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 920-20I2AS
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 0144869 / **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	2029 FSL 803 FEL	NESE	20	9.0 S	20.0 E	S
Top of Uppermost Producing Zone	2415 FSL 925 FEL	NESE	20	9.0 S	20.0 E	S
At Total Depth	2415 FSL 925 FEL	NESE	20	9.0 S	20.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 925	**23. NUMBER OF ACRES IN DRILLING UNIT** 720
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 410	**26. PROPOSED DEPTH** MD: 10771 TVD: 10740
27. ELEVATION - GROUND LEVEL 4768	**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

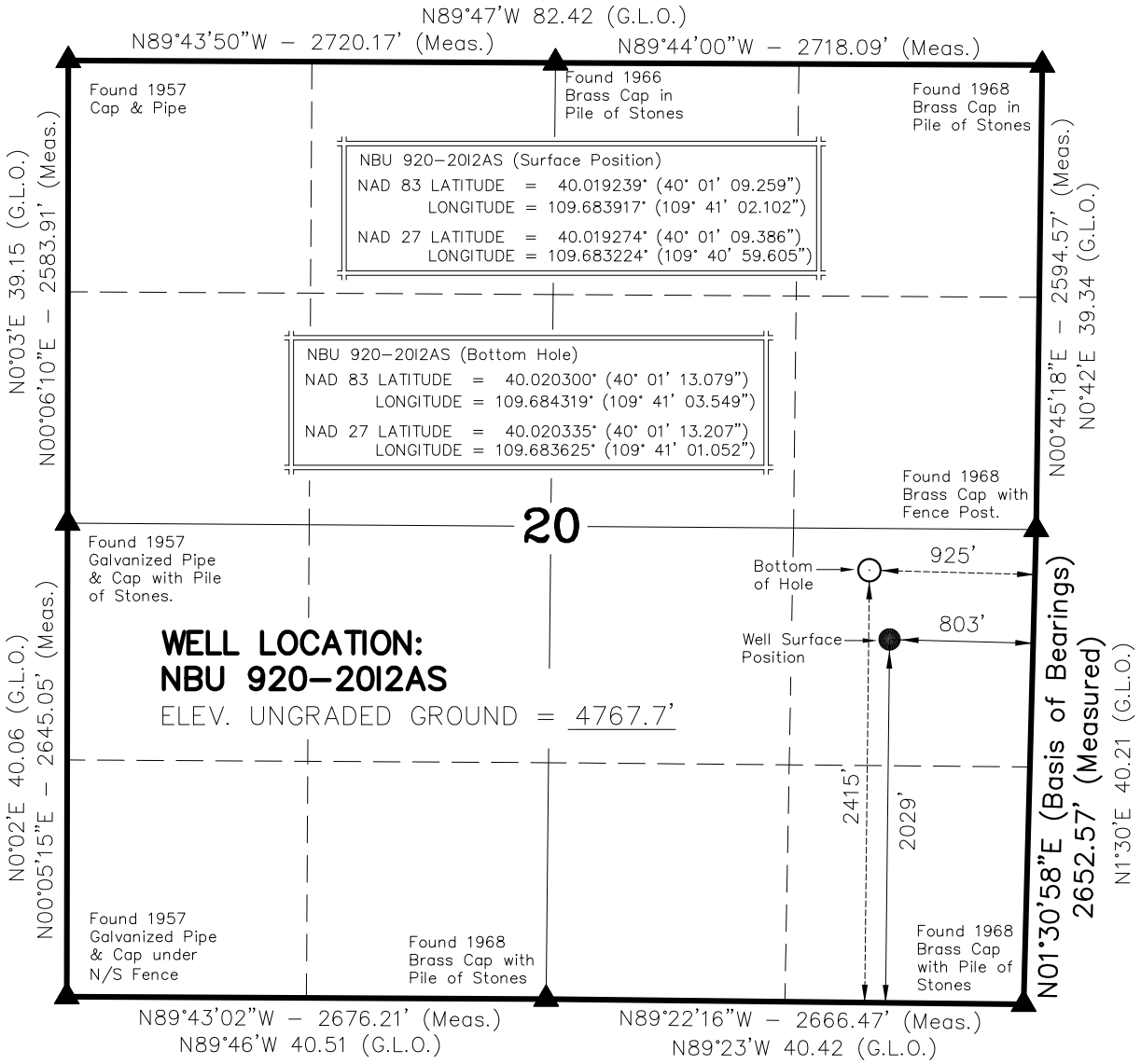
☑ **WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER**	☑ **COMPLETE DRILLING PLAN**
☐ **AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)**	☐ **FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER**
☑ **DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)**	☑ **TOPOGRAPHICAL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

NAME Danielle Piernot	**TITLE** Regulatory Analyst	**PHONE** 720 929-6156
SIGNATURE	**DATE** 07/15/2009	**EMAIL** danielle.piernot@anadarko.com
API NUMBER ASSIGNED 43047505670000	**APPROVAL** Permit Manager	

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	10771		
Pipe	**Grade**	**Length**	**Weight**			
	Grade HCP-110 LT&C	1152	11.6			
	Grade I-80 LT&C	9619	11.6			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2665		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 LT&C	2665	36.0			

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. The Bottom of hole bears N16°11'14"W 402.75' from the Surface Position.
4. Bearings are based on Global Positioning Satellite observations.
5. 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 No.362251 KOLBY R. KAY STATE OF UTAH

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

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

NBU 920-20I2AS
WELL PLAT
2415' FSL, 925' FEL (Bottom Hole)
NE ¼ SE ¼ OF SECTION 20, 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

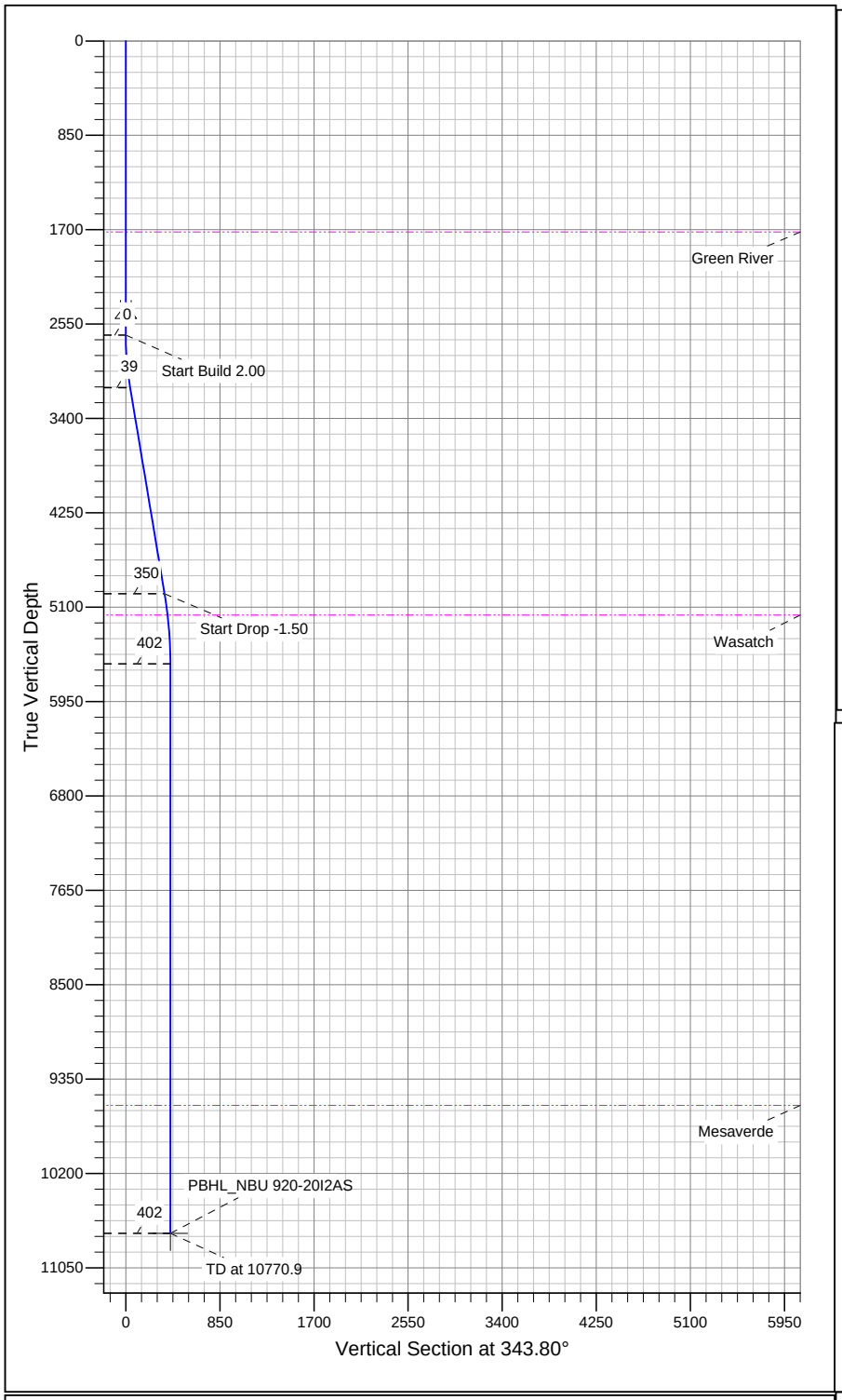
DATE SURVEYED: 01–26–09	SURVEYED BY: M.S.B.	SHEET
DATE DRAWN: 01–28–09	DRAWN BY: E.M.S.	3
SCALE: 1" = 1000'	Date Last Revised: 03–19–09	OF 12

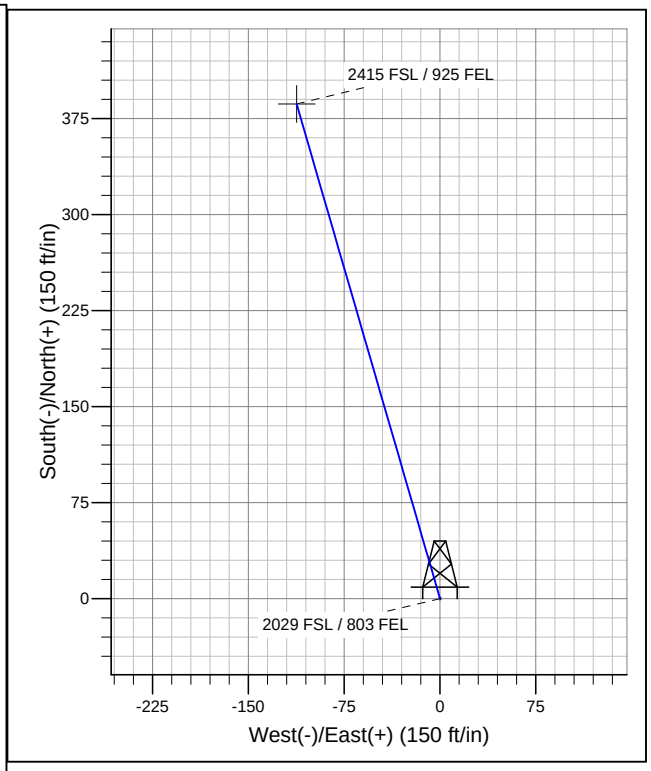
’APIWellNo:43047505670000’

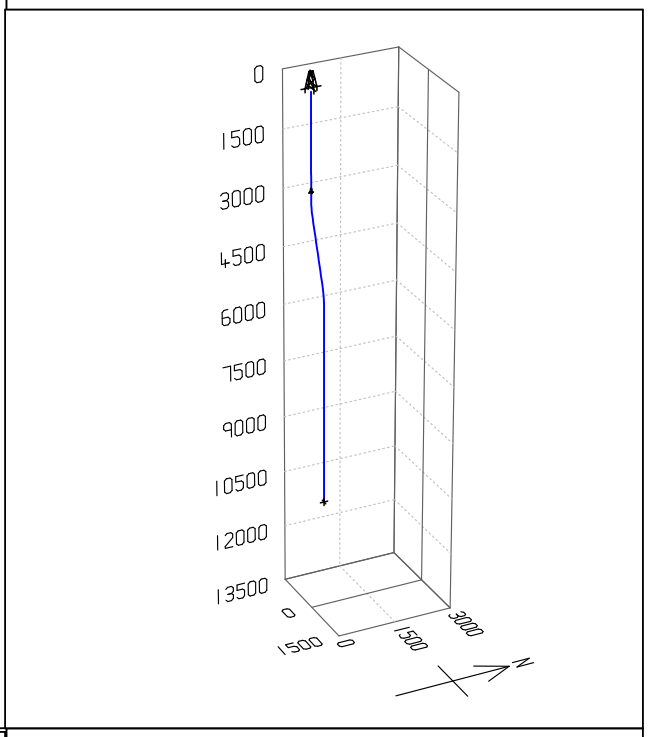
Anadarko Petroleum Corporation

Well Name: P_NBU 920-20I2AS
Surface Location: UINTAH_NBU 920-20I PAD
NAD 1927 (NADCON CONUS) Universal Transverse Mercator (US Survey Feet)
UTAH - UTM (feet), NAD27, Zone 12N
Ground Elevation: 4767.0

Northing	Easting	Latitude	Longitude
14535787.21	2009092.71	40.019274°N	109.683224°W

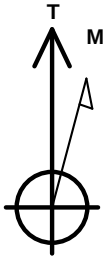






SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0
2	2650.0	0.00	0.00	2650.0	0.0	0.0	0.00	0.00	0.0
3	3125.0	9.50	343.80	3122.8	37.7	-11.0	2.00	343.80	39.3
4	5007.6	9.50	343.80	4979.6	336.1	-97.7	0.00	0.00	350.0
5	5640.9	0.00	0.00	5610.0	386.4	-112.3	1.50	180.00	402.4
6	10770.9	0.00	0.00	10740.0	386.4	-112.3	0.00	0.00	402.4



Azimuths to True North
Magnetic North: 11.41°

Magnetic Field
Strength: 52555.5snT
Dip Angle: 65.91°
Date: 4/24/2009
Model: IGRF200510

ROCKIES - PLANNING

UTAH - UTM (feet), NAD27, Zone 12N
UINTAH_NBU 920-20I PAD
P_NBU 920-20I2AS
P_NBU 920-20I2AS

Plan: Plan #1 04-24-09 ZJRA6

Standard Planning Report - Geographic

24 April, 2009

APC

Planning Report - Geographic

Database:	apc_edmp	**Local Co-ordinate Reference:**	Well P_NBU 920-20I2AS
Company:	ROCKIES - PLANNING	**TVD Reference:**	WELL @ 4767.0ft (Original Well Elev)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	WELL @ 4767.0ft (Original Well Elev)
Site:	UINTAH_NBU 920-20I PAD	**North Reference:**	True
Well:	P_NBU 920-20I2AS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	P_NBU 920-20I2AS		
Design:	Plan #1 04-24-09 ZJRA6		

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

Map System:	Universal Transverse Mercator (US Survey Fee	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Zone 12N (114 W to 108 W)		

Site UINTAH_NBU 920-20I PAD

Site Position:		**Northing:**	14,535,787.21 ft	**Latitude:**	40.019274°N
From:	Lat/Long	**Easting:**	2,009,092.71 ft	**Longitude:**	109.683224°W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	0.85 °

Well P_NBU 920-20I2AS

Well Position	**+N/-S**	0.0 ft	**Northing:**	14,535,787.21 ft	**Latitude:**	40.019274°N
	+E/-W	0.0 ft	**Easting:**	2,009,092.71 ft	**Longitude:**	109.683224°W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	ft	**Ground Level:**	4,767.0 ft

Wellbore P_NBU 920-20I2AS

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	4/24/2009	11.41	65.91	52,556

Design Plan #1 04-24-09 ZJRA6

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	10,740.0	0.0	0.0	343.80

Plan Sections

Measured Depth (ft)	**Inclination (°)**	**Azimuth (°)**	**Vertical Depth (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Dogleg Rate (°/100ft)**	**Build Rate (°/100ft)**	**Turn Rate (°/100ft)**	**TFO (°)**	**Target**
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,650.0	0.00	0.00	2,650.0	0.0	0.0	0.00	0.00	0.00	0.00	
3,125.0	9.50	343.80	3,122.8	37.7	-11.0	2.00	2.00	0.00	343.80	
5,007.6	9.50	343.80	4,979.6	336.1	-97.7	0.00	0.00	0.00	0.00	
5,640.9	0.00	0.00	5,610.0	386.4	-112.3	1.50	-1.50	0.00	180.00	
10,770.9	0.00	0.00	10,740.0	386.4	-112.3	0.00	0.00	0.00	0.00	PBHL_NBU 920-20

APC

Planning Report - Geographic

Database:	apc_edmp	**Local Co-ordinate Reference:**	Well P_NBU 920-20I2AS
Company:	ROCKIES - PLANNING	**TVD Reference:**	WELL @ 4767.0ft (Original Well Elev)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	WELL @ 4767.0ft (Original Well Elev)
Site:	UINTAH_NBU 920-20I PAD	**North Reference:**	True
Well:	P_NBU 920-20I2AS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	P_NBU 920-20I2AS		
Design:	Plan #1 04-24-09 ZJRA6		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (ft)	Map Easting (ft)	Latitude	Longitude
0.0	0.00	0.00	0.0	0.0	0.0	14,535,787.21	2,009,092.71	40.019274°N	109.683224°W
1,720.0	0.00	0.00	1,720.0	0.0	0.0	14,535,787.21	2,009,092.71	40.019274°N	109.683224°W
Green River									
2,500.0	0.00	0.00	2,500.0	0.0	0.0	14,535,787.21	2,009,092.71	40.019274°N	109.683224°W
Surface Casing									
2,650.0	0.00	0.00	2,650.0	0.0	0.0	14,535,787.21	2,009,092.71	40.019274°N	109.683224°W
3,125.0	9.50	343.80	3,122.8	37.7	-11.0	14,535,824.77	2,009,081.19	40.019378°N	109.683263°W
5,007.6	9.50	343.80	4,979.6	336.1	-97.7	14,536,121.83	2,008,990.08	40.020197°N	109.683573°W
5,200.9	6.60	343.80	5,171.0	362.1	-105.2	14,536,147.71	2,008,982.14	40.020268°N	109.683600°W
Wasatch									
5,640.9	0.00	0.00	5,610.0	386.4	-112.3	14,536,171.91	2,008,974.72	40.020335°N	109.683625°W
9,618.9	0.00	0.00	9,588.0	386.4	-112.3	14,536,171.91	2,008,974.72	40.020335°N	109.683625°W
Mesaverde									
10,770.9	0.00	0.00	10,740.0	386.4	-112.3	14,536,171.91	2,008,974.72	40.020335°N	109.683625°W

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL_NBU 920-20I2/ - plan hits target center - Point	0.00	0.00	10,740.0	386.4	-112.3	14,536,171.91	2,008,974.72	40.020335°N	109.683625°W

Casing Points

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

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,720.0	1,720.0	Green River		0.00	
5,200.9	5,171.0	Wasatch		0.00	
9,618.9	9,588.0	Mesaverde		0.00	

NBU 920-20I2AS

Pad: NBU 920-20I
Surface: 2,029’ FSL, 803’ FEL (NE/4SE/4)
BHL: 2,415’ FNL 925’ FEL (NE/4SE/4)
Sec. 20 T9S R20E

Uintah, Utah
Mineral Lease: UTU 0144869

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	1,720’	
Birds Nest	1,949’	Water
Mahogany	2,464’	Water
Wasatch	5,171’	Gas
Mesaverde	8,660’	Gas
MVU2	9,588’	Gas
MVL1	10,030’	Gas
TVD	10,740’	
TD	10,771’	

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 10,771' TD (MD), approximately equals 6,599 psi (calculated at 0.61 psi/foot).

Maximum anticipated surface pressure equals approximately 4,217 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:43047505670000’

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	July 15, 2009
WELL NAME	**NBU 920-20I2AS**	TD	10,740' TVD 10,771' MD
FIELD	Natural Buttes	COUNTY Uintah STATE Utah	FINISHED ELEVATION 4,767'
SURFACE LOCATION	NE/4 SE/4 2,029' FSL 803' FEL Sec 20 T 9S R 20E		
	Latitude: 40.019239 Longitude: -109.683917 NAD 83		
BTM HOLE LOCATION	NE/4 SE/4 2,415' FSL 925' FEL Sec 20 T 9S R 20E		
	Latitude: 40.020300 Longitude: -109.684319 NAD 83		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: BLM (Minerals), Ute Tribe (Surface), UDOGM Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		20'		14"	
			12-1/4"	9-5/8", 36#, J-55, LTC	Air mist
All water flows encountered while drilling will be reported to the appropriate agencies.					
	Green River @	**1,720'**			
	Top of Birds Nest @	**1,949**			
	Mahogany @	**2,464**			
	Preset f/ GL @	**2,665' MD**			
	Note: 12.25" surface hole will usually be drilled ±400' below the lost circulation zone (aka bird's nest). Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone.				
	Wasatch @	**5,171'**			
Mud logging program TBD Cased hole logging program from TD - surf csg			7-7/8"	4-1/2" 11.6# I-180 & HCP-110 or equivalent LTC csg	Water / Fresh Water Mud 8.3-12.0. ppg
	Mverde @	**8,660' TVD**			
	MVU2 @	**9,588' TVD**			
	MVU1 @	**10,030' TVD**			
Max anticipated Mud required 12.0 ppg	**TD @**	**10,740' TVD** **10,771' MD**			

'APIWellNo:43047505670000'

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'								
								3,520	2,020	453,000
SURFACE	9-5/8"	0	to	2,665	36.00	J-55	LTC	0.81	1.62	6.01
								7,780	6,350	201,000
PRODUCTION	4-1/2"	0	to	9,619	11.60	I-80	LTC	1.79	0.95	1.84
								10,690	8,650	279,000
	4-1/2"	9,619	to	10,771	11.60	HCP-110	LTC	42.18	1.29	25.57

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 12.0 ppg) 0.22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 4,217 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.0 ppg) 0.61 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,599 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	2,165'	65/35 Poz + 6% Gel + 10 pps gilsonite	510	35%	12.60	1.81
			+ 0.25 pps Flocele + 3% salt BWOW				
	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	4,671'	Premium Lite II + 3% KCl + 0.25 pps	440	40%	11.00	3.38
			celloflake + 5 pps gilsonite + 10% gel				
			+ 0.5% extender				
	TAIL	6,100'	50/50 Poz/G + 10% salt + 2% gel	1,490	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. No centralizers will be used.

ADDITIONAL INFORMATION

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

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

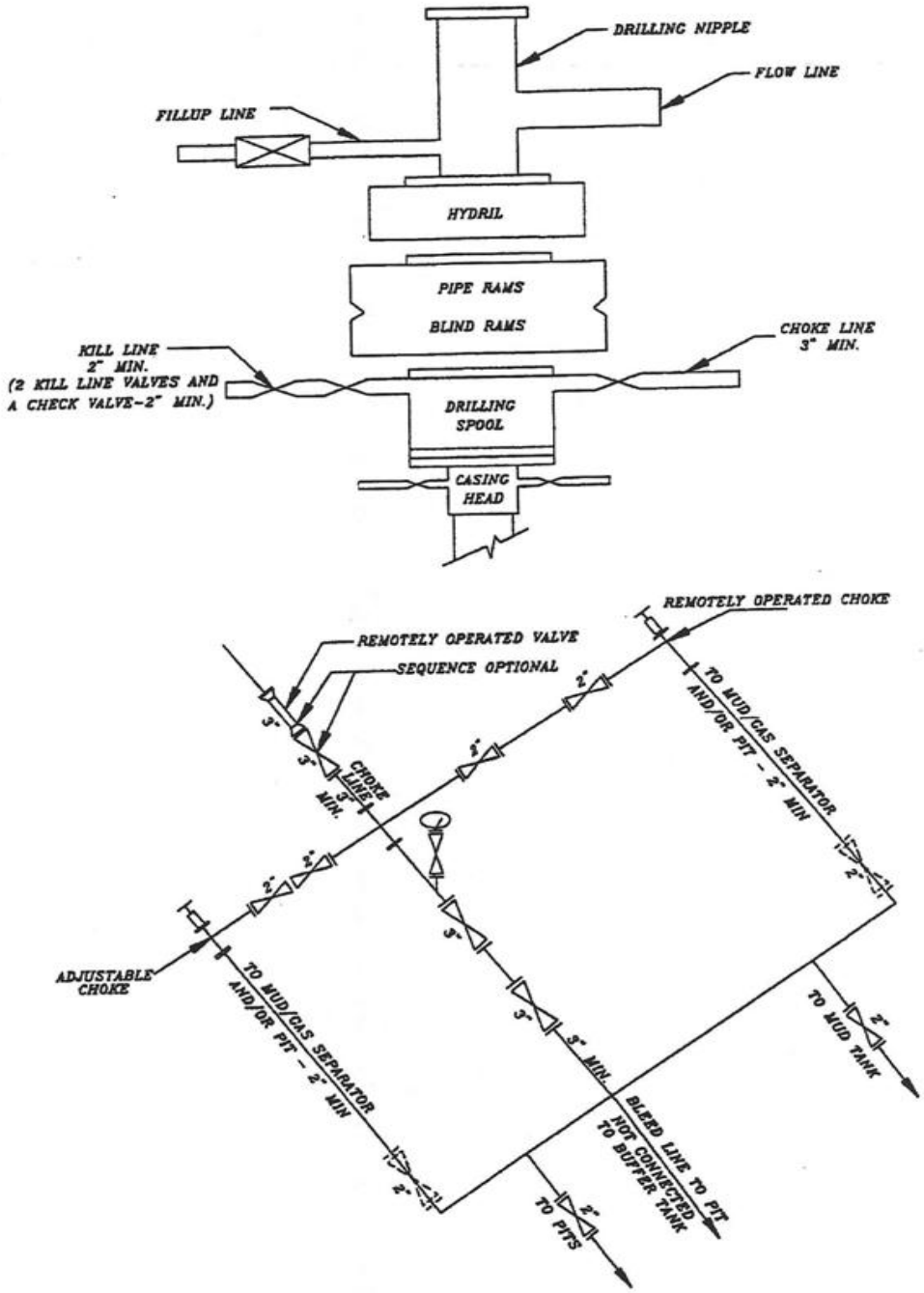
Surveys will be taken at 1,000' minimum intervals.

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

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

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

EXHIBIT A
NBU 920-20I2AS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

WELL PAD INTERFERENCE PLAT

DIRECTIONAL PAD – NBU 920–20I

SURFACE POSITION FOOTAGES:

NBU 920–20H4CS
1993' FSL, 786' FEL

NBU 920–20G3CS
2011' FSL, 794' FEL

NBU 920–20I2AS
2029' FSL, 803' FEL

NBU 920–20I (Existing Well Head)
1956' FSL, 716' FEL

LATITUDE & LONGITUDE
Bottom Hole – (NAD 83)

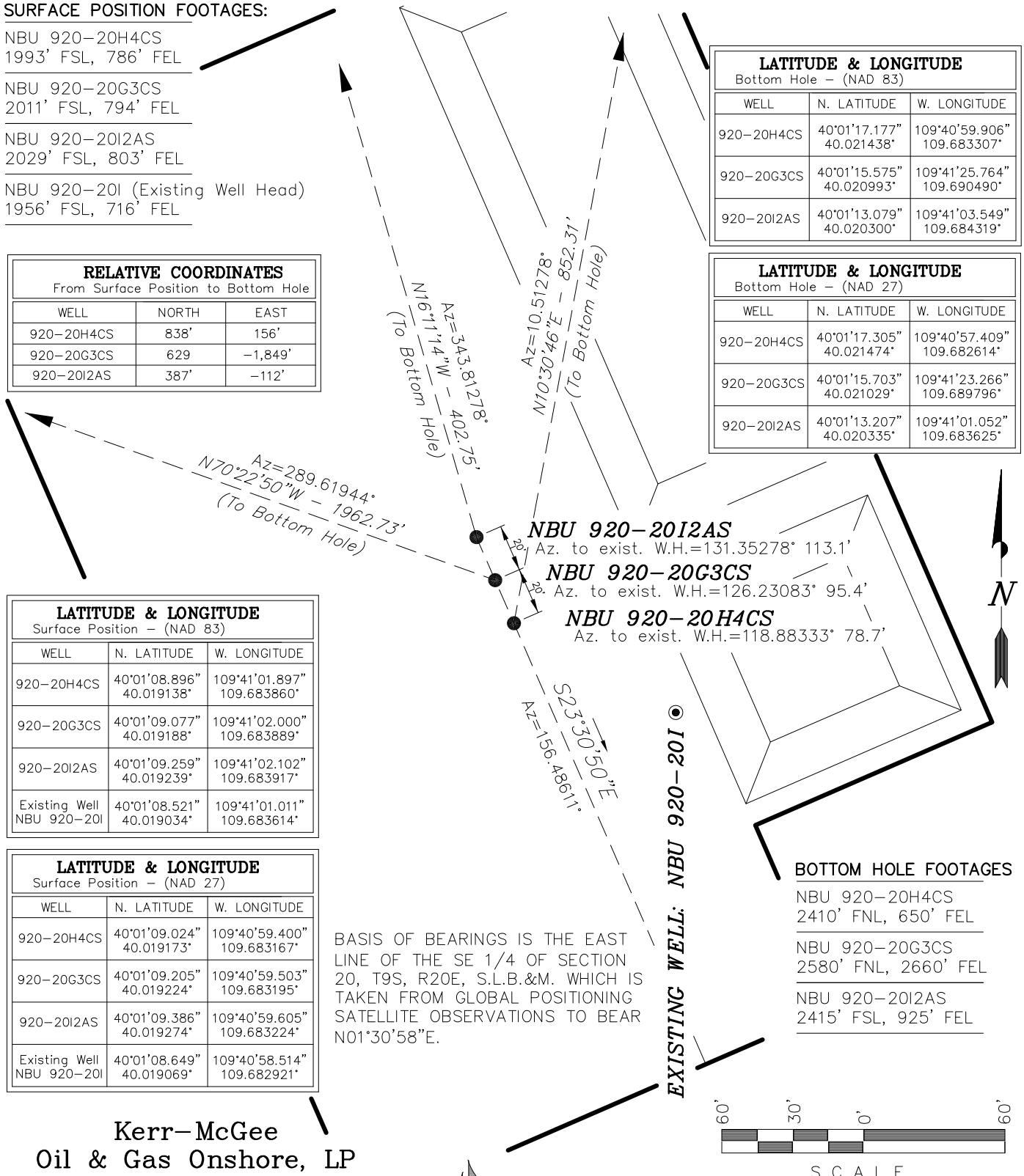
WELL	N. LATITUDE	W. LONGITUDE
920–20H4CS	40°01'17.177" 40.021438°	109°40'59.906" 109.683307°
920–20G3CS	40°01'15.575" 40.020993°	109°41'25.764" 109.690490°
920–20I2AS	40°01'13.079" 40.020300°	109°41'03.549" 109.684319°

RELATIVE COORDINATES
From Surface Position to Bottom Hole

WELL	NORTH	EAST
920–20H4CS	838'	156'
920–20G3CS	629	–1,849'
920–20I2AS	387'	–112'

LATITUDE & LONGITUDE
Bottom Hole – (NAD 27)

WELL	N. LATITUDE	W. LONGITUDE
920–20H4CS	40°01'17.305" 40.021474°	109°40'57.409" 109.682614°
920–20G3CS	40°01'15.703" 40.021029°	109°41'23.266" 109.689796°
920–20I2AS	40°01'13.207" 40.020335°	109°41'01.052" 109.683625°



LATITUDE & LONGITUDE
Surface Position – (NAD 83)

WELL	N. LATITUDE	W. LONGITUDE
920–20H4CS	40°01'08.896" 40.019138°	109°41'01.897" 109.683860°
920–20G3CS	40°01'09.077" 40.019188°	109°41'02.000" 109.683889°
920–20I2AS	40°01'09.259" 40.019239°	109°41'02.102" 109.683917°
Existing Well NBU 920–20I	40°01'08.521" 40.019034°	109°41'01.011" 109.683614°

LATITUDE & LONGITUDE
Surface Position – (NAD 27)

WELL	N. LATITUDE	W. LONGITUDE
920–20H4CS	40°01'09.024" 40.019173°	109°40'59.400" 109.683167°
920–20G3CS	40°01'09.205" 40.019224°	109°40'59.503" 109.683195°
920–20I2AS	40°01'09.386" 40.019274°	109°40'59.605" 109.683224°
Existing Well NBU 920–20I	40°01'08.649" 40.019069°	109°40'58.514" 109.682921°

BASIS OF BEARINGS IS THE EAST LINE OF THE SE 1/4 OF SECTION 20, T9S, R20E, S.L.B.&M. WHICH IS TAKEN FROM GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR N01°30'58"E.

BOTTOM HOLE FOOTAGES

NBU 920–20H4CS
2410' FNL, 650' FEL

NBU 920–20G3CS
2580' FNL, 2660' FEL

NBU 920–20I2AS
2415' FSL, 925' FEL

60' 30' 0' 60'
SCALE

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

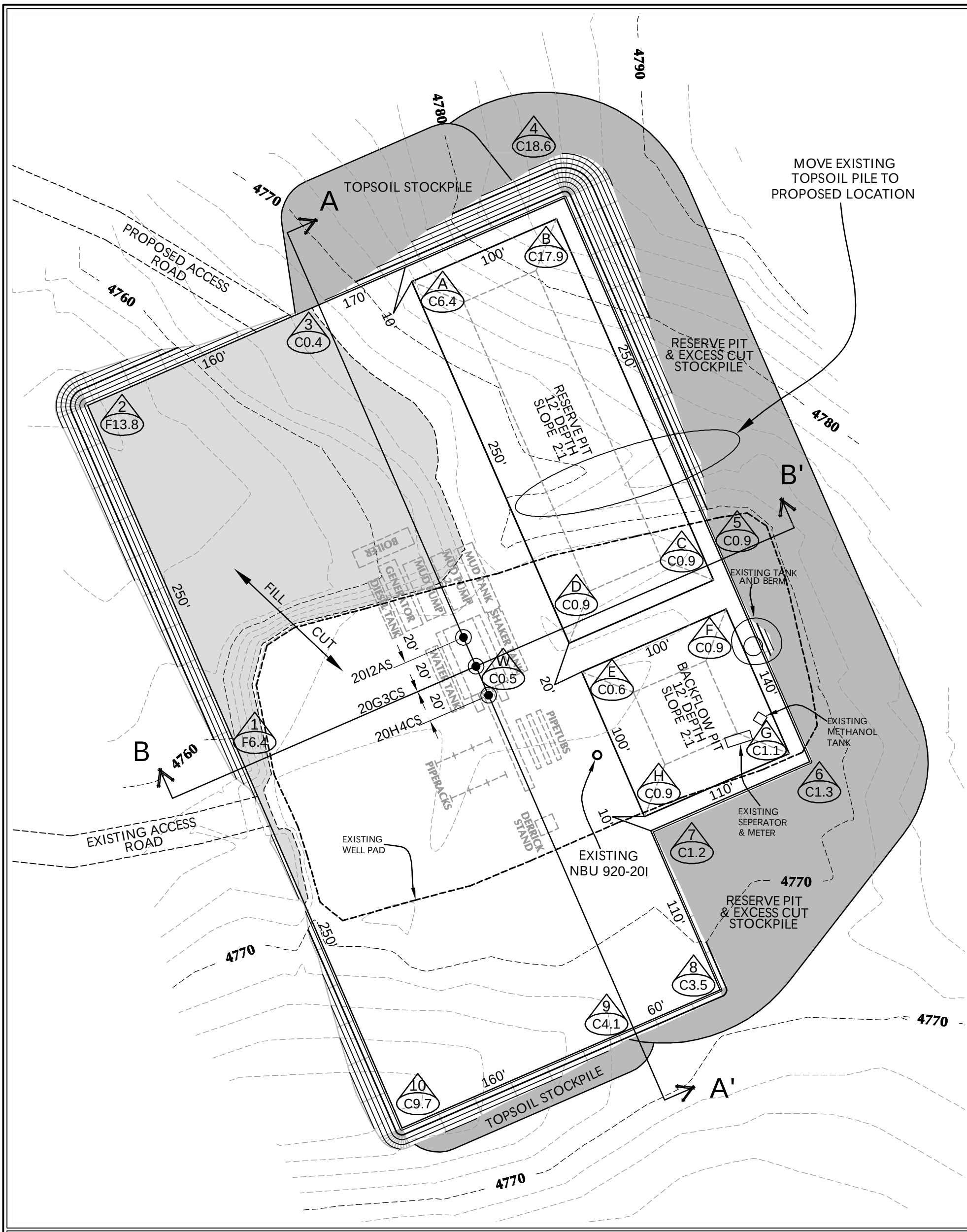
NBU 920-20H4CS, NBU 920-20G3CS
& NBU 920-20I2AS
LOCATED IN SECTION 20, T9S, R20E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

DATE SURVEYED: 01-26-09	SURVEYED BY: M.S.B.
DATE DRAWN: 01-29-09	DRAWN BY: E.M.S.
	REVISED: 03-19-09

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

SHEET 4 OF 12



WELL PAD NBU 920-20I QUANTITIES

EXISTING GRADE @ CENTER OF WELL PAD = 4,767.7'
FINISHED GRADE ELEVATION = 4,767.2'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 14,110 C.Y.
TOTAL FILL FOR WELL PAD = 12,596 C.Y.
TOPSOIL @ 6" DEPTH = 2,141 C.Y.
EXCESS MATERIAL = 1,514 C.Y.
TOTAL DISTURBANCE = 3.93 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 28,730 BARRELS
RESERVE PIT VOLUME
+/- 7,720 CY
BACKFLOW PIT CAPACITY (2' OF FREEBOARD)
+/- 9,490 BARRELS
BACKFLOW PIT VOLUME
+/- 2,660 CY

WELL PAD LEGEND

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

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

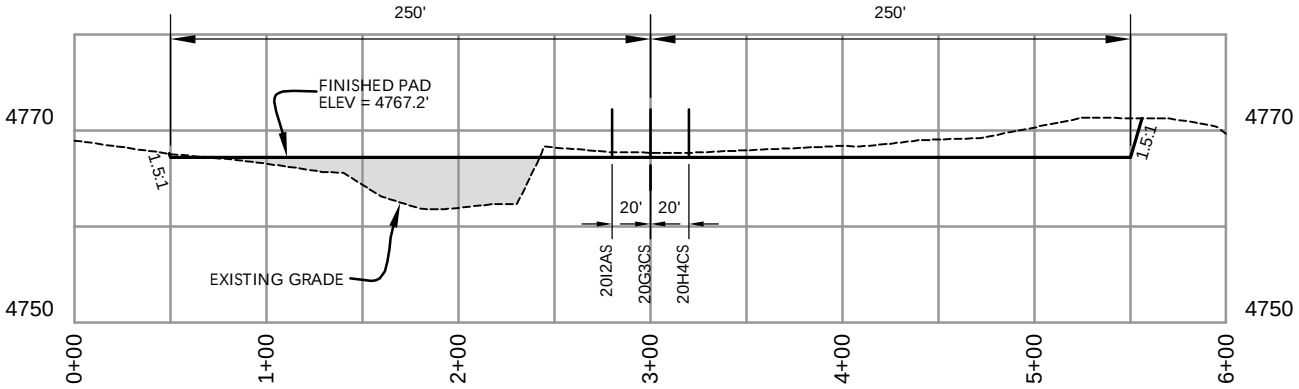
KERR-MCGEE OIL & GAS ONSHORE L.P.
1099 18th Street - Denver, Colorado 80202

WELL PAD - LOCATION LAYOUT
NBU 920-20H4CS, NBU 920-20G3CS
& NBU 920-20I2AS
LOCATED IN SECTION 20, T.9S., R.20E.
S.L.B.&M., UINTAH COUNTY, UTAH

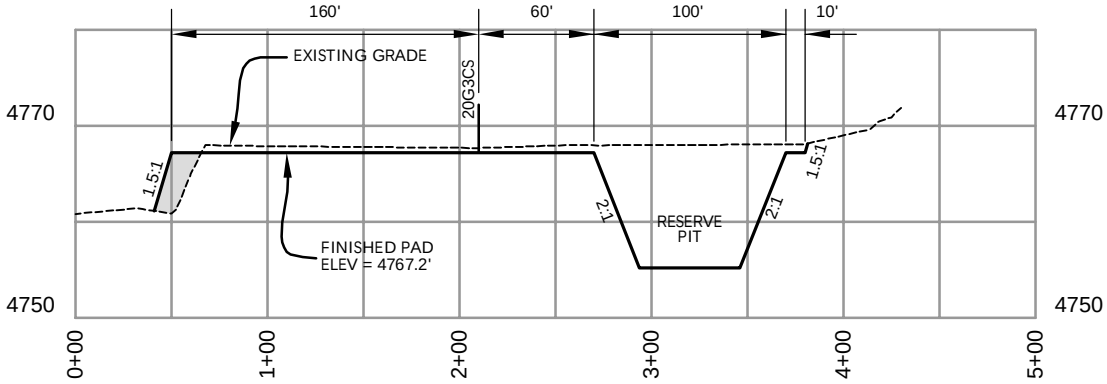
609 CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

Scale: 1"=60'	Date: 2/4/09	SHEET NO:
REVISED:	RW 4/6/09	5 — 5 OF 12

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



CROSS SECTION A-A'



CROSS SECTION B-B'

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

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

WELL PAD - CROSS SECTIONS
NBU 920-20H4CS, NBU 920-20G3CS
& NBU 920-20I2AS
LOCATED IN SECTION 20, T.9S., R.20E.
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: 2/4/09	SHEET NO:
REVISED:	RW 4/6/09	6 — 6 OF 12

HORIZONTAL 0 50 100 1" = 100'
VERTICAL 0 10 20 1" = 20'

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

’APIWellNo:43047505670000’

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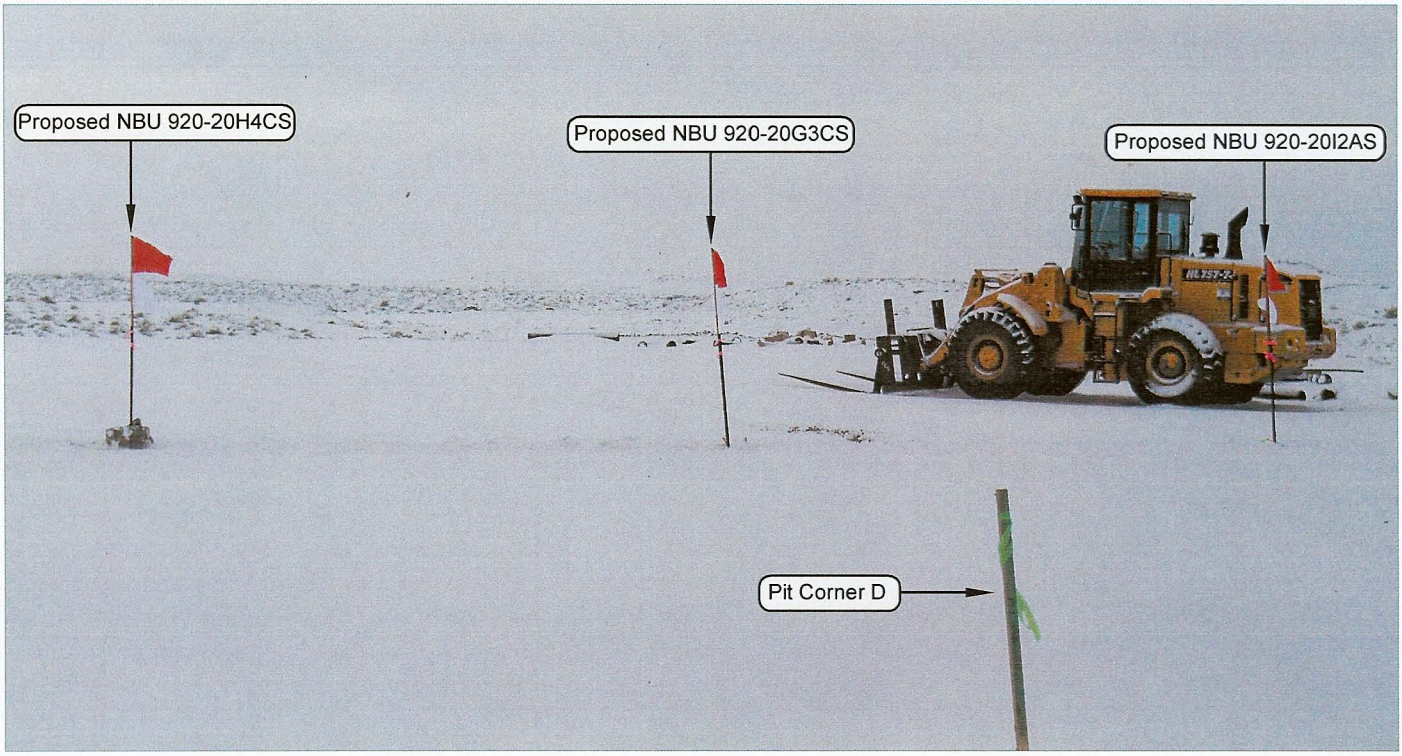


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKES

CAMERA ANGLE: WESTERLY

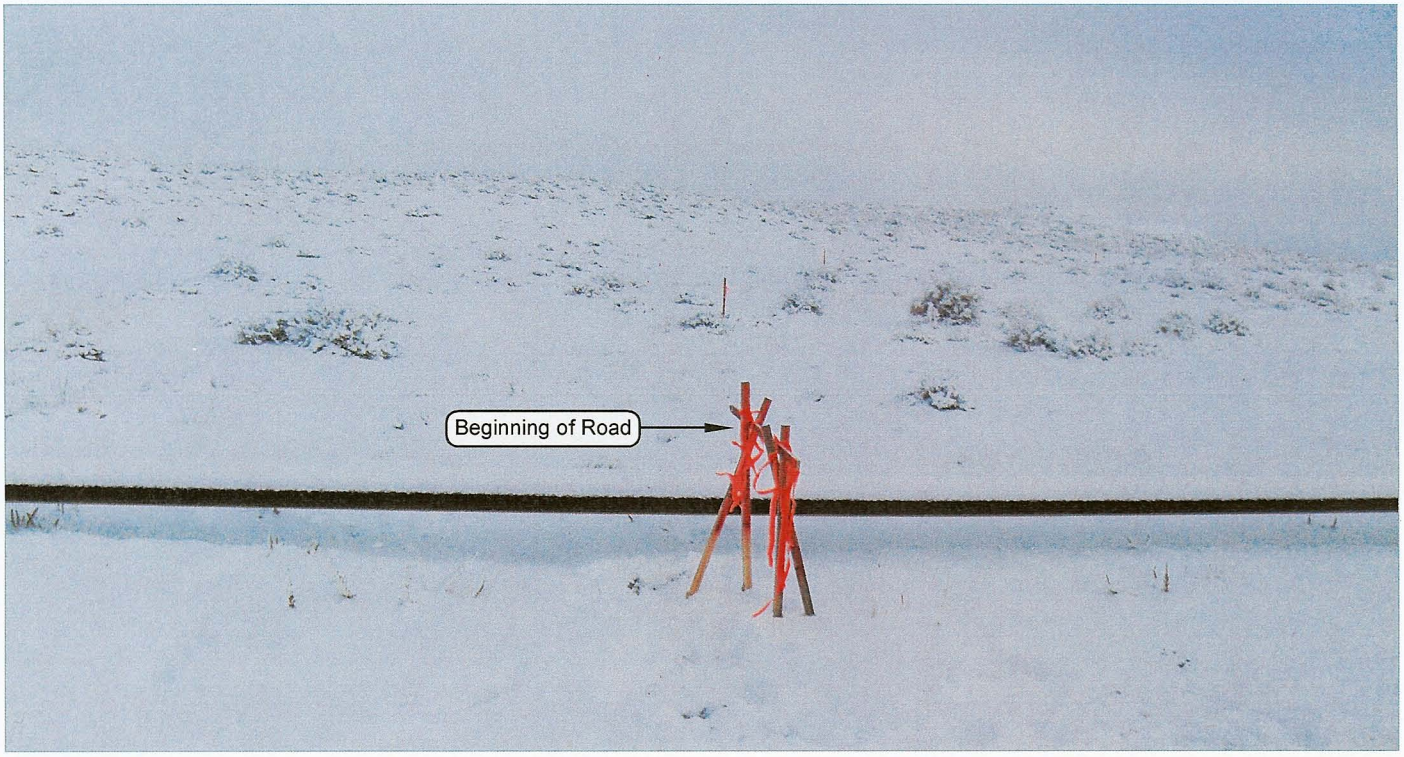


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHEASTERLY

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

NBU 920-20H4CS, NBU 920-20G3CS
& NBU 920-20I2AS
LOCATED IN SECTION 20, 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: 01-26-09
		DATE DRAWN: 01-29-09
TAKEN BY: M.S.B.	DRAWN BY: E.M.S.	REVISED: 03-19-09

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

SHEET 7 OF 12

Kerr-McGee Oil & Gas Onshore, LP
NBU 920-20H4CS, NBU 920-20G3CS, NBU 920-20I2AS
Section 20, 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 4.5 MILES TO THE INTERSECTION OF THE WILD HORSE BENCH ROAD (A CLASS D COUNTY ROAD). EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG THE WILD HORSE BENCH ROAD APPROXIMATELY 0.5 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN AN EAST BY SOUTHEAST DIRECTION APPROXIMATELY 460 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 35.8 MILES IN A SOUTHERLY DIRECTION.

NBU 920-20G3CS
Surface: 2,011’ FSL, 794’ FEL (NE/4SE/4)
BHL: 2,580’ FNL 2,660’ FEL (SW/4NE/4)

NBU 920-20H4CS
Surface: 1,993’ FSL, 786’ FEL (NE/4SE/4)
BHL: 2,410’ FNL 650’ FEL (SE/4NE/4)

NBU 920-20I2AS
Surface: 2,029’ FSL, 803’ FEL (NE/4SE/4)
BHL: 2,415’ FNL 925’ FEL (NE/4SE/4)

Pad: NBU 920-20I
Sec. 20 T9S R20E

Uintah, Utah
Mineral Lease: UTU 0144869

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 locations in NE/4 SE/4 of Section 20 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.

Please contact Raleen White at 720-929-6666 to arrange an on-site meeting.

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

1. Existing Roads:

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

2. Planned Access Roads:

See MDP for additional details on road construction.
Approximately ±0.09 (±460') mile of new access road is proposed. Please refer to the attached Topo Map B. No pipelines will be crossed with the new construction.

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

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

Please refer to Topo Map C.

4. Location of Existing and Proposed Facilities:

See MDP for additional details on Existing and Proposed Facilities.

The following guidelines will apply if the well is productive.
Approximately ±905' 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
Kathy Schneebeck Dulnoan

July 9, 2009
Date

'APIWellNo:43047505670000'

Kerr-McGee Oil & Gas Onshore LP

1099 18th Street, Suite 1800
Denver, CO 80202-1918
P.O. Box 173779
Denver, CO 80217-3779
720-929-6000

July 9, 2009

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

Re: Directional Drilling R649-3-11
NBU 920-20I2AS
T9S-R20E
Section 20: NESE (Surf & BH)
Surface: 2029' FSL, 803' FEL
Bottom Hole: 2415' FSL, 925' FEL
Uintah County, Utah

Dear Ms. Mason:

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

- Kerr-McGee's NBU 920-20I2AS is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it and EOG (EOG written consent letter enclosed) are the sole working interest owners within 460 feet of the entire directional well bore.

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

Sincerely,
KERR-MCGEE OIL & GAS ONSHORE LP

Lynn Padgett
Staff Landman

enclosures

'APIWellNo:43047505670000'

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202-1918
P.O. Box 173779
Denver, CO 80217-3779
720-929-6000

April 15, 2009

Ms. Diana Mason
Utah Department of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, Utah 54114-5801

Re: Directional Applications
NBU 920-20H4CS
NBU 920-20G3CS
NBU 920-20I2AS
Uintah County, Utah
Natural Buttes Unit

Dear Ms. Mason:

Pursuant to the filing of the Applications for Permit to Drill for the NBU 920-20H4CS, NBU 920-20G3CS and NBU 920-20I2AS, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling.

EOG Resources, Inc. has received notification of the planned directional wells and consents to the directional drilling plan.

By: _____
Name: J. Michael Schween
Title: Land Manager May 14, 2009
EOG Resources, Inc.

'APIWellNo:43047505670000'

’APIWellNo:43047505670000’

CLASS I REVIEW OF KERR-MCGEE OIL & GAS ONSHORE LP’S 14 PROPOSED WELL LOCATIONS AND ACCESS/PIPELINE REROUTE IN T9S, R20E, SECTIONS 12, 13, 14, 20, 21, AND 24 UINTAH COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Ute Indian Tribe
Uintah and Ouray Agency

Prepared Under Contract With:

Kerr-McGee Oil & 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. 09-025

April 2, 2009

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

Public Lands Policy Coordination Office
Archaeological Survey Permit No. 117

'APIWellNo:43047505670000'

Paleontological Assessment for Anadarko Petroleum Corp.

NBU 920-20H4CS, G3CS, I2AS

Ouray Quadrangle

Uintah County, Utah

Prepared for

Anadarko Petroleum Corp.
and
Ute Tribe
Uintah and Ouray Reservation

Prepared by

SWCA Environmental Consultants

SWCA #UT09-14314-64

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

Well(s): NBU 920-20I, NBU 920-20M, NBU 920-29C, NBU 920-29D, NBU 920-29E, NBU 920-29F

Pipeline(s): proposed pipelines for all wells.

Location (STR): Section 20, Township 9 South, Range 20 East; Uintah County, Utah

Section 29, Township 9 South, Range 20 East; Uintah County, Utah

Survey-Species: Uinta Basin Hookless Cactus *Sclerocactus wetlandicus*, Raptor Survey

Date(s): 04/22/2009-4/23/2009

Observers: Biologists: Nick Hall, Dan Hamilton, Matt Kelahan, Donovan Marino. Technician: Chad Johnson

Weather: Partly sunny, 55-70ºF, calm winds, 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
```

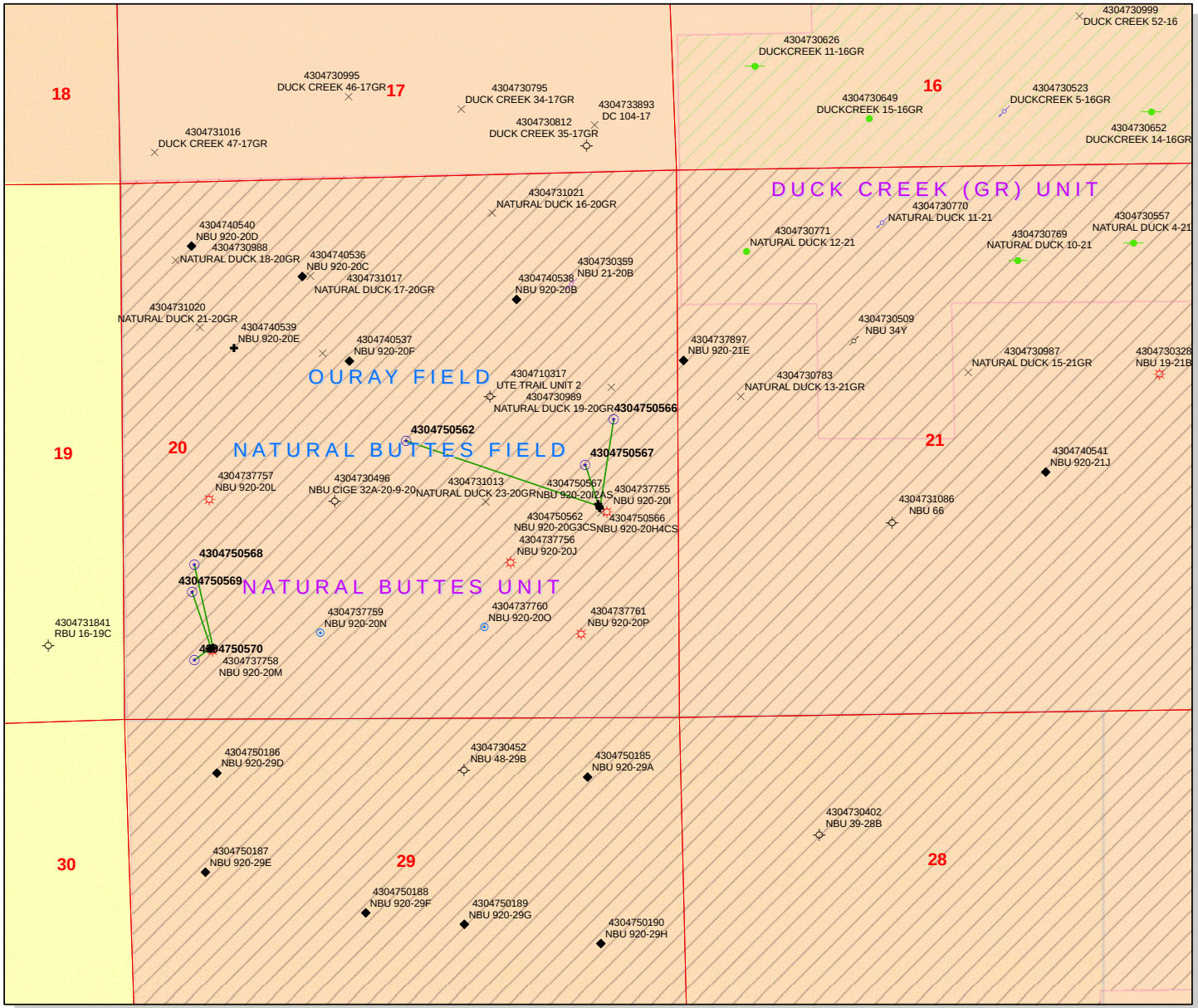
This office has no objection to permitting the wells at this time.

/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

’APIWellNo:4304750567000’



API Number: 4304750567

Well Name: NBU 920-20I2AS

Township 09.0 S Range 20.0 E Section 20

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

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/15/2009 **API NO. ASSIGNED:** 43047505670000
WELL NAME: NBU 920-20I2AS
OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) **PHONE NUMBER:** 720 929-6156
CONTACT: Danielle Piernot

PROPOSED LOCATION: NESE 20 090S 200E **Permit Tech Review:** ✔

SURFACE: 2029 FSL 0803 FEL **Engineering Review:** ✔

BOTTOM: 2415 FSL 0925 FEL **Geology Review:** ✔

COUNTY: UINTAH
LATITUDE: 40.01918 **LONGITUDE:** -109.68320
UTM SURF EASTINGS: 612375.00 **NORTHINGS:** 4430506.00
FIELD NAME: NATURAL BUTTES
LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU 0144869 **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
15 - Directional - dmason
17 - Oil Shale 190-5(b) - dmason

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

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

Permit To Drill
****

Well Name: NBU 920-20I2AS
API Well Number: 43047505670000
Lease Number: UTU 0144869
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 Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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

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

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

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

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

Approved By:

Gil Hunt
Associate Director, Oil & Gas

API Well No: 43047505670000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0144869

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 920-20I2AS

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

9. API NUMBER: 43047505670000

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: 2029 FSL 0803 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 20 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: 8/11/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ 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.

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

Approved by the Utah Division of Oil, Gas and Mining

Date: August 23, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst

SIGNATURE	DATE
N/A	8/11/2010

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047505670000

API: 43047505670000
Well Name: NBU 920-20I2AS
Location: 2029 FSL 0803 FEL QTR NESE SEC 20 TWNP 090S RNG 200E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/11/2009

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

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

Approved by the Utah Division of Oil, Gas and Mining

Signature: Danielle Piernot **Date:** 8/11/2010
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: August 23, 2010

By:

RECEIVED August 11, 2010

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0144869

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 920-20I2AS

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

9. API NUMBER: 43047505670000

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: 2029 FSL 0803 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 20 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: 7/12/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ 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.

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

Approved by the Utah Division of Oil, Gas and Mining

Date: 07/12/2011

By: [signature]

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Gina Becker	720 929-6086	Regulatory Analyst II

SIGNATURE	DATE
N/A	7/12/2011

RECEIVED Jul. 12, 2011

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047505670000

API: 43047505670000
Well Name: NBU 920-20I2AS
Location: 2029 FSL 0803 FEL QTR NESE SEC 20 TWNP 090S RNG 200E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/11/2009

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

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

Signature: Gina Becker **Date:** 7/12/2011
Title: Regulatory Analyst II **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED Jul. 12, 2011

Form 3160-3
(August 2007)

RECEIVED
JUL 15 2009
BLM

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU0144869

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

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

8. Lease Name and Well No.
NBU 920-20I2AS

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
KERRMCGEE OIL&GAS ONSHORE LP
Contact: DANIELLE E PIERNOT
E-Mail: Danielle.Piernot@anadarko.com

9. API Well No.
43-047-50567

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 NESE 2029FSL 803FEL 40.01924 N Lat, 109.68392 W Lon

At proposed prod. zone NESE 2415FSL 925FEL 40.02030 N Lat, 109.68432 W Lon

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 20 T9S R20E Mer SLB

14. Distance in miles and direction from nearest town or post office*
APPROXIMATELY 5 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)
925 FEET

16. No. of Acres in Lease
720.00

17. Spacing Unit dedicated to this well

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
APPROXIMATELY 410 FEET

19. Proposed Depth
10771 MD
10740 TVD

20. BLM/BIA Bond No. on file
WYB000291

21. Elevations (Show whether DF, KB, RT, GL, etc.
4768 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)

Name (Printed/Typed)
Jerry Kenczka

Date
FEB 28 2012

Title
Assistant Field Manager
Lands & Mineral Resources

Office
VERNAL FIELD OFFICE

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

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
MAR 08 2012
DIV. OF OIL, GAS & MINING

Additional Operator Remarks (see next page)

Electronic Submission #72209 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 07/21/2009 ()

UDOGM

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

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

09GXJ5420AE 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:**	**NESE, Sec.20,T9S R20E**
Well No:	**NBU 920-20I2AS**	**Lease No:**	**UTU-0144869**
API No:	**43-047-50567**	**Agreement:**	**Natural Buttes**

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

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

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- 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.

SITE SPECIFIC COA's

- Paint old and new facilities "Shadow Gray."

- Monitor by a permitted paleontologist during construction operations.

- Fence lithic scatter 42Un5092 prior to initiating construction operations.

- Monitor by a permitted archaeologist during construction operations.

- Move the existing pipeline and infrastructure off the well pad and re-locate.

- In accordance with the guidelines specified in the Guidelines for Raptor Protection from Human and Land Use Disturbances, conduct a raptor survey prior to construction operations if such activities would take place during raptor nesting season (January 1 through September 30). If active raptor nest are identified during the survey, operations should be specific RMP guidelines and spatial offsets specified by the USFWS Utah Raptor Guidelines.

- Prior to construction operation, conduct a biological survey to determine the presence of Uinta Basin Hookless cactus in accordance with the guidelines specified in the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus and in consideration of the 300-ft offset as specified in the GNB BO and BLM RMP ROD.

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

- An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be used in all floodplain 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 solid 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 crossing 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 during raptor nesting season (January 1 through September 30), KMG should conduct raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002. If active raptor nest are identified during a new survey, KMG should conduct its operations according to the seasonal restrictions detailed in the Uinta Basin-specific RMP guidelines and spatial offsets specified by the USFWS Utah Raptor guidelines (See Appendix D)
- USFWS threatened and endangered plant and animal conservation measures will be followed, as appropriate to the species identified by the biological resource survey (See Appendix D)
- All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- If artifacts or any cultural sensitive material are exposed of 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 Gama Ray Log shall be run from TD to surface.

Variances Granted:

Air Drilling:

- Properly lubricated and maintained rotating head, variance granted to use a properly maintained and lubricated diverter bowl in place of a rotating head.
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 45' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for two truck/trailer mounted air compressors located within 40 feet from the well bore and 60' from the blooie line.
- In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for kill fluid.
- Automatic igniter. Variance granted for igniter due to there being no productive formations while drilling with air.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to BLM_UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.

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

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (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.

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0144869

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-20I2AS

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

9. API NUMBER: 43047505670000

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: 2029 FSL 0803 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 20 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: 8/11/2012	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ 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.

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

Approved by the Utah Division of Oil, Gas and Mining

Date: August 09, 2012

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst

SIGNATURE	DATE
N/A	8/9/2012

RECEIVED: Aug. 09, 2012

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047505670000

API: 43047505670000
Well Name: NBU 920-20I2AS
Location: 2029 FSL 0803 FEL QTR NESE SEC 20 TWNP 090S RNG 200E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/11/2009

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

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

Signature: Danielle Piernot **Date:** 8/9/2012
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Aug. 09, 2012

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0144869

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-20I2AS

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

9. API NUMBER: 43047505670000

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: 2029 FSL 0803 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 20 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

- ✓ NOTICE OF INTENT — Approximate date work will start: 8/11/2013
- ☐ SUBSEQUENT REPORT — Date of Work Completion:
- ☐ SPUD REPORT — Date of Spud:
- ☐ DRILLING REPORT — Report Date:

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ 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
☐ 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, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: July 22, 2013

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Teena Paulo	720 929-6236	Staff Regulatory Specialist

SIGNATURE	DATE
N/A	7/19/2013

RECEIVED: Jul. 19, 2013

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047505670000

API: 43047505670000
Well Name: NBU 920-20I2AS
Location: 2029 FSL 0803 FEL QTR NESE SEC 20 TWNP 090S RNG 200E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/11/2009

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

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

Signature: Teena Paulo **Date:** 7/19/2013
Title: Staff Regulatory Specialist **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Jul. 19, 2013

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0144869

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-20I2AS

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

9. API NUMBER: 43047505670000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6100

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2029 FSL 0803 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 20 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: 2/28/2012	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ 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.

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

Approved by the Utah Division of Oil, Gas and Mining

Date: February 05, 2014

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Kay E. Kelly	720 929 6582	Regulatory Analyst

SIGNATURE	DATE
N/A	2/4/2014

RECEIVED: Feb. 04, 2014

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047505670000

API: 43047505670000
Well Name: NBU 920-20I2AS
Location: 2029 FSL 0803 FEL QTR NESE SEC 20 TWNP 090S RNG 200E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/11/2009

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

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

Signature: Kay E. Kelly **Date:** 2/4/2014
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Feb. 04, 2014

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0144869

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-20I2AS

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

9. API NUMBER: 43047505670000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6100 EXT

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2029 FSL 0803 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 20 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: 8/11/2014	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ 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.

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

Approved by the Utah Division of Oil, Gas and Mining
Date: June 12, 2014
By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Teena Paulo	720 929-6236	Staff Regulatory Specialist
SIGNATURE N/A		**DATE** 6/11/2014

RECEIVED: Jun. 11, 2014

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047505670000

API: 43047505670000
Well Name: NBU 920-20I2AS
Location: 2029 FSL 0803 FEL QTR NESE SEC 20 TWNP 090S RNG 200E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/11/2009

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

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

Signature: Teena Paulo **Date:** 6/11/2014
Title: Staff Regulatory Specialist **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Jun. 11, 2014

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
FEB 04 2014
BLM

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU0144869

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NATURAL BUTTES

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
NBU 920-20I2AS

2. Name of Operator
KERR-MCGEE OIL&GAS ONSHORE,LP
Contact: KAY E KELLY
EMail: kay.kelly@anadarko.com

9. API Well No.
43-047-50567

3a. Address
P. O. BOX 173779 1099 18TH STREET, SUITE 600
DENVER, CO 80217-3779

3b. Phone No. (include area code)
Ph: 720-929-6582

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 20 T9S R20E Mer UBM NESE 2029FSL 803FEL

11. County or Parish, and State
UINTAH COUNTY COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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

RECEIVED
JUL 21 2014
DIV. OF OIL, GAS & MINING

VERNAL FIELD OFFICE
ENG. 6/24/14 MR
GEOL.
E.S.
PET.
RECL.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #234516 verified by the BLM Well Information System For KERR-MCGEE OIL&GAS ONSHORE,LP, sent to the Vernal Committed to AFMSS for processing by LESLIE BUHLER on 02/05/2014 ()

Name *(Printed/Typed)* KAY E KELLY — Title REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 02/04/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title ~~Assistant Field Manager~~ Lands & Mineral Resources — JUN 19 2014

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

Office **VERNAL FIELD OFFICE**

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.

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

UDOGM

CONDITIONS OF APPROVAL

Kerr McGee Oil & Gas

Notice of Intent
APD Extension

Lease: UTU-0144869
Well: NBU 920-20I2AS
Location: NESE Sec 20 T9S-R20E

An extension for the referenced APD is granted with the following conditions:

---

1. The APD extension shall expire on 2/28/16

2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Michael Riches of this office at (435) 781-4438

GARY R. HERBERT
Governor

SPENCER J. COX
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

August 27, 2015

Jennifer Thomas
Kerr-McGee Oil & Gas Onshore, LP.
1099 18th Street, Suite 600
Denver, CO 80217

Re: APDs Rescinded for Kerr-McGee O&G Onshore, LP., Uintah County

Dear Ms. Thomas:

Enclosed find the list of APDs that you asked to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded effective August 20, 2015.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

43-047-50562 NBU 920-20G3CS
43-047-50566 NBU 920-20H4CS
43-047-50567 NBU 920-2012AS
43-047-50568 NBU 920-20L4CS
43-047-50569 NBU 920-20M2AS
43-047-50570 NBU 920-20M3AS
43-047-50631 NBU 920-21KT
43-047-50629 NBU 920-21L
43-047-50630 NBU 920-21M

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078
http://www.blm.gov/ut/st/en/fo/vernal.html

MAR 25 2016

IN REPLY REFER TO:
3160 (UTG011)

Andrew Lytle
Kerr McGee Oil & gas Onshore LLC.
P O Box 173779
Denver, CO 80217

Dear Andy:

The referenced Applications for Permit to Drill (APD) have expired. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced applications has expired. If you intend to drill at these locations in the future, a new Application for Permit to Drill must be submitted.

43-

Lease	Well	Aliquot	Sec., T., R.	Approved	Expiration	Extension Exp.	
UTU-01567A	920-20L4CS	SWSW	Sec. 20-T9S-R20E	2/28/2012	2/28/2014	2/28/2016	047-50568
UTU-0144869	920-20I2AS	NESE	Sec. 20-T9S-R20E	2/28/2012	2/28/2014	2/28/2016	047-50567
UTU-0144869	920-20H4CS	NESE	Sec. 20-T9S-R20E	2/28/2012	2/282014	2/28/2016	047-50566
UTU-0144869	920-20G3CS	NESE	Sec. 20-T9S-R20E	2/28/2012	2/28/2014	2/28/2016	047-50962
UTU-0144869	920-21M	SWSW	Sec. 21-T9S-R20E	3/8/2012	3/8/2014	3/8/2016	047-50630
UTU-0144869	920-21L	NWSW	Sec. 21-T9S-R20E	3/8/2012	3/8/2014	3/8/2016	047-50629
UTU-0144869	920-21KT	NESW	Sec. 21-T9S-R20E	3/8/2012	3/82014	3/8/2016	047-50631
UTU-01567A	920-20M2AS	SWSW	Sec. 20-T9S-R20E	2/28/2012	2/28/2014	2/28/2016	047-50569
UTU-01567A	920-20M3AS	SWSW	Sec. 20-T9S-R20E	2/28/2012	2/28/2014	2/28/2016	047-50570
UTU-066185	I-26-9-16	SWSE	Sec. 23-T9S-R15E	1/6/2014	1/6/2016	n/a	013-52437

This office requires a letter confirming that no surface disturbance has been made for these drill sites. Any surface disturbance associated with the approved location of these wells is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office.

Your cooperation in this matter is appreciated. If you have any questions regarding this matter, please contact Jeanne E. Newman at (435) 781-4488.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources