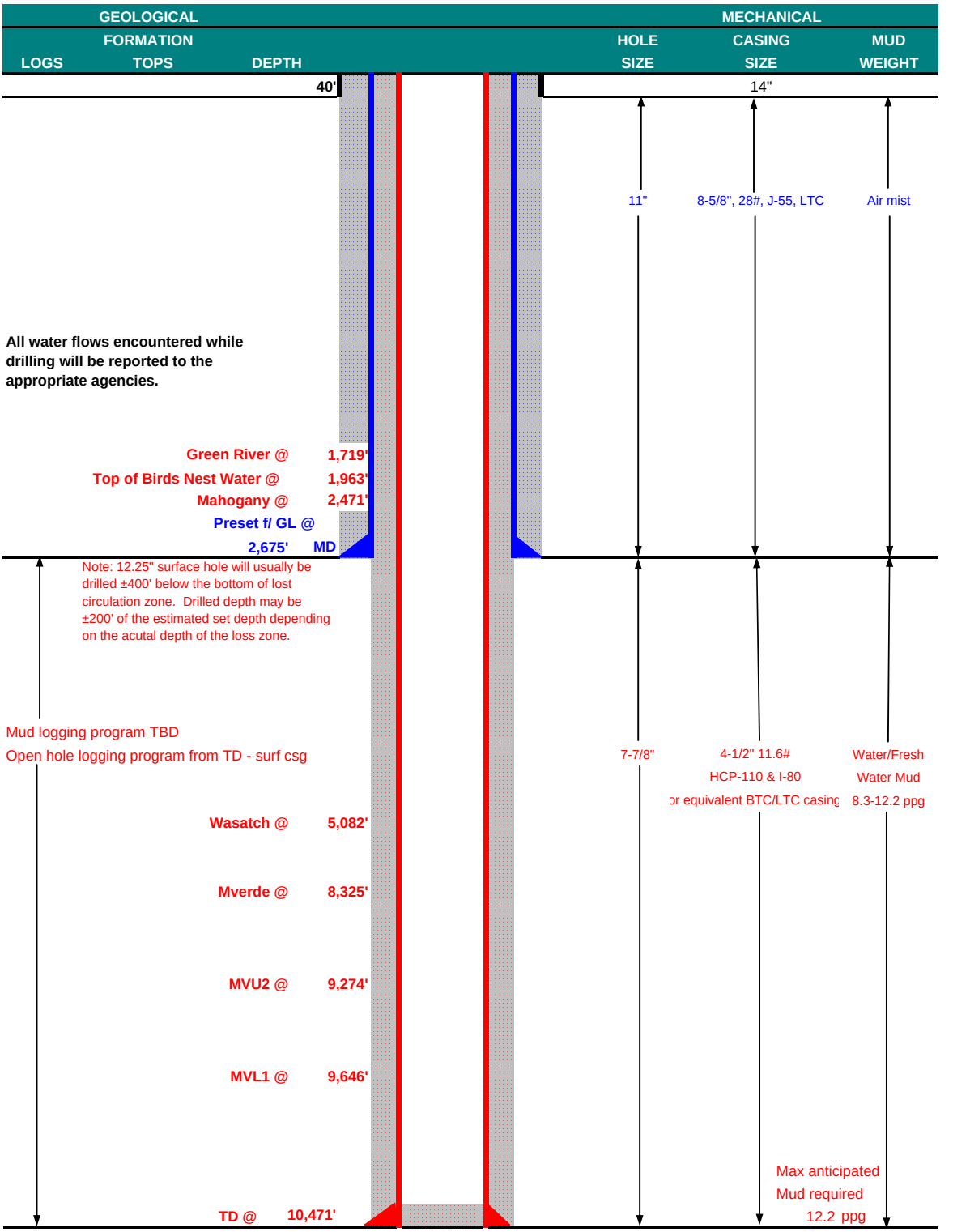
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE N/A		**DATE** 11/18/2009

RECEIVED November 18, 2009

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP			DATE	November 18, 2009
WELL NAME	**NBU 920-23N**			TD	10,471' MD/TVD
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah		FINISHED ELEVATION 4,881'
SURFACE LOCATION	SE/4 SW/4 837' FSL 1,702' FWL	Sec 23	T 9S	R 20E	BHL Straight Hole
	Latitude: 40.015829	Longitude: -109.636964		NAD 83	
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.				



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
						3,390	1,880	437,000
SURFACE	8-5/8"	0 to 2675	28.00	J-55	LTC	0.78*	1.50	5.83
						7,780	6,350	278,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.79	1.04	2.81
						10,690	8,650	279,000
		9600 to 10471	11.60	HCP-110	LTC	2.46	1.30	33.94

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.01

1) Max Anticipated Surf. Press.(MASP) (Surf Csg) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac grad 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 = 12.2 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 4,220 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,524 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ 0.25 pps flocele				
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	260	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**				
Option 2	LEAD	2,175'	Prem cmt + 16% Gel + 10 pps gilsonite	200	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	150	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,581'	Premium Lite II + 0.25 pps celloflake +	370	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+ 1% Retarder				
	TAIL	5,890'	50/50 Poz/G + 10% salt + 2% gel	1,440	40%	14.30	1.31
			+ 0.1% R-3				

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

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

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.

ADDITIONAL INFORMATION

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

BOPE: 11" 5M with one annular and 2 rams. 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.

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

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

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

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

Form 3160-3
(August 2007)

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 23 2009

BLM

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. UTU0577A
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No. 891008900A
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone	8. Lease Name and Well No. NBU 920-23N
2. Name of Operator KERRMCGEE OIL&GAS ONSHORE LP Contact: DANIELLE E PIERNOT E-Mail: Danielle.Piernot@anadarko.com	9. API Well No. 43-047-50563
3a. Address PO BOX 173779 DENVER, CO 80202-3779 3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156	10. Field and Pool, or Exploratory NATURAL BUTTES
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface SESW 837FSL 1702FWL 40.01583 N Lat, 109.63696 W Lon At proposed prod. zone SESW 837FSL 1702FWL 40.01583 N Lat, 109.63696 W Lon	11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R20E Mer SLB
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 8 MILES SOUTHEAST OF OURAY, UTAH	12. County or Parish UINTAH 13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 837 FEET 16. No. of Acres in Lease 2091.20	17. Spacing Unit dedicated to this well
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROXIMATELY 940 FEET 19. Proposed Depth 10471 MD 10471 TVD	20. BLM/BIA Bond No. on file WYB000291
21. Elevations (Show whether DF, KB, RT, GL, etc. 4883 GL 22. Approximate date work will start 08/03/2009	23. Estimated duration 60-90 DAYS

24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. 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 07/15/2009
Title REGULATORY ANALYST		
Approved by (Signature) Stephanie ~~Assistant Field Manager~~	Name (Printed/Typed) Stephanie J Howard	Date 10/16/09
Title Acting 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.

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
NOV 23 2009
DIV. OF OIL, GAS & MINING

Additional Operator Remarks (see next page)

Electronic Submission #72174 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 07/17/2009 ()

NOS apd posted 10/30/09

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

AFMSS# _____

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

UDOGM

096XJ5374AE

NO NOS

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**Kerr McGee Oil & Gas Onshore LP**	**Location:**	**SESW, Sec. 23, T9S R20E**
Well No:	**NBU 920-23N**	**Lease No:**	**UTU-0577A**
API No:	**43-047-50563**	**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.

SITE SPECIFIC CONDITIONS OF APPROVAL

Site-Specific Conditions of Approval:

- Paint facilities "shadow gray."

- Utilize pit-run/gravel for well pad and access road support.

- Re-route drainages around well pad.

- Monitoring by a permitted paleontologist during the construction process.

- Monitor location by a permitted archaeologist during the construction process.

- If project construction operations are scheduled to occur after December 31, 2009, KMG will conduct additional raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection for Human and Land Use Disturbances, 2002 and conduct its operations according to applicable seasonal restrictions and spatial offsets.

- If project construction operation are scheduled to occur after June 16, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified I the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus and conduct its operation according to its specifications.

BIA Standard Conditions of Approval:

- Soil erosion will be mitigated by reseeding 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 sued in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.

- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.

- A closed production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.

- Major low water crossings will be armored with pit run material to protect them from erosion.

- All personnel should refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.

- If fossils are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.

- Noxious weeds will be controlled on all surface disturbances within the project area. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

- If project construction operations are scheduled to occur after December 31, 2009, KMG should conduct annual raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (See Appendix E) and conduct its operations according to applicable seasonal restrictions and spatial offsets.

- USFWS threatened and endangered plant and animal conservation measures will be followed, as appropriate to the species identified by the biological resource survey (See Appendix E).

- All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.

- If artifacts or any culturally sensitive materials are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- A copy of Kerr McGee's Standard Operating Practices (SOP version: dated 7/17/08 and approved 7/28/08) shall be on location.

- A variance is granted to the operators APD request to not conduct a pressure integrity test (also known as a formation integrity test -FIT), covering 5M BOPE systems, as covered in Onshore Order #2 Drilling Operations III. B. i. "pressure integrity test of each casing shoe".

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.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.
    - Well name and number.
    - Well location (¼¼, Sec., Twn, Rng, and P.M.).
    - Date well was placed in a producing status (date of first production for which royalty will be paid).
    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
    - Unit agreement and/or participating area name and number, if applicable.
    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4.

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

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

API Well No: 43047505630000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
✓ NOTICE OF INTENT Approximate date work will start: 11/30/2009	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests to change the grade of surface drilling pipe for this well. The surface pipe grade is changing FROM: J-55 LT&C TO: IJ-55 LT&C. Please see the attached drilling program for additional details. If you have any questions, please contact the undersigned. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: November 25, 2009

By:

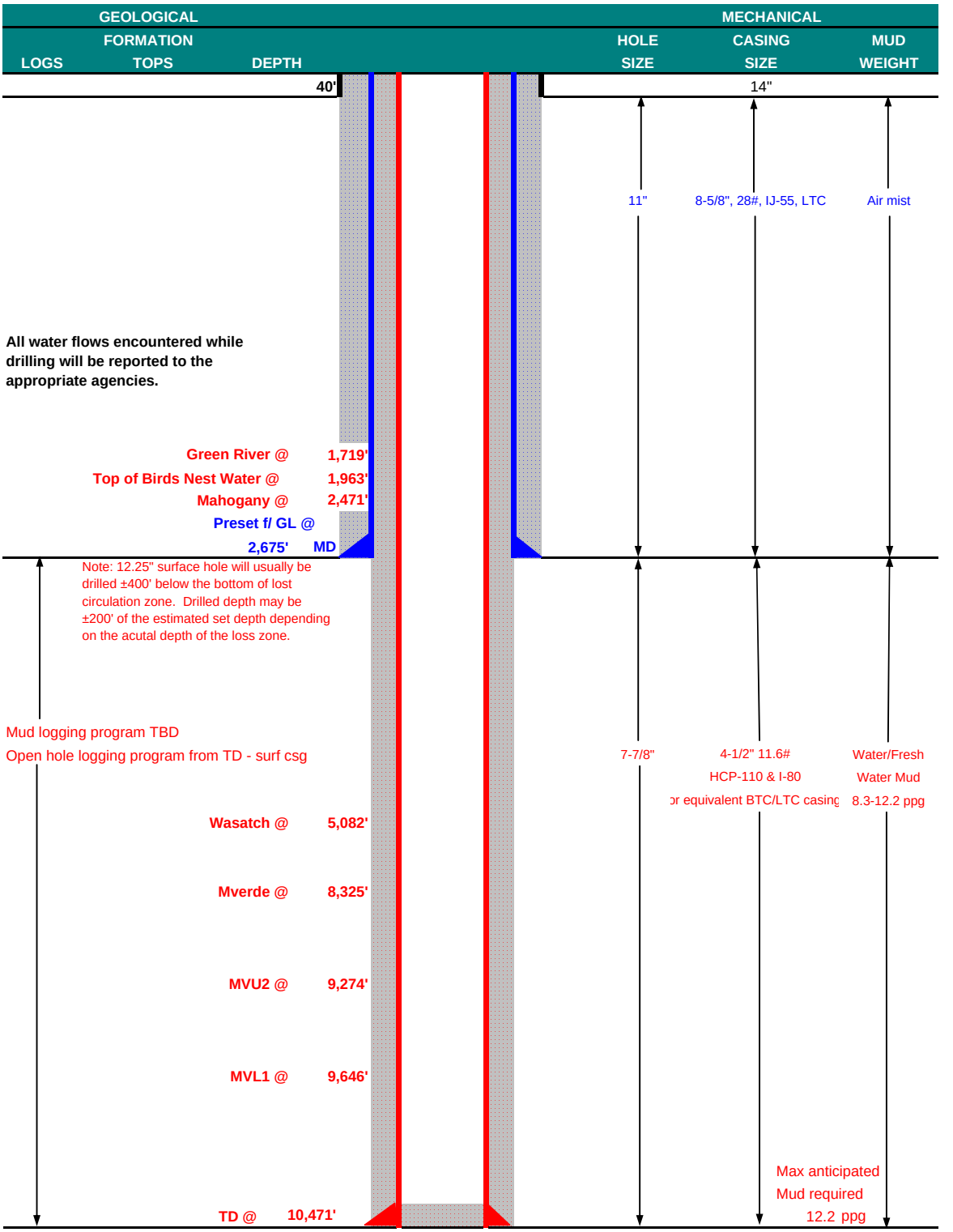
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE N/A		**DATE** 11/24/2009

RECEIVED November 24, 2009

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP			DATE	November 24, 2009
WELL NAME	**NBU 920-23N**			TD	10,471' MD/TVD
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah	FINISHED ELEVATION	4,881'
SURFACE LOCATION	SE/4 SW/4 837' FSL 1,702' FWL	Sec 23	T 9S	R 20E	BHL Straight Hole
	Latitude: 40.015829	Longitude: -109.636964		NAD 83	
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.				



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
						3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2675	28.00	IJ-55	LTC	0.78*	1.50	4.65
						7,780	6,350	278,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.79	1.04	2.81
						10,690	8,650	279,000
		9600 to 10471	11.60	HCP-110	LTC	2.46	1.30	33.94

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.01

1) Max Anticipated Surf. Press.(MASP) (Surf Csg) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac grad 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 = 12.2 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 4,220 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,524 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ 0.25 pps flocele				
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	260	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**				
Option 2	LEAD	2,175'	Prem cmt + 16% Gel + 10 pps gilsonite	200	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	150	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,581'	Premium Lite II + 0.25 pps celloflake +	370	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+ 1% Retarder				
	TAIL	5,890'	50/50 Poz/G + 10% salt + 2% gel	1,440	40%	14.30	1.31
			+ 0.1% R-3				

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

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

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.

ADDITIONAL INFORMATION

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

BOPE: 11" 5M with one annular and 2 rams. 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.

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

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

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

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

API Well No: 43047505630000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
✓ SPUD REPORT Date of Spud: 12/8/2009	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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 LOCATION ON 12/8/2009 AT 09:00 HRS.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
December 09, 2009

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 12/9/2009

RECEIVED December 09, 2009

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304750563	NBU 920-23N		SESW	23	9S	20E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
B	99999	2900	12/8/2009			12/22/09	
Comments: MIRU PETE MARTIN BUCKET RIG. WSMVD SPUD WELL LOCATION ON 12/8/2009 AT 09:00 HRS.							

Well 2

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

Well 3

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

ACTION CODES:

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

ANDY LYTLE
Name (Please Print)
Signature
REGULATORY ANALYST
Title
12/9/2009
Date

RECEIVED
DEC 09 2009
DIV. OF OIL, GAS & MINING

(5/2000)

API Well No: 43047505630000

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 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 1/5/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

MIRU PROPETRO AIR RIG ON 1/2/2010. DRILLED 11" SURFACE HOLE TO 2725'. RAN 8-5/8" 28# J-55 SURFACE CASING. TEST LINES TO 2000 PSI,PUMP 155 BBLS GEL WATER. LEAD CMT W/210 SX CLASS G HI FILL @ 11.0 PPG, 3.82 YIELD. TAILED CMT W/200 SX CLASS G PREM LITE @ 15.8 PPG, 1.15 YIELD. DROP PLUG ON FLY, DISP W/168 BBLS WATER LAND PLUG W/1100 PSI, FLOAT OK, CMNT TO SURFACE, 138 BLLS INTO DISPLACEMENT. TOP OUT W/400 SX CLASS G PREM LITE @ 15.8 PPG, 1.15 YIELD. WORT.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
January 06, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 1/6/2010

RECEIVED January 06, 2010

API Well No: 43047505630000

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 2/9/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

FINISHED DRILLING FROM 2725' TO 10566' ON 02/06/2010. RAN 4-1/2" 11.6 # I-80 PRODUCTION CSG. LEAD CMT W/660 SX CLASS G PREMIUM LITE @ 12.7 PPG, 1.89 YIELD. TAILED CMT W/ 1290 SX CLASS G 50/50 POZ MIX @ 14.3 PPG, 1.31 YIELD. DISPLACED WITH 163.5 BBLS H20, SLOWED TO 2 BPM W/ 10 BBLS LEFT, FCP 2200 PSI, BUMPED PLUG AT 2750 PSI HELD FOR ONE MIN. RELEASED PRESSURE FLOATS HELD.RECIEVED 30 BBLS CEMENT TO SURFACE, NO LOSSES. NIPPLE DOWN BOP, CLEAN MUD TANKS. RELEASED ENSIGN 145 RIG ON 2/8/2010 AT 1500 HOURS.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
February 09, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Laura Gianakos	307 752-1169	Regulatory Affairs Supervisor
SIGNATURE N/A		**DATE** 2/9/2010

RECEIVED February 09, 2010

API Well No: 43047505630000

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 2/9/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

FINISHED DRILLING FROM 2725' TO 10566' ON 02/06/2010. RAN 4-1/2" 11.6 # I-80 PRODUCTION CSG. LEAD CMT W/660 SX CLASS G PREMIUM LITE @ 12.7 PPG, 1.89 YIELD. TAILED CMT W/ 1290 SX CLASS G 50/50 POZ MIX @ 14.3 PPG, 1.31 YIELD. DISPLACED WITH 163.5 BBLS H20, SLOWED TO 2 BPM W/ 10 BBLS LEFT, FCP 2200 PSI, BUMPED PLUG AT 2750 PSI HELD FOR ONE MIN. RELEASED PRESSURE FLOATS HELD.RECIEVED 30 BBLS CEMENT TO SURFACE, NO LOSSES. NIPPLE DOWN BOP, CLEAN MUD TANKS. RELEASED ENSIGN 145 RIG ON 2/8/2010 AT 1500 HOURS.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
February 09, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Laura Gianakos	307 752-1169	Regulatory Affairs Supervisor
SIGNATURE N/A		**DATE** 2/9/2010

RECEIVED February 09, 2010

API Well No: 43047505630000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER:
UTU 0577A

SUNDRY NOTICES AND REPORTS ON WELLS

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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 920-23N

2. NAME OF OPERATOR:
KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER:
43047505630000

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:
0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SPUD REPORT Date of Spud:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
✓ DRILLING REPORT Report Date: 2/28/2010	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 2/28/2010 AT 4:00 P.M.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
March 02, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE		**DATE**
N/A		3/1/2010

RECEIVED March 01, 2010

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU0577A

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

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. UTU63047A

2. Name of Operator KERR-MCGEE OIL&GAS ONSHORE LP Contact: ANDY LYTLE Mail: andrew.lytle@anadarko.com

8. Lease Name and Well No. NBU 920-23N

3. Address P.O. BOX 173779 DENVER, CO 80217

3a. Phone No. (include area code) Ph: 720-929-6100

9. API Well No. 43-047-50563

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface SESW 837FSL 1702FWL 40.01586 N Lat, 109.63627 W Lon

At top prod interval reported below SESW 837FSL 1702FWL 40.01586 N Lat, 109.63627 W Lon

At total depth SESW ~~837FSL 1702FWL~~ 758 FSL 1749 FWL 40.01586 N Lat, 109.63627 W Lon

10. Field and Pool, or Exploratory NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area Sec 23 T9S R20E Mer SLB

12. County or Parish UINTAH

13. State UT

14. Date Spudded 12/08/2009

15. Date T.D. Reached 02/06/2010

16. Date Completed ☐ D & A ☒ Ready to Prod. 02/28/2010

17. Elevations (DF, KB, RT, GL)* 4883 GL

18. Total Depth: MD 10566 TVD 10565

19. Plug Back T.D.: MD 10512 TVD 10511

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
BHV-SDL/DSN/ACTR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☑ Yes (Submit analysis)

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STEEL	36.7		40		28			
11.000	8.625 J-55	28.0		2698		810			
7.875	4.500 I-80	11.6		10555		1950			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	9923							

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	MESAVERDE	8332	10420	8332 TO 10420	0.360	331	OPEN
B)							
C)							
D)							

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

Depth Interval	Amount and Type of Material
8332 TO 10420	PMP 11,204 BBLS SLICK H20 & 437,266 LBS 30/50 SD.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
02/28/2010	03/05/2010	24	→	0.0	2368.0	600.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
20/64	1656 / 2436.0		→	0	2368	600		PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

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

ELECTRONIC SUBMISSION #83026 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

RECEIVED
MAR 30 2010
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
GREEN RIVER	1736				
MAHOGANY	2446				
WASATCH	5133	8280			
MESAVERDE	8314	10566			

32. Additional remarks (include plugging procedure):
ATTACHED TO THIS WELL COMPLETION REPORT IS THE CHRONOLOGICAL WELL HISTORY AND FINAL SURVEY.

33. Circle enclosed attachments:

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

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

Electronic Submission #83026 Verified by the BLM Well Information System.
For KERR-MCGEE OIL&GAS ONSHORE, LP, sent to the Vernal

Name *(please print)* ANDY LYTLE Title REGULATORY ANALYST

Signature (Electronic Submission) Date 03/22/2010

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 fradulent statements or representations as to any matter within its jurisdiction.

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

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well Information

Well	NBU 920-23N	**Wellbore No.**	OH
Well Name	NBU 920-23N	**Common Name**	NBU 920-23N
Project	UTAH-UINTAH	**Site**	NBU 920-23N
Vertical Section Azimuth		**North Reference**	True
Origin N/S		**Origin E/W**	
Spud Date	1/2/2010	**UWI**	SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0
Active Datum	RKB @4,896.00ft (above Mean Sea Level)		

2 Survey Name

2.1 Survey Name: Survey #1

Survey Name	Survey #1	**Company**	TOTCO
Started	12/6/2009	**Ended**	1/4/2010
Tool Name	TOT	**Engineer**	Anadarko

2.1.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
9.00	0.00	0.00	9.00	0.00	0.00

2.1.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
12/6/2009	Tie On	9.00	0.00	0.00	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/2/2010	NORMAL	1,009.00	1.00		1,008.95	8.73	0.00	8.73	0.10	0.10	0.00	0.00
1/3/2010	NORMAL	1,009.00	1.00		1,008.95	8.73	0.00	8.73	0.00	0.00	0.00	0.00
1/3/2010	NORMAL	1,609.00	1.25		1,608.83	20.51	0.00	20.51	0.04	0.04	0.00	0.00
	NORMAL	2,109.00	1.00		2,108.74	30.32	0.00	30.32	0.05	-0.05	0.00	180.00
	NORMAL	2,704.00	0.10	240.70	2,703.71	35.26	-0.45	35.26	0.18	-0.15	-20.05	-175.25

2.2 Survey Name: PROD SURVEY

Survey Name	PROD SURVEY	**Company**	EXTREME
Started	1/29/2010	**Ended**	
Tool Name	MWD	**Engineer**	Anadarko

2.2.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
2,704.00	0.10	240.70	2,704.00	0.00	0.00

2.2.2 Survey Stations

2704

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
1/29/2010	Tie On	2,704.00	0.10	240.70	2,704.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/29/2010	NORMAL	3,443.00	0.70	202.12	3,442.98	-4.50	-2.26	-4.50	0.08	0.08	-5.22	315.69
	NORMAL	3,941.00	1.23	177.16	3,940.91	-12.65	-3.14	-12.65	0.13	0.11	-5.01	308.66
	NORMAL	4,510.00	1.14	179.72	4,509.79	-24.41	-2.81	-24.41	0.02	-0.02	0.45	150.81
1/30/2010	NORMAL	4,983.00	1.23	178.48	4,982.69	-34.19	-2.65	-34.19	0.02	0.02	-0.26	343.48
	NORMAL	5,436.00	0.97	177.60	5,435.60	-42.89	-2.37	-42.89	0.06	-0.06	-0.19	183.28
	NORMAL	6,000.00	0.88	179.36	5,999.53	-51.99	-2.12	-51.99	0.02	-0.02	0.31	163.36
1/31/2010	NORMAL	6,478.00	0.97	150.27	6,477.47	-59.17	-0.07	-59.17	0.10	0.02	-6.09	266.08
	NORMAL	7,000.00	1.31	158.62	6,999.37	-68.56	4.30	-68.56	0.07	0.07	1.60	30.25
2/1/2010	NORMAL	7,474.00	0.97	165.12	7,473.27	-77.49	7.30	-77.49	0.08	-0.07	1.37	162.40
2/2/2010	NORMAL	8,038.00	0.79	84.84	8,037.22	-81.75	12.40	-81.75	0.20	-0.03	-14.23	222.95
2/8/2010	NORMAL	10,566.00	0.79	84.84	10,564.98	-78.62	47.11	-78.62	0.00	0.00	0.00	0.00

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009		End Date: 2/8/2010
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
1/2/2010	0:00 - 6:00	6.00	MIRU	01	A	P		MOVE RIG TO THE NBU 920-23N
	6:00 - 10:00	4.00	MIRU	01	B	P		RIG UP, AIR BOWL,BLOOY LINE.COMP,BOOSTER,BUILD DITCH,RIG UP PUMPS AND SET DOG HOUSE
	10:00 - 11:30	1.50	MIRU	07	A	P		SERVICE EQUIP
	11:30 - 12:30	1.00	MIRU	06	A	P		P/U BIT # 1-Q507- SERIAL # 7018431 1ST RUN , MM - SERIAL # 8049 2ND RUN
	12:30 - 19:00	6.50	DRLSUR	02	B	P		SPUD 11" HOLE - 01/02/2010-12:30- DRILL F/ 44' TO 1050'(1006')154'HR,WOB=20,ROT=50.GPM=650,ON/OFF BTM=1310-1100,UP/DWN/ROT=58/58/58/-FULL RETTURNS
	19:00 - 19:30	0.50	DRLSUR	10	A	P		SURVEY @ 1020' = 1 DEGREE
	19:30 - 0:00	4.50	DRLSUR	02	B	P		DRLG F/ 1050' TO 1650' (600')133'HR WOB=20,ROT=50,GPM=650,ON/OFF BTM PRESS=1310-1100,UP/DWN/ROT=62/62/62/ FULL CIRC
1/3/2010	0:00 - 0:30	0.50	DRLSUR	10	A	P		SURVEY @ 1000' = 1 DEGREE
	0:30 - 4:00	3.50	DRLSUR	02	B	P		DRLG F/ 1650' TO 2010' (360')103'HR,WOB=20,ROT=50.GPM=650,ON/OFF PRESS 1340/1120,UP/DWN/ROT/=63/63/63- FULL RETURNS
	4:00 - 8:00	4.00	DRLSUR	08	B	Z		WORK ON RIG UPPER CUP ON POWER HEAD LEAKING, REPAIR SAME
	8:00 - 10:00	2.00	DRLSUR	02	B	P		DRLG F/ 2010' TO 2190'(180') 90' HR,WOB=20.ROT=60,GPM=650,ON/OFF PRESS=1320.1120.UP/DWN/ROT/=63/63/63 FULL RETURNS
	10:00 - 10:30	0.50	DRLSUR	10	A	P		SURVEY @ 2160'=1 DEGREE
	10:30 - 17:00	6.50	DRLSUR	02	B	P		DRLG F/ 2190' TO 2725'(535') 82'HR,WOB=22,ROT=50,GPM=650,ON/OFF PRESS=1340-1125,UP/DWN/ROT/=65/65/65,FULL RETURNS
	17:00 - 18:00	1.00	DRLSUR	05	C	P		CIRC TO LDDS
	18:00 - 22:00	4.00	DRLSUR	06	D	P		LDDS, BHA SURVEY WAS .1 DEGREE W/ 240.7 CORRECTED AZI
	22:00 - 0:00	2.00	DRLSUR	12	C	P		HELD SAFETY MTNG AND RUN 8 5/8 28# J-55 CSNG
1/4/2010	0:00 - 2:00	2.00	DRLSUR	12	C	P		FINISH RUNNING 8 5/8 28# J-55 CSNG 61 JOINTS TOTAL , SHOE @ 2689' BAFFLE IN TOP OF SHOE JOINT @ 2644' R/D RELEASE RIG TO THE NBU 921-27B3BS1/4/2010 @ 02:00,(HELD SAFETY MTNG W/ CMNTERS) TEST LINES TO 2000 PSI,PUMP 155 BBLS GEL WATER,210 SX11.0# 3.82 YLD 23 GAL HI FILL LEAD CMNT, PUMP 200 SX 15.8# 1.15 YLD / 5GAL / SK 2% CALCTAIL CMNT, DROP PLUG ON FLY, DISP W/ 168 BBLS WATER LAND PLUG W/ 1100 PSI FLOAT OK, CMNT TO SURFACE 138 BLLS IN TO DISP PIMPED 250 SX DWN BACKSIDE, CMNT TO SURFACE, THEN DROPPED 10' APPROX
1/26/2010	9:30 - 0:00	14.50	DRLPRO	01	B	P		LOAD AND HAUL FRONT YARD, WATER TANKS, CAMP, SET MATTING , RIG DOWN & WINTERIZE BACK YARD, SUB & DERRICK
1/27/2010	0:00 - 14:00	14.00	DRLIN1	01	B	P		MOVE IN BACK YARD, SUB & DERRICK. TRUCKS OFF LOCATION AT 14:00

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009		End Date: 2/8/2010
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	14:00 - 0:00	10.00	DRLIN1	01	B	P		RU BACK YARD, SUB, FLOOR, DERRICK. NU BOP, CENTER RIG & CATWALK, SLIP & CUT 90' DRILL LINE, UNLOCK BLOCKS
1/28/2010	0:00 - 6:00	6.00	DRLPRO	01	B	P		RU FLOOR, FLARE LINE, FLOWLINES, MUD LINES, RU CATWALK, RU YELLOW DOG, GET WATER CIRCULATING THROUGH PITS, CONDUCT PRE SPUD CHECK LIST,
	6:00 - 10:00	4.00	DRLPRO	15	A	P		TEST BOP, 250 LOW, 5000 HIGH, ANNULAR 2500, CSG 1500 FOR 30 MINUTES,BLM WITNESS
	10:00 - 10:30	0.50	DRLPRO	24	A	P		INSTALL WEAR BUSHING
	10:30 - 11:30	1.00	DRLPRO	07	A	P		LUBRICATE RIG, RECALIBRATE PECO, FUNCION COM, F/S PNUEMATIC/ PECO
	11:30 - 12:30	1.00	DRLPRO	06	A	P		REJET BIT TO 6X14, MAKE UP BIT MOTOR, STABALIZER, NMDC
	12:30 - 17:00	4.50	DRLPRO	21	E	Z		WAIT ON EXTREME DIRECTIONAL
	17:00 - 21:00	4.00	DRLPRO	06	A	P		TRIP IN HOLE W/ BHA, TAG CMT AT 2601', BREAK CIRCULATION
	21:00 - 22:00	1.00	DRLPRO	08	B	Z		AUTO DRILLER MALFUNCTIONING, TROUBLE SHOOT AUTO DRILLER
	22:00 - 0:00	2.00	DRLPRO	02	F	P		DRILL SHOE TRACK 2601 TO 2684, WOB-12-24, SPP 1560/1458, GPM- 460, ROTARY RPM-40-50, MOTOR RPM-95, DIF PSI-325-475, MW-8.4, VIS-27. BGG 0 , CG 0
1/29/2010	0:00 - 2:30	2.50	DRLPRO	02	F	P		DRILL CMT & SHOE, 2664 TO 2810
	2:30 - 13:00	10.50	DRLPRO	02	B	P		DRILL 2810 TO 3780, WOB-12-24, SPP 1560/1458, GPM- 460, ROTARY RPM-40-50, MOTOR RPM-95, DIF PSI-325-475, MW-10.0, VIS-32. BGG 0 , CG 0
	13:00 - 13:30	0.50	DRLPRO	07	A	P		LUBRICATE RIG
	13:30 - 0:00	10.50	DRLPRO	02	B	P		DRILL 3780 TO 4590, WOB-12-24, SPP 1560/1458, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.0, VIS-32. BGG 40 , CG 120
1/30/2010	0:00 - 12:30	12.50	DRLPRO	02	B	P		DRILL 4590 TO 5456, WOB-12-24, SPP 2240, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.0, VIS-32. BGG 40 , CG 120
	12:30 - 13:00	0.50	DRLPRO	07	A	P		LUBRICATE RIG
	13:00 - 22:00	9.00	DRLPRO	02	B	P		DRILL 5456 TO 6037, WOB-12-24, SPP 2300, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.3, VIS-32. BGG 40 , CG 40
	22:00 - 23:00	1.00	DRLPRO	08	B	Z		CHANGE OUT ROTATING HEAD
	23:00 - 0:00	1.00	DRLPRO	02	B	P		DRILL 6037 TO 6116 , WOB-12-24, SPP 2360, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.5, VIS-32. BGG 25 , CG 25
1/31/2010	0:00 - 14:00	14.00	DRLPRO	02	B	P		DRILL 6116 TO 6815, WOB-12-20, SPP 2447, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.5, VIS-32. BGG 25 , CG 120
	14:00 - 14:30	0.50	DRLPRO	07	A	P		LUBRICATE RIG
	14:30 - 0:00	9.50	DRLPRO	02	B	P		DRILL 6815 TO 7211, WOB-12-21, SPP 22457, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.8, VIS-32. BGG 25 , CG 100
2/1/2010	0:00 - 13:00	13.00	DRLPRO	02	B	P		DRILL 7211 TO 7675, 464 WOB-12-21, SPP 22457, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.9, VIS-37. BGG 25 , CG 100
	13:00 - 13:30	0.50	DRLPRO	07	A	P		LUBRICATE RIG
	13:30 - 15:30	2.00	DRLPRO	08	B	Z		REPLACE RIG SMART SENSORS ON TD, TEST SENSORS
	15:30 - 0:00	8.50	DRLPRO	02	B	P		DRILL 7675 TO 8001, 326 WOB-12-21, SPP 22457, GPM- 498, ROTARY RPM-52, MOTOR RPM-104, DIF PSI-325-475, MW-10.8, VIS-37. BGG 25 , CG 100

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010
Project: UTAH-UINTAH	Site: NBU 920-23N	Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009	End Date: 2/8/2010
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
2/2/2010	0:00 - 1:00	1.00	DRLPRO	02	B	P		DRILL 8001 TO 8082, DRILL PIPE JT COUNT OUT SHOWS 1JT DID NOT GET ENTERED INTO PASON TALLY RESULTING IN A 1 JT DEEPER HOLE DEPTH CORRECTION.
	1:00 - 2:30	1.50	DRLPRO	05	C	P		CIRCULATE BOTTOMS UP, PUMP PILL
	2:30 - 9:00	6.50	DRLPRO	06	A	P		TFNB, LD MOTOR & BIT#1
	9:00 - 10:00	1.00	DRLPRO	06	A	P		PU MOTOR & BIT#2, DIR WORK, SCRIBE MOTOR
	10:00 - 16:30	6.50	DRLPRO	06	A	P		TRIP IN HOLE W/ BIT#2
	16:30 - 18:00	1.50	DRLPRO	02	B	P		DRILL 8082 TO 8121, WOB-12-21, SPP 2245, GPM-460, ROTARY RPM-45, MOTOR RPM-74, DIF PSI-300-450, MW-11.5, VIS-38. BGG 25 , CG 100
	18:00 - 22:00	4.00	DRLPRO	08	B	Z		WORK ON TOP DRIVE CONTROLS
	22:00 - 0:00	2.00	DRLPRO	02	B	P		DRILL 8121 TO 8165, WOB-12-21, SPP 2245, GPM-460, ROTARY RPM-45, MOTOR RPM-74, DIF PSI-300-450, MW-11.5, VIS-38. BGG 25 , CG 100 BIT BALLING, PUMPING NUT HULL & SAP SWEEPS
2/3/2010	0:00 - 13:30	13.50	DRLPRO	02	B	P		DRILL 8165 - 8578, WOB-12-21, SPP 2245, GPM-460, ROTARY RPM-45, MOTOR RPM-74, DIF PSI-300-450, MW-11.5, VIS-38. BGG 25 , CG 100
	13:30 - 14:00	0.50	DRLPRO	07	A	P		LUBRICATE RIG
	14:00 - 0:00	10.00	DRLPRO	02	B	P		DRILL 8578 - 8890, WOB-12-21, SPP 2245, GPM-460, ROTARY RPM-45, MOTOR RPM-74, DIF PSI-300-450, MW-11.5, VIS-38. BGG 25 , CG 100
2/4/2010	0:00 - 7:30	7.50	DRLPRO	02	B	P		DRILL 8890' - 9076', WOB-12-21, SPP 2245, GPM-460, ROTARY RPM-45, MOTOR RPM-74, DIF PSI-300-450, MW-12, VIS-42. BGG 25 , CG 100
	7:30 - 10:00	2.50	DRLPRO	08	A	Z		WORK ON RIG SMART
	10:00 - 11:30	1.50	DRLPRO	02	B	P		DRILL 9076' - 9140'
	11:30 - 12:00	0.50	DRLPRO	08	A	Z		PLC ERROR
	12:00 - 13:00	1.00	DRLPRO	02	B	P		DRILL 9140' - 9166'
	13:00 - 13:30	0.50	DRLPRO	07	A	P		RIG SERVICE
	13:30 - 0:00	10.50	DRLPRO	02	B	P		DRILL 9166' - 9472'
2/5/2010	0:00 - 15:00	15.00	DRLPRO	02	B	P		DRILL 9472' - 9936', WOB-12-21, SPP 2245, GPM-460, ROTARY RPM-45, MOTOR RPM-74, DIF PSI-300-450, MW-12, VIS-42. BGG 200 , CG 2000
	15:00 - 15:30	0.50	DRLPRO	07	A	P		RIG SERVICE
	15:30 - 0:00	8.50	DRLPRO	02	B	P		DRILL 9936' - 10125'
2/6/2010	0:00 - 11:00	11.00	DRLPRO	02	B	P		DRILL 10125' - 10389', WOB-12-21, SPP 2245, GPM- 460, ROTARY RPM-45, MOTOR RPM-74, DIF PSI-300-450, MW-12.5, VIS-42. BGG 80 , CG 1800
	11:00 - 11:30	0.50	DRLPRO	07	A	P		RIG SERVICE
	11:30 - 19:30	8.00	DRLPRO	02	B	P		DRILL F/ 10389' - 10566' T.D. WELL @ 2-6-2010 1930
	19:30 - 22:00	2.50	DRLPRO	05	C	P		CIRCULATE & CONDITION MUD
	22:00 - 0:00	2.00	DRLPRO	06	E	P		SHORT TRIP TO SHOE
2/7/2010	0:00 - 2:30	2.50	DRLPRO	06	E	P		SHORT TRIP TO SHOE
	2:30 - 3:00	0.50	DRLPRO	08	A	Z		WORK ON 4" STANDPIPE VALVE
	3:00 - 8:00	5.00	DRLPRO	06	E	P		SHORT TRIP TO SHOE
	8:00 - 10:30	2.50	DRLPRO	05	C	P		CIRCULATE & CONDITION MUD (PUMPED HIGH VIS SWEEP)
	10:30 - 18:30	8.00	DRLPRO	06	A	P		LAY DOWN DRILL STRING / PULL WEAR BUSHING
	18:30 - 19:30	1.00	DRLPRO	11	D	P		RIG UP HALLIBURTON LOGGERS
	19:30 - 23:00	3.50	DRLPRO	11	D	P		RUN TRIPLE COMBO AND CALIPER LOG LOGGER T.D. 10576
	23:00 - 0:00	1.00	DRLPRO	11	D	P		RIG DOWN HALLIBURTON LOGGERS

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009		End Date: 2/8/2010
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
2/8/2010	0:00 - 0:30	0.50	CSG	12	A	P		RIG UP WEATHERFORD TRS CASING CREW
	0:30 - 8:00	7.50	CSG	12	C	P		RUN 23 JOINTS 4.5 11.6# P110 975' 228 JOINTS 4.5 11.6 I80 9577.62 CROSS OVER AT 9577.62 WASATCH MARKER SET AT 5008.22 CENT. AT JOINT 1 AND EVERY 120' TO 9115' FLOAT COLLAR AT 10511.97 SHOE AT 10555.77
	8:00 - 8:30	0.50	CSG	12	A	P		BREAK CIRCULATION AT 80 SKS A MIN (8.2 BPM)
	8:30 - 10:00	1.50	CSG	05	D	P		CIRCULATE AND CONDITION MUD AT 90 SPM 8.2 BPM 12.7 MW 42 VIS 700 PSI CIRCULATING PRESSURE. NO LOSSES
	10:00 - 13:00	3.00	CSG	12	E	P		RIG UP CEMENTERS & PUMP 40 BBL H20 SPACER LEAD CEMENT 222 BBL 1256 CU-FT 12.7 PPG 1.89 YIELD 660 SX PREMIUM LITE II + .05 LBS / SK STATIC FREE + .4% BWOC R-3 + .25 LBS/SK CELLO FLAKE + 5 LBS/SK KOL SEAL + 6% BWOC BENTONITE + 93.5% FRESH WATER TAIL CEMENT 1441 CU-FT 14.3 PPG 1.31 YIELD 1290 SK 50:50 POZ (FLY ASH) CLASS G CEMENT + .05 LBS/SK STATIC FREE + 10% BWOW SODIUM CHLORIDE = .2% BWOC R-3 + .002 GPS FP-6L + 2% BWOC BENTONITE + 58.6% WATER DISPLACED WITH 163.5 BBLS H20 SLOWED TO 2 BPM W/ 10 BBLS LEFT FCP 2200 PSI BUMPED PLUG AT 2750 PSI HELD FOR ONE MIN. RELEASED PRESSURE FLOATS HELD. RECIEVED 30 BBLS CEMENT TO SURFACE NO LOSSES
	13:00 - 14:00	1.00	CSG	12	B	P		FLUSH FLOW LINE , RIG DOWN CEMENTERS, SET PACK OFF WITH WEATHORFORD WELL HEAD, L/D LANDING JOINT
	14:00 - 15:00	1.00	CSG	14	A	P		NIPPLE DOWN BOP, CLEAN MUD TANKS, (SAVING 300 BBLS OF MUD IN UPRIGHT FOR NBU 920-23M) RELEASE RIG @ 2-8-2010 1500

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009 Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N	Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009	End Date: 2/8/2010
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	15:00 - 15:00	0.00	CSG					CONDUCTOR CASING: Cond. Depth set: Cement sx used: SPUD DATE/TIME: 1/2/2010 12:30 SURFACE HOLE: Surface From depth:0 Surface To depth: 2,714 Total SURFACE hours: 23.0 Surface Casing size:8 5/8 # of casing joints ran: 61 Casing set MD:2,699 # sx of cement:810 Cement blend (ppg:)Lead- Hi fill, 210 sx, 11.00, Tail- prem lite, 200 sx,15.8, top out- prem lite, 400 sx, 15.8# Cement yield (ft3/sk): Lead - 3.82,Tail- 1.15, top out-1.15 # of bbls to surface: 0 Describe cement issues: TOP OUT-400SX Describe hole issues: PRODUCTION: Rig Move/Skid start date/time: 1/26/2010 9:30 Rig Move/Skid finish date/time:1/28/2010 06 :00 Total MOVE hours: 44.5 Prod Rig Spud date/time: 1/28/2010 22:00 Rig Release date/time: 2/8/2010 15:30 Total SPUD to RR hours:257.5 Planned depth MD 10,566 Planned depth TVD Actual MD: 10,566 Actual TVD: Open Wells $: $930,682 AFE $: $1,075,547 Open wells $/ft:$88.08 PRODUCTION HOLE: Prod. From depth: 2,714 Prod. To depth:10,566 Total PROD hours: Production Casing size: 4 1/2 # of casing joints ran: 249 Casing set MD:10,555 # sx of cement:1,950 Cement blend (ppg:)LEAD 12.7 TAIL 14.3 Cement yield (ft3/sk): LEAD 1.8 TAIL 1.3 Est. TOC (Lead & Tail) or 2 Stage : LEAD 0 TAIL 3500 Describe cement issues: 30 BBLS CEMENT TO SURFACE Describe hole issues: NO ISSUES

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No:
Event: COMPLETION	Start Date: 2/18/2010		End Date:
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
2/18/2010	7:00 - 7:30	0.50	COMP	48		P		HSM. TRIPPING PIPE
	7:30 - 17:30	10.00	COMP	31	I	P		MIRU RIG & SPOT IN EQUIPMENT. ND WELL HEAD NU BOP. PU 3 7/8" BIT & SUB DRIFT & TALLY & RIH W / 273 JTS. TO 8,676' POOH STAND BACK 60 STANDS. EOT @ 4,866'. SWI SDFN
2/19/2010	6:30 - 7:00	0.50	COMP	48		P		HSM. PULLING TBG & PRESSURE TESTING & PERFORATING
	7:00 - 15:00	8.00	COMP	31	I	P		WHP 0 PSI, POOH STAND BACK 76 STANDS & LD 1 JT. ND BOP NU FRAC VALVES. FILL CASING W TMAC WATER. MIRU B&C QUICK TEST & CASEDHOLE SOLUTIONS TO PRESSURE TEST & PERFORATE ZONE 1. PRESSURE TEST CASING & BOTH FRAC VALVES TO 7,000 PSI. GOOD TEST. RDMO B&C QUICK TEST. PU 3 1/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING. RIH PERF 10,416'-20' 4SPF, 10,338'-42' 4SPF, 10,243'-46' 4SPF, 44 HOLES. POOH W / WIRE LINE. PREPPED TO FRAC ON MONDAY. WINTERIZE WELL HEAD. SWI SDFWE.
2/22/2010	7:00 - 7:30	0.50	COMP	48		P		HSM. FRACING & PERFORATING
	7:30 - 13:35	6.08	COMP	46	E	Z		MIRU CASEDHOLE SOLUTIONS & FRAC TECH TO FRAC & PERFORATE. FRAC TECH HAD NO RESIN SANDON LOCATION. WAITING ON PROP.
	13:35 - 14:00	0.42	COMP	36	B	P		PRIME UP PUMPS & LINES & PRESSURE TEST SURFACE LINES TO 8,000 PSI. STG 1) WHP 2,203 PSI, BRK 3,975 PSI @ 4.0 BPM, ISIP 3,331 PSI, FG .76. PUMP 100 BBLS @ 53.7 BPM @ 5,150 PSI = 100% HOLES OPEN. MP 6,350 PSI, MR 53.5 BPM, AP 5,350 PSI, AR 52 BPM. ISIP 3,348 PSI, FG .76 NPI 17 PSI. PMP 1,132 BBLS OF SW & 31,281 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 36,281 LBS.
	14:00 - 15:54	1.90	COMP	36	B	P		STG 2) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING. RIH SET CBP @ 10,150' & PERF 10,116'-20' 4SPF, 10,027'-32' 4SPF, 9,966'-68' 4SPF, 44 HOLES. WHP 1,915 PSI, BRK 4,103 PSI @ 4.5 BPM, ISIP 3,250 PSI, FG .76. PUMP 100 BBLS @ 53.1 BPM @ 5,816 PSI = 70% HOLES OPEN. MP 6,530 PSI, MR 53.9 BPM, AP 5,580 PSI, AR 52.5 BPM. ISIP 3,510 PSI, FG .78, NPI 260 PSI. PMP 1,175 BBLS OF SW & 40,985 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 45,985 LBS.

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No:
Event: COMPLETION	Start Date: 2/18/2010		End Date:
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	15:54 - 19:00	3.10	COMP	36	B	P		STG 3) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING. RIH SET CBP @ 9,924' & PERF 9,891'-94' 4SPF, 9,776'-80' 4SPF, 9,748'-50' 4SPf, 9,730'-32' 4SPF, 44 HOLES. WHP 1,921 PSI, BRK 4,215 PSI @ 4.4 BPM, ISIP 3,160 PSI, FG .76. PUMP 100 BBLS @ 52.2 BPM @ 5,383 PSI = 80% HOLES OPEN. MP 6,176 PSI, MR 54.2 BPM, AP 5,067 PSI, AR 54 BPM. ISIP 3,178 PSI, FG .76, NPI 18 PSI. PMP 1,566 BBLS OF SW & 60,611 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 65,611 LBS.
	17:37 - 17:45	0.13	COMP	34	H	P		STG 4) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING. RIH SET CBP @ 9,612' & PERF 9,576'-82' 4SPF, 9,536'-40' 4SPF, 40 HOLES. POOH W / WIRE LINE. WINTERIZE WELL HEAD. SWI SDFN
2/23/2010	6:00 - 6:30	0.50	COMP	48		P		HSM. FRACING & PERFORATING
	6:30 - 6:55	0.42	COMP	36	B	P		STG 4) WHP 2,988 PSI, BRK 3,949 PSI @ 3.5 BPM, ISIP 3,145 PSI, FG .76. PUMP 100 BBLS @ 53 BPM @ 6,000 PSI = 68% HOLES OPEN. MP 6,289 PSI, MR 54 BPM, AP 5,880 PSI, AR 53 BPM. ISIP 3,145 PSI, FG .76, NPI 19 PSI. PMP 597 BBLS OF SW & 14,257 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 19,257 LBS.
	6:55 - 8:30	1.58	COMP	36	B	P		STG 5) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 23 GRM, .36 HOLES 90 & 120 DEG PHASING. CASED HOLE SOLUTIONS WAS FROZEN IN THE PACK OFF. WORKED ON GETTING WIRE TO GO THRU HEAD FROM 07:00 TO 08:00. THEN THEY PULLED WIRE OFF OF GUNS. CALL OUT FISHING TOOLS.
	8:30 - 16:00	7.50	COMP	46	E	Z		WAITING TO REHEAD WIRE LINE. TO RIH & TAG FISH TOP. RIH TAG FISH TOP @ 9,541'. POOH RD WIRE LINE. WHP 2,750 PSI. FLOW WELL TO PIT. PRESSURE STABILIZED @ 200 PSI. CALL OUT FLOW BACK CREW TO FLOW WELL OVER NITE. PLAN TO KILL WELL IN AM & FISH. TURN WELL OVER TO FLOW TESTER.
2/24/2010	6:30 - 7:00	0.50	COMP	48		P		HSM. FISHING OPERATIONS & WELL CONTROL
	7:00 - 12:00	5.00	COMP	31	B	Z		FCP + OR - 5 PSI. PUMP 30 BBLS BRINE DOWN CASING. WELL DEAD. PU OVERSHOT W / 3 1/8" GRAPLE & BUMPER SUB & JARS & 6' PUP. RIH W/ 300 JTS OJ 2 3/8" L-80 TBG. CURCULATE DOWN OVER FISH WORK TOOLS. WE THINK WE HAVE FISH. POOH W / TBG WE HAVE FISH !! GUNS & CBP.
	12:00 - 13:30	1.50	COMP	37	C	Z		ND BOP NU FRAC VALVE. RU FRAC HEAD. RU WIRE LINE & FRAC LINES TO HEAD.

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No:
Event: COMPLETION	Start Date: 2/18/2010		End Date:
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	13:30 - 15:57	2.45	COMP	36	B	P		STG 5) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 2 GRM, .36 HOLES 90 & 120 DEG PHASING. RIH CASED HOLE SOLUTION TRUCK ROLED BACK 16' HAD TO PU TO SHORT JT AGAIN. 2 HR PERF RUN. SET CBP @ 9,150' & PERF 9,116'-20' 4SPF, 9,086'-90' 3SPF, 8,952'-56' 3SPF, 40 HOLES. WHP 868 PSI, BRK 3,543 PSI @ 6.1 BPM, ISIP 2,732 PSI, FG .74. PUMP 100 BBLS @ 50 BPM @ 6,000 PSI = 61% HOLES OPEN. MP 6,250 PSI, MR 54 BPM, AP 5,450 PSI, AR 53.5 BPM. ISIP 3,210 PSI, FG .79, NPI 478 PSI. PMP 1066 BBLS OF SW & 35,518 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 40,518 LBS.
	15:57 - 18:05	2.13	COMP	36	B	P		STG 6) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 2 GRM, .36 HOLES 120 DEG PHASING. RIH SET CBP @ 8,872' & PERF 8,838'-42' 3SPF, 8,782'-84' 3SPF, 8,741'-44' 3SPF, 8,706'-10' 3SPF, 39 HOLES. WHP 1,871 PSI, BRK 3,976 PSI @ 6.7 BPM, ISIP 2,850 PSI, FG .75. PUMP 100 BBLS @ 54 BPM @ 4,760 PSI = 100% HOLES OPEN. MP 5,271 PSI, MR 54 BPM, AP 4,502 PSI, AR 51.7 BPM. ISIP 3,056 PSI, FG .78, NPI 478 PSI. PMP 2,259 BBLS OF SW & 86,153 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 91,153 LBS. SWI SDFN
2/25/2010	6:30 - 7:00	0.50	COMP	48		P		HSM. PERFORATING & FRACING.
	7:00 - 8:20	1.33	COMP	36	B	P		STG 7) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 2 GRM, .36 HOLES 90 DEG PHASING. RIH SET CBP @ 8,663' & PERF 8,630'-33' 4SPF, 8,8589'-92' 4SPF, 8,502'-06' 4SPF, 40 HOLES. WHP 2,112 PSI, BRK 4,145 PSI @ 6.3 BPM, ISIP 2,992 PSI, FG .78. PUMP 100 BBLS @ 54 BPM @ 5,480 PSI = 100% HOLES OPEN. MP 5,601 PSI, MR 53.5 BPM, AP 4,570 PSI, AR 51.5 BPM. ISIP 3,040 PSI, FG .79, NPI 48 PSI. PMP 844 BBLS OF SW & 23,052 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 28,052 LBS.
	8:20 - 10:20	2.00	COMP	36	B	P		STG 8) PU 4 1/2" BAKER CBP & 3 1/8" EXP GNS, 2 GRM, .36 HOLES 90 DEG PHASING. RIH SET CBP @ 8,372' & PERF 8,332-42' 4SPF, 40 HOLES. WHP 2,306 PSI, BRK 5,115 PSI @ 4.0 BPM, ISIP 3,222 PSI, FG .82. PUMP 100 BBLS @ 50 BPM @ 5,900 PSI = 60% HOLES OPEN. MP 6,425 PSI, MR 52.6 BPM, AP 4,778 PSI, AR 51.8 BPM. ISIP 3,280 PSI, FG .83, NPI 58 PSI. PMP 2,565 BBLS OF SW & 95,409 LBS 30/50 SND & 5,000 LBS OF 20/40 RESIN SND. TOTAL PROP PUMPED 110,409 LBS.

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No:
Event: COMPLETION	Start Date: 2/18/2010		End Date:
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	10:20 - 16:00	5.67	COMP	34	I	P		KILL PLG) PU 4 1/2" BAKER CBP RIH SET CBP @ 8,282. RDMO CASED HOLE SOLUTIONS & FRAC TEC. ND FRAC VALVES NU BOP. PU 3 7/8" BIT & SUB RIH W / 000 JTS OF 2 3/8" L-80 TBG. RU POWER SWIVEL. PREPPED TO DLG OUT IN AM.
2/26/2010	6:30 - 7:00	0.50	COMP	48		P		HSM. DRLG PLS UNDER PRESSURE.
	7:00 - 18:00	11.00	COMP	44	C	P		WHP 0 PSI, BRK CIRCULATION W / TMAC WATER. RIH. C/O 30' OF SAND & TAG PLG 1 @ 8,282' DRL PLG IN 8 MIN 1,300 PSI INCREASE. RIH C/O 30' OF SAND & TAG PLG 2 @ 8,372' DRL PLG IN 9 MIN 900 PSI INCREASE. RIH C/O 30' OF SAND & TAG PLG 3 @ 8,663' DRL PLG IN 30 MIN 1,200 PSI INCREASE. RIH C/O 30' OF SAND & TAG PLG 4 @ 8,872' DRL PLG IN 20 MIN 200 PSI INCREASE. RIH C/O 30' OF SAND & TAG PLG 5 @ 9,150' DRL PLG IN 15 MIN 500 PSI INCREASE. RIH C/O 30' OF SAND & TAG PLG 6 @ 9,612' DRL PLG IN 20 MIN 700 PSI INCREASE. RIH C/O 30' OF SAND & TAG PLG 7 @ 9,924' DRL PLG IN 15 MIN 700 PSI INCREASE. RIH C/O 30' OF SAND & TAG PLG 8 @ 10,150' DRL PLG IN 20 MIN 500 PSI INCREASE. RIH C/O TO 10,490' PBTD. CIRC WELL CLEAN. POOH LD 18 JTS. LAND PRODUCTION TBG W / 312 JTS OF 2 3/8" L-80 TBG. EOT @ 9,923.23'. ND BOP NU WELL HEAD. DROP BALL TO SHEAR OFF BIT. PUMP OFF BIT @ 2,750 PSI. WAITE 30 MIN FOR BIT TO FALL TO BOTTOM. TURN WELL OVER TO FLOW TESTERS. 343 JTS OUT BOUND 2 3/8" L-80 TLTR 11,204 BBLS 312 JTS LANDED REG REC 4,320 BBLS 31 JTS RETURNED LTR 6,884 BBLS
2/27/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 2800#, TP 0#, oPEN/64" CK, - BWPH, - SAND, - GAS TTL BBLS RECOVERED: 4320 BBLS LEFT TO RECOVER: 6884
	7:00 - 7:30	0.50	COMP	48		P		HSM. PINCH POINT
	7:30 - 15:00	7.50	COMP			X		WHP 0 PSI. AFTER PUMPING OFF BIT THE NITE BEFORE WELL DID NOT KEEP FLOWING. PUMPED 2 BBLS DOWN TUBING TO MAKE SURE BIT WAS PUMPED OFF. RIG PUMP BROKE DOWN. WE HAD 2,800 PSI ON CASING & 10 PSI ON TUBING. WE EQUILIZED CASING & TUBING. THEN THE WELL KICKED OFF. TURN WELL OVER TO FLOW TESTERS. RDMO TO NBBU 920-27F.
2/28/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 2475#, TP 2225#, 20/64" CK, 45 BWPH, med SAND, - GAS TTL BBLS RECOVERED: 5775 BBLS LEFT TO RECOVER: 5429

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No:
Event: COMPLETION	Start Date: 2/18/2010		End Date:
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	16:00 -		PROD	50				WELL TURNED TO SALES @ 1600 HR ON 2/28/10 - 1604 MCFD, 1080 BWPD, CP 2400#, FTP 2250#, CK 20/694"
3/1/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 2900#, TP 2200#, 20/64" CK, 40 BWPH, MED SAND, - GAS TTL BBLS RECOVERED: 6800 BBLS LEFT TO RECOVER: 4404
3/2/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 3100#, TP 2100#, 20/64" CK, 33 BWPH, LIGHT SAND, - GAS TTL BBLS RECOVERED: 7625 BBLS LEFT TO RECOVER: 3579
3/3/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 2800#, TP 1950#, 20/64" CK, 25 BWPH, LIGHT SAND, - GAS TTL BBLS RECOVERED: 8284 BBLS LEFT TO RECOVER: 2920

API Well No: 43047505630000

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 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 2/28/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 2/28/2010 AT 4:00 P.M.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
March 02, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 3/1/2010

RECEIVED March 01, 2010

API Well No: 43047505630000

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 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
✓ NOTICE OF INTENT Approximate date work will start: 11/24/2010	☐ ACIDIZE	☐ ALTER CASING	✓ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

The operator requests approval to conduct wellhead/casing repair operations on the subject well location. Please find the attached procedure for the proposed repair work on the subject well location.

Accepted by the Utah Division of Oil, Gas and Mining

Date: 11/24/2010

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Gina Becker	720 929-6086	Regulatory Analyst II
SIGNATURE		**DATE**
N/A		11/24/2010

RECEIVED November 24, 2010

WORKORDER #: 88104325

Name: NBU 920-23N 11/23/10
Location: SE SW Sec. 23 9S 20E
Uintah County, UT

ELEVATIONS: 4881' GL 4894' KB

TOTAL DEPTH: 10566' **PBTD:** 10490'

SURFACE CASING: 8 5/8", 28# J-55 ST&C @ 2699'

PRODUCTION CASING: 4 1/2", 11.6#, I-80 LT&C @ 10566'
Marker Joint 4987'-5008'
T.O.C.@ ~N/A

PERFORATIONS: Mesaverde 8332' – 10420'

	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 ½" 11.6# I-80 (See above)	7780	6350	3.875"	0.0155	0.6528
2 3/8" by 4 ½" Annulus				0.0101	0.4227

GEOLOGICAL TOPS:

1736' Green River
1964' Bird's Nest
2446' Mahogany
5093' Wasatch
8314' Mesaverde

Completion Information:

- 2/25/10 - Perf and frac gross MV interval f/ 8332' – 10420' in 8 stages using 437,266# sand & 11,204 bbls slickwater
- Well IP'd on 3/5/10 - 2368 MCFD, 600 BWPD, CP 236#, FTP 1656#, CK 20/64", LP 95#, 24 HRS

RECEIVED November 24, 2010

NBU 920-23N – WELLHEAD REPLACEMENT PROCEDURE

PREP-WORK PRIOR TO MIRU:

1. Dig out down to the 2" surface casing valve or to the valve on the riser off the surface casing.

2. Install a tee with 2 valves, with a pressure gauge and sensor on one valve.

3. Open casing valve and record pressures.

4. Install nipple and steel hose on the other valve, the relief valve,. Do not use hammer unions. No impact equipment or tools to be used for any of this installation. Extend hose and hard piping to a downwind location at least 100' from the wellhead. Consider installing a manifold so that vent area could be in two locations approx. 90 degrees apart from the wellhead.

5. Open the relief valve and blow well down to the atmosphere.

6. Make a determination of amount of gas flow, either by installation of a choke nipple, bucket test or other.

7. Shut well in. Observe for rate of build-up by utilizing sensor data. Do not build-up for more than 24 hours. Vent gas through the vent line and leave open to the atmosphere.

WORKOVER PROCEDURE:

1. MIRU workover rig.

2. Kill well with 10# brine / KCL (dictated by well pressure).

3. Remove tree, install double BOP with blind and 2 3/8" pipe rams, with accumulator closing unit and manual back-ups. Function test BOP system.

4. Pooh w/ tubing.

5. Rig up wireline service. RIH and set CBP @ ~8282'. Dump bail 4 sx cement on top of plug. POOH and RD wireline service.

6. Remove BOP and ND WH.

7. Depending on conditions at wellsite, continue with either CUT/PATCH Procedure or BACK-OFF Procedure.

RECEIVED November 24, 2010

CUT/PATCH PROCEDURE:

1. PU internal casing cutters and RIH. Cut casing at +/- 30' from surface.
2. Pooh, LD cutters and casing.
3. PU & RIH w/ 4 ½" 10k external casing patch on 4 ½" I-80 or P-110 casing.
4. Latch fish, PU to 100,000# tension. RU B&C. Cycle pressure test to 7,000# / 9,000# psi.
5. Install C-22 slips. Land casing w/ 80,000# tension.
6. Cut-off and dress 4 ½" casing stub.
7. NUWH. PU 3 7/8" bit, POBS and RIH. D/O cement and plug ~8282'. Clean out to PBTD (10490').
8. POOH, land tbg and pump off POBS.
9. NUWH, RDMO. Turn well over to production ops.

BACK-OFF PROCEDURE:

1. PU internal casing cutters and RIH. Cut casing at +/- 6' from surface.
2. POOH, LD cutters and casing.
3. PU 4 ½" overshot. RIH, latch fish. Pick string weight to neutral.
4. MIRU wireline services. RIH and shoot string shot at casing collar @ 46'.
5. MIRU casing crew.
6. Back-off casing, Pooh.
7. PU new casing joint w/ entry guide and RIH. Tag casing top. Thread into casing and torque up to +/- 6000#.
8. PU 100,000# tension string weight. RU B&C. Cycle pressure test to 7,000# / 9,000# psi.
9. Install C-22 slips. Land casing w/ 80,000# tension.
10. Cut-off and dress 4 ½" casing stub.
11. NUWH. PU 3 7/8" bit, POBS and RIH. D/O cement and plug ~8282'. Clean out to PBTD (10490').
12. POOH, land tbg and pump off POBS.
13. NUWH, RDMO. Turn well over to production ops.

RECEIVED November 24, 2010

Logan High Pressure Casing Patches
Assembly Procedure

All parts should be thoroughly greased before being assembled.

1. Install all four Logan Type “L” Packers in the spaces provided in the Casing Patch Bowl. Refer to diagram provided for proper installation.

2. Install Packer Protector from the Basket Grapple end of the Bowl. The beveled end of the Packer Protector goes in first. Carefully push the Packer Protector through the four Type “L” Packers.

3. Align Shear Pin Holes in Packer Protector so that the holes have just passed into the counter bore at the Top Sub end, refer to diagram. The Packer Protector is provided with four Shear Pin Holes. Use only two holes, 180 degrees apart and install the pins.

4. Screw the Basket Grapple in from the lower end of the Bowl, using left-hand rotation. The Tang Slot in the Basket Grapple must land in line with the slot in the Bowl.

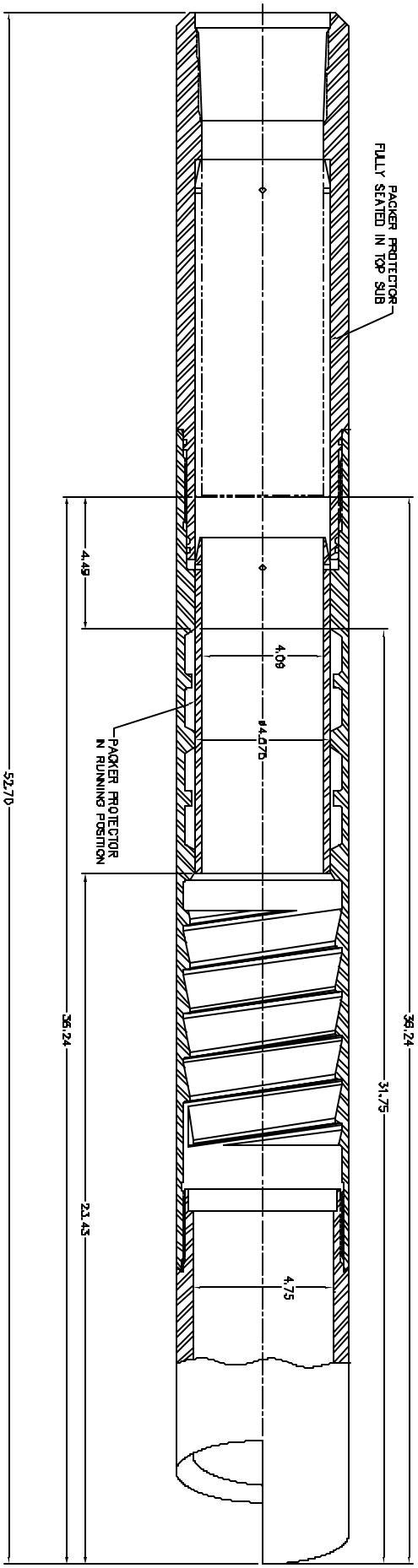
5. Insert the Basket Grapple Control into the end of the Bowl. Align Tang on the Basket Grapple Control with the Tang Slot of the Bowl and Basket Grapple. This secures the Bowl and the Basket Grapple together.

6. Install the Cutlipped Guide into the lower end of the Bowl.

7. Install O-Rings on the two five-foot long Extensions. Screw the first Extension into the top end of the Bowl. Screw the second Extension into the top end of the first Extension.

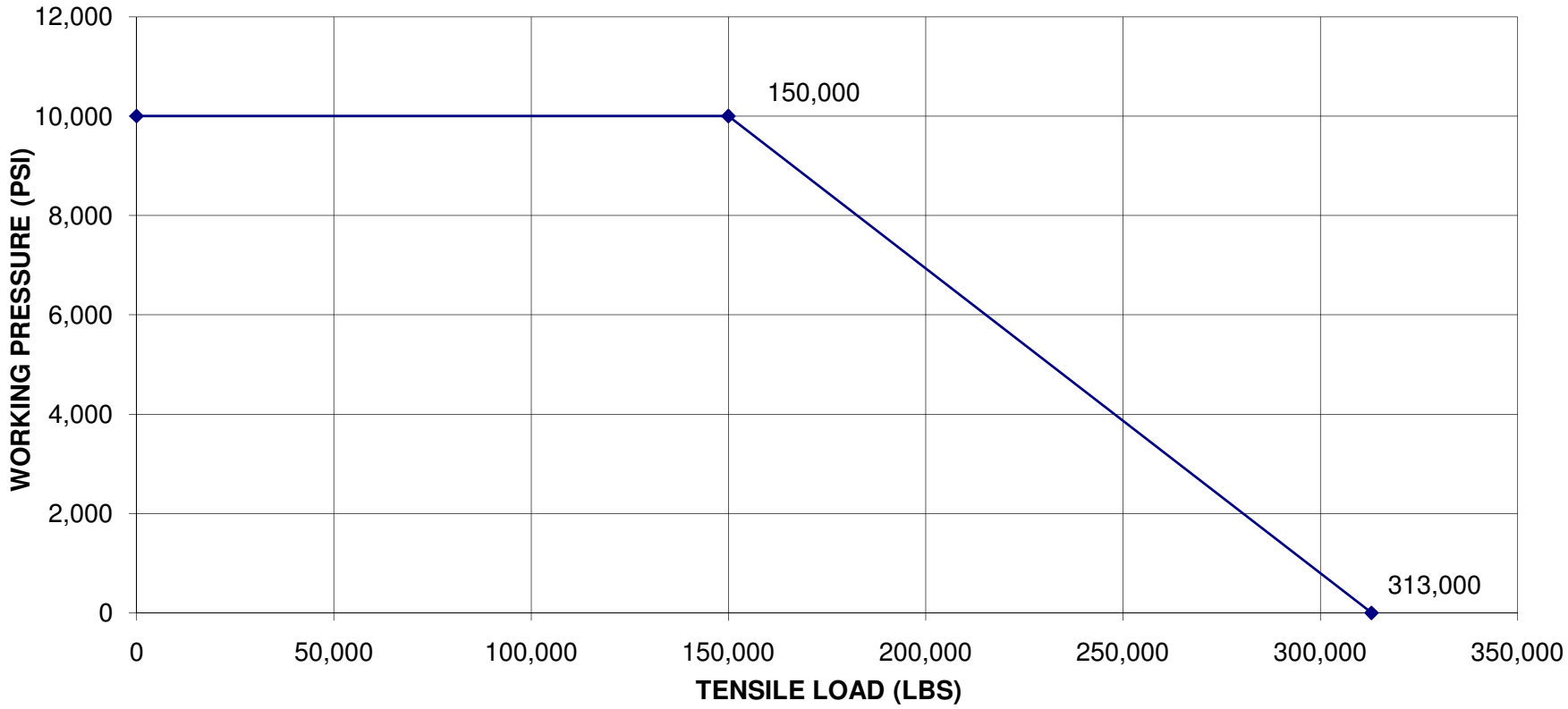
8. Install O-Ring on Top Sub. Screw Top Sub into top end of second Extension.

Follow recommended Make-Up Torque as provided in chart.



510L-005-001 4-1/2" LOGAN HP CASING PATCH

STRENGTH DATA FOR LOGAN 5.88" OD "L" TYPE CSG PATCH
4-1/2 CASING, 10K PSI MAX WP 125K YIELD MAT'L
LOGAN ASSEMBLY NO. 510L-005 -000



COLLAPSE PRESSURE:
11,222 PSI @ 0 TENSILE
8,634 PSI @ 220K TENSILE

Tensile Strength @ Yield:
Tensile Strength w/ 0 Int. Press.= 472,791lbs.
Tensile Strength w/ 10K Int. Press.= 313,748lbs.

DATA BY SLS 11/16/2009

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 0577A

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 920-23N

2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.

9. API NUMBER: 43047505630000

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: 0837 FSL 1702 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 20.0E 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		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	✓ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 6/7/2011	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: Wellhead Repair

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

THE OPERATOR HAS CONCLUDED WELLHEAD/CASING REPAIRS ON THE SUBJECT WELL LOCATION. PLEASE SEE THE ATTACHED CHRONOLOGICAL HISTORY FOR DETAILS OF THE OPERATIONS.

Accepted by the Utah Division of Oil, Gas and Mining

FOR RECORD ONLY

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Gina Becker	720 929-6086	Regulatory Analyst II
SIGNATURE N/A		**DATE** 6/7/2011

RECEIVED Jun. 07, 2011

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010	
Project: UTAH-UINTAH	Site: NBU 920-23N		Rig Name No: SWABBCO 6/6, SWABBCO 6/6
Event: WELL WORK EXPENSE	Start Date: 3/10/2011		End Date: 3/15/2011
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
2/24/2011	12:00 - 17:00	5.00	WO/REP	30		P		MOVE RIG & EQUIP F/ NBU 920-12H TO LOC SPOT RIG & EQUIP RU RIG RU PUMP, PUMP 20 BBLS TMAC DWN TUB TO CONTROL WELL ND WELLHEAD NU BOPS RU FLOOR & TUBING EQUIP PREP TO UNLAND TUB & POOH IN AM SI TUBING
2/25/2011	7:00 - 7:15	0.25	WO/REP	48		P		JSA= WELL CONTROL
	7:15 - 17:00	9.75	WO/REP	30		P		WHP= 600 PSI ON TUB, 200 ON CAS, NU PUMP 10 BBLS DWN TUB , PMP 20 DWN CASING TO CONTROL PRESS, UN LAND TUBING LD HNGR POOH STAND BACK 128 STANDS, LD 56 JNTS, 312 JNTS IN WELL, RU RIH W/ 10K CBP SET @ 8282' DUMP BAIL 4 SKS CEMENT ON TOP IN 2 RUNS W/ DUMP BAILER EST CEM TOP @ 8232' RD W/L PU NOTCHED 1.87XN NPL RIH W/ 257 JNTS LAND TUBING ON HANGER EOT @ 8174.63" FILL HOLE W/ TMAC PRESS TEST TO 1000# HOLD 15 MIN GOOD TEST RD FLOOR & TUBING EQUIP ND BOPS NU WELLHEAD RD RIG PREP TO MOVE MON. SWI SDFW (DISCONECTED CASING MONITOR CONNECTEDTO SURFACE ANNULAS) (NOTE HANGER OR TOP FLANGE IS NOT RIGHT NEED WEATHERFORD TO LOOK AT & CHANGE) TUBING DETAIL K.B.= 13.00 HNGR= .83 257 JNTS 2-3/8" L-80= 8159.75 NOTCHED 1.87XN= 1.05 EOT= 8174.63
3/10/2011	7:00 - 7:15	0.25	WO/REP	48		P		JSA= MOVE EQUIPMENT
	7:15 - 15:00	7.75	WO/REP	30		P		MOVE RIG & EQUIP TO NBU 920-23N SPOT RIG & EQUIP RU RIG ND WELLHEAD NU BOPS RU FLOOR & TUBING EQUIP UN LAND WELL POOH W/ TUBING LD BHA ND BOPS PREP TO REPAIR WELLHEAD in am
3/11/2011	7:00 - 7:15	0.25	WO/REP	48		P		JSA= CUTTING CSG
	7:15 - 17:00	9.75	WO/REP	30		P		MAKE UP INT CUTTER PU PWR SWVL RUNCUTTER IN CSG CUT 8' FROM SURFACE POOH & LD CUTTER RD PWR SWVL ND & POOH HANGER & PIECE CSG, FOUND CEM @ 6' IN HOLE ORDER 11" BOP FOR SURFACE NU BOP PU 1 JNT WASH PIPE, 7.625 SHOE RIHWASH OVER 25' 4-1/2 CSG POOH LD SHOE & WASH PIPE PU INT CUTTER CUT CSG 15' FROM SURFACE POOH W/ CUTTER & 7' PIECE, PU SKIRTED MILL RIH DRESS TOP OF CSG POOH W/ MILL PU LOGAN 10K PATCH 1 JNT P-110 CSG RIH PUSH OVER CSG PULL ON PATCH 90000# PREP TO TEST MON MORN SDFW
3/14/2011	7:00 - 7:15	0.25	WO/REP	48		P		JSA= TESTING

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23N	Spud Conductor: 12/6/2009	Spud Date: 1/2/2010
Project: UTAH-UINTAH	Site: NBU 920-23N	Rig Name No: SWABBCO 6/6, SWABBCO 6/6
Event: WELL WORK EXPENSE	Start Date: 3/10/2011	End Date: 3/15/2011
Active Datum: RKB @4,896.00ft (above Mean Sea Leve	UWI: SE/SW/0/9/S/20/E/23/0/0/26/PM/S/837.00/W/0/1,702.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	7:15 - 17:00	9.75	WO/REP	30		P		MIRU B&C TESTERS NU TO 4-1/2 CASING TEST AS PER PROG 4-1/2 TESTED GOOD NU TEST SURFACE SMALL AMOUNT OF WTR SEEPING OUT OF 4-1/2 NU WELLHEAD RUN TEST AGAIN 4-1/2 TESTED GOOD SURFACE DIDNT TEST NO WTR OUT OF CSG RU FLOOR & TUB EQUIP PU POBS PKG RIH W/ 260 JNTS TUBING TAG CMT @ 8255' PU PWR SWVL PREP TO DRILL CMT IN AM W/ FOAMER
3/15/2011	7:00 - 7:15	0.25	WO/REP	48		P		JSA= FOAMING
	7:15 - 17:00	9.75	WO/REP	30		P		MIRU FOAMER, EST CIRC C/O & DRILL THRU CEM & CBP @ 8282' LOST CIRC ONCE THRU CBP EST CIRC & CIRC CLEAN ND PWR SWVL CONTINUE TO RIH TAG @10482' 60' BELOW BTM PERF PUH LD 18 JNTS LAND TUBING ON HANGER W/ 312 JNTS OF 2-3/8" L-80 EOT @ 9919.08' RD FLOOR & TUBING EQUIP ND BOPS NU WELLHEAD DROP BALL PUMP OFF BIT @ 1500PSI RD RIG