FORM 3

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

AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL							**1. WELL NAME and NUMBER** NBU 920-23K
2. TYPE OF WORK DRILL NEW WELL ◉ REENTER P&A WELL ○ DEEPEN WELL ○							**3. FIELD OR WILDCAT** NATURAL BUTTES
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO							**5. UNIT or COMMUNITIZATION AGREEMENT NAME** NATURAL BUTTES
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.							**7. OPERATOR PHONE** 720 929-6587
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217							**9. OPERATOR E-MAIL** mary.mondragon@anadarko.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU 0577A		**11. MINERAL OWNERSHIP** FEDERAL ◉ INDIAN ○ STATE ○ FEE ○					**12. SURFACE OWNERSHIP** FEDERAL ○ INDIAN ◉ STATE ○ FEE ○
13. NAME OF SURFACE OWNER (if box 12 = 'fee')							**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')							**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') Ute Tribe		**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ◉ (Submit Commingling Application) NO ○					**19. SLANT** VERTICAL ◉ DIRECTIONAL ○ HORIZONTAL ○

20. LOCATION OF WELL	**FOOTAGES**	**QTR-QTR**	**SECTION**	**TOWNSHIP**	**RANGE**	**MERIDIAN**
LOCATION AT SURFACE	1996 FSL 1939 FWL	NESW	23	9.0 S	20.0 E	S
Top of Uppermost Producing Zone	1996 FSL 1939 FWL	NESW	23	9.0 S	20.0 E	S
At Total Depth	1996 FSL 1939 FWL	NESW	23	9.0 S	20.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 1939	**23. NUMBER OF ACRES IN DRILLING UNIT** 2091
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1200	**26. PROPOSED DEPTH** MD: 10559 TVD: 10559
27. ELEVATION - GROUND LEVEL 4937	**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

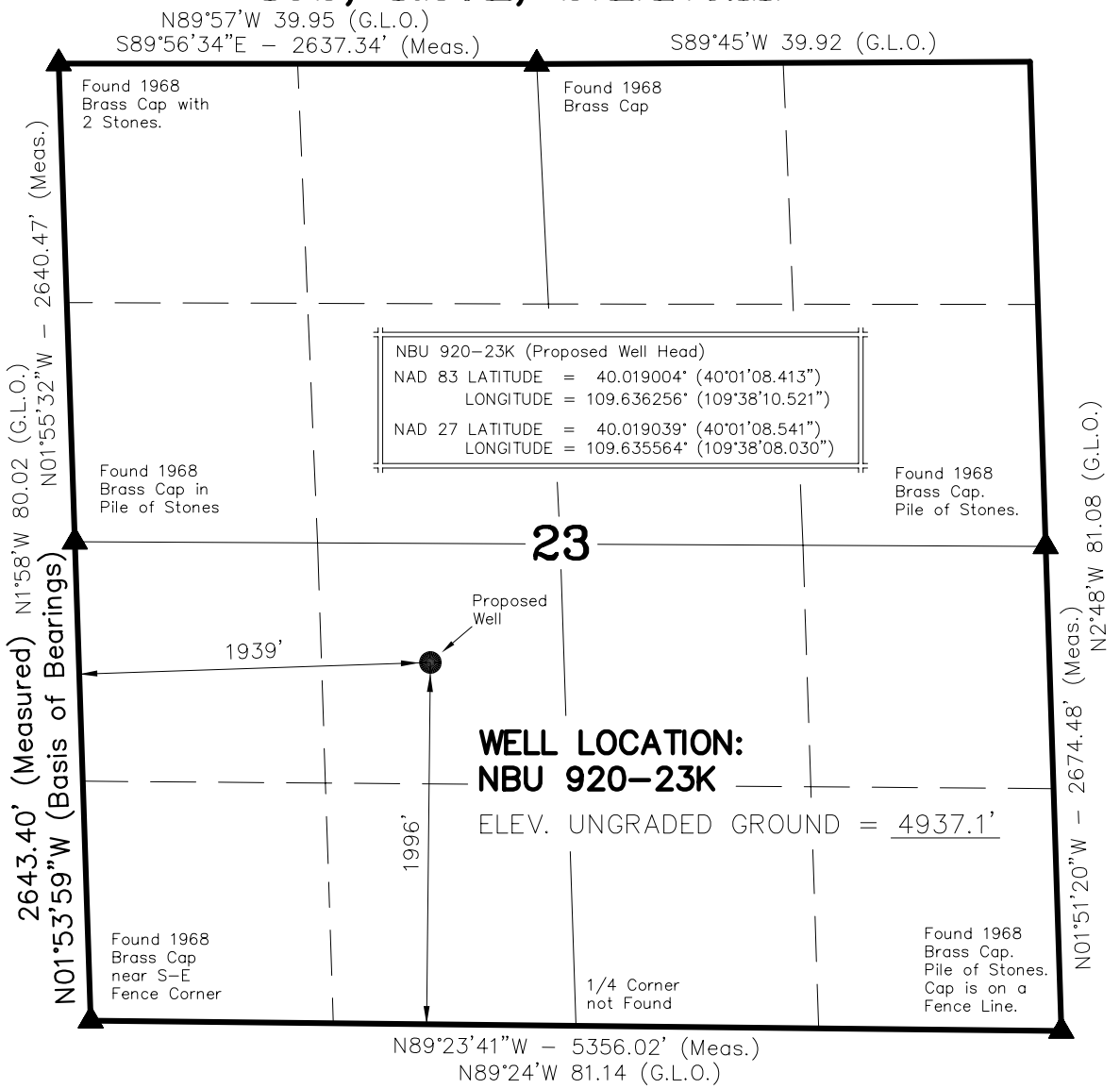
API NUMBER ASSIGNED 43047505720000	**APPROVAL**  Permit Manager

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	10559		
Pipe	**Grade**	**Length**	**Weight**			
	Grade HCP-110 LT&C	959	11.6			
	Grade I-80 LT&C	9600	11.6			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2745		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 LT&C	2745	36.0			

'APIWellNo:43047505720000'

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



NOTES:

▲ = Section Corners Located

1. Well footages are measured at right angles to the Section Lines.
2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
3. Bearings are based on Global Positioning Satellite observations.
4. Basis of elevation is the Northwest Corner of Section 12, T9S, R20E, S.L.B.&M. The elevation of this Section Corner is shown on the Ouray SE 7.5 Min. Quadrangle as being 4676'.

N

1000' 500' 0' 1000'

SCALE

SURVEYOR'S CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

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

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

NBU 920-23K
WELL PLAT
1996' FSL, 1939' FWL
NE ¼ SW ¼ OF SECTION 23, T9S, R20E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

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

DATE SURVEYED: 01-07-09	SURVEYED BY: B.J.S.	SHEET 1 OF 9
DATE DRAWN: 03-02-09	DRAWN BY: K.K.O.	
SCALE: 1" = 1000'	Date Last Revised:	

NBU 920-23K
Surface: 1,996' FSL, 1,939' FWL (NE/4SW/4)
Sec. 23 T9S R20E

Uintah, Utah
Mineral Lease: UTU 0577A

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

Formation	Depth	Resource
Uinta	0 – Surface	
Green River	1,786'	
Birds Nest	2,032'	Water
Mahogany	2,541'	Water
Wasatch	5,157'	Gas
Mesaverde	8,414'	Gas
MVU2	9,366'	Gas
MVL1	9,779'	Gas
TD	10,559'	

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 10,559' TD, approximately equals 6,578 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,256 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:43047505720000'

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP			DATE	July 8, 2009
WELL NAME	**NBU 920-23K**			TD	10,559' MD/TVD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah	FINISHED ELEVATION	4,933'
SURFACE LOCATION	NE/4 SW/4 1,996' FSL 1,939' FWL	Sec 23	T 9S	R 20E		BHL	Straight Hole
	Latitude: 40.019004	Longitude: -109.636256		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
		40'	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 @	**1,786'**			
	Top of Birds Nest Water @	**2,032'**			
	Mahogany @	**2,541'**			
	Preset f/ GL @	**2,745' MD**			
	Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone.				
Mud logging program TBD Open hole logging program from TD - surf csg			7-7/8"	4-1/2" 11.6# HCP-110 & I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-12.2 ppg
	Wasatch @	**5,157'**			
	Mverde @	**8,414'**			
	MVU2 @	**9,366'**			
	MVL1 @	**9,779'**			
	TD @	**10,559'**			Max anticipated Mud required 12.2 ppg

'APIWellNo:43047505720000'

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	2745	36.00	J-55	LTC	0.80*	1.57	4.58
								7,780	6,350	201,000
PRODUCTION	4-1/2"	0	to	9600	11.60	I-80	LTC	1.78	1.04	2.02
								10,690	8,650	279,000
		9600	to	10559	11.60	HCP-110	LTC	2.44	1.29	30.83

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.04

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 12.2 ppg) 0.22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 4,256 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,578 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	2,245'	Prem cmt + 16% Gel + 10 pps gilsonite	250	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,649'	Premium Lite II + 0.25 pps celloflake +	450	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+ 1% Retarder				
	TAIL	5,910'	50/50 Poz/G + 10% salt + 2% gel	1450	40%	14.30	1.31
			+ 0.1% R-3				

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained
*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

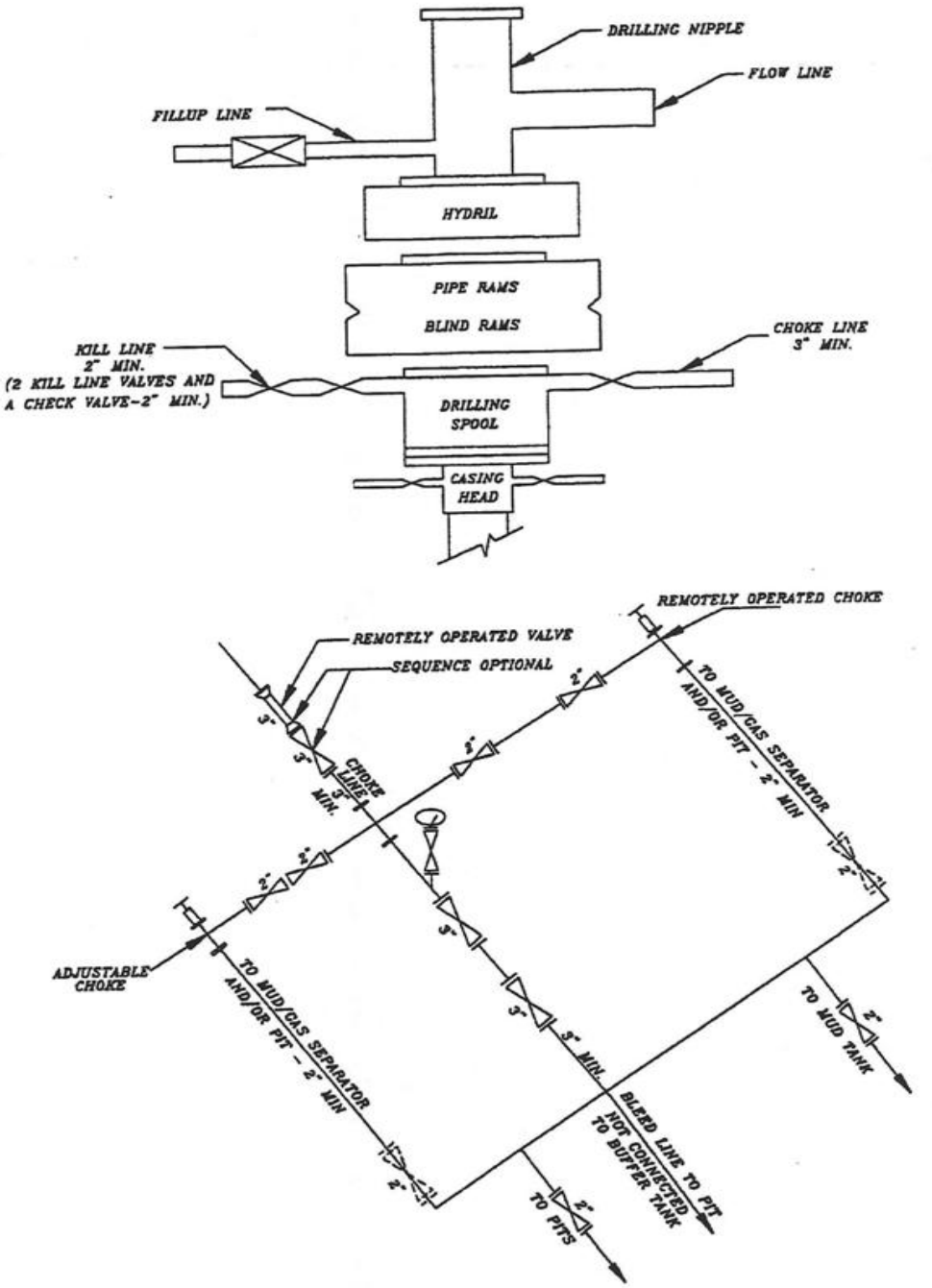
Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utililzed.

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

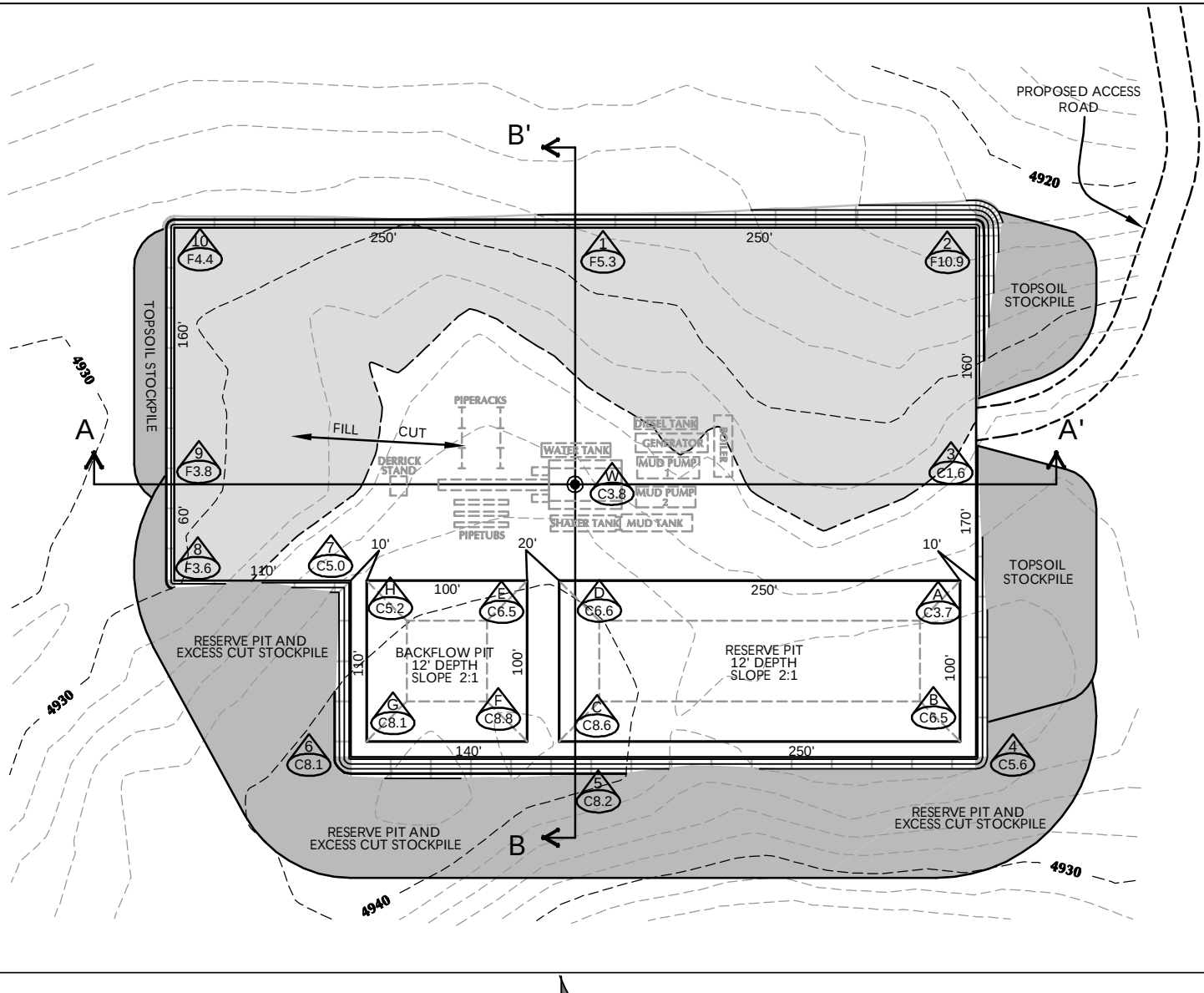
DRILLING SUPERINTENDENT: _____ **DATE:** _____
John Merkel / Lovel Young

'APIWellNo:43047505720000'

EXHIBIT A
NBU 920-23K



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK



WELL PAD LEGEND

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

WELL PAD NBU 920-23K QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4,937.1'
FINISHED GRADE ELEVATION = 4933.3'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 12,323 C.Y.
TOTAL FILL FOR WELL PAD = 11,933 C.Y.
TOPSOIL @ 6" DEPTH = 3,085 C.Y.
EXCESS MATERIAL = 390 C.Y.
TOTAL DISTURBANCE = 3.82 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 28,730 BARRELS
RESERVE PIT VOLUME
+/- 7,720 CY
BACKFLOW PIT CAPACITY (2' OF FREEBOARD)
+/- 9,490 BARRELS
BACKFLOW PIT VOLUME
+/- 2,660 CY

HORIZONTAL 0 50 100 1" = 100'

2' CONTOURS

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

NBU 920-23K
WELL PAD - LOCATION LAYOUT
1996' FSL, 1939' FWL
NE1/4 SW1/4, SECTION 23, T9S, R20E,
S.L.B.&M., UINTAH COUNTY, UTAH

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

Scale: 1"=100'	Date: 2/17/09	SHEET NO:
REVISED:	BY DATE	2 2 OF 9

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

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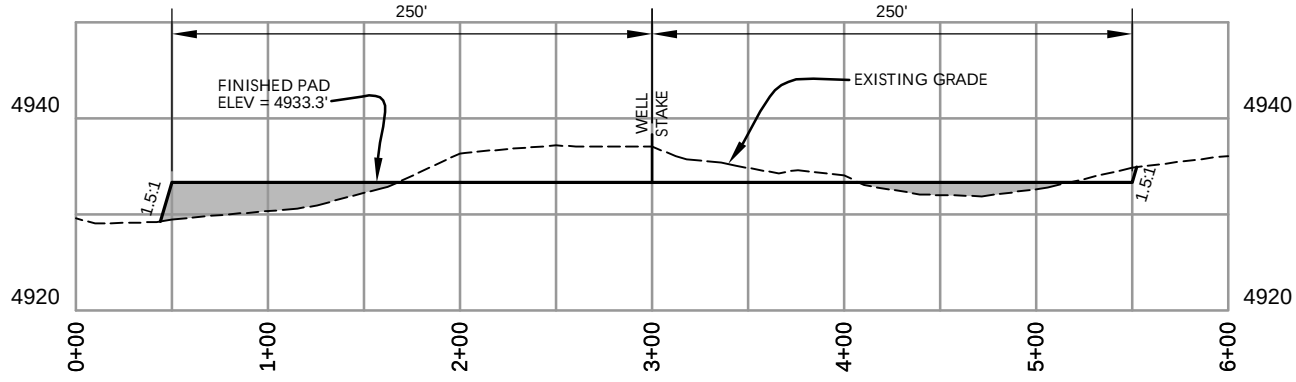
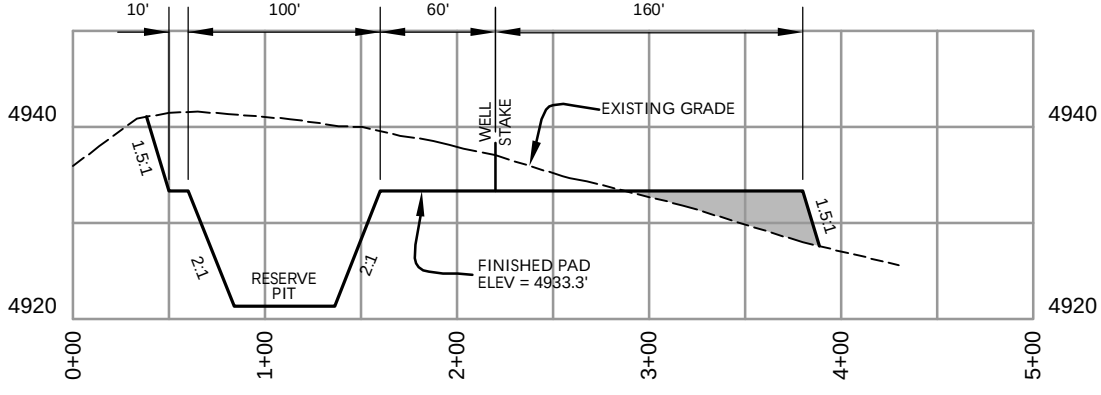


CROSS SECTION A-A'



CROSS SECTION B-B'

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

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

NBU 920-23K
WELL PAD - CROSS SECTIONS
1996' FSL, 1939' FWL
NE1/4 SW1/4, SECTION 23, 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

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

Scale: 1"=100'	Date: 2/17/09	SHEET NO: 3 3 OF 9
REVISED:	BY DATE	

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

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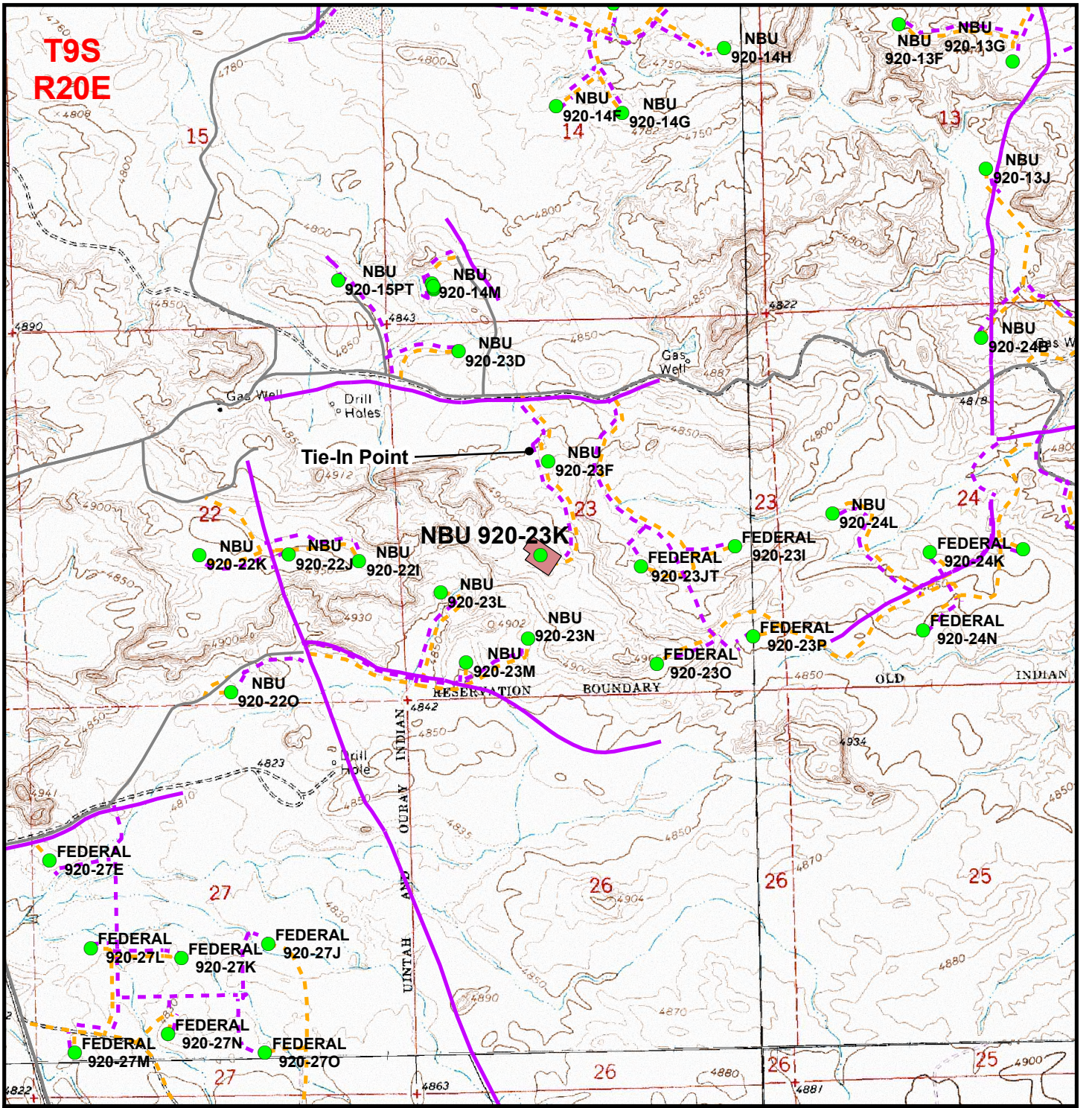


Legend

Well - Proposed | Well Pad | Pipeline - Proposed | Road - Proposed | Pipeline - Existing | Road - Existing

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ±1,960ft
Proposed Pipeline Length Around Pad: ±660ft

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

NBU 920-23K
Topo D
1996' FSL, 1939' FWL
NE¼ SW¼, Section 23, T9S, R20E
S.L.B.&M., Uintah County, Utah

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

N

Scale: 1" = 2000ft	NAD83 USP Central	Sheet No: 8	8 of 9
Drawn: JELo	Date: 16 Feb 2009		
Revised:	Date:		

'APIWellNo:43047505720000'

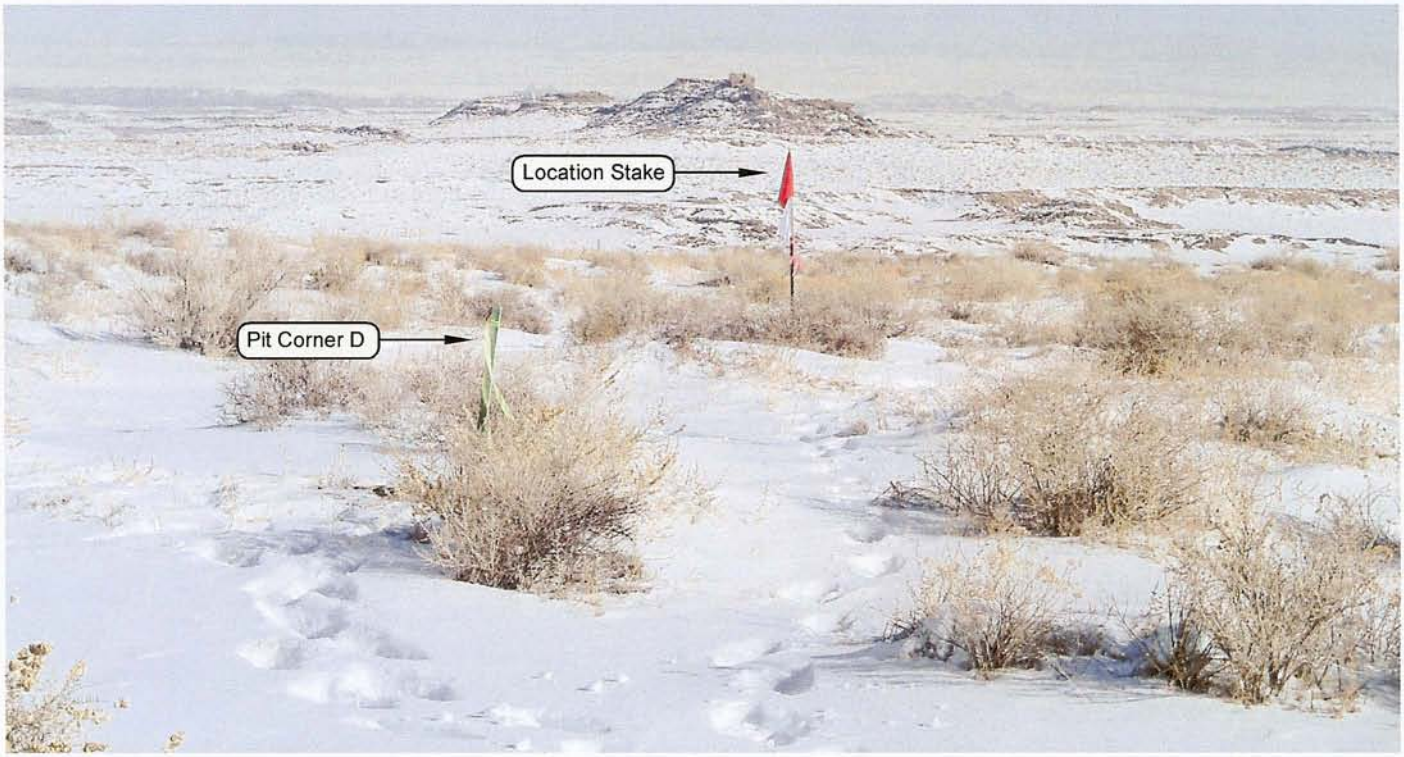


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

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

NBU 920-23K
1996' FSL, 1939' FWL
NE ¼ SW ¼ OF SECTION 23, T9S, R20E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

LOCATION PHOTOS		DATE TAKEN: 01-07-09
		DATE DRAWN: 02-03-09
TAKEN BY: B.J.S.	DRAWN BY: K.K.O.	REVISED:

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

SHEET 4 OF 9

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

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 5.3 MILES TO THE INTERSECTION OF A SERVICE ROAD TO THE NORTHEAST. EXIT LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 2.0 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 2,860 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 38.5 MILES IN A SOUTHERLY DIRECTION.

NBU 920-23K
Surface: 1,996' FSL, 1,939' FWL (NE/4SW/4)

Sec. 23 T9S R20E

Uintah, Utah

Mineral Lease: UTU 0577A
Surface Owner: Ute Indian Tribe

ONSHORE ORDER NO. 1

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

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) and Bureau of Indian Affairs (BIA) documents. An NOS was submitted showing the surface location in the NE/4 SW/4 of Section 23 T9S R20E.

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

An on-site meeting was held on June 24, 2009. Present were:
- Verlyn Pindell and Dave Gordon – BLM;
- Kolby Kay and Mitch Batty – Timberline Surveying, Inc.
- Tony Kazeck, Jeff Samuels, Raleen White, David Liddell, and Hal Blanchard – Kerr-McGee
- Bucky Secakuku – BIA
- Nick Hall – Grasslands Consulting, Inc.
- Scott Carson – Smiling Lake Consulting
- Keith Montgomery – Montgomery Archaeological Consultants, Inc.

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

A) Refer to Topo Map A for directions to the location.

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

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

See MDP for additional details on road construction.

Approximately ±0.28 miles (±1,460') 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 ±2,620' of pipeline is proposed. Refer to Topo D for the existing pipeline. Appropriate surface use agreements have been or will be obtained from the Ute Indian Tribe. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place

5. Location and Type of Water Supply:
See MDP for additional details on Location and Type of Water Supply.

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32 T4S R3E, Water User Claim number 43-8496, Application number 53617. Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:
See MDP for additional details on Source of Construction Materials.

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

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites:

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

8. Ancillary Facilities:
See MDP for additional details on Ancillary Facilities.

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)
See MDP for additional details on Well Site Layout.

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

- Net wire (39-inch) will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

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

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

11. Surface/Mineral Ownership:
The well pad and access road are located on lands owned by:

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

The mineral ownership is listed below:

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

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

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

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

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

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

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

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Kathy Schneebeck Dulnoan

July 15, 2009
Date

’APIWellNo:43047505720000’

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

By:

Jacki A. Montgomery

Prepared For:

Ute Indian Tribe
Uintah and Ouray Agency

Prepared Under Contract With:

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

Prepared By:

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

MOAC Report No. 08-318

March 4, 2009

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

IPC #09-70

Paleontological Reconnaissance Survey Report

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

Ouray
Topographic Quadrangle
Uintah County, Utah

May 13, 2009

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

Grasslands Consulting, Inc.

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

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

SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT

Operator: Kerr-McGee Oil & Gas Onshore LP

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

Pipelines: Proposed pipelines leading to all proposed wells.

Access Roads: Access roads lead to all proposed wells.

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

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

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

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

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

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

July 17, 2009

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 Plan of Development Natural Buttes Unit Uintah County, Utah.

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

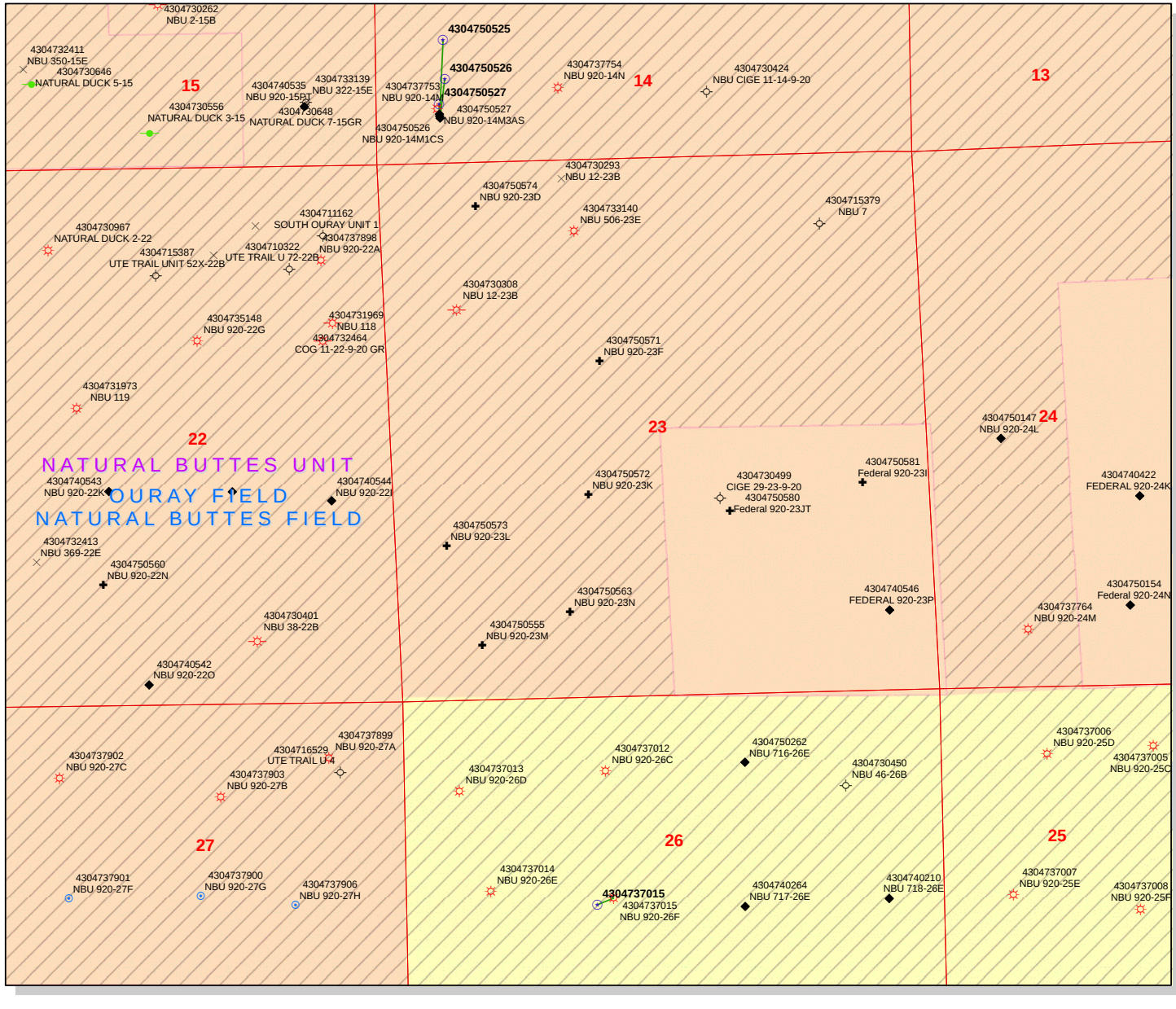
API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
43-047-50555	NBU 920-23M	Sec 23 T09S R20E 0510 FSL 0821 FWL
43-047-50560	NBU 920-22N	Sec 22 T09S R20E 1206 FSL 2411 FWL
43-047-50562	NBU 920-20G3CS	Sec 20 T09S R20E 2011 FSL 0794 FEL
		BHL Sec 20 T09S R20E 2580 FNL 2660 FEL
43-047-50563	NBU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

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:7-17-09



API Number: 4304750572

Well Name: NBU 920-23K

Township 09.0 S Range 20.0 E Section 23

Meridian: SLBM

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

Map Prepared:
Map Produced by Diana Mason

Units

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

Fields

STATUS
- ACTIVE
- COMBINED
- Sections

Wells Query Events
- <all other values>

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

1,200 600 0 1,200 Feet

1:12,000

'APIWellNo:43047505720000'

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/15/2009 **API NO. ASSIGNED:** 43047505720000

WELL NAME: NBU 920-23K

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

CONTACT: Danielle Piernot

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

SURFACE: 1996 FSL 1939 FWL **Engineering Review:** ☑

BOTTOM: 1996 FSL 1939 FWL **Geology Review:** ☑

COUNTY: UINTAH

LATITUDE: 40.01900 **LONGITUDE:** -109.63565

UTM SURF EASTINGS: 616433.00 **NORTHINGS:** 4430547.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 0577A **PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE

SURFACE OWNER: 2 - Indian **COALBED METHANE:** NO

RECEIVED AND/OR REVIEWED:

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

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit: NATURAL BUTTES

- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☑ **Drilling Unit**

Board Cause No: Cause 173-14

Effective Date: 12/2/1999

Siting: 460' fr u bdry & uncomm. tract

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations: 3 - Commingling - ddoucet
4 - Federal Approval - dmason
17 - Oil Shale 190-5(b) - dmason

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

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

Permit To Drill

****

Well Name: NBU 920-23K
API Well Number: 43047505720000
Lease Number: UTU 0577A
Surface Owner: INDIAN
Approval Date: 8/11/2009

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

Authority:
Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 173-14. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

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

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

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

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

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

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

drilling of this well:

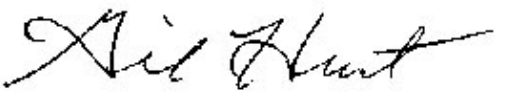
- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at http://oilgas.ogm.utah.gov

Reporting Requirements:

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

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

Approved By:



Gil Hunt
Associate Director, Oil & Gas

API Well No: 43047505720000

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 11/19/2009	☐ ACIDIZE	✓ ALTER CASING	☐ CASING REPAIR
	✓ 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 LP (KMG) respectfully requests to change the surface casing size for this well. The surface casing size is changing FROM: 9-5/8" TO: 8-5/8". Please see the attached drilling program for additional details. If you have any questions, please contact the undersigned. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: November 23, 2009

By:

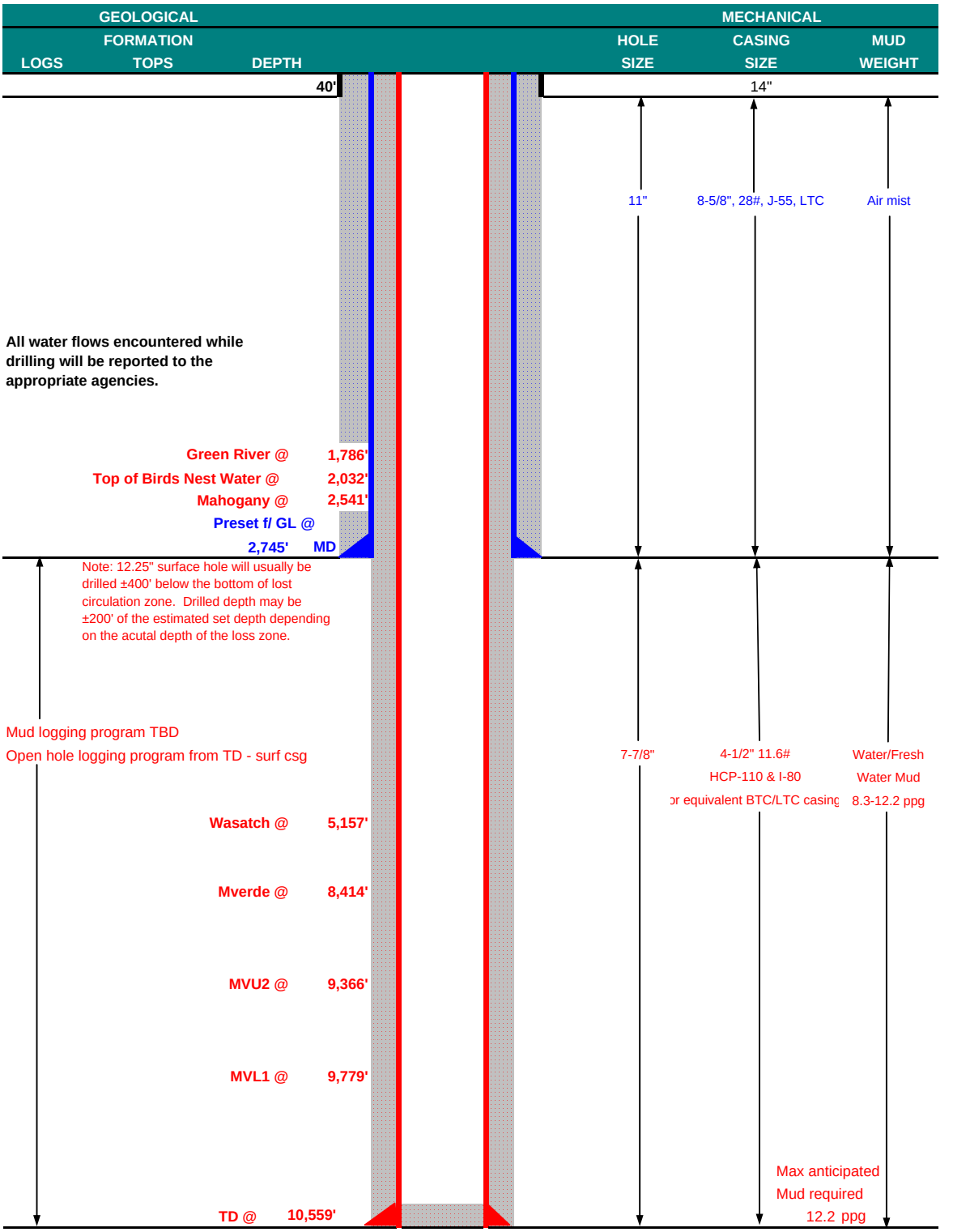
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE		**DATE**
N/A		11/18/2009

RECEIVED November 18, 2009

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP			DATE	November 18, 2009
WELL NAME	**NBU 920-23K**			TD	10,559' MD/TVD
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah		FINISHED ELEVATION 4,933'
SURFACE LOCATION	NE/4 SW/4 1,996' FSL 1,939' FWL	Sec 23	T 9S	R 20E	BHL Straight Hole
	Latitude: 40.019004	Longitude: -109.636256		NAD 83	
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.				



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
						3,390	1,880	437,000
SURFACE	8-5/8"	0 to 2745	28.00	J-55	LTC	0.77*	1.46	5.69
						7,780	6,350	278,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.78	1.04	2.79
						10,690	8,650	279,000
		9600 to 10559	11.60	HCP-110	LTC	2.44	1.29	30.83

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 1.96

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 12.2 ppg) 0.22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 4,256 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,578 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ 0.25 pps flocele				
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	260	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**				
Option 2	LEAD	2,245'	Prem cmt + 16% Gel + 10 pps gilsonite	210	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	150	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,649'	Premium Lite II + 0.25 pps celloflake +	370	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+ 1% Retarder				
	TAIL	5,910'	50/50 Poz/G + 10% salt + 2% gel	1,450	40%	14.30	1.31
			+ 0.1% R-3				

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

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

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

Form 3160-3
(August 2007)

RECEIVED
JUL 23 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

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. UTU0577A
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No. 891008900A
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone	8. Lease Name and Well No. NBU 920-23K
2. Name of Operator KERRMCGEE OIL&GAS ONSHORE LP — Contact: DANIELLE E PIERNOT — E-Mail: Danielle.Piernot@anadarko.com	9. API Well No. 43-047-50572
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 NESW 1996FSL 1939FWL 40.01900 N Lat, 109.63626 W Lon — At proposed prod. zone NESW 1996FSL 1939FWL 40.01900 N Lat, 109.63626 W Lon	11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R20E Mer SLB
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 7.7 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) 1939 FEET — 16. No. of Acres in Lease 2091.20	17. Spacing Unit dedicated to this well
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROXIMATELY 1200 FEET — 19. Proposed Depth 10559 MD 10559 TVD	20. BLM/BIA Bond No. on file WYB000291
21. Elevations (Show whether DF, KB, RT, GL, etc. 4937 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	Name (Printed/Typed)	Date
(Electronic Submission)	DANIELLE E PIERNOT Ph: 720-929-6156	07/15/2009

Title: REGULATORY ANALYST

Approved by (Signature)	Name (Printed/Typed)	Date
Stephanie J Howard	Stephanie J Howard	10/16/09
Title: Acting 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.

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NOV 23 2009
DIV. OF OIL, GAS & MINING

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.

Additional Operator Remarks (see next page)

Electronic Submission #72176 verified by the BLM Well Information System
For KERRMCGEE OIL&GAS ONSHORE LP, sent to the Vernal
Committed to AFMSS for processing by GAIL JENKINS on 07/17/2009 ()

NOS upd posted 7/23/09

AFMSS#

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

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

UDOGM

096XJ5379AE 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:**	**NESW, Sec. 23, T9S R20E**
Well No:	**NBU 920-23K**	**Lease No:**	**UTU-0577A**
API No:	**43-047-50572**	**Agreement:**	**Natural Buttes Unit**

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

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

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

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: ut_vn_opreport@blm.gov.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.

- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.

- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC CONDITIONS OF APPROVAL

- Paint facilities "shadow gray."

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

- Monitoring by a permitted paleontologist during the construction process.

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

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

- If project construction operation are scheduled to occur after June 15, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified I the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus and conduct its operation according to its specifications.

BIA Standard Conditions of Approval:

- Soil erosion will be mitigated by reseeding all disturbed areas.

- The gathering pipelines will be constructed to lie on the surface. The surface pipelines will not be bladed or cleared of vegetation. Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way. Where pipelines do not parallel roads but cross-country between sites, they shall be welded in place at well sites or on access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

- An open drilling system shall be used, unless otherwise specified in 10.0 Additional Stipulations of this document and in the Application for Permit to Drill. A closed drilling system shall be sued in all

flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.

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

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

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

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

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

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

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

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

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

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

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

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

Site Specific Drilling Plan COA's:

- A Gama Ray Log shall be run from TD to surface.

Variances Granted:

Air Drilling:

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

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

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

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

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

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

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

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

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

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

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

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

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

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

OPERATING REQUIREMENT REMINDERS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

API Well No: 43047505720000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 11/30/2009	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

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

Accepted by the Utah Division of Oil, Gas and Mining

Date: November 25, 2009

By:

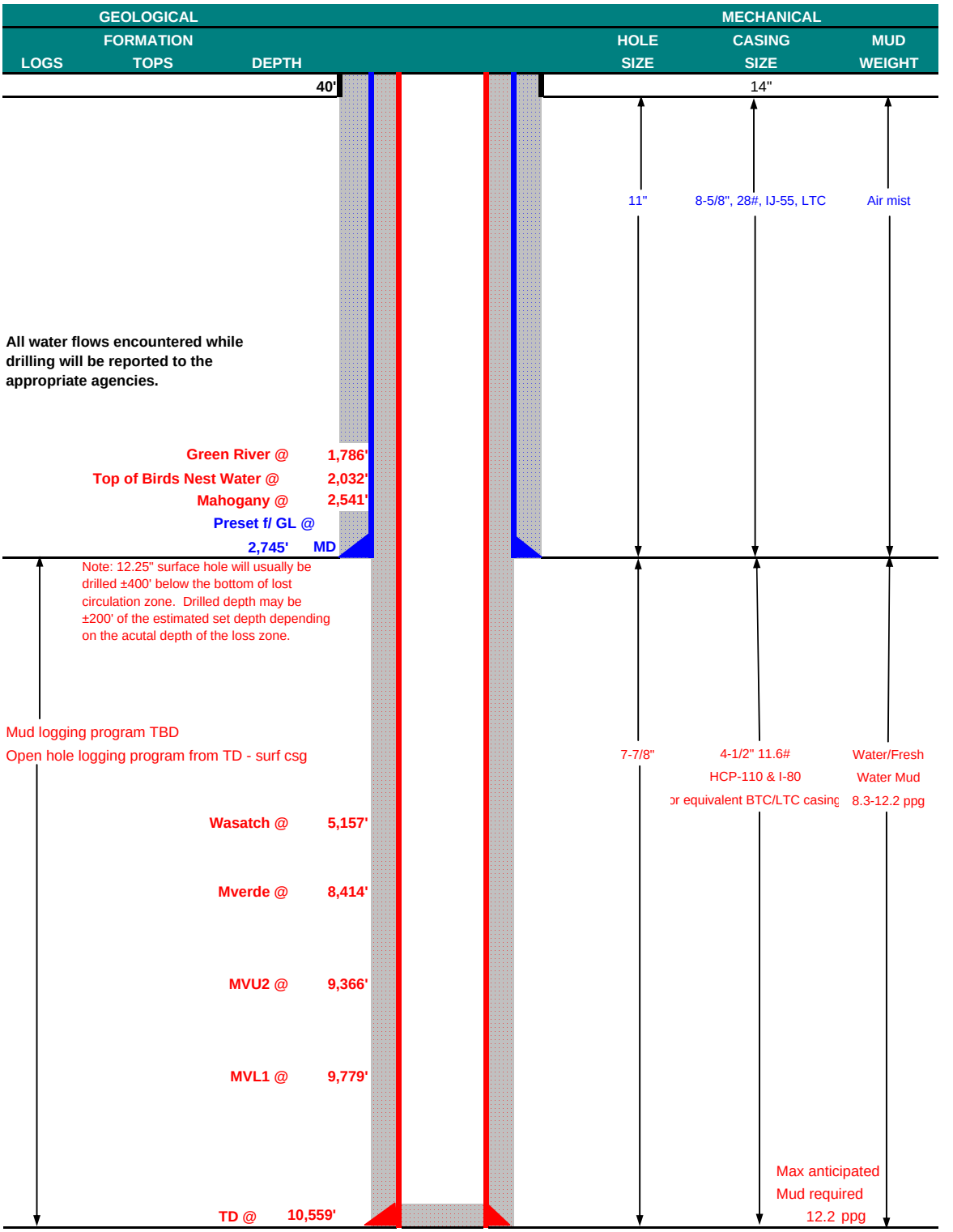
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE N/A		**DATE** 11/24/2009

RECEIVED November 24, 2009

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP			DATE	November 24, 2009
WELL NAME	**NBU 920-23K**			TD	10,559' MD/TVD
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah		FINISHED ELEVATION 4,933'
SURFACE LOCATION	NE/4 SW/4 1,996' FSL 1,939' FWL	Sec 23	T 9S	R 20E	BHL Straight Hole
	Latitude: 40.019004	Longitude: -109.636256		NAD 83	
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.				



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
						3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2745	28.00	IJ-55	LTC	0.77*	1.46	4.53
						7,780	6,350	278,000
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.78	1.04	2.79
						10,690	8,650	279,000
		9600 to 10559	11.60	HCP-110	LTC	2.44	1.29	30.83

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 1.96

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 12.2 ppg) 0.22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 4,256 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,578 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ 0.25 pps flocele				
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	260	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**				
Option 2	LEAD	2,245'	Prem cmt + 16% Gel + 10 pps gilsonite	210	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	150	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,649'	Premium Lite II + 0.25 pps celloflake +	370	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+ 1% Retarder				
	TAIL	5,910'	50/50 Poz/G + 10% salt + 2% gel	1,450	40%	14.30	1.31
			+ 0.1% R-3				

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

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

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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **KERR-McGEE OIL & GAS ONSHORE, L.P.**

Well Name: **NBU 920-23K**

Api No: **43-047-50572** Lease Type: **FEDERAL**

Section **23** Township **09S** Range **20E** County **UINTAH**

Drilling Contractor **PETE MARTIN DRLG** RIG # **BUCKET**

SPUDDED:

Date **12/08/2009**

Time **10:30 AM**

How **DRY**

Drilling will Commence:

Reported by **JAMES GOBER**

Telephone # **(435) 828-7024**

Date **12/09/2009** **Signed** **CHD**

API Well No: 43047505720000

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
✓ SPUD REPORT Date of Spud: 12/8/2009	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX. SPUD WELL LOCATION ON 12/8/2009 AT 10:30 HRS.

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

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

RECEIVED December 09, 2009

API Well No: 43047505720000

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 12/29/2009	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

MIRU PROPETRO AIR RIG ON 12/27/2009. DRILLED 11" SURFACE HOLE TO 2780'. RAN 8-5/8" 28# J-55 SURFACE CASING. TEST LINES TO 2000 PSI, PUMP 155 BBLS WATER, 20 BBLS GEL WATER. LEAD CMT W/210 SX CLASS G HI FILL @ 11.0 PPG, 3.82 YIELD. TAILED CMT W/200 SX CLASS G PREM LITE @ 15.8 PPG, 1.15 YIELD. DROP PLUG ON FLY AND DISPLACE W/171 BBLS WATER. LAND PLUG W/900 PSI, CMT TO SURFACE, 130 BBLS INTO DISPLACEMENT. PUMPED 400 SX CLASS G PREM LITE TOP OUTS @ 15.8 PPG, 1.15 YEILD. RIGGED DOWN CEMENTERS. WORT.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
January 04, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 1/4/2010

RECEIVED January 04, 2010

API Well No: 43047505720000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 4/10/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
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	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 4/10/2010 AT 11:45 A.M. THE CHRONOLOGICAL WELL HISTORY REPORT WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
April 13, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 4/12/2010

RECEIVED April 12, 2010

API Well No: 43047505720000

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 3/17/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

FINISHED DRILLING FROM 2,780' TO 10,649' ON 3/15/2010. RAN 4-1/2" 11.6# I-80 PRODUCTION CASING. PUMP 40 BBLS WATER. LEAD CMT W/665 SKS CLASS G PREM LITE MIXED @ 13.0 PPG, YIELD 1.76. TAILED CMT W/1295 SKS CLASS G 50/50 POZ MIXED @ 14.3 PPG, YIELD 1.31. WASH LINES, DROP PLUG & DISPLACE W/164 BBLS WATER W/CLAYTREAT & MAGNACIDE TO BUMP PLUG W/3850, LIFT PSI 3450. HAD 20 BBL CEMENT TO SURFACE. RD CEMENTERS, FLUSH BOP STACK, REMOVE LANDING JOINT, INSTALL PACKOFF. RELEASE ENSIGN 145 RIG ON 3/17/2010 AT 09:00 HRS.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
March 18, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 3/18/2010

RECEIVED March 18, 2010

API Well No: 43047505720000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 4/10/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 4/10/2010 AT 11:45 A.M. THE CHRONOLOGICAL WELL HISTORY REPORT WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
April 13, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 4/12/2010

RECEIVED April 12, 2010

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU0577A

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

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. UTU63047A

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

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

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

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

9. API Well No. 43-047-50572

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

At surface NESW 1996FSL 1939FWL 40.01900 N Lat, 109.63626 W Lon

At top prod interval reported below NESW 1996FSL 1939FWL 40.01900 N Lat, 109.63626 W Lon

At total depth NESW ~~1996~~1878FSL ~~1939~~2032FWL 40.01900 N Lat, 109.63626 W Lon

10. Field and Pool, or Exploratory NATURAL BUTTES

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

12. County or Parish UINTAH

13. State UT

14. Date Spudded 12/08/2009

15. Date T.D. Reached 03/15/2010

16. Date Completed ☐ D & A ☒ Ready to Prod. 04/10/2010

17. Elevations (DF, KB, RT, GL)* 4937 GL

18. Total Depth: MD 10649 TVD 10647

19. Plug Back T.D.: MD 10589 TVD 10587

20. Depth Bridge Plug Set: MD TVD

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

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STEEL	36.7		40		28			
11.000	8.625 J55	28.0		2754		810			
7.875	4.500 I80	11.6		10633		1960		0	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	9922							

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	MESAVERDE	8458	10510	8458 TO 10510	0.360	281	OPEN
B)							
C)							
D)							

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

Depth Interval	Amount and Type of Material
8458 TO 10510	PMP 11,794 BBLS SLICK H20 & 455,754 LBS 30/50 SD.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/10/2010	04/15/2010	24	→	5.0	2579.0	420.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
18/64	2107	2950.0	→	5	2579	420		PGW

28a. Production - Interval B

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

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

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

ELECTRONIC SUBMISSION #86094 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

RECEIVED
MAY 11 2010
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

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

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

28c. Production - Interval D

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

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
GREEN RIVER	1807				
MAHOGANY	2514				
WASATCH	5168	8423			
MESAVERDE	8431	10649	TD		

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

33. Circle enclosed attachments:

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

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

Electronic Submission #86094 Verified by the BLM Well Information System.
For KERR-MCGEE OIL&GAS ONSHORE, LP, sent to the Vernal

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

Signature (Electronic Submission) Date 05/06/2010

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

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US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009	End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
12/27/2009	11:00 - 15:30	4.50	DRLSUR	01	B	P		INSTALL AIR BOWL,BLOOY LINE,SOPT RIG AND RIG UP,BUILD DITCH,R/U BOOSTER,PUMPS,COMMPRESSORS,SET DOG HOUSE
	15:30 - 22:00	6.50	DRLSUR	02	B	P		P/U MTR 1.5 BEND,1.6 RPM,P/U BIT #1 Q507, 1ST RUN SPUD SURFACE-12-27-09 @ 15:30 DRLG F/ 44' TO 1050' (1006') 156' HR WOB=22K,ROT=45,DH ROT = 145-GPM=650,0N/OFF PRESS=1320-1010,UP/DWN/ROT=60/60/60K CIRC W/ FULL RETURNS
	22:00 - 22:30	0.50	DRLSUR	10	A	P		CIRC AND SURVEY AT 1000' = 1 DEGREE
	22:30 - 0:00	1.50	DRLSUR	02	B	P		DRLG F/ 1050' TO 1290' (240') 160' HR WOB=22K,ROT=45,GPM=650,ON/OFF PRESS=1320,1010 PSI , UP/DWN/ROT=60/60/60/
12/28/2009	0:00 - 2:30	2.50	DRLSUR	02	B	P		DRLG F/ 1290' TO 1650'(360') 144' HR WOB=20,ROT=45,GPM=650 , ON/OFF= 1360-1100, UP/DWN/ROT=63/63/63/ FULL RETURNS
	2:30 - 3:00	0.50	DRLSUR	10	A	P		CIRC-SURVEY@ 1600' = 1 DEGREE
	3:00 - 8:00	5.00	DRLSUR	02	B	P		DRLG F/ 1650' TO 2190' (540') 108' HR WOB=22,ROT=45,GPM=650,MTR LOST DIFF PRESS ONMM, 1350/0FF1350, FULL RETURNS NO GAINS
	8:00 - 8:30	0.50	DRLSUR	05	C	P		CIRC F/ TRIP
	8:30 - 12:30	4.00	DRLSUR	06	A	P		TRIP F/ MTR LAY DWN MTR AND PICK UP NEW 1.5 BEND W/ .16 RPG
	12:30 - 15:30	3.00	DRLSUR	06	A	P		TIH
	15:30 - 16:00	0.50	DRLSUR	10	A	P		CIRC & SURVEY @ 2160'=1DEGREE
	16:00 - 0:00	8.00	DRLSUR	02	B	P		DRLG F/ 2190' TO 2780' TD, (590') 74'HR WOB=22,ROT=45,GPM=650,ON/OFF=1410-1200 FULL RETURNS
12/29/2009	0:00 - 1:00	1.00	DRLSUR	05	C	P		CIRC TO LDDS
	1:00 - 5:00	4.00	DRLSUR	06	D	P		LDDS F/ CSNG SURVEY WAS 1.1DEGREE W/ CORRECTED AZI OF 186.1
	5:00 - 9:00	4.00	DRLSUR	12	C	P		HELD SAFETY MTNG ,RUN 62 JOINTS 8 5/8 28# J55 CSNG, SH0E AT 2745' BAFFLE IN TOP OF SHOE JOINT AT 2701'
	9:00 - 10:00	1.00	DRLSUR	01	E	P		R/D RELEASE TO THE NBU 920-23F AT 09:00
	10:00 - 17:00	7.00	DRLSUR	12	E	P		HELD SAFETY MTNG,TEST LINES TO 2000 PSI,PUMP 155 BBLS WATER,20BBLSGEL WATER,210 SX 11.0# 3.82 YLD 23 GAL HIFILL LEAD CMNT, PUMP 200 SX 15.8# 1.15 YLD 5 GAL / SK 2 % CALC TAIL CMNT, DROP PLUG ON THE FLY,DISPN W/ 171 BBLS WATER,LAND PLUG W/ 900 PSI, CMNT TO SURFACE 130 BBLS INTO DISP PUMPED 225 SX DOWN BACKSIDE HOLE STAYED FULL RIGGED DOWN CMNTERS
3/4/2010	18:30 - 0:00	5.50	RDMO	01	A	P		RIG DOWN AND PREPARE TO MOVE IN WITH JONES TRUCKING THIS AM.
3/5/2010	0:00 - 7:00	7.00	RDMO	01	A	P		RIG DOWN, PREPARE TO MOVE. WAIT ON DAYLIGHT.
	7:00 - 16:30	9.50	MIRU	01	A	P		HELD SAFETY MEETING, TEAR DOWN AND ROAD RIG TO LOCATON. RELEASED TRUCKS AT 16:00 HRS.
	16:30 - 0:00	7.50	MIRU	01	A	P		RU, RAISE DERRICK @ 19:30 HRS. STRING UP BLOCKS AND MAKE DERRICK READY. RU ELECTRICAL, GROUND EQUIPMENT MUD LINES.

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009	End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
3/6/2010	0:00 - 12:30	12.50	MIRU	01	A	P		HOOK UP FLOW LINES, FLARE LINES.LOWER BOARD. RESTORE COMM TO BOARD. HOOK UP THE BECKE.
	12:30 - 13:00	0.50	MIRU	07	A	P		SERVICE RIG
	13:00 - 17:30	4.50	MIRU	15	A	P		TEST BLIND RAMS, PIPE RAMS, FLOOR VALVES, CHOKE, CHOKE MANIFOLD AND ALL RELATED VALVES TO 250 AND 5000 PSI. TEST HYDRIL TO 250 AND 2500 PSI. TEST CASING 1500 PSI FOR 30 MIN.
	17:30 - 18:00	0.50	MIRU	14	B	P		INSTALL THE WEAR BUSHING.
	18:00 - 23:00	5.00	PRPSPD	06		P		MAKE UP Q506F ON 1.5 DEG. .208 RPG MOTOR, STAB, NMDC, HOS, NMDC, 6 DCS AND 18 HWDP, TIH TO FC PU SINGLES OFF RACK. INSTALL ROT. HEAD INSERT.
	23:00 - 0:00	1.00	DRLPRO	02	F	P		SPUD IN @ 23:00 HRS. DRILL THE SHOE TRACK.
3/7/2010	0:00 - 13:30	13.50	DRLPRO	02	B	P		DRILL 2789'-4048' (1259) 92.2 '/HR. WOB-15-20, SPP-1650-2150, GPM- 458, BIT RPM 140, MOTOR RPM-99 , DIF- 300-500, MW-10.0, VIS-32
	13:30 - 14:00	0.50	DRLPRO	07	A	P		RIG SERVICE
	14:00 - 0:00	10.00	DRLPRO	02	B	P		DRILL 4048'-4910' (862') 86.2'/HR. WOB-15-20, SPP-1900-2250, GPM- 458, BIT RPM 140, MOTOR RPM-99 , DIF- 300-450, MW-10.2, VIS-32
3/8/2010	0:00 - 13:00	13.00	DRLPRO	02	B	P		DRILL 4910'-5905' (999') 76.85'/HR. WOB-15-20, SPP-2050-2350, GPM- 458, BIT RPM 140, MOTOR RPM-99 , DIF- 200-300, MW-10.2, VIS-32
	13:00 - 14:00	1.00	DRLPRO	07	A	P		SERVICE RIG, REPAIR FLOW SENSOR.
	14:00 - 0:00	10.00	DRLPRO	02	B	P		DRILL 5905'-6578' (673') 67.3'/HR. WOB-18-20, SPP-2150-2550, GPM- 458, BIT RPM 140, MOTOR RPM-99 , DIF- 200-400, MW-10.6, VIS-36
3/9/2010	0:00 - 12:00	12.00	DRLPRO	02	B	P		DRILL 6578'-7263' (685') 57.0'/HR. WOB-18-20, SPP-2150-2550, GPM- 458, BIT RPM 140, MOTOR RPM-99 , DIF- 200-400, MW-10.6, VIS-36
	12:00 - 12:30	0.50	DRLPRO	07	A	P		RIG SERVICE
	12:30 - 0:00	11.50	DRLPRO	02	B	P		DRILL7263'-7763' (500') 43.4'/HR. WOB-18-22, SPP-2300-2700, GPM- 458, BIT RPM 140, MOTOR RPM-96 , DIF- 200-300, MW-10.9, VIS-36
3/10/2010	0:00 - 12:30	12.50	DRLPRO	02	B	P		DRILL 7763'-8350' (587') 46.9'/HR. WOB-18-22, SPP-2450-2825, GPM- 458, BIT RPM 140, MOTOR RPM-96 , DIF- 200-350, MW-11.1, VIS-38
	12:30 - 13:00	0.50	DRLPRO	07	A	P		RIG SERVICE
	13:00 - 0:00	11.00	DRLPRO	02	B	P		DRILL 8350'-8811' (461') 41.9'/HR. WOB-18-22, SPP-2450-2825, GPM- 458, BIT RPM 140, MOTOR RPM-96 , DIF- 200-350, MW-11.7, VIS-38 HOLE STARTED SEEPING MUD AT 20 BBLS/HR. @ 8600'. ADD 3% CLM TO CONTROL.
3/11/2010	0:00 - 13:00	13.00	DRLPRO	02	B	P		DRILL 8811'-9255' (444') 34.1'/HR. WOB-18-22, SPP-2450-2825, GPM- 420, BIT RPM 132, MOTOR RPM-87 , DIF- 200-350, MW-12.5, VIS-38
	13:00 - 13:30	0.50	DRLPRO	07	A	P		RIG SERVICE
	13:30 - 15:30	2.00	DRLPRO	02	B	P		DRILL 9255'-9307' (52') 26'/HR. WOB-18-24, SPP-2450-2825, GPM- 420, BIT RPM 132, MOTOR RPM-87 , DIF- 200-350, MW-12.5, VIS-42
	15:30 - 16:30	1.00	DRLPRO	05	C	P		CIRCULATE BOTTOMS UP.
	16:30 - 0:00	7.50	DRLPRO	06	A	P		POOH FOR BIT #2 DUE TO SLOW P-RTE. WORK THROUGH TIGHT SPOTS AT 4702', 4356' AND 4038'
3/12/2010	0:00 - 1:00	1.00	DRLPRO	06	A	P		FINISH OUT OF THE HOLE. LAY DOWN THE STABILIZER AND MOTOR. FUNCTION BLIND RAMS.

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009	End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	1:00 - 2:00	1.00	DRLPRO	06	A	P		PU NEW .16 RPG MOTOR AND NEW Q506 PDC BIT, SCRIBE SAME.
	2:00 - 10:00	8.00	DRLPRO	06	A	P		TRIP IN THE HOLE.
	10:00 - 11:00	1.00	DRLPRO	03	D	P		WASH AND REAM 180' TO BOTTOM. PRECAUTIONARY ONLY.
	11:00 - 15:00	4.00	DRLPRO	02	B	P		DRILL 9307'-9437' (130') 32.5'/HR. WOB-16-22, SPP-2450-2825, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-350, MW-12.5, VIS-42
	15:00 - 15:30	0.50	DRLPRO	07	A	P		RIG SERVICE
	15:30 - 0:00	8.50	DRLPRO	02	B	P		DRILL 9437'-9697' (260') 30.5'/HR. WOB-16-22, SPP-2600-3000, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-350, MW-12.6, VIS-46
3/13/2010	0:00 - 1:30	1.50	DRLPRO	08	B	Z		RIG BLACK OUT 3 TIMES, CHANGE AIR FILTERS, PUT ALL 3 GENERATORS ON LINE.
	1:30 - 10:00	8.50	DRLPRO	02	B	P		DRILL 9697'-9935' (238') 28'/HR. WOB-16-22, SPP-2600-3000, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-350, MW-12.6, VIS-46
	10:00 - 10:30	0.50	DRLPRO	08	A	Z		RIG REPAIR, CHAGE FUEL FILTERS ON THE GENERATORS.
	10:30 - 15:00	4.50	DRLPRO	02	B	P		DRILL 9935'-10071' (136') 30.2'/HR. WOB-16-22, SPP-2600-3000, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-350, MW-12.6, VIS-46
	15:00 - 15:30	0.50	DRLPRO	07	A	P		RIG SERVICE
	15:30 - 0:00	8.50	DRLPRO	02	B	P		DRILL 10071'-10280' (209') 24.5'/HR. WOB-16-22, SPP-2600-3000, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-350, MW-12.6, VIS-46
3/14/2010	0:00 - 4:30	3.50	DRLPRO	02	B	P		DRILL 10280'-10370' (90') 25.7'/HR. WOB-16-22, SPP-2600-3000, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-350, MW-12.6, VIS-46
	4:30 - 8:00	3.50	DRLPRO	22	C	X		GAINED 25 BBLS MUD, SHUT WELL IN, "0" DPP, 40 PSI CSG. PSI. CIRCULATE BOTTOMS UP WITH 12.8 PPG MUD, MAX CSG. PSI 100 PSI. OPEN WELL. LOW CUT 11.2 PPG. FLARE 8'-10'
	8:00 - 10:00	2.00	DRLPRO	02	B	P		DRILL 10370'-10392' (22') 11.0'/HR. WOB-16-26, SPP-2700-3000, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-300, MW-12.8, VIS-46
	10:00 - 10:30	0.50	DRLPRO	23		P		DRAIN AND WINTERIZE CHOKE MANIFOLD.
	10:30 - 13:00	2.50	DRLPRO	05	C	P		CIRCULATE BOTTOMS UP, BU GAINED 10 BBLS MUD, GAS 6000 UNITS. RAISE MW TO 13.0 PPG.
	13:00 - 0:00	11.00	DRLPRO	06	A	P		POOH FOR BIT #3 DUE TO SLOW P-RATE.
3/15/2010	0:00 - 1:00	1.00	DRLPRO	06	A	P		CHANGE OUT PULSER, PU NEW BIT #3 Q506F
	1:00 - 8:00	7.00	DRLPRO	06	A	P		TIH FILLING PIPE EVERY 35 STANDS.
	8:00 - 9:00	1.00	DRLPRO	07	C	P		CHANGE OUT ROTATING HEAD INSERT.
	9:00 - 17:00	8.00	DRLPRO	02	B	P		DRILL 10392'-10649' (257') 32.1'/HR. WOB-16-20, SPP-2700-3000, GPM- 400, BIT RPM 104, MOTOR RPM-64 , DIF- 200-300, MW-13.0, VIS-46
	17:00 - 18:00	1.00	DRLPRO	05	C	P		CRICULATE BOTTOMS UP.
	18:00 - 19:30	1.50	DRLPRO	08	B	Z		STAND 1 STAND BACK, REPAIR / WORK ON POWER SHOE. UNABLE TO REPAIR.
	19:30 - 21:00	1.50	DRLPRO	06	E	P		SHORT TRIP, LAY DOWN 8 JTS. ON RACK. PU 8 JTS. OFF RACK. (5 STD SHORT TRIP)
	21:00 - 23:30	2.50	DRLPRO	05	C	P		CIRCULATE BOTTOMS UP TWICE, DROP SINGLE SHOT SURVEY, PUMP A SLUG.
	23:30 - 0:00	0.50	DRLPRO	06	B	P		POOH LDDS.
3/16/2010	0:00 - 8:00	8.00	DRLPRO	06	B	P		POOH LDDS,
	8:00 - 8:30	0.50	DRLPRO	08	A	Z		REPAIR KICKER HYDRAULIC CYLINDER ON THE SKATE.
	8:30 - 9:30	1.00	DRLPRO	06	B	P		FINSIH LDDS,

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009	
Project: UTAH-UINTAH	Site: NBU 920-23K		Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009		End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	9:30 - 10:00	0.50	DRLPRO	14	B	P		PULL THE WEAR BUSHING
	10:00 - 15:30	5.50	DRLPRO	11	D	P		HELD SAFETY MEETING, RU AND RIH W/ TRIPLE COMBO, LEDGE OUT AT 6542', LOG FROM 6540' TO CSG. SHOE, RUN GR TO SURFACE. RD HALLIBURTON
	15:30 - 16:30	1.00	DRLPRO	12	A	P		HELD SAFETY MEETING WITH WEATHERFORD. RU CSG. TOOLS.
	16:30 - 0:00	7.50	DRLPRO	12	C	P		RUN CSG. AS FOLLOWS: FLOAT SHOE, 1 JT. CSG. FLOAT COLLAR, 27 JTS. P-110 LTC, CSG. 8' XO, 101 JTS. I-80 BTC, MARKER JT. SET AT 5160', 122 JTS. 4 1/2" 11.6 PPF I-80 BTC CSG. OAL 10633, SET AT 10633. CENTRALIZED WITH 15 BOW SPRINGS, 1 ON FIRST 3 JTS. THEN EVERY 3RD JT.
3/17/2010	0:00 - 1:30	1.50	DRLPRO	05	D	P		INSTALL PLUG RETAINER, CIRCULATE BOTTOMS UP WITH RIG PUMP. HELD SAFETY MEETING WITH BJ.
	1:30 - 4:30	3.00	DRLPRO	12	E	P		SWITCH TO BJ, TEST LINES TO 5000 CEMENT 4 1/2" AS FOLLOWS: 40 BBLS WATER, LEAD W/ 665 SKS PL2 MIXED @ 13.0 PPG, YIELD 1.76, TAIL W/ 1295 SKS 50:50 POZ MIXED @ 14.3PPG, YIELD 1.31, WASH LINES, DROP PLUG & DISPLACE W/164 BBLS WATER W/ CLAYTREAT & MAGNACIDE TO BUMP PLUG W/ 3850, LIFT PSI 3450. HAD 20 BBL CEMENT TO SURFACE.
	4:30 - 9:00	4.50	DRLPRO	12	B	P		RD CEMENTERS, FLUSH BOP STACK, REMOVE LANDING JOINT, INSTALL PACKOFF. CLEAN PITS, RELEASE RIG AT 09:00

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: PROPETRO/, ENSIGN 145/145
Event: DRILLING	Start Date: 12/6/2009	End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	9:00 - 9:00	0.00	DRLPRO					SPUD DATE/TIME: 12/27/2009 15:30 SURFACE HOLE: 11" Surface From depth:40 Surface To depth: 2,780 Total SURFACE hours: 23.50 Surface Casing size8.625" # of casing joints ran: 62 Casing set MD:2,745.0 # sx of cement:635 Cement blend (ppg:)11 Cement yield (ft3/sk): 3.82 # of bbls to surface: 0 Describe cement issues: Describe hole issues: PRODUCTION: 7.875" Rig Move/Skid start date/time: 3/4/2010 18:30 Rig Move/Skid finish date/time:3/6/2010 13:00 Total MOVE hours: 42.5 Prod Rig Spud date/time: 3/6/2010 23:00 Rig Release date/time: 3/17/2010 9:00 Total SPUD to RR hours:250.0 Planned depth MD 10,649 Planned depth TVD 10,649 Actual MD: 10,649 Actual TVD: 10,647 Open Wells $: $977,853 AFE $: $1,075,547 Open wells $/ft:$91.83 PRODUCTION HOLE: 7.875" Prod. From depth: 2789' Prod. To depth:10649' Total PROD hours: 156.5 Log Depth: 6542 Production Casing size: 4 1/2 # of casing joints ran: 253 Casing set MD:10,633.00 # sx of cement:1,960.0 Cement blend (ppg:)13.0 / 14.3 Cement yield (ft3/sk): 1.76 / 1.31 Est. TOC (Lead & Tail) or 2 Stage : 4650 Describe cement issues: Describe hole issues: DIRECTIONAL INFO: KOP: Max angle: 1.93 Departure: Max dogleg MD: 0.34

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: LEED 698/698
Event: COMPLETION	Start Date: 4/1/2010	End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
4/1/2010	7:00 - 15:00	8.00	COMP	30	A	P		7AM [DAY 1] ROAD RIG FROM NBU 920-36O TO NBU 920-23K. MIRU, SPOT EQUIPMENT. PRIOR TO MIRU, HLBRTN RAN A CBL-CCL-GR LOG FROM 10,544' TO SURFACE. ESTIMATE CMT TOP @ SURFACE. MAX TEMP 213*. ALSO FRAC VALVES WERE NIPPLED UP. MIRU B&C QUICK TESTERS. P.T. CSG & FRAC VALVES TO 7000#. RDMO B&C. [STG#1] MIRU CUTTERS. RIH & PERF THE M.V. @ 10,266'-10,268', 10,328'-10,330', 10,428'-10,430', 10,454'-10,456', 3 SPF, 120* PHS & 10,506'-10,510', 4 SPF, 90* PHS USING 3-3/8" EXP GUNS, 23 GM, 0.36. [40 HLS] WHP=0#. RDMO CUTTERS. 3PM SWI-SDF-HOL-WE. PREP TO FRAC W/ FRAC TECH / CUTTERS ON MONDAY 4/5/10.
4/5/2010	6:00 - 6:30	0.50	COMP	48		P		HLD FRAC TECH JSA

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009	
Project: UTAH-UINTAH	Site: NBU 920-23K		Rig Name No: LEED 698/698
Event: COMPLETION	Start Date: 4/1/2010		End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	6:30 - 17:30	11.00						6AM [DAY 2] MIRU FRAC TECH & CUTTERS. NO H2S DETECTED [STG#1] P.T. SURFACE LINES TO 8400#. WE-SICP=1996#. BRK DN PERFS @ 3656 @ 3.1 BPM. ISIP=3055, F.G.=.73. BULLHEAD 3 BBLS 15% HCL. CALC 25/40, 63% PERFS OPEN. PMP'D 2168 BBLS SLK WTR & 75,817# 30/50 SAND W/ 5000# 20/40 SLC @ TAIL. ISIP=3155, FG=.74, NPI=100, MP=6646, MR=50.2, AP=6275, AR=40 BPM. [STG#2] RIH W/ BAKER 8K CBP & PERF GUNS. SET CBP @ 10,154'. PERF THE M.V. @ 9968'-9970', 10,016-10,020', & 10,120'-10,124' USING 3-3/8" EXP GUNS, 23 GM, 0.36, 4 SPF, [40 HLS] WHP=1375#. BRK DN PERFS @ 3874# @ 6 BPM. ISIP=3114, FG=.74. CALCULATE 22/40 PERFS OPEN. PMP'D 729 BBLS SLK WTR, 23,766# 30/50 SAND W/ 5000# 20/40 SLC @ TAIL. ISIP=3314, FG=.76, NPI=200, MP=6741, MR=45, AP=6350, AR=40 BPM. [STG#3] RIH W/ BAKER 8K CBP & PERF GUNS. SET CBP @ 9860'. PERF THE M.V. @ 9596'-9600' 2 SPF, 9620'-9624', 2 SPF & 9824'-9830', 4 SPF USING 3-3/8" EXP GUNS, 23 GM, 0.36, [40 HLS] WHP=1750#. BRK DN PERFS @ 4074# @ 7 BPM. ISIP=2584, FG=.76, CALCULATE 22/40 55% PERFS OPEN. PMP'D 2295 BBLS SLK WTR, 89,821# 30/50 SAND W/ 5000# 20/40 SLC SAND @ TAIL. ISIP=2961, FG=.74, NPI=377, MP=6611, MR=51,AP=5775, AR=49 BPM. [STG#4] RIH W/ BAKER 8K CBP & PERF GUNS. SET CBP @ 9544'. PERF THE MV. @ 9320'-9322', 3 SPF, 9350'-9352', 3 SPF, 9432'-9434', 4 SPF, 9472'-9474', 4 SPF, & 9510'-9514', 3 SPF USING 3-3/8" EXP GUNS, 23 GM, 0.36, [40 HLS] WHP=1030#. BRK DN PERFS @ 3797# @ 7 BPM. ISIP=3108,FG=.76. CALCULATE 30/40 75% PERFS OPEN. PMP'D 1604 BBLS SLK WTR, 64,315# 30/50 SAND W/ 5000# SLC SAND @ TAIL END. ISIP=3073,FG=.76, NPI=NEG 35, MP=6275, MR=51, AP=5820, AR=50 BPM. [STG#5] RIH W/ BAKER 8K CBP & PERF GUNS. SET CBP @ 9176'. PERF THE M.V. @ 8985'-8988', 9012'-9014', 9086'-9090' & 9142'-9146', 3 SPF, 120* PHS USINF 3-3/8" EXP GUNS, 23 GM, 0.36, [39 HOLES] WHP=1260. BRK DN PERFS @ 3526# @ 6 BPM. ISIP=2902,FG=.75. CALCULATE 25/39 64% PERFS OPEN. PMP'D 1350 BBLS SLK WTR , 53,545# 30/50 SAND W/ 5000# SLC SAND @ TAIL END. ISIP=3020, FG=.77, NPI=118, MP=6340, MR=52, AP=5440, AE=51 BPM. [STG#6] RIH W/ BAKER 8K CBP & PERF GUNS. SET CBP @ 8918'. PERF THE M.V. @ 8678'-8680', 8760'-8766' & 8886'-8888', 4 SPF, 90* PHS USING 3-3/8" EXP GUNS, 23 GM, 0.36, [40 HOLES] WHP=800#. BRK DN PERFS @ 3927# @ 6 BPM. ISIP=2655, FG=.74, CALCULATE 24/40 65% PERFS OPEN. PMP'D 1436 BBLS SLK WTR, 57,941# 30/50 SAND WITH 5000# SLC SAND @ TAIL. ISIP=2932,

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: LEED 698/698
Event: COMPLETION	Start Date: 4/1/2010	End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
								FG=.77 , NPI=277, MP=6387, MR=52, AP=5055, AR=50 BPM. 5:30 PM SWI-SDFN. PREP TO PERF, FRAC STG#7 & SET KILL PLUG IN AM
4/6/2010	7:00 - 7:30	0.50	COMP	48		P		JSA WITH FRAC TECH
	7:30 - 15:00	7.50	COMP	36		P		7AM [DAY 3] [STG#7] SICP=2300#. RIH W/ BAKER 8K CBP & PERF GUNS. SET CBP @ 8628'. PERF THE M.V. @ 8458-8462, 8496-8500, 8592-8598 3 SPF, 120* PHS USING 3-3/8" EXP GUNS, 23 GM, 0.36, [42 HOLES] WHP=360#. BRK DN PERFS @ 3532# @ 6 BPM. ISIP=2567, FG=.73. CALCULATE 27/42 64% PERFS OPEN. PMP'D 2212 BBLS SLK WTR , 90,549# 30/50 SAND W/ 5000# SLC SAND @ TAIL END. ISIP=2985, FG=.78, NPI=418, MP=6565, MR=52, AP=5550, AR=51 BPM. [KILL PLUG] RIH W/ BAKER 8K CBP & SET @ 8408'. POOH L/D WIRELINE TOOLS. RDMO CUTTERS & FRAC TECH. GRAND TOTAL 30/50 & SLC SAND=455,754# & TOTAL FLUID=11,794 BBLS. ND FRAC VALVES, NU TBG HEAD & BOP. R/U FLOOR & TBG EQUIPMENT. SDFD TO WINDY TO RUN PIPE. PREP TO D/O PLUGS IN AM
4/7/2010	7:00 - 7:30	0.50	COMP	48		P		JSA P/U TBG & DRLG PLUGS

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009	
Project: UTAH-UINTAH	Site: NBU 920-23K		Rig Name No: LEED 698/698
Event: COMPLETION	Start Date: 4/1/2010		End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	7:30 - 7:30	0.00	COMP					7AM [DAY 4] P/U 3-7/8" BIT, POBS W/ XN & NEW 2-3/8" L-80 TBG & RIH. [SLM] TAG SAND @ 8383'. R/U SWVL & RIG PMP. ESTABLISH CIRCULATION W/ 2% KCL WTR. P.T. BOP TO 2500#. C/O 25' SAND TO CBP#1. [DRLG CBP#1] @ 8408'. D/O BAKER 8K CBP IN 6 MIN. 200# INCREASE. RIH, TAG SAND @ 8598'. C/O 30' SAND. FCP=200#. [DRLG CBP#2] @ 8628'. D/O BAKER 8K CBP IN 8 MIN. 175# INCREASE. RIH, TAG SAND @ 8888'. C/O 30' SAND. FCP=375#. [DRLG CBP#3] @ 8918'. D/O BAKER 8K CBP IN 8 MIN. 100# INCREASE. RIH, TAG SAND @ 9151'. C/O 25' SAND. FCP=450# [DRLG CBP#4] @ 9176'. D/O BAKER 8K CBP IN 8 MIN. 25# INCREASE. RIH, TAG SAND @ 9519'. C/O 25' SAND. FCP=450#. [DRLG CBP#5] @ 9544', D/O BAKER 8K CBP IN 7 MIN. 50# INCREASE. RIH, TAG SAND @ 9835' C/O 25' SAND. FCP=475#. [DRLG CBP#6] @ 9860'. D/O BAKER 8K CBP IN 8 MIN. 25# INCREASE, RIH, TAG SAND @ 10,114'. C/O 40' SAND. FCP=475#. [DRLG CBP#7] @ 10,154'. D/O BAKER 8K CBP IN 7 MIN. 50# INCREASE, RIH, TAG SAND @ 10,521'. C/O 67' SAND TO PBTD @ 10,588'. CIRCULATE WELL CLEAN. R/D SWVL. POOH & L/D 22 JTS ON FLOAT. LAND TBG ON HANGER W/ 314 JTS NEW 2-3/8" L-80 TBG. EOT @ 9922.80, POBS W/ XN @ 9920.60. AVG 7.5 MIN PLUG & C/O 267' SAND. R/D FLOOR & TBG EQUIPMENT. NDBOP, NUWH. DROP BALL DOWN TBG & PMP OFF THE BIT @ 3600#. OPEN WELL TO FBT ON 20/64 CHOKE. 6PM TURN WELL OVER TO FLOW BACK CREW. LTR @ 6 PM= 8674 BBLS. RACK EQUIPMENT. 349 JTS DELIVERED 314 JTS LANDED IN WELL L-80 35 JTS RETURNED KB 13 HANGER 1 314 JTS 9906.60 L-80 POBS W/ XN 2.2 EOT @ 9922.80 XN @ 9920.60
4/8/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 2300#, TP 2175#, 20/64" CK, 85 BWPH, MED SAND, - GAS TTL BBLS RECOVERED: 4327 BBLS LEFT TO RECOVER: 7467
4/9/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 2200#, TP 2000#, 20/64" CK, 75 BWPH, MED SAND, - GAS TTL BBLS RECOVERED: 6282 BBLS LEFT TO RECOVER: 5512

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: LEED 698/698
Event: COMPLETION	Start Date: 4/1/2010	End Date:
Active Datum: RKB @4,950.00ft (above Mean Sea Leve	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
4/10/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 2900#, TP 2450#, 20/64" CK, 36 BWPH, MED SAND, - GAS TTL BBLS RECOVERED: 7336 BBLS LEFT TO RECOVER: 4458
	11:45 -		PROD	50				WELL TURNED TO SALES @ 1145 HR ON 4/10/10 - 1700 MCFD, 1440 BWPD, CP 2475#, FTP 2475#, CK 20/64"
4/11/2010	7:00 -			33	A			7 AM FLBK REPORT: CP 3050#, TP 2400#, 20/64" CK, 20 BWPH, LIGHT SAND, - GAS TTL BBLS RECOVERED: 7973 BBLS LEFT TO RECOVER: 3821

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well Information

Well	NBU 920-23K	**Wellbore No.**	OH
Well Name	NBU 920-23K	**Common Name**	NBU 920-23K
Project	UTAH-UINTAH	**Site**	NBU 920-23K
Vertical Section Azimuth		**North Reference**	True
Origin N/S		**Origin E/W**	
Spud Date	12/27/2009	**UWI**	NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0
Active Datum	RKB @4,950.00ft (above Mean Sea Level)		

2 Survey Name

2.1 Survey Name: Survey #1

Survey Name	Survey #1	**Company**	PROPETRO
Started	12/27/2009	**Ended**	
Tool Name	INC	**Engineer**	Anadarko

2.1.1 Tie On Point

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

2.1.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
12/27/2009	Tie On	9.00	0.00	0.00	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12/27/2009	NORMAL	1,009.00	1.00		1,008.95	8.73	0.00	8.73	0.10	0.10	0.00	0.00

2.2 Survey Name: Survey #2

Survey Name	Survey #2	**Company**	APC
Started	12/28/2009	**Ended**	
Tool Name		**Engineer**	Anadarko

2.2.1 Tie On Point

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

2.2.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
12/28/2009	Tie On	9.00	0.00	0.00	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2.2.2 Survey Stations (Continued)

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
12/28/2009	NORMAL	1,609.00	1.00		1,608.92	13.96	0.00	13.96	0.06	0.06	0.00	0.00
	NORMAL	2,169.00	1.00		2,168.83	23.74	0.00	23.74	0.00	0.00	0.00	0.00
12/29/2009	NORMAL	2,759.00	1.10	186.10	2,758.80	23.25	-0.60	23.25	0.36	0.02	-29.47	-176.80

2.3 Survey Name: Survey #3

Survey Name	Survey #3	**Company**	EXTREME
Started	3/6/2010	**Ended**	
Tool Name	EM	**Engineer**	Anadarko

2.3.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
2,759.00	1.10	186.10	2,758.80	23.25	-0.60

2.3.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
3/6/2010	Tie On	2,759.00	1.10	186.10	2,758.80	23.25	-0.60	23.25	0.00	0.00	0.00	0.00
3/7/2010	NORMAL	2,956.00	0.44	187.65	2,955.78	20.62	-0.90	20.62	0.34	-0.34	0.79	178.97
	NORMAL	3,499.00	0.79	147.57	3,498.75	15.40	0.83	15.40	0.10	0.06	-7.38	-72.08
	NORMAL	3,979.00	0.88	120.41	3,978.70	10.74	5.78	10.74	0.08	0.02	-5.66	-91.00
	NORMAL	4,587.00	1.32	176.22	4,586.60	1.39	10.27	1.39	0.18	0.07	9.18	97.21
	NORMAL	5,085.00	0.12	164.45	5,084.56	-4.85	10.79	-4.85	0.24	-0.24	-2.36	-178.80
3/8/2010	NORMAL	5,532.00	1.14	146.43	5,531.52	-9.02	13.38	-9.02	0.23	0.23	-4.03	-20.15
	NORMAL	5,990.00	1.23	168.74	5,989.43	-17.64	16.86	-17.64	0.10	0.02	4.87	90.25
	NORMAL	6,625.00	1.49	136.76	6,624.26	-30.34	23.84	-30.34	0.12	0.04	-5.04	-87.54
3/9/2010	NORMAL	6,986.00	1.23	140.01	6,985.16	-36.72	29.55	-36.72	0.08	-0.07	0.90	165.10
	NORMAL	7,490.00	0.88	157.68	7,489.07	-44.45	34.49	-44.45	0.09	-0.07	3.51	145.70
3/10/2010	NORMAL	8,485.00	1.93	137.38	8,483.76	-63.85	48.74	-63.85	0.12	0.11	-2.04	-35.75
3/16/2010	NORMAL	10,606.00	1.80	144.30	10,603.64	-117.18	92.37	-117.18	0.01	-0.01	0.33	123.42
3/17/2010	NORMAL	10,649.00	1.80	144.30	10,646.62	-118.28	93.15	-118.28	0.00	0.00	0.00	0.00

Federal Approval of this Action is Necessary

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

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: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 10/11/2011	☐ ACIDIZE	☐ ALTER CASING	✓ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: WELLHEAD

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

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

Accepted by the Utah Division of Oil, Gas and Mining

Date: 10/12/2011

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst
SIGNATURE N/A		**DATE** 10/10/2011

RECEIVED Oct. 10, 2011

WORKORDER #: 88119342

Name: NBU 920-23K 7/11/2011
Surface Location: NESE Sec. 23, T9S, R20E
Uintah County, UT

API: 4304750572 LEASE#: UTU-0577A

ELEVATIONS: 4937' GL 4950' KB

TOTAL DEPTH: 10,649' PBTD: 10,589'

SURFACE CASING: 8 5/8", 28# J-55 @ 2754'

PRODUCTION CASING: 4 1/2", 11.6#, I-80 @ 10,633'
TOC @ 754' per CBL (with min 50' isolation)

PERFORATIONS: Mesaverde 8458' – 10,510'

Tubular/Borehole	Drift inches	Collapse psi	Burst psi	Capacities		
				Gal./ft.	Cuft/ft.	Bbl./ft.
2.375" 4.7# J-55 tbg.	1.901	8100	7700	0.1624	0.02171	0.00387
4.5" 11.6# I-80	3.875	6350	7780	0.6528	0.0872	0.0155
8.625" 28# J-55	8.097	1370	2950	2.6223	0.3505	0.0624
Annular Capacities						
2.375" tbg. X 4 ½" 11.6# csg				0.4227	0.0565	0.01

GEOLOGICAL TOPS:

1807' Green River
2514' Mahogany
5168' Wasatch
8431' Mesaverde

RECEIVED Oct. 10, 2011

NBU 920-23K– WELLHEAD REPAIR PROCEDURE

PREP-WORK PRIOR TO MIRU:

1. Dig out down to the 2" surface casing valve or to the valve on the riser off the surface casing.
2. Install a tee with 2 valves, with a pressure gauge and sensor on one valve.
3. Open casing valve and record pressures.
4. Install nipple and steel hose on the other valve, the relief valve,. Do not use hammer unions. No impact equipment or tools to be used for any of this installation. Extend hose and hard piping to a downwind location at least 100' from the wellhead. Consider installing a manifold so that vent area could be in two locations approx. 90 degrees apart from the wellhead.
5. Open the relief valve and blow well down to the atmosphere.
6. Make a determination of amount of gas flow, either by installation of a choke nipple, bucket test or other.
7. Shut well in. Observe for rate of build-up by utilizing sensor data. Do not build-up for more than 24 hours. Vent gas through the vent line and leave open to the atmosphere.

WORKOVER PROCEDURE:

1. MIRU workover rig.
2. Kill well with 10# brine / KCL (dictated by well pressure).
3. Remove tree, install double BOP with blind and 2 3/8" pipe rams, with accumulator closing unit and manual back-ups. Function test BOP system.
4. POOH w/ tubing laying down extra tubing.
5. Rig up wireline service. RIH and set CBP @ ~8408'. Dump bail 4 sx cement on top of plug. POOH and RD wireline service. TIH w/ tubing and seating nipple. Land tubing ±60' above cement. RDMO.
6. Monitor well pressures. If surface casing is dead. MIRU. ND WH and NU BOP. POOH w/ tubing.
7. Depending on conditions at wellsite, continue with either CUT/PATCH Procedure or BACK-OFF Procedure.

RECEIVED Oct. 10, 2011

CUT/PATCH PROCEDURE:

1. PU internal casing cutters and RIH. Cut casing at +/- 30' from surface.

2. POOH, LD cutters and casing.

3. PU 7 3/8" overshot with 4 ½" right hand standard wicker grapple, 1 - 4 ¾" drill collar with 3 ½" IF threads, pup joint, manual bumper sub, and crossovers. If casing cut is deeper than ±30' utilize >7000 ft-lb torque pipe as needed. Pull a minimum of 10,000# to keep grapple engaged if cement top is high (<~900'). If cement top is low (>~900'), more weight will be required to put casing in neutral. Torque casing string to ±7000 ft-lbs, count number of turns to make-up, and document in the daily report. Ensure that tongs are safely anchored to rig and that all personnel are at a safe working distance from the tongs during torque-up and torque release. After initial make-up, place pipe torque to neutral and mark pipe. Place ±7000 ft-lbs on casing a second time, count turns, then return pipe torque to neutral and count turns. Repeat if torque-up turns do not equal torque release turns. Once torque-in equals torque-out, release overshot, POOH, and lay down.

4. TIH w/ skirted mill and dress off the fish top for approximately ½ hour. TOOH.

5. PU & RIH w/ 4 ½" 10k external casing patch on 4 ½" P-110 casing. Ensure that sliding sleeve assembly shifts ±3' and casing tags no-go portion of patch. NOTE: Shear pins will shear at 3500 to 4500 lbs.

6. Latch fish, PU to 100,000# tension. RU B&C. Cycle pressure test to 3500 psi.

7. Install slips. Land casing w/ 80,000# tension.

8. Cut-off and dress 4 ½" casing stub.

9. NUWH. PU 3 7/8" bit, POBS and RIH. D/O cement and plug ~8358'. Clean out to PBTD (10,589').

10. POOH, land tbg and pump off POBS.

11. NUWH, RDMO. Turn well over to production ops.

BACK-OFF PROCEDURE:

1. PU internal casing cutters and RIH. Cut casing at +/- 6' from surface.

2. POOH, LD cutters and casing.

3. PU 4 ½" overshot. RIH, latch fish. Pick string weight to neutral.

4. MIRU casing crew and wireline services. RIH and shoot string shot at casing collar @ ± 46'.

5. Back-off casing, POOH.

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6. PU new casing joint with buttress threads and entry guide and RIH. Tag casing top. Thread into casing and torque up to ±7000 ft-lbs, count number of additional turns to make-up, and document in the daily report. Ensure that tongs are safely anchored to rig and that all personnel are at a safe working distance from the tongs during torque-up and torque release. After initial make-up, place pipe torque to neutral and mark pipe. Place ±7000 ft-lbs on casing a second time, count turns, then return pipe torque to neutral and count turns. Repeat if torque-up turns do not equal torque release turns. Once torque-in equals torque-out go to step 7.

7. PU 100,000# tension string weight. RU B&C. Cycle pressure test to 3500 psi.

8. Install slips. Land casing w/ 80,000# tension.

9. Cut-off and dress 4 ½" casing stub.

10. NUWH. PU 3 7/8" bit, POBS and RIH. D/O cement and plug ~8358'. Clean out to PBTD (10,589').

11. POOH, land tbg and pump off POBS.

12. NUWH, RDMO. Turn well over to production ops.

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FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0577A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 920-23K

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

9. API NUMBER: 43047505720000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 **PHONE NUMBER:** 720 929-6526

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1996 FSL 1939 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 23 Township: 09.0S Range: 20.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☑ CASING REPAIR
☑ SUBSEQUENT REPORT Date of Work Completion: 11/11/2011	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

The operator has concluded the wellhead/casing repairs on the subject well location. Please see the attached chronological history for details of the operations.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
July 26, 2012

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Jaime Scharnowske	720 929-6304	Regulartory Analyst
SIGNATURE N/A		**DATE** 7/17/2012

RECEIVED: Jul. 17, 2012

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009	
Project: UTAH-UINTAH	Site: NBU 920-23K		Rig Name No: MONUMENT/698
Event: WELL WORK EXPENSE	Start Date: 11/9/2011		End Date: 11/11/2011
Active Datum: RKB @4,950.00usft (above Mean Sea Level)	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0		

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
11/8/2011	7:00 - 11:00	4.00	PROD	35		P		Tb 117 Cs 375 FL GC Got Pace Maker Plunger up w/Well. Ran w/Down Shear Fish Tool to SN at 9902, latched, sheared tool, Re-pinned. Ran back to SN, latched and sheared tool again, pulled out. Re-pinned, ran to SN again, latched and pulled Ball and Titanium Spring. Left plunger, ball and spring in Sep Build. Equalized Tubing and casing. Returned Well to Production. Rigged Down.
11/9/2011	7:00 - 7:30	0.50	ALL	48		P		HSM, REVIEW TRIPPING TBG, SET CIBP.
	7:30 - 8:30	1.00	MIRU	30	A	P		MIRU.
	8:30 - 9:00	0.50	ALL	47	A	P		FCP. 135 PSI. FTP. 135 PSI., BLEW TBG DWN, CONTROL TBG W/ 10 BBLS, ND WH, NU BOP'S, RU FLOOR & TBG EQUIPMENT, UNLAND TBG HANGER.
	9:00 - 12:30	3.50	ALL	31	I	P		POOH 314 JTS. 2-3/8 L-80 PROD TBG.
	12:30 - 13:30	1.00	ALL	34	I	P		RU J-W WIRELINE COMPANY, RIH & SET CIBP @ 8408', POOH TOOLS.
	13:30 - 14:30	1.00	ALL	34	D	P		RIH CMT BAILER & DUMP 2 SXS CLASS "G" CMT ON CIBP, POOH TOOLS, RD J-W WIRELINE COMPANY
	14:30 - 15:00	0.50	ALL	33	C	P		FILL CSG W/ T-MAC, P.T. PLUG TO 3000 PSI. HELD, SWI, SDFN.
11/10/2011	7:00 - 7:30	0.50	ALL	48		P		HSM, REVIEW BACK-OFF PROCEDURE
	7:30 - 8:00	0.50	ALL	47	C	P		BOP'S VALVES FROZEN , THAW BOP'S W/ WH HEATER
	8:00 - 8:30	0.50	ALL	47	A	P		RD FLOOR & TBG EQUIPMENT, ND BOP'S, ND CSG BOWL, NU PWR SWL, RU FLOOR.
	8:30 - 9:00	0.50	ALL	31	B	P		PU INTERNAL CSG CUTTER & RIH, CUT 4-1/2 CSG 3' F/ SURFACE, POOH, LD CUTTER & CSG W/ MANDRAL, ND PWR SWVL, PU 4-1/2 OVERSHOT, RIH, LATCH FISH, MIRU CSG CREW & WIRELINE SERVICES, DID NOT STRING SHOT, BACK-OFF CSG W 2500#, PU NEW 4-1/2 CSG PUP JNT, RIH & TAG CSG TOP, TORQUE CSG TO 7000# W/ 19.5 ROUNDS ON CSG, PU TO 100,000# TENSION.
	9:00 - 10:30	1.50	ALL	33	C	P		RU B&C QUICK TEST, P.T. 4-1/2 CSG TO 1000 PSI. FOR 15 MINS, LOST 100 PSI. RETEST TO 1000 PSI. FOR 15 MINS, LOST 19 PSI. FOR 15 MINS, P.T.4-1/2 CSG TO 3500 PSI. LOST 25 PSI. FOR 30 MINS. RD B&C QUICK TEST.
	10:30 - 12:30	2.00	ALL	47	C	P		RU WEATHERFORD TECHNICIAN, SET C-21 SLIPS W/ 80,000# TENSION, CUT-OFF & DRESS 4-1/2 CSG STUB, INSTALL "H" PLATE, INSTALL FLANGE, CROSSOVER SPOOL, TORQUE ALL 1-7/8 BOLTS ON NEW WH, RD WEATHERFORD TECHNICIAN.
	12:30 - 15:00	2.50	ALL	31	I	P		NU CSG BOWL, NU BOP'S, RU FLOOR & TBG EQUIPMENT, PU 3-7/8 MILL, 1.875 XN POBS & RIH W/ 267 JTS. 2-3/8 L-80 TBG, TAG CMT @ 8388', NU PWR SWVL, SWI, SDFN.,
11/11/2011	7:00 - 7:30	0.50	ALL	48		P		HSM, REVIEW AIR FOAM UNIT, PWR SWVL SAFETY
	7:30 - 8:30	1.00	ALL	31	H	P		RU TECH FOAM, EST CIRC IN 30 MINS.

RECEIVED: Jul. 17, 2012

US ROCKIES REGION

Operation Summary Report

Well: NBU 920-23K	Spud Conductor: 12/8/2009	Spud Date: 12/27/2009
Project: UTAH-UINTAH	Site: NBU 920-23K	Rig Name No: MONUMENT/698
Event: WELL WORK EXPENSE	Start Date: 11/9/2011	End Date: 11/11/2011
Active Datum: RKB @4,950.00usft (above Mean Sea Level)	UWI: NE/SW/0/9/S/20/E/23/0/0/26/PM/S/1,996.00/W/0/1,939.00/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	8:30 - 9:15	0.75	ALL	44	A	P		D/O CMT F/ 8388' IN 15 MINS,
	9:15 - 10:45	1.50	ALL	44	C	P		D/O CIBP F/ 8408' IN 85 MINS, HAD NO PSI. INCREASE, KILL TBG, RD PWR SWVL,
	10:45 - 15:00	4.25	ALL	31	I	P		FINISH RIH 47 JTS. TBG F/ DERRICK, PU & RIH 22 JTS. 2-3/8 L-80 TBG F/ TRAILER , TAG OLD POBS @ 10,588' LD 1 JNT, CIRC WELL CLEAN, DROP BALL, PUMP MILL-OFF W/ 2050# PSI, POOH & LD 21 JTS. ON TRAILER, LAND TBG HANGER, RU SWAB EQUIPMENT, RIH W/ 1.910 BROACH TO XN @ 9920.60', POOH, LD SWAB EQUIPMENT, RD FLOOR & TBG EQUIPMENT, ND BOP'S, NU WH, RDMO. MOVE TO NBU 920-20O. TBG DETAIL KB---------- -13' HANGER---------- -1.0' 314 JTS. 2-3/8 L-80 TBG @---------- -9906.60' 1.875 XN POBS---------- -2.20' EOT @---------- -9922.80' WLTR. 80 BBLS. TOP PERF @ 8458' BTM PERF @ 10,510' PBTD @ 10,589' API # 4304750572

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304750572	NBU 920-23K	NESW	23	9S	20E	UINTAH

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
B	99999	2900	12/8/2009	12/22/09

Comments: MIRU PETE MARTIN BUCKET RIG. WSMVD
SPUD WELL LOCATION ON 12/8/2009 AT 10:30 HRS.

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304750571	NBU 920-23F	SENW	23	9S	20E	UINTAH

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
B	99999	2900	12/8/2009	12/22/09

Comments: MIRU PETE MARTIN BUCKET RIG. WSMVD
SPUD WELL LOCATION ON 12/8/2009 AT 15:00 HRS.

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

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

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

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DEC 09 2009
DIV. OF OIL, GAS & MINING

(5/2000)

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

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Comments: MIRU PETE MARTIN BUCKET RIG. WSMVD
SPUD WELL LOCATION ON 12/8/2009 AT 10:30 HRS.

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API Number	Well Name	QQ	Sec	Twp	Rng	County
4304750571	NBU 920-23F	SENW	23	9S	20E	UINTAH

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
B	99999	2900	12/8/2009	12/22/09

Comments: MIRU PETE MARTIN BUCKET RIG. WSMVD
SPUD WELL LOCATION ON 12/8/2009 AT 15:00 HRS.

Well 3

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Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

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- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

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

RECEIVED
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(5/2000)