

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

FORM 3

AMENDED REPORT

|   |                  |  |                |   |              |                 |
|---|------------------|--|----------------|---|--------------|-----------------|
| <b>APPLICATION FOR PERMIT TO DRILL</b>  |                  |  |                | <b>1. WELL NAME and NUMBER</b><br>NBU 920-151   |              |                 |
| <b>2. TYPE OF WORK</b><br>DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> |                  |  |                | <b>3. FIELD OR WILDCAT</b><br>NATURAL BUTTES  |              |                 |
| <b>4. TYPE OF WELL</b><br>Gas Well      Coalbed Methane Well: NO  |                  |  |                | <b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b><br>NATURAL BUTTES  |              |                 |
| <b>6. NAME OF OPERATOR</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  |                  |  |                | <b>7. OPERATOR PHONE</b><br>720 929-6587  |              |                 |
| <b>8. ADDRESS OF OPERATOR</b><br>P.O. Box 173779, Denver, CO, 80217   |                  |  |                | <b>9. OPERATOR E-MAIL</b><br>mary.mondragon@anadarko.com  |              |                 |
| <b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b><br>UTU 0144868  |                  | <b>11. MINERAL OWNERSHIP</b><br>FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>    |                | <b>12. SURFACE OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> |              |                 |
| <b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>  |                  |  |                | <b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>  |              |                 |
| <b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>   |                  |  |                | <b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>   |              |                 |
| <b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b><br>Ute Tribe  |                  | <b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b><br>YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/> |                | <b>19. SLANT</b><br>VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>                               |              |                 |
| <b>20. LOCATION OF WELL</b>   | <b>FOOTAGES</b>  | <b>QTR-QTR</b>   | <b>SECTION</b> | <b>TOWNSHIP</b>   | <b>RANGE</b> | <b>MERIDIAN</b> |
| LOCATION AT SURFACE   | 2071 FSL 562 FEL | NESE   | 15             | 9.0 S   | 20.0 E       | S               |
| Top of Uppermost Producing Zone   | 2071 FSL 562 FEL | NESE   | 15             | 9.0 S   | 20.0 E       | S               |
| At Total Depth  | 2071 FSL 562 FEL | NESE   | 15             | 9.0 S   | 20.0 E       | S               |
| <b>21. COUNTY</b><br>UINTAH   |                  | <b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b><br>562  |                | <b>23. NUMBER OF ACRES IN DRILLING UNIT</b><br>320  |              |                 |
|   |                  | <b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b><br>1200   |                | <b>26. PROPOSED DEPTH</b><br>MD: 10700 TVD: 10700   |              |                 |
| <b>27. ELEVATION - GROUND LEVEL</b><br>4800   |                  | <b>28. BOND NUMBER</b><br>WYB000291  |                | <b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b><br>Permit #43-8496   |              |                 |

**ATTACHMENTS**

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

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

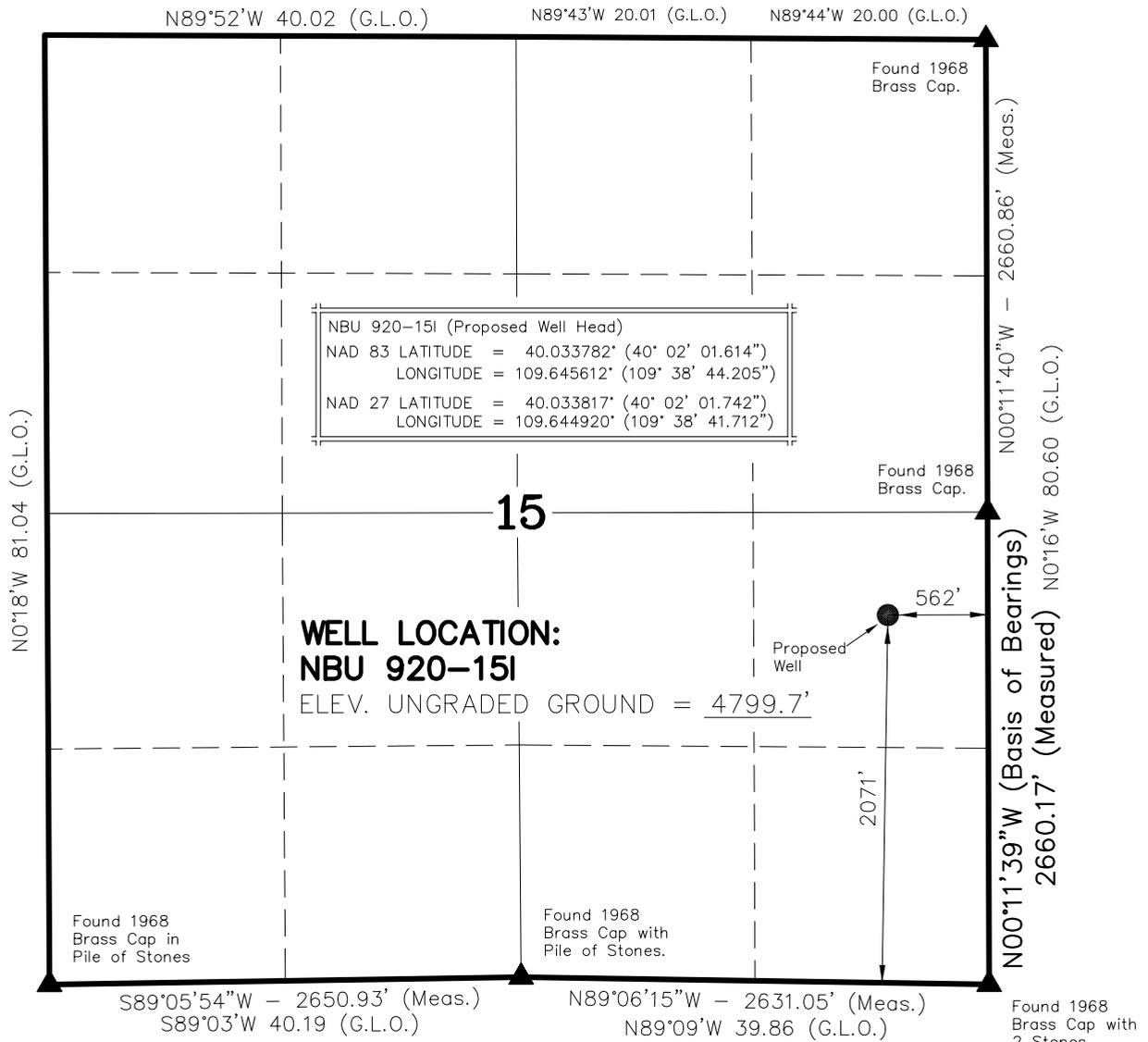
|  |   |  |
|--|---|--|
| <b>NAME</b> Danielle Piernot                 | <b>TITLE</b> Regulatory Analyst   | <b>PHONE</b> 720 929-6156                  |
| <b>SIGNATURE</b>                             | <b>DATE</b> 07/16/2009  | <b>EMAIL</b> danielle.piernot@anadarko.com |
| <b>API NUMBER ASSIGNED</b><br>43047505750000 | <b>APPROVAL</b><br><br><br>Permit Manager |  |

**Proposed Hole, Casing, and Cement**

| <b>String</b> | <b>Hole Size</b>   | <b>Casing Size</b> | <b>Top (MD)</b> | <b>Bottom (MD)</b> |  |  |
|---------------|--------------------|--------------------|-----------------|--------------------|--|--|
| Prod          | 7.875              | 4.5                | 0               | 10700              |  |  |
| <b>Pipe</b>   | <b>Grade</b>       | <b>Length</b>      | <b>Weight</b>   |                    |  |  |
|               | Grade HCP-110 LT&C | 1100               | 11.6            |                    |  |  |
|               | Grade I-80 LT&C    | 9600               | 11.6            |                    |  |  |
|               |                    |                    |                 |                    |  |  |

| <b>Proposed Hole, Casing, and Cement</b> |                  |                    |                 |                    |  |  |
|--|------------------|--------------------|-----------------|--------------------|--|--|
| <b>String</b>                            | <b>Hole Size</b> | <b>Casing Size</b> | <b>Top (MD)</b> | <b>Bottom (MD)</b> |  |  |
| Surf                                     | 12.25            | 9.625              | 0               | 2710               |  |  |
| <b>Pipe</b>                              | <b>Grade</b>     | <b>Length</b>      | <b>Weight</b>   |                    |  |  |
|  | Grade J-55 LT&C  | 2710               | 36.0            |                    |  |  |
|  |                  |                    |                 |                    |  |  |

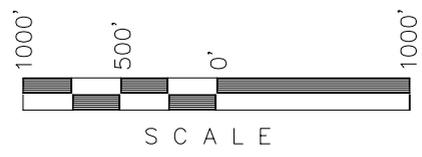
# T9S, R20E, S.L.B.&M.



NBU 920-151 (Proposed Well Head)  
 NAD 83 LATITUDE = 40.033782° (40° 02' 01.614")  
 LONGITUDE = 109.645612° (109° 38' 44.205")  
 NAD 27 LATITUDE = 40.033817° (40° 02' 01.742")  
 LONGITUDE = 109.644920° (109° 38' 41.712")

**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'.



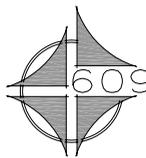
SURVEYOR'S CERTIFICATE

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

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

REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 362251  
 STATE OF UTAH

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



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

NBU 920-151  
 WELL PLAT  
 2071' FSL, 562' FEL  
 NE ¼ SE ¼ OF SECTION 15, T9S, R20E,  
 S.L.B.&M. UTAH COUNTY, UTAH.

|   |                     |   |
|---|---------------------|---|
| <b>TIMBERLINE</b> (435) 789-1365  |                     | <b>SHEET</b><br><b>1</b><br><b>OF 9</b> |
| ENGINEERING & LAND SURVEYING, INC.<br>209 NORTH 300 WEST - VERNAL, UTAH 84078 |                     |   |
| DATE SURVEYED:<br>01-16-09  | SURVEYED BY: B.J.S. |   |
| DATE DRAWN:<br>02-13-09   | DRAWN BY: K.K.O.    |   |
| SCALE: 1" = 1000'   | Date Last Revised:  |   |

**NBU 920-15I**

Surface: 2,071' FSL, 562' FEL (NE/4SE/4)  
Sec. 15 T9S R20E

Uintah, Utah  
Mineral Lease: UTU 0144868

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

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

| <u>Formation</u> | <u>Depth</u> | <u>Resource</u> |
|------------------|--------------|-----------------|
| Uinta            | 0 – Surface  |                 |
| Green River      | 1,757'       |                 |
| Birds Nest       | 1,998'       | Water           |
| Mahogany         | 2,510'       | Water           |
| Wasatch          | 5,185'       | Gas             |
| Mesaverde        | 8,503'       | Gas             |
| MVU2             | 9,500'       | Gas             |
| MVL1             | 10,007'      | Gas             |
| TD               | 10,700'      |                 |

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 10,700' TD, approximately equals 6,666 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,312 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. Variations:**

*Please refer to the attached Drilling Program.*

*Onshore Order #2 – Air Drilling Variance*

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

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

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

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

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

***Background***

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

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

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

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

***Variance for BOPE Requirements***

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

***Variance for Mud Material Requirements***

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

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

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

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

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

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

***Conclusion***

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

**10. Other Information:**

*Please refer to the attached Drilling Program.*





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

**CASING PROGRAM**

|            | SIZE   | INTERVAL      | WT.   | GR.     | CPLG. | DESIGN FACTORS |          |         |
|------------|--------|---------------|-------|---------|-------|----------------|----------|---------|
|            |        |               |       |         |       | BURST          | COLLAPSE | TENSION |
| CONDUCTOR  | 14"    | 0-40'         |       |         |       |                |          |         |
| SURFACE    | 9-5/8" | 0 to 2710     | 36.00 | J-55    | LTC   | 3,520          | 2,020    | 453,000 |
|            |        |               |       |         |       | 0.79*          | 1.59     | 4.64    |
| PRODUCTION | 4-1/2" | 0 to 9600     | 11.60 | I-80    | LTC   | 7,780          | 6,350    | 201,000 |
|            |        |               |       |         |       | 1.75           | 1.04     | 1.99    |
|            |        |               |       |         |       | 10,690         | 8,650    | 279,000 |
|            |        | 9600 to 10700 | 11.60 | HCP-110 | LTC   | 2.41           | 1.27     | 26.88   |

\*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.06

- 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))  
 (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 4,312 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 6,666 psi**

**CEMENT PROGRAM**

|   | FT. OF FILL   | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |
|---|---|--|---------|--------|--------|-------|
| SURFACE<br>Option 1<br>TOP OUT CMT (6 jobs) | LEAD 500'   | Premium cmt + 2% CaCl<br>+ 0.25 pps flocele  | 215     | 60%    | 15.60  | 1.18  |
|   | 1,200'  | 20 gals sodium silicate + Premium cmt<br>+ 2% CaCl + 0.25 pps flocele<br>Premium cmt + 2% CaCl | 380     | 0%     | 15.60  | 1.18  |
|   | <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b> |  |         |        |        |       |
| SURFACE<br>Option 2                         | LEAD 2,210'   | Prem cmt + 16% Gel + 10 pps gilsonite<br>+ 0.25 pps Flocele + 3% salt BWOC                     | 250     | 35%    | 11.00  | 3.82  |
|   | TAIL 500'   | Premium cmt + 2% CaCl<br>+ 0.25 pps flocele  | 180     | 35%    | 15.60  | 1.18  |
|   | TOP OUT CMT as required   | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| PRODUCTION                                  | LEAD 4,680'   | Premium Lite II + 0.25 pps celloflake +<br>5 pps gilsonite + 10% gel ' + 1% Retarder           | 450     | 40%    | 11.00  | 3.38  |
|   | TAIL 6,020'   | 50/50 Poz/G + 10% salt + 2% gel<br>+ 0.1% R-3  | 1470    | 40%    | 14.30  | 1.31  |

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

**FLOAT EQUIPMENT & CENTRALIZERS**

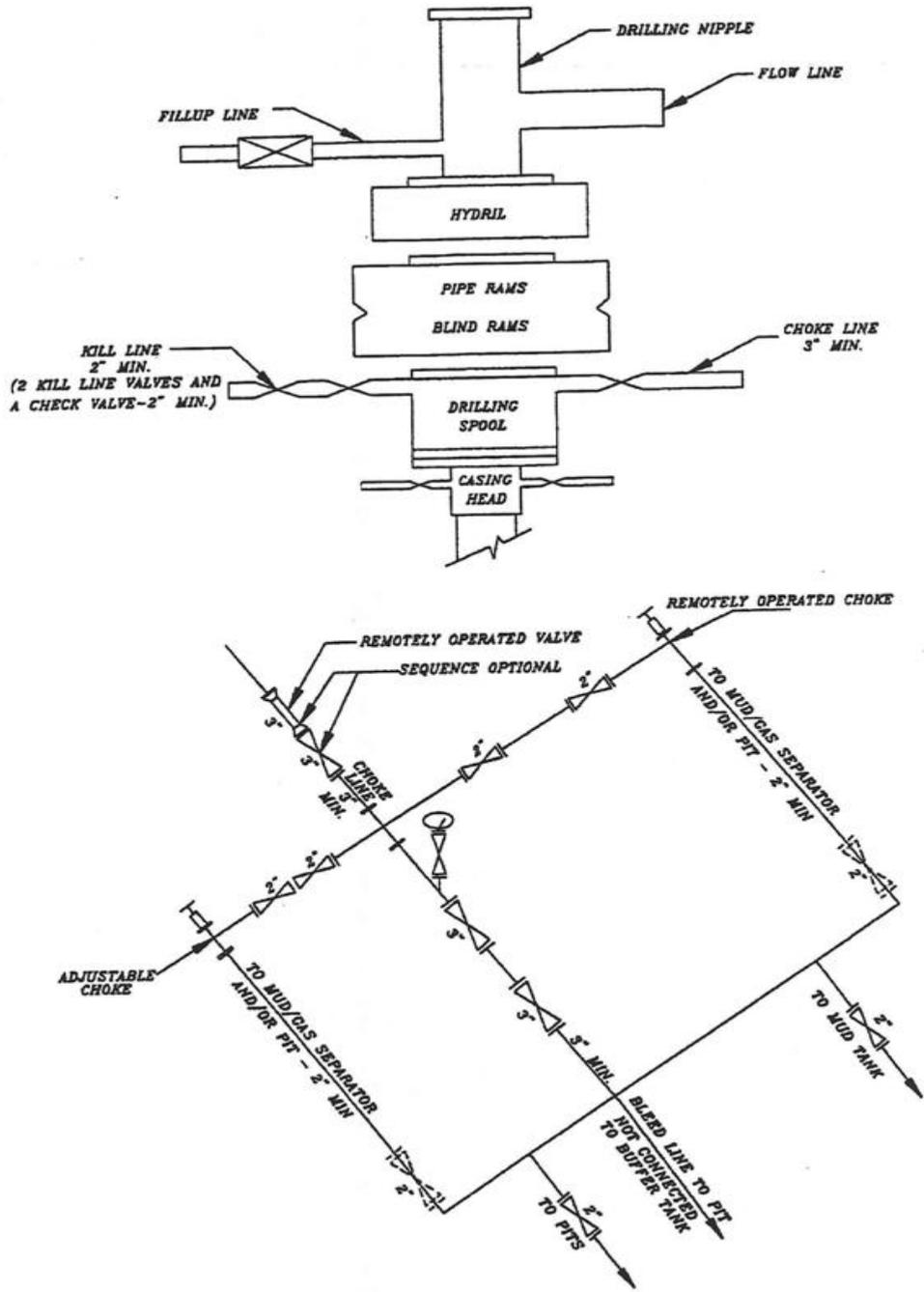
|            |  |
|------------|--|
| SURFACE    | Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.          |
| PRODUCTION | Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint for a total of 15 bow spring centralizers.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

**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 utilized.

DRILLING ENGINEER: \_\_\_\_\_ DATE: \_\_\_\_\_  
 John Huycke / Emile Goodwin  
 DRILLING SUPERINTENDENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 John Merkel / Lovel Young

### EXHIBIT A NBU 920-15I



**SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK**

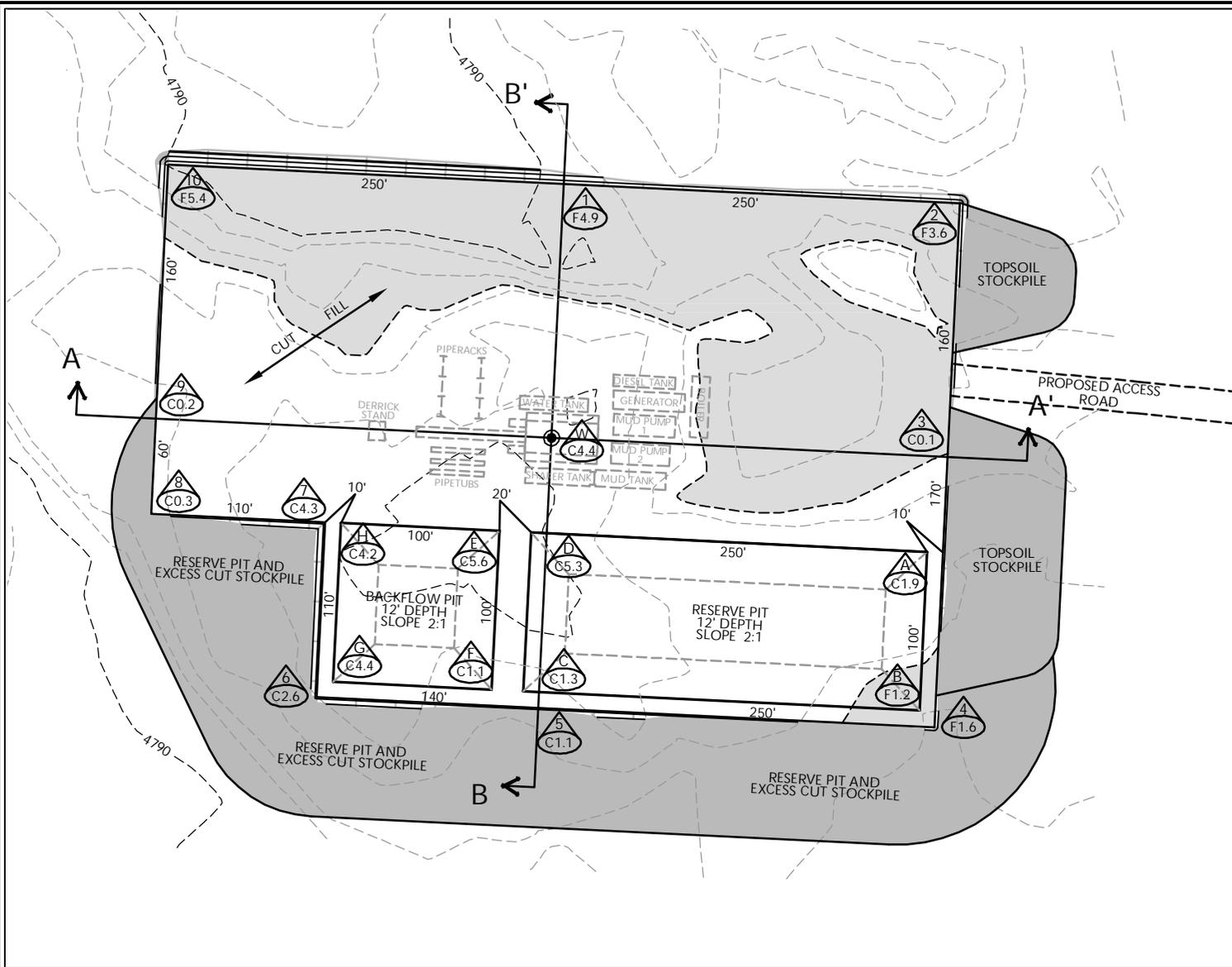
WELL PAD LEGEND

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

WELL PAD NBU 920-151 QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4799.7'  
 FINISHED GRADE ELEVATION = 4795.3'  
 CUT SLOPES = 1.5:1  
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 7,333 C.Y.  
 TOTAL FILL FOR WELL PAD = 6,897 C.Y.  
 TOPSOIL @ 6" DEPTH = 2,951 C.Y.  
 EXCESS MATERIAL = 436 C.Y.  
 TOTAL DISTURBANCE = 3.66 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



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



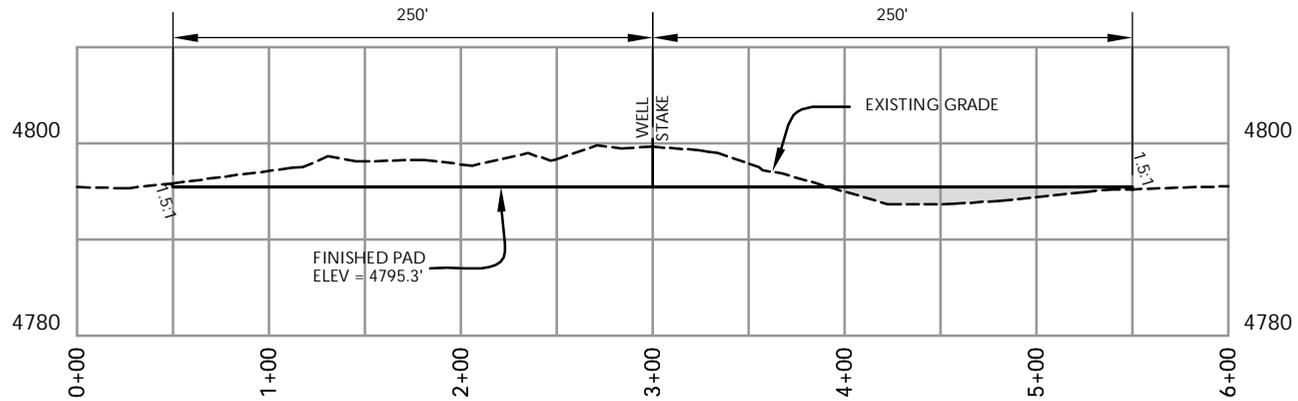
**CONSULTING, LLC**  
 371 Coffeen Avenue  
 Sheridan WY 82801  
 Phone 307-674-0609  
 Fax 307-674-0182

|                |               |                    |
|----------------|---------------|--------------------|
| Scale: 1"=100' | Date: 2/26/09 | SHEET NO:          |
| REVISED:       | BY DATE       | <b>2</b><br>2 OF 9 |

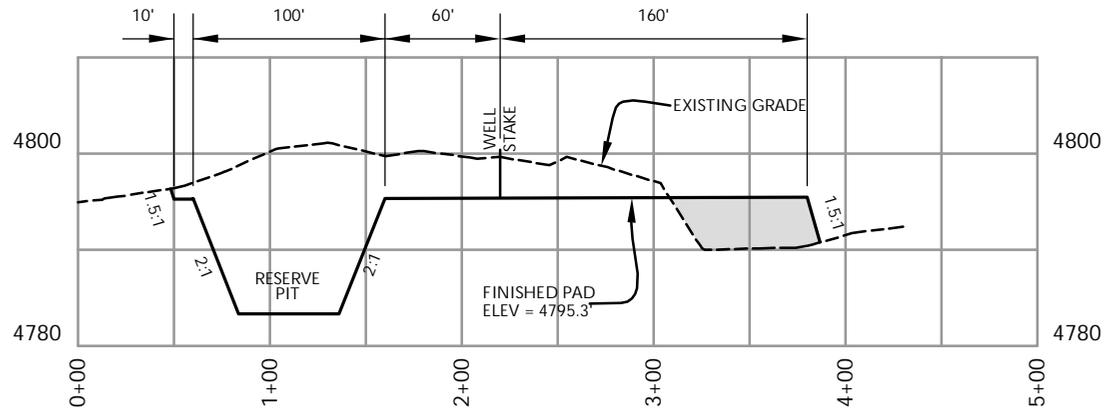
**NBU 920-151**  
**WELL PAD - LOCATION LAYOUT**  
 2071' FSL, 562' FEL  
 NE1/4 SE1/4, SECTION 15, T.9S., R.20E.  
 S.L.B.&M., UINTAH COUNTY, UTAH

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

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**CROSS SECTION A-A'**



**CROSS SECTION B-B'**

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

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

NBU 920-15I  
WELL PAD - CROSS SECTIONS  
2071' FSL, 562' FEL  
NE1/4 SE1/4, SECTION 15, T.9S., R.20E.  
S.L.B.&M., Uintah County, Utah



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

|                |               |                    |
|----------------|---------------|--------------------|
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38 WEST 100 NORTH VERNAL, UTAH 84078









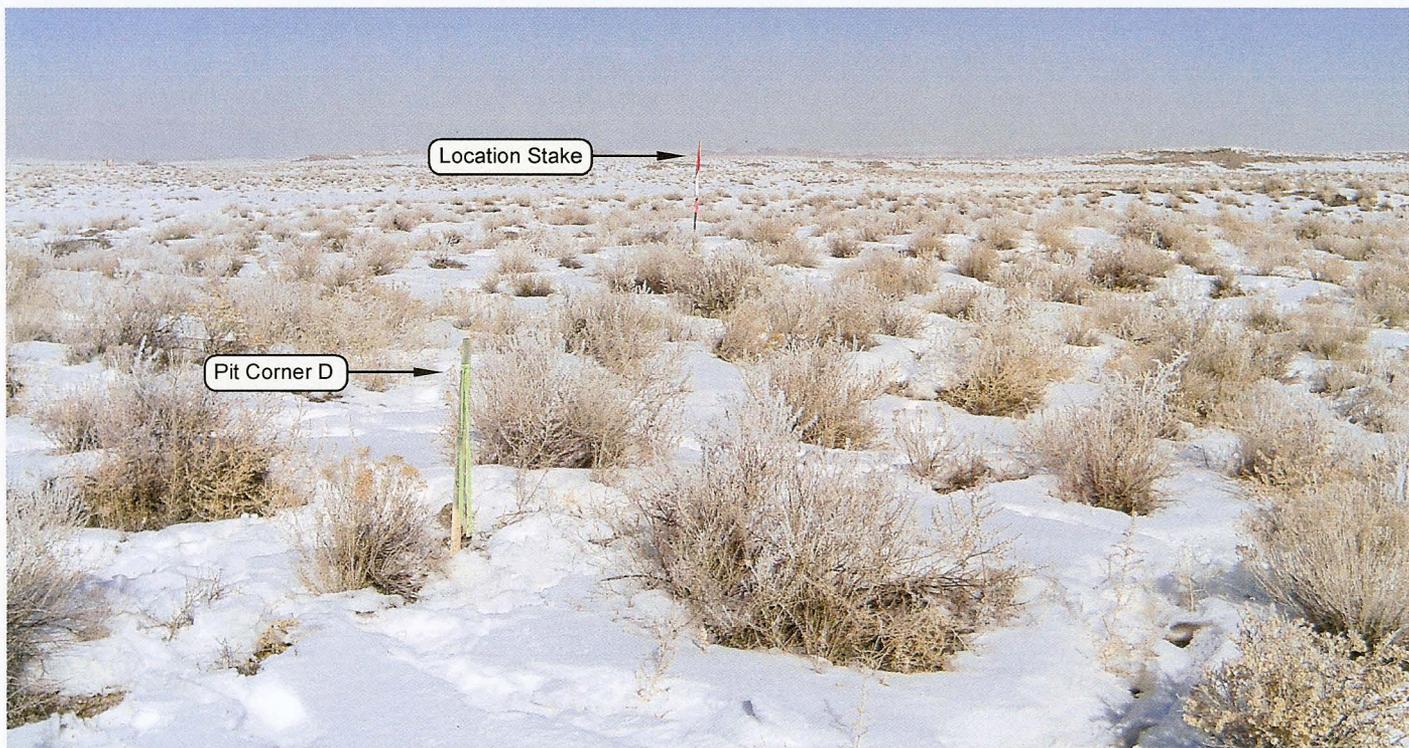


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: WESTERLY

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



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

NBU 920-151  
 2071' FSL, 562' FEL  
 NE 1/4 SE 1/4 OF SECTION 15, T9S, R20E,  
 S.L.B.&M. UINTAH COUNTY, UTAH.

|   |                  |   |
|---|------------------|---|
| <b>LOCATION PHOTOS</b>                                  |                  | DATE TAKEN: 01-16-09                    |
|   |                  | DATE DRAWN: 02-16-09                    |
| TAKEN BY: B.J.S.  | DRAWN BY: K.K.O. | REVISED:                                |
| <b>Timberline</b><br>Engineering & Land Surveying, Inc. |                  | (435) 789-1365                          |
| 209 NORTH 300 WEST VERNAL, UTAH 84078                   |                  | <b>SHEET</b><br><b>4</b><br><b>OF 9</b> |

**Kerr-McGee Oil & Gas Onshore, LP**  
**NBU 920-15I**  
**Section 15, 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 1.9 MILES TO A SECOND SERVICE ROAD TO THE NORTH. EXIT LEFT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE SECOND SERVICE ROAD APPROXIMATELY 0.6 MILES TO AN EXISTING WELL PAD. PROCEED NORTHWESTERLY ACROSS THE WELL PAD APPROXIMATELY 370 FEET TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 830 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 38.7 MILES IN A SOUTHERLY DIRECTION.

**NBU 920-15I**

Surface: 2,071' FSL, 562' FEL (NE/4SE/4)  
Sec. 15 T9S R20E

Uintah, Utah

Mineral Lease: UTU 0144868  
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 SE/4 of Section 15 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. Existing Roads:**

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

**2. Planned Access Roads:**

*See MDP for additional details on road construction.*

Approximately  $\pm 0.16$  miles ( $\pm 830'$ ) 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 ±1,860' 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

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

**Paleontological Assessment for  
Anadarko Petroleum Corp.**

**NBU 920-15I**

Ouray Quadrangle

Uintah County, Utah

Prepared for

**Anadarko Petroleum Corp.**

and

**Ute Tribe**

**Uintah and Ouray Reservation**

Prepared by

**SWCA Environmental Consultants**

SWCA #UT09-14314-11



# 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 920-15I, NBU 920-15P

**Pipelines:** Associated pipelines to proposed well pads

**Access Roads:** Associated access roads to proposed well pads

**Location:** Section 15, Township 9 South, Range 20 East; Uintah County, Utah

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

**Date:** 06/18/2009

**Observer(s):** Grasslands Consulting, Inc. Biologists: Dan Hamilton, Nick Hall, Jay Slocum, Matt Kelahan, and Jonathan Sexauer. Technician: Chad Johnson

**Weather:** Partly cloudy, 50-65°F, 5-10 mph winds with moderate 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



# WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 7/16/2009

**API NO. ASSIGNED:** 43047505750000

**WELL NAME:** NBU 920-15I

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

**PHONE NUMBER:** 720 929-6156

**CONTACT:** Danielle Piernot

**PROPOSED LOCATION:** NESE 15 090S 200E

**Permit Tech Review:**

**SURFACE:** 2071 FSL 0562 FEL

**Engineering Review:**

**BOTTOM:** 2071 FSL 0562 FEL

**Geology Review:**

**COUNTY:** UINTAH

**LATITUDE:** 40.03371

**LONGITUDE:** -109.64493

**UTM SURF EASTINGS:** 615616.00

**NORTHINGS:** 4432168.00

**FIELD NAME:** NATURAL BUTTES

**LEASE TYPE:** 1 - Federal

**LEASE NUMBER:** UTU 0144868

**PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE

**SURFACE OWNER:** 2 - Indian

**COALBED METHANE:** NO

## RECEIVED AND/OR REVIEWED:

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

**Commingle Approved**

## LOCATION AND SITING:

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

**Comments:** Presite Completed

**Stipulations:** 3 - Commingle - ddoucet  
4 - Federal Approval - dmason  
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 920-15I  
**API Well Number:** 43047505750000  
**Lease Number:** UTU 0144868  
**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:

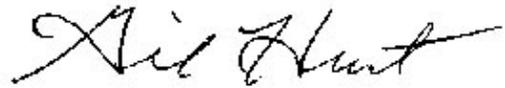
- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)
- OR
- submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

**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

RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUL 15 2009

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

|  |   |   |
|--|---|---|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |   | 5. Lease Serial No.<br>UTU0144868   |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone                         |   | 6. If Indian, Allottee or Tribe Name  |
| 2. Name of Operator<br>KERRMCGEE OIL&GAS ONSHORE LP<br>Contact: DANIELLE E PIERNOT<br>E-mail: Danielle.Piernot@anadarko.com  |   | 7. If Unit or CA Agreement, Name and No.<br>891008900A                      |
| 3a. Address<br>PO BOX 173779<br>DENVER, CO 80202-3779  | 3b. Phone No. (include area code)<br>Ph: 720-929-6156<br>Fx: 720-929-7156 | 8. Lease Name and Well No.<br>NBU 920-151                                   |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface NESE 2071FSL 562FEL 40.03378 N Lat, 109.64561 W Lon<br>At proposed prod. zone NESE 2071FSL 562FEL 40.03378 N Lat, 109.64561 W Lon |   | 9. API Well No.<br>43 047 50575   |
| 14. Distance in miles and direction from nearest town or post office*<br>APPROXIMATELY 8 MILES SOUTHEAST OF OURAY, UTAH  |   | 10. Field and Pool, or Exploratory<br>NATURAL BUTTES                        |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)<br>562 FEET   | 16. No. of Acres in Lease<br>320.00                                       | 11. Sec., T., R., M., or Blk. and Survey or Area<br>Sec 15 T9S R20E Mer SLB |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.<br>APPROXIMATELY 1200 FEET   | 19. Proposed Depth<br>10700 MD<br>10700 TVD                               | 12. County or Parish<br>UINTAH  |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.)<br>4800 GL  | 22. Approximate date work will start<br>08/03/2009                        | 13. State<br>UT   |
|  |   | 17. Spacing Unit dedicated to this well                                     |
|  |   | 20. BLM/BIA Bond No. on file<br>WYB000291                                   |
|  |   | 23. Estimated duration<br>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:

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

|  |   |                    |
|--|---|--------------------|
| 25. Signature<br>(Electronic Submission) | Name (Printed/Typed)<br>DANIELLE E PIERNOT Ph: 720-929-6156 | Date<br>07/16/2009 |
|--|---|--------------------|

|                             |  |  |
|-----------------------------|--|--|
| Title<br>REGULATORY ANALYST |  |  |
|-----------------------------|--|--|

|  |  |                  |
|--|--|------------------|
| Approved by (Signature)<br><i>Stephanie J Howard</i> | Name (Printed/Typed)<br>Stephanie J Howard | Date<br>12/18/09 |
|--|--|------------------|

|  |                               |  |
|--|-------------------------------|--|
| Title<br>Assistant Field Manager<br>Acting Lands & Mineral Resources | Office<br>VERNAL FIELD OFFICE |  |
|--|-------------------------------|--|

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

CONDITIONS OF APPROVAL ATTACHED

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

Additional Operator Remarks (see next page)

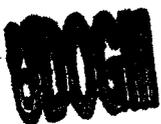
NOTICE OF APPROVAL

RECEIVED

Electronic Submission #72254 verified by the BLM Well Information System  
For KERRMCGEE OIL&GAS ONSHORE LP, sent to the Vernal  
Committed to AFMSS for processing by GAIL JENKINS on 07/21/2009 ()

DEC 24 2009

NOS April posted 7/29/09



DIV. OF OIL, GAS & MINING

AFMSS#

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

096XJ5424AE

NO NOS



**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

**Company:** Kerr McGee Oil & Gas Onshore  
**Well No:** NBU 920-151  
**API No:** 43-047-50575

**Location:** NESE, Sec.15, T9S, R20E  
**Lease No:** UTU-0144868  
**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**

RECEIVED  
DEC 24 2009  
DIV. OF OIL, GAS & MINING

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

**NOTIFICATION REQUIREMENTS**

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

**SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**Site-Specific Conditions of Approval:**

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**DIV. OF OIL, GAS & MINING**

- Paint New facilities "shadow gray."
- Utilize pit-run/gravel for well pad and access road support.
- Fence archeological locality #42UN5081 before construction.
- Monitor location by a permitted archaeologist during the construction process.
- In accordance with the guidelines specified in the Utah BLM Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (See Appendix D), a raptor survey shall be conducted prior to construction of the proposed location, pipeline, or access road if construction will take place during raptor nesting season (January 01 through September 30) and conduct its operations according to specification in the guidelines.
- If project construction operation are scheduled to occur after June 18, 2010, KMG will conduct additional biological surveys in accordance with the guidelines specified in the USFWS Rare Plant Conservation Measures for Uinta Basin hookless cactus (See Appendix D) and conduct its operation according to its specifications.

**BIA Standard Conditions of Approval:**

- Soil erosion will be mitigated by 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 used in all flood plain areas, and other highly sensitive areas, recommended by the Ute Tribe Technician, BIA, and other agencies involved.
- The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0' below the soil surface elevation.
- A closed production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.
- Major low water crossings will be armored with pit run material to protect them from erosion.

- All personnel shall refrain from collecting any paleontological fossils and from disturbing any fossil resources in the area.
- If fossils are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.
- Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation. If necessary, the Bureau of Indian Affairs or Bureau of Land Management will provide a suitable seed mixture.
- Noxious weeds will be controlled on all surface disturbances within the project area. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.
- If project construction operations are scheduled to occur after December 31, 2009, KMG shall conduct annual raptor surveys in accordance with the guidelines specified in the Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances, 2002 (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 shall refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
- If artifacts or any culturally sensitive materials are exposed or identified during construction, all construction must cease and immediate notification to the Energy and Minerals Department and the Cultural Rights Protection Officer.

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**DOWNHOLE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**SITE SPECIFIC DOWNHOLE COAs:**

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

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**Variations Granted:**

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**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.

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DIV. OF OIL, GAS & MINING

## 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 ( $\frac{1}{4}$ / $\frac{1}{4}$ , Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

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Page 7 of 7  
Well: NBU 920-151  
12/17/2009

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.

**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 |
|---|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 4304750574  | NBU 920-23D           |                   | NWNW      | 23  | 9S  | 20E                              | UINTAH |
| Action Code   | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
| B   | 99999                 | 2900              | 2/9/2010  |     |     | 2/18/10                          |        |
| <b>Comments:</b> MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i><br>SPUD WELL LOCATION ON 2/9/2010 AT 9:00 HRS. |                       |                   |           |     |     |                                  |        |

**Well 2**

| API Number   | Well Name             |                   | QQ        | Sec | Twp | Rng                              | County |
|--|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 4304750575   | NBU 920-15I           |                   | NESE      | 15  | 9S  | 20E                              | UINTAH |
| Action Code  | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
| B  | 99999                 | 2900              | 2/9/2010  |     |     | 2/18/10                          |        |
| <b>Comments:</b> MIRU PETE MARTIN BUCKET RIG. <i>WSMVD</i><br>SPUD WELL LOCATION ON 2/9/2010 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 |        |
|                  |                       |                   |           |     |     |                                  |        |
| <b>Comments:</b> |                       |                   |           |     |     |                                  |        |

**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]*  
Signature

REGULATORY ANALYST

2/10/2010

Title

Date

**RECEIVED**

FEB 10 2010

|   |               |
|---|---------------|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b> |
| <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868                               |               |

|  |  |
|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute Tr |
| <b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES   |  |

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-15I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047505750000 |
|---|---|

|   |  |  |
|---|--|--|
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | <b>PHONE NUMBER:</b><br>720 929-6007 Ext | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES |
|---|--|--|

|   |                          |
|---|--------------------------|
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2071 FSL 0562 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 15 Township: 09.0S Range: 20.0E Meridian: S | <b>COUNTY:</b><br>Uintah |
| <b>STATE:</b><br>UTAH   |                          |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start: | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> APD EXTENSION<br>OTHER: |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:         |   |   |  |
| <input checked="" type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br>2/9/2010   |   |   |  |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:                       |   |   |  |

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 2/9/2009 AT 15:00 HRS.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 February 10, 2010

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Andy Lytle | <b>PHONE NUMBER</b><br>720 929-6100 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                  | <b>DATE</b><br>2/10/2010            |                                    |

|  |  |
|--|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868                                   |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute Tr<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-15I   |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047505750000  |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext   |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2071 FSL 0562 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 15 Township: 09.0S Range: 20.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>Uintah<br><br><b>STATE:</b><br>Utah  |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |   |
|---|--|---|---|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start: | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:         | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input checked="" type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br>2/9/2010   | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:                       | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|   | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|   | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|   | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|   | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|   | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|   | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER:  |

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

PLEASE NOTE THAT THE ORIGINAL SPUD SUNDRY FOR THIS WELL HAD THE INCORRECT DATE FOR SPUD. THE CORRECT DATE IS 2/9/2010.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 February 16, 2010

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Andy Lytle | <b>PHONE NUMBER</b><br>720 929-6100 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                  | <b>DATE</b><br>2/11/2010            |                                    |

|   |  |
|---|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868 |
|---|--|

|  |  |
|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute Tr<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES |
|--|--|

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-15I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047505750000 |
|---|---|

|   |  |  |
|---|--|--|
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | <b>PHONE NUMBER:</b><br>720 929-6007 Ext | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES |
|---|--|--|

|   |   |
|---|---|
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2071 FSL 0562 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 15 Township: 09.0S Range: 20.0E Meridian: S | <b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |
|---|---|

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>2/12/2010<br><br><input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:<br><br><input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:<br><br><input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date: | <input type="checkbox"/> ACIDIZE<br><input checked="" type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b><br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input type="checkbox"/> OTHER | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> APD EXTENSION<br>OTHER: |

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

Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee) respectfully requests to change the surface casing size for this well from FROM: 9-5/8" TO: 8-5/8". Additionally, Kerr-McGee requests to change the cement program for this well due to a revised drilling procedure. The production casing will still be cemented it's entire length to the surface. Please see the attached drilling program for additional details. All other information remains the same. Please contact the undersigned with any questions and/or comments. Thank you.

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

Date: February 17, 2010

By: *Danielle Piernot*

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Danielle Piernot | <b>PHONE NUMBER</b><br>720 929-6156 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                        |                                     | <b>DATE</b><br>2/11/2010           |





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

**CASING PROGRAM**

|            | SIZE   | INTERVAL      | WT.   | GR.     | CPLG. | DESIGN FACTORS |          |         |
|------------|--------|---------------|-------|---------|-------|----------------|----------|---------|
|            |        |               |       |         |       | BURST          | COLLAPSE | TENSION |
| CONDUCTOR  | 14"    | 0-40'         |       |         |       |                |          |         |
| SURFACE    | 8-5/8" | 0 to 2710     | 28.00 | IJ-55   | LTC   | 3,390          | 1,880    | 348,000 |
|            |        |               |       |         |       | 0.76*          | 1.48     | 4.59    |
| PRODUCTION | 4-1/2" | 0 to 9600     | 11.60 | I-80    | LTC   | 7,780          | 6,350    | 201,000 |
|            |        |               |       |         |       | 1.75           | 1.04     | 1.99    |
|            |        |               |       |         |       | 10,690         | 8,650    | 279,000 |
|            |        | 9600 to 10700 | 11.60 | HCP-110 | LTC   | 2.41           | 1.27     | 26.88   |

\*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 1.99

- 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))  
 (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 4,312 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 6,666 psi**

**CEMENT PROGRAM**

|   | FT. OF FILL                 | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |
|---|-----------------------------|--|---------|--------|--------|-------|
| SURFACE<br>Option 1   | LEAD 500'                   | Premium cmt + 2% CaCl<br>+ 0.25 pps flocele  | 215     | 60%    | 15.60  | 1.18  |
|   | TOP OUT CMT (6 jobs) 1,200' | 20 gals sodium silicate + Premium cmt<br>+ 2% CaCl + 0.25 pps flocele<br>Premium cmt + 2% CaCl | 260     | 0%     | 15.60  | 1.18  |
| <b>NOTE: If well will circulate water to surface, option 2 will be utilized</b> |                             |  |         |        |        |       |
| SURFACE<br>Option 2   | LEAD 2,210'                 | Prem cmt + 16% Gel + 10 pps gilsonite<br>+ 0.25 pps Flocele + 3% salt BWOC                     | 200     | 35%    | 11.00  | 3.82  |
|   | TAIL 500'                   | Premium cmt + 2% CaCl<br>+ 0.25 pps flocele  | 150     | 35%    | 15.60  | 1.18  |
|   | TOP OUT CMT as required     | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| PRODUCTION  | LEAD 4,680'                 | Premium Lite II + 0.25 pps celloflake +<br>5 pps gilsonite + 10% gel ' + 1% Retarder           | 380     | 40%    | 11.00  | 3.38  |
|   | TAIL 6,020'                 | 50/50 Poz/G + 10% salt + 2% gel<br>+ 0.1% R-3  | 1470    | 40%    | 14.30  | 1.31  |

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

**FLOAT EQUIPMENT & CENTRALIZERS**

|            |  |
|------------|--|
| SURFACE    | Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.          |
| PRODUCTION | Float shoe, 1 jt, float collar. 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 utilized.

DRILLING ENGINEER: \_\_\_\_\_ DATE: \_\_\_\_\_  
 John Huycke / Emile Goodwin  
 DRILLING SUPERINTENDENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 John Merkel / Lovel Young

|   |  |
|---|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868 |
|---|--|

|  |  |
|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute Tr<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES |
|--|--|

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-15I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047505750000 |
|---|---|

|   |  |  |
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|---|--|--|

|   |   |
|---|---|
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2071 FSL 0562 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 15 Township: 09.0S Range: 20.0E Meridian: S | <b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |
|---|---|

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

| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
|--|--|---|---|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:  | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:          | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:                           | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:<br>3/2/2010 | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|  | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|  | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER:  |

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

MIRU PROPETRO AIR RIG ON 02/26/2010. DRILLED 11" SURFACE HOLE TO 2750'. RAN 8 5/8 28# J-55 SURFACE CASING. TEST LINES TO 2000 PSI. **Accepted by the Utah Division of Oil, Gas and Mining** PUMP 140 BBLS OF H2O. PUMP 20 BBLS OF GEL WATER. PUMP 250 SX OF 1 PPG, 3.82 YIELD CLASS G HI FILL LEAD CEMENT. PUMP 175 SX OF 15.8 PPG, 1.15 YIELD CLASS G PREMIUM LITE TAIL CEMENT. DROP PLUG ON FLY AND DISPLACE W/ 166 BBLS OF H2O. 15 BBLS OF LEAD TO SURFACE W/ 500 PSI OF LIFT. LAND PLU 1000 PSI AND CHECK FLOAT. FLOAT HELD. PUMP 125 SX OF 15.8 PPG, 1.15 YIELD CLASS G PREMIUM LITE TOP OUT CEMENT. CEMENT DOWN 1". CEMENT FELL BACK. WAIT 2 HOURS AND PUMP 100 SX OF SAME CEMENT. CEMENT TO SURFACE. WORT.

FOR RECORD ONLY

March 02, 2010

|  |                                     |   |
|--|-------------------------------------|---|
| <b>NAME (PLEASE PRINT)</b><br>Laura Gianakos | <b>PHONE NUMBER</b><br>307 752-1169 | <b>TITLE</b><br>Regulatory Affairs Supervisor |
| <b>SIGNATURE</b><br>N/A                      | <b>DATE</b><br>3/2/2010             |   |

|   |  |
|---|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868 |
|---|--|

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|--|--|

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-15I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047505750000 |
|---|---|

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| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 | <b>PHONE NUMBER:</b><br>720 929-6007 Ext | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES |
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|   |   |
|---|---|
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2071 FSL 0562 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 15 Township: 09.0S Range: 20.0E Meridian: S | <b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH |
|---|---|

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| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
|--|--|---|---|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:  | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:          | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:                           | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:<br>3/2/2010 | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|  | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|  | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER:  |

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| <b>SIGNATURE</b><br>N/A                      | <b>DATE</b><br>3/2/2010             |   |

SUBMIT AS EMAIL

Print Fo

BLM - Vernal Field Office - Notification Form

Operator ANADARKO Rig Name/# PIONEER 69  
Submitted By BRAD PEDERSEN Phone Number 435-828-0982  
Well Name/Number NBU 920-151  
Qtr/Qtr NE/SE Section 15 Township 9S Range 20E  
Lease Serial Number 0144868  
API Number 4304750575

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

Date/Time \_\_\_\_\_ AM  PM

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

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

Date/Time \_\_\_\_\_ AM  PM

BOPE

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

Date/Time 10/24/2010 02:00 AM  PM

Remarks TIME IS APPROXAMATE

RECEIVED  
OCT 25 2010

DIV. OF OIL, GAS & MINING

|   |  |
|---|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868 |
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|--|--|

|                                    |  |
|------------------------------------|--|
| <b>1. TYPE OF WELL</b><br>Gas Well | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-15I |
|------------------------------------|--|

|   |   |
|---|---|
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P. | <b>9. API NUMBER:</b><br>43047505750000 |
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|---|---|

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|--|--|---|---|
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| <input type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:           | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> SPUD REPORT<br>Date of Spud:                            | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input checked="" type="checkbox"/> DRILLING REPORT<br>Report Date:<br>11/7/2010 | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
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|  | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER: <input style="width: 100px;" type="text"/>       |

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

FINISHED DRILLING FROM 2750' TO 10,790' ON NOVEMBER 4, 2010. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. PUMP 40 BBLS SPACER, LEAD CEMENT W/ 740 SX CLASS G PREM LITE @ 13.0 PPG, 1.76 YD. TAILED CEMENT W/ 1490 SX CLASS G 50/50 POZ MIX @ 14.3 PPG, 1.31 YD. DISPLACED W/ 166 BBLS CLAYTREAT WATER. FINAL LIFT 3580 PSI, BUMPED PLUG @ 4170 PSI. HELD PRESSURE 5 MIN. 2.5 BBL BLED BACK TO TRUCK, FLOATS HELD. 8 BBLS LEAD CEMENT BACK TO PIT, EST. TOP OF TAIL @ 4320'. LOST APPROX 20 BBLS OF FLUID WHILE DISPLACING CEMENT. RETURNS SLOWED AT THE END OF THE JOB. SLOWED PUMP RATE TO 3-5 BPM. RD CEMENTERS AND CLEANED PITS. RELEASED PIONEER RIG #69 ON NOVEMBER 7, 2010 @ 11:00 HRS.

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

|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker | <b>PHONE NUMBER</b><br>720 929-6086 | <b>TITLE</b><br>Regulatory Analyst II |
| <b>SIGNATURE</b><br>N/A                   | <b>DATE</b><br>11/8/2010            |                                       |

SUBMIT AS EMAIL

Print Form

BLM - Vernal Field Office - Notification Form

Operator ANADARKO Rig Name/# PIONEER 69  
 Submitted By DALTON KING Phone Number 435-828-0982  
 Well Name/Number NBU 920-151  
 Qtr/Qtr NESE Section 15 Township 9S Range 20E  
 Lease Serial Number UTU0144868  
 API Number 430-47-505759

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

Date/Time \_\_\_\_\_ AM  PM

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

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

Date/Time 11/05/2010 6:00 AM  PM

BOPE

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

Date/Time \_\_\_\_\_ AM  PM

Remarks TIME IS ESTIMATED

RECEIVED  
NOV 08 2010

DIV. OF OIL, GAS & MINING

|  |  |
|--|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868                                   |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute Tr<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-151   |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047505750000  |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext   |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2071 FSL 0562 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 15 Township: 09.0S Range: 20.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH  |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |   |
|---|--|---|---|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:   | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:           | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:                            | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:<br>11/7/2010 | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|   | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|   | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|   | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|   | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|   | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|   | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                          | OTHER: <input style="width: 100px;" type="text"/>       |

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

FINISHED DRILLING FROM 2750' TO 10,790' ON NOVEMBER 4, 2010. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. PUMP 40 BBLS SPACER, LEAD CEMENT W/ 740 SX CLASS G PREM LITE @ 13.0 PPG, 1.76 YD. TAILED CEMENT W/ 1490 SX CLASS G 50/50 POZ MIX @ 14.3 PPG, 1.31 YD. DISPLACED W/ 166 BBLS CLAYTREAT WATER. FINAL LIFT 3580 PSI, BUMPED PLUG @ 4170 PSI. HELD PRESSURE 5 MIN. 2.5 BBL BLED BACK TO TRUCK, FLOATS HELD. 8 BBLS LEAD CEMENT BACK TO PIT, EST. TOP OF TAIL @ 4320'. LOST APPROX 20 BBLS OF FLUID WHILE DISPLACING CEMENT. RETURNS SLOWED AT THE END OF THE JOB. SLOWED PUMP RATE TO 3-5 BPM. RD CEMENTERS AND CLEANED PITS. RELEASED PIONEER RIG #69 ON NOVEMBER 7, 2010 @ 11:00 HRS.

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

|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker | <b>PHONE NUMBER</b><br>720 929-6086 | <b>TITLE</b><br>Regulatory Analyst II |
| <b>SIGNATURE</b><br>N/A                   |                                     | <b>DATE</b><br>11/8/2010              |

|  |  |
|--|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>UTU 0144868                                   |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Ute Tr<br><br><b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES |
| <b>1. TYPE OF WELL</b><br>Gas Well   | <b>8. WELL NAME and NUMBER:</b><br>NBU 920-151   |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  | <b>9. API NUMBER:</b><br>43047505750000  |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  | <b>PHONE NUMBER:</b><br>720 929-6007 Ext   |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>2071 FSL 0562 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NESE Section: 15 Township: 09.0S Range: 20.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES<br><br><b>COUNTY:</b><br>UINTAH<br><br><b>STATE:</b><br>UTAH  |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |   |
|---|---|---|---|
| <input type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:   | <input type="checkbox"/> ACIDIZE                                      | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:           | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS                     | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:                            | <input type="checkbox"/> CHANGE WELL STATUS                           | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input checked="" type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:<br>1/18/2011 | <input type="checkbox"/> DEEPEN                                       | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|   | <input type="checkbox"/> OPERATOR CHANGE                              | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|   | <input checked="" type="checkbox"/> <b>PRODUCTION START OR RESUME</b> | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|   | <input type="checkbox"/> REPERFORATE CURRENT FORMATION                | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|   | <input type="checkbox"/> TUBING REPAIR                                | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|   | <input type="checkbox"/> WATER SHUTOFF                                | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|   | <input type="checkbox"/> WILDCAT WELL DETERMINATION                   | <input type="checkbox"/> OTHER                          | OTHER: <input style="width: 100px;" type="text"/>       |

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

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON JANUARY 18, 2011 AT 3:30 P.M. THE CHRONOLOGICAL WELL HISTORY WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.

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

|   |                                     |                                       |
|---|-------------------------------------|---------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Gina Becker | <b>PHONE NUMBER</b><br>720 929-6086 | <b>TITLE</b><br>Regulatory Analyst II |
| <b>SIGNATURE</b><br>N/A                   |                                     | <b>DATE</b><br>1/19/2011              |

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.  
UTU0144868

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, Contact: GINA T. BECKER  
 Mail: gina.becker@anadarko.com

8. Lease Name and Well No.  
NBU 920-151

3. Address POBOX 179779 DENVER, CO 80217  
 3a. Phone No. (include area code) Ph: 720-929-6086

9. API Well No.  
43-047-50575

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface NESE 2071FSL 562FEL 40.41711 N Lat, 109.64562 W Lon  
 At top prod interval reported below NESE 2071FSL 562FEL 40.41711 N Lat, 109.64562 W Lon  
 At total depth <sup>1984</sup> <sup>561</sup> NESE 2071FSL 562FEL 40.41711 N Lat, 109.64562 W Lon

10. Field and Pool, or Exploratory  
NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area  
Sec 15 T9S R20E Mer SLB

12. County or Parish  
UINTAH  
 13. State  
UT

14. Date Spudded 02/09/2010  
 15. Date T.D. Reached 11/04/2010  
 16. Date Completed  D & A  Ready to Prod.  
 01/18/2011

17. Elevations (DF, KB, RT, GL)\*  
4795 GL

18. Total Depth: MD 10790 TVD 10788  
 19. Plug Back T.D.: MD 10727 TVD 10725  
 20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
 CBL/GR  HDIL/ZDL/CNDR  
 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 Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|-------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 20.000    | 14.000 STL  | 36.7        |          | 40          |                      | 28                          |                   |             |               |
| 11.000    | 8.625 IJ-55 | 28.0        |          | 2715        |                      | 650                         |                   | 0           |               |
| 7.875     | 4.500 I-80  | 11.6        |          | 9421        |                      | 2230                        |                   | 55          |               |
| 7.875     | 4.500 P110  | 11.6        | 9421     | 10766       |                      |                             |                   |             |               |

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 | 10113          |                   |      |                |                   |      |                |                   |

25. Producing Intervals

| Formation    | Top  | Bottom | Perforated Interval | Size  | No. Holes | Perf. Status |
|--------------|------|--------|---------------------|-------|-----------|--------------|
| A) MESAVERDE | 8973 | 10679  | 8973 TO 10679       | 0.360 | 105       | OPEN         |
| B)           |      |        |                     |       |           |              |
| C)           |      |        |                     |       |           |              |
| D)           |      |        |                     |       |           |              |

26. Perforation Record

| Depth Interval | Amount and Type of Material                       |
|----------------|---|
| 8973 TO 10679  | PUMP 5799 BBLs SLICK H2O & 196,896 LBS 30/50 SAND |

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

| Date First Produced | Test Date         | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 01/18/2011          | 01/20/2011        | 24           | →               | 0.0     | 1924.0  | 235.0     |                       |             | FLOWS FROM WELL   |
| Choke Size          | Tbg. Press. Flwg. | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |
| 20/64               | SI 1500           | 2275.0       | →               | 0       | 1924    | 235       |                       | PGW         |                   |

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

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. | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |
|                     | SI                |              | →               |         |         |           |                       |             |                   |

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

ELECTRONIC SUBMISSION #103558 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

RECEIVED

MAR 10 2011

28b. Production - Interval C

|                     |                      |              |                      |         |         |           |                       |             |                   |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date            | Hours Tested | Test Production<br>→ | 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<br>→     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |

28c. Production - Interval D

|                     |                      |              |                      |         |         |           |                       |             |                   |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date            | Hours Tested | Test Production<br>→ | 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<br>→     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |

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

CAPTURED

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 | 1723 |        |                              |      |             |
| BIRD'S NEST | 2031 |        |                              |      |             |
| MAHOGANY    | 2607 |        |                              |      |             |
| WASATCH     | 5202 | 8575   |                              |      |             |
| MESAVERDE   | 8575 | 10790  |                              |      |             |

32. Additional remarks (include plugging procedure):

Attached is the chronological well history & final survey. Completion chrono details individual frac stages.

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 #103558 Verified by the BLM Well Information System.**  
For KERR MCGEE OIL & GAS ONSHORE,L, sent to the Vernal

Name (please print) GINA T. BECKER Title REGULATORY ANALYST  
 Signature  (Electronic Submission) Date 03/02/2011

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.

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                          |   |
|--|--------------------------|---|
| Well: NBU 920-15I                                    | Spud Conductor: 2/9/2010 | Spud Date: 2/26/2010  |
| Project: UTAH-UINTAH                                 | Site: NBU 920-15I        | Rig Name No: PIONEER 69/69, PROPETRO/                       |
| Event: DRILLING                                      | Start Date: 2/26/2010    | End Date: 11/6/2010   |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |                          | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |

| Date       | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation   |
|------------|----------------|---------------|--------|------|----------|-----|--------------|---|
| 2/26/2010  | 0:00 - 9:00    | 9.00          | MIRU   | 01   | A        | P   |              | MOVE FROM NBU 920-23D TO NBU-15I  |
|            | 9:00 - 0:00    | 15.00         | DRLSUR | 02   | B        | P   |              | DRILL F/ 40' - 1530' WOB 20 ROT 40 MUD MOTOR 104 DHR 144 GPM 650 NO LOSSES PU/DN/ROT 23/23/23 SPUD WELL 2-26-2010 @ 09:00   |
| 2/27/2010  | 0:00 - 18:00   | 18.00         | DRLSUR | 02   | B        | P   |              | DRILL F/ 1530' - 2750' WOB 20 ROT 40 MUD MOTOR 104 DHR 144 GPM 650 NO LOSSES PU/DN/ROT 62/62/62 T.D. 2-27-2010 @ 1800   |
|            | 18:00 - 19:30  | 1.50          | DRLSUR | 05   | C        | P   |              | CIRCULATE AND CONDITION MUD RUN SURVEY  |
|            | 19:30 - 0:00   | 4.50          | DRLSUR | 06   | A        | P   |              | LDSS  |
| 2/28/2010  | 0:00 - 3:00    | 3.00          | DRLSUR | 12   | C        | P   |              | RUN 61 JOINTS 8.625 J-55 28# 8RD-LTC CASING SHOE @ 2702' RELEASE RIG 2-28-2010 @ 03:00  |
|            | 3:00 - 6:00    | 3.00          | DRLSUR | 12   | E        | P   |              | TEST LINES TO 2000' PSI, PUMP 140 BBLS OF H2O , PUMP 20 BBLS OF GEL WATER. PUMP 250 (170 BBLS) SX OF 11#, 3.82 YD, 23 GAL SX HI FILL LEAD CEMENT. PUMP 175 SX (35.8 BBLS) OF 15.8#, 1.15 YD, 5 GAL/SK TAIL CEMENT, DROP PLUG ON FLY AND DISPLACE W/ 166 BBLS OF 8.3# H2O, 15BBLS OF LEAD TO SURFACE W/ 500 PSI OF LIFT @ 5 BBLS/MIN. W/ LAND PLUG 1000 PSI AND CHECK FLOAT. FLOAT HELD. PUMP 125 SX (25.4 BBLS) OF 4% CALC 15.8# 1.15 YD, 5 GAL/SK CEMENT DOWN 1". CEMENT FELL BACK.'. WAIT 2 HR AND PUMP 100 SX OF SAME CEMENT. CEMENT TO SURFACE. |
| 10/21/2010 | 10:00 - 0:00   | 14.00         | RDMO   | 01   | E        | P   |              | RDRT, PREPARE RIG F/ 25 MILE MOVE   |
| 10/22/2010 | 0:00 - 6:00    | 6.00          | RDMO   | 01   | E        | P   |              | RDRT PREPARE RIG F/ 25 MILE MOVE  |
|            | 6:00 - 0:00    | 18.00         | RDMO   | 21   | E        | Z   |              | WAIT ON TRUCKS  |
| 10/23/2010 | 0:00 - 7:00    | 7.00          | RDMO   | 21   | C        | P   |              | WAIT ON TRUCKS (WAIT ON DAYLIGHT)   |
|            | 7:00 - 12:00   | 5.00          | RDMO   | 01   | E        | P   |              | SAFETY MEETING W/ WEST ROC, J&C CRANE, RIG CREWS, SCOPE & LAYOVER DERRICK, LOAD OUT TRUCKS, MOVE 25 MILES   |
|            | 12:00 - 0:00   | 12.00         | RDMO   | 01   | B        | P   |              | SET IN SUB, COOLING TOWER, BOAT ,CARRIER, PITS, PUMPS, FUEL TANK, LP, ACCUMULATOR HOUSE, RIG UP<br>ELECTRICAL,AIR,HYDRAULICS,WATER,RAISE & SCOPE DERRICK, RURT TRUCKS & CRANE ON LOC @ 0700, TRUCKS RELEASED @17:00, CRANE RELEASED @ 18:30   |
| 10/24/2010 | 0:00 - 2:00    | 2.00          | MIRU   | 01   | B        | P   |              | RURT, FLOOR, P/U KELLY  |
|            | 2:00 - 4:00    | 2.00          | MIRU   | 14   | A        | P   |              | NIPPLE UP BOP   |
|            | 4:00 - 13:00   | 9.00          | MIRU   | 15   | A        | P   |              | SAFETY MEETING W/ QUICK TEST, TEST FLOOR VALVES, UPPER & LOWER KELLY VALVES, PIPE & BLIND RAMS, INSIDE & OUT SIDE KILL LINE ,CHOKE VALVES,HCR VALVE, CHOKE MANIFOLD 250/5 MIN, 5000/ 10 MIN, ANNULAR 250/5 MIN, 2500/ 10 MIN, CASING 1500 F/ 30 MIN , R/D TESTER ( HAD TO PULL STACK OFF AND CHANGE RUBBER GASKETS 2 TIMES )  |
|            | 13:00 - 13:30  | 0.50          | MIRU   | 14   | B        | P   |              | INSTALL WEAR RING   |
|            | 13:30 - 17:30  | 4.00          | MIRU   | 06   | A        | P   |              | SAFETY MEETING W/ FRANKS WESTSTATES,R/U & P/U Q506F BIT, .20/1.5 BEND INTEQ MOTOR,DIRECTIONAL TOOLS, ORIENT, 11.DCS, 3 HWDP, 63 JTS DP TO 2601, R/D FRANKS WESTSTATES   |
|            | 17:30 - 18:00  | 0.50          | MIRU   | 09   | A        | P   |              | CUT & SLIP 125' DRILL LINE  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                          |   |
|--|--------------------------|---|
| Well: NBU 920-15I                                    | Spud Conductor: 2/9/2010 | Spud Date: 2/26/2010  |
| Project: UTAH-UJINTAH                                | Site: NBU 920-15I        | Rig Name No: PIONEER 69/69, PROPETRO/                       |
| Event: DRILLING                                      | Start Date: 2/26/2010    | End Date: 11/6/2010   |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |                          | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |

| Date          | Time Start-End | Duration (hr) | Phase  | Code   | Sub Code | P/U | MD From (ft) | Operation   |  |
|---------------|----------------|---------------|--------|--------|----------|-----|--------------|---|--|
| 10/25/2010    | 18:00 - 19:00  | 1.00          | MIRU   | 23     |          | P   |              | INSTALL DRILLING RUBBER & DRIVE BUSHINGS, SCURE STACK,PRESPUD INSPECTION  |  |
|               | 19:00 - 22:30  | 3.50          | DRLPRO | 02     | F        | P   |              | SPUD @ 19:00 10/24/2010 , DRILL CEMENT, F.E , & OPEN HOLE F/ 2664' TO 2759'   |  |
|               | 22:30 - 0:00   | 1.50          | DRLPRO | 02     | B        | P   |              | DRILL F/ 2759' TO 2854' ( 95' @ 63.3' HR ) WATER  |  |
|               | 0:00 - 6:00    | 6.00          | DRLPRO | 02     | B        | P   |              | DRILL & SURVEY F/ 2854' TO 3160' ( 306' @ 51' HR ) WOB 12-14, RPM 60, MMRPM 91, SPM 120, GPM 454, UP/SO/ROT 95-90-91, ON/OFF 920-1100, DIFF 250, WATER W/ GEL & POLY SWEEPS, SLIDES 2854' TO 2864' , 2949' TO 2959'   |  |
|               | 6:00 - 17:00   | 11.00         | DRLPRO | 02     | B        | P   |              | DRILL & SURVEY F/ 3160' TO 4465' ( 1305' @ 118.63' HR ) WOB 18-20, RPM 55-60, MMRPM 91, SPM 120, GPM 454, UP/SO/ROT 112-100-105, ON/OFF 1175-1600, DIFF 250-375, START MUD UP @ 4200' ,WT 9.1, VIS 32, SLIDES 3770' TO 3780' , 3865' TO 3875, 4029' TO 4039', 4307' TO 4320' , 4402' TO 4409' |  |
|               | 17:00 - 17:30  | 0.50          | DRLPRO | 07     | A        | P   |              | RIG SERVICE   |  |
| 10/26/2010    | 17:30 - 0:00   | 6.50          | DRLPRO | 02     | B        | P   |              | DRILL & SURVEY F/ 4465' TO 5037' ( 572' @ 95.3' HR ) WOB 18-20, RPM 55-60, MMRPM 91, SPM 120, GPM 454, UP/SO/ROT 125-110-120, ON/OFF 1754-1510, DIFF 225-387, WT 9.5, VIS 35, SLIDES 4616' TO 4621' , 5034' TO 5050'  |  |
|               | 0:00 - 6:00    | 6.00          | DRLPRO | 02     | B        | P   |              | DRILL & SURVEY F/ 5037' TO 5477' ( 440' @ 73.3' HR ) WOB 18-20, RPM 55-60, MMRPM 91, SPM 120, GPM 454, UP/SO/ROT 125-110-120, ON/OFF 1820-1560, DIFF 250-400, WT 9.5, VIS 35, SLIDES 5037' TO 5050'   |  |
|               | 6:00 - 6:30    | 0.50          | DRLPRO | 07     | A        | P   |              | RIG SERVICE   |  |
|               | 6:30 - 18:00   | 11.50         | DRLPRO | 02     | B        | P   |              | DRILL F/ 5477' TO 6236' ( 759' @ 66' HR ) WOB 18-20, RPM 55-60, MMRPM 91, SPOM 120, GPM 454, UP/SO/ROT 140-125-135, ON/OFF 1870-1607, DIFF 225-388, WT 10, VIS 45 , SLIDE 5572-5577   |  |
|               | 18:00 - 0:00   | 6.00          | DRLPRO | 02     | B        | P   |              | DRILL F/ 6236' TO 6552' ( 316' @ 52.6' HR ) WOB 18-22, RPM 55, MMRPM 91, SPM 120, GPM 454, UP/SO/ROT 145-135-143, ON/OFF 1955-1670, DIFF 225-405, WT 9.9, VIS 38  |  |
|               | 10/27/2010     | 0:00 - 6:00   | 6.00   | DRLPRO | 02       | B   | P            |   | DRILL F/ 6552'-6710', 158'/6HR 26.3'/HR,18-22K WOB, RPM 55, MMRPM 91, SPM 120, GPM 454, UP/SO/ROT 145-135-143, ON/OFF 1955-1670, DIFF 225-405, WT 9.9, VIS 38    |
| 6:00 - 15:00  |                | 9.00          | DRLPRO | 02     | B        | P   |              | DRILL F/ 6710'-7152', 442'/9HR 49.1'/HR,18-22K WOB, RPM 55, MMRPM 87, SPM 120, GPM 454, UP/SO/ROT 158-140-151, ON/OFF 1920-1642, DIFF 200-320, WT 10.2, VIS 40  |  |
| 15:00 - 15:30 |                | 0.50          | DRLPRO | 07     | A        | P   |              | RIG SERVICE   |  |
| 15:30 - 0:00  |                | 8.50          | DRLPRO | 02     | B        | P   |              | DRILL F/ 7152'-7452', 300'/8.5HR 37.5'/HR, 20-23K WOB, RPM 55, MMRPM 87, SPM 120, GPM 454, UP/SO/ROT 160-140-152, ON/OFF 1920-1685, DIFF 200-300, WT 10.4, VIS 40   |  |
| 10/28/2010    |                | 0:00 - 6:00   | 6.00   | DRLPRO | 02       | B   | P            |   | DRILL F/ 7452'-7627', 175'/6HR 29.2'/HR, 20-23K WOB, RPM 55, MMRPM 87, SPM 120, GPM 435, UP/SO/ROT 164-143-155, ON/OFF 1920-1685, DIFF 200-300, WT 10.5 VIS 40   |
|               |                | 6:00 - 16:00  | 10.00  | DRLPRO | 02       | B   | P            |   | DRILL F/ 7627'-7974', 347'/10HR 34.7'/HR', 20-23K WOB, RPM 55, MMRPM 87, SPM 120, GPM 435, UP/SO/ROT 170/150/160, ON/OFF 1975/1741, DIFF 200-320, WT 10.7 VIS 42 |
|               | 16:00 - 16:30  | 0.50          | DRLPRO | 07     | A        | P   |              | RIG SERVICE   |  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |                          |   |                                       |  |
|--|--|--------------------------|---|---------------------------------------|--|
| Well: NBU 920-15I                                    |  | Spud Conductor: 2/9/2010 |   | Spud Date: 2/26/2010                  |  |
| Project: UTAH-JUINTAH                                |  | Site: NBU 920-15I        |   | Rig Name No: PIONEER 69/69, PROPETRO/ |  |
| Event: DRILLING                                      |  | Start Date: 2/26/2010    |   | End Date: 11/6/2010                   |  |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |  |                          | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |                                       |  |

| Date       | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation   |
|------------|----------------|---------------|--------|------|----------|-----|--------------|---|
|            | 16:30 - 0:00   | 7.50          | DRLPRO | 02   | B        | P   |              | DRILL F/ 7974'-8215', 241'/7.5HR 32.1'/HR', 21-24K WOB, RPM 55, MMRPM 87, SPM 120, GPM 435, UP/SO/ROT 173/150/165, ON/OFF 2110/1855, DIFF 200-320, WT 11.0 VIS 43                         |
| 10/29/2010 | 0:00 - 6:00    | 6.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 8215'-8352', 137'/6HR 22.8'/HR', 21-24K WOB, RPM 55, MMRPM 87, SPM 120, GPM 435, UP/SO/ROT 175/156/167, ON/OFF 2110/1855, DIFF 200-320, WT 11.1 VIS 43                           |
|            | 6:00 - 16:00   | 10.00         | DRLPRO | 02   | B        | P   |              | DRILL F/ 8352'-8669', 317'/10.5HR 31.7'/HR', 22-25K WOB, RPM 55, MMRPM 87, SPM 120, GPM 435, UP/SO/ROT 180/160/170, ON/OFF 2300/1965, DIFF 250-400, WT 11.5 VIS 43 LOST 110 BBL @ 8581'   |
|            | 16:00 - 16:30  | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE WORK PIPE RAMS  |
|            | 16:30 - 0:00   | 7.50          | DRLPRO | 02   | B        | P   |              | DRILL F/ 8669'-8851', 182'/7.5HR 24.3'/HR', 22-25K WOB, RPM 55, MMRPM 87, SPM 120, GPM 435, UP/SO/ROT 180/160/170, ON/OFF 2360/1980, DIFF 250-400, WT 11.9 VIS 43                         |
| 10/30/2010 | 0:00 - 5:00    | 5.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 8851'-8953', 102'/5HR 20.4'/HR', 22-25K WOB, RPM 55, MMRPM 87, SPM 120, GPM 435, UP/SO/ROT 180/160/170, ON/OFF 2360/1980, DIFF 250-400, WT 11.9 VIS 43                           |
|            | 5:00 - 7:00    | 2.00          | DRLPRO | 05   | C        | P   |              | CIRC AND PUMP A 50 BBL. 13# PILL  |
|            | 7:00 - 11:30   | 4.50          | DRLPRO | 06   | A        | P   |              | TOH F/ BIT #1 WE HAD INCONSISTANT PRESSURE SPIKES AND SLOW DRILLING. TIGHT SPOT @ 5000'   |
|            | 11:30 - 14:00  | 2.50          | DRLPRO | 06   | A        | P   |              | CHANGE OUT THE MUD MOTOR, BIT, CHECK DIRECTIONAL TOOLS AND SCRIBE THE ASSEMBLY  |
|            | 14:00 - 19:00  | 5.00          | DRLPRO | 06   | A        | P   |              | TIH BROKE CIRC. AT THE SHOE AND 5500' WASHED DOWN 60' NO FILL BRIDGE @ 5000'  |
|            | 19:00 - 0:00   | 5.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 8953'-9047', 94'/5HR 18.8'/HR', 22-25K WOB, RPM 55, MMRPM 70, SPM 120, GPM 435, UP/SO/ROT 180/160/170, ON/OFF 2510/2220, DIFF 250-325, WT 12.1 VIS 43                            |
| 10/31/2010 | 0:00 - 10:00   | 10.00         | DRLPRO | 02   | B        | P   |              | DRILL F/ 9047'-9268', 158'/10HR 22.1'/HR', 15-22K WOB, RPM 40-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 184/160/173, ON/OFF 2510/2220, DIFF 250-325, WT 12.2 VIS 45                       |
|            | 10:00 - 10:30  | 0.50          | DRLPRO | 07   | A        | P   |              | RS AND FUNCTION TEST THE BOP  |
|            | 10:30 - 18:00  | 7.50          | DRLPRO | 02   | B        | P   |              | DRILL F/ 9268'-9458', 190'/7.5HR 25.3'/HR', 8-20K WOB, RPM 40-55, MMRPM 67, SPM 110, GPM 416, UP/SO/ROT 187/163/176, ON/OFF 2250/1930, DIFF 200-320, WT 12.4 VIS 46                       |
|            | 18:00 - 0:00   | 6.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 9458'-9584', 126'/6HR 21'/HR', 8-20K WOB, RPM 40-55, MMRPM 67, SPM 110, GPM 416, UP/SO/ROT 187/163/176, ON/OFF 2100/1935, DIFF 175-280, WT 12.4 VIS 46                           |
| 11/1/2010  | 0:00 - 6:00    | 6.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 9584'-9711', 127'/6HR 21.2'/HR', 8-20K WOB, RPM 40-55, MMRPM 67, SPM 110, GPM 416, UP/SO/ROT 190/165/180, ON/OFF 2100/1940, DIFF 175-250, WT 12.4 VIS 46 SEEPING APP. 6-7 BBL/HR |
|            | 6:00 - 16:30   | 10.50         | DRLPRO | 02   | B        | P   |              | DRILL F/ 9711'-9995', 284'/10.5HR 27'/HR', 14-20K WOB, RPM 40-55, MMRPM 67, SPM 110, GPM 416, UP/SO/ROT 195/170/185, ON/OFF 2340/1950, DIFF 175-280, WT 12.4 VIS 46                       |
|            | 16:30 - 17:00  | 0.50          | DRLPRO | 07   | A        | P   |              | SEEPING APP. 6-7 BBL/HR LOST 160 BBL @ 9981', BYPASSED THE SHAKER AND ADDED 3% LCM RS   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |   |  |                                       |  |
|--|--|---|--|---------------------------------------|--|
| Well: NBU 920-15I                                    |  | Spud Conductor: 2/9/2010                                    |  | Spud Date: 2/26/2010                  |  |
| Project: UTAH-UJINTAH                                |  | Site: NBU 920-15I   |  | Rig Name No: PIONEER 69/69, PROPETRO/ |  |
| Event: DRILLING                                      |  | Start Date: 2/26/2010                                       |  | End Date: 11/6/2010                   |  |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |  | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |  |                                       |  |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation   |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|---|
|           | 17:00 - 0:00   | 7.00          | DRLPRO | 02   | B        |     |              | DRILL F/ 9995'-10125, 130'/7HR 18.6/HR', 14-22K WOB, RPM 40-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 197/175/185, ON/OFF 2450/2200, DIFF 175-280, WT 12.4 VIS 46 3%/LCM BIT BALLING ISSUES |
| 11/2/2010 | 0:00 - 12:00   | 12.00         | DRLPRO | 02   | B        | P   |              | DRILL F/ 10125'-10289, 164'/7HR 13.7/HR', 14-22K WOB, RPM 40-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 205/175/189, ON/OFF 2450/2200, DIFF 175-320, WT 12.4 VIS 46 3%/LCM                   |
|           | 12:00 - 16:00  | 4.00          | DRLPRO | 06   | A        | P   |              | PUMPED A 50 BBL./14# SLUG AND TOH F/BIT   |
|           | 16:00 - 16:30  | 0.50          | DRLPRO | 07   | A        | P   |              | RS  |
|           | 16:30 - 21:00  | 4.50          | DRLPRO | 06   | A        | P   |              | FINISH TOH AND L/D DIRECTIONAL TOOLS AND X/O BIT. TIGHT SPOTS F/4480'-4575'   |
|           | 21:00 - 23:00  | 2.00          | DRLPRO | 06   | A        | P   |              | TIH TO THE CASING SHOE @ 2700' AND FILLED THE PIPE  |
|           | 23:00 - 0:00   | 1.00          | DRLPRO | 09   | A        |     |              | CUT AND SLIPPED 85' OF DRILLING LINE.   |
| 11/3/2010 | 0:00 - 0:30    | 0.50          | DRLPRO | 09   | A        | P   |              | CUT AND SLIPPED 85' OF DRILLING LINE.   |
|           | 0:30 - 1:00    | 0.50          | DRLPRO | 06   | A        | P   |              | TIH TO 4510'  |
|           | 1:00 - 7:00    | 6.00          | DRLPRO | 03   | A        | X   |              | WE HIT A BRIDGE @ 4510'. P/U THE KELLY THEN WASHED AND REAMED F/ 4510'- 4753'. CLEANING UP SLOUGHING SHALE. L/D 6 STANDS OUT OF THE DERRICK TO WASH WITH. MW 12.6, 46 VIS, 3% LCM           |
|           | 7:00 - 10:30   | 3.50          | DRLPRO | 06   | A        | P   |              | TIH W/ BIT #3 TO 10175'   |
|           | 10:30 - 11:30  | 1.00          | DRLPRO | 03   | D        | P   |              | REAMED 120' TO BOTTOM THE PREVIOUS BIT WAS OUT OF GUAGE.  |
|           | 11:30 - 14:30  | 3.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 10289'-10391', 102'/3HR 34'/HR, 14-17K WOB, RPM 50-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 208/175/192, ON/OFF 2550/2200, DIFF 200-425, WT 12.7 VIS 46 4%/LCM                    |
|           | 14:30 - 15:00  | 0.50          | DRLPRO | 07   | A        | P   |              | RIG SERVICE   |
|           | 15:00 - 0:00   | 9.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 10391'-10738,347'/9HR 38.6'/HR, 17-21K WOB, RPM 50-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 210/178/196, ON/OFF 2550/2220, DIFF 200-380, WT 12.8 VIS 48 4%/LCM                    |
| 11/4/2010 | 0:00 - 2:00    | 2.00          | DRLPRO | 02   | B        | P   |              | DRILL F/ 10738'-10790',52'/2HR 26'/HR, 21K WOB, RPM 50-55, MMRPM 70, SPM 115, GPM 435, UP/SO/ROT 210/178/196, ON/OFF 2580/2250, DIFF 200-380, WT 12.9 VIS 48 5%/LCM                         |
|           | 2:00 - 4:00    | 2.00          | DRLPRO | 05   | C        | P   |              | CIRCULATE F/ WIPER TRIP AND PUMP A PILL   |
|           | 4:00 - 10:00   | 6.00          | DRLPRO | 06   | E        | P   |              | TOH TO 4000'. LIGHT DRAG. TIH TO CONDITION F/ LOGS. NO FILL   |
|           | 10:00 - 12:00  | 2.00          | DRLPRO | 05   | C        | P   |              | CIRCULATE FOR LOGS AND PUMP A PILL  |
|           | 12:00 - 18:00  | 6.00          | DRLPRO | 06   | B        | P   |              | TOH F/ LOGS   |
|           | 18:00 - 23:30  | 5.50          | DRLPRO | 11   | D        | P   |              | HELD A S/M, R/U BAKER ATLAS AND RAN TRIPLE COMBO LOG. DRILLERS TD 10790'/LOGGERS TD 10790'. LOGGED 10790' TO SURFACE. R/D THE LOGGING EQUIP.  |
|           | 23:30 - 0:00   | 0.50          | DRLPRO | 06   | A        | P   |              | TIH TO LDDP   |
| 11/5/2010 | 0:00 - 2:30    | 2.50          | DRLPRO | 06   | A        | P   |              | TIH TO 6000'  |
|           | 2:30 - 7:30    | 5.00          | DRLPRO | 06   | A        | P   |              | HELD A S/M WITH FRANKS AND LDDP TO THE BHA.RIG DOWN THE LD CREWS FLAG   |
|           | 7:30 - 9:30    | 2.00          | DRLPRO | 06   | A        | P   |              | TIH W/ THE REMAINING DP OUT OF THE DERRICK. P/U THE FLAG  |
|           | 9:30 - 11:00   | 1.50          | DRLPRO | 06   | A        | P   |              | LDDP  |
|           | 11:00 - 11:30  | 0.50          | DRLPRO | 07   | A        | P   |              | RS AND CHANGE OUT A JERK LINE   |
|           | 11:30 - 16:00  | 4.50          | DRLPRO | 06   | A        | P   |              | LDDP, BHA, BEAK KELLY, REMOVE KELLY DRIVERS, AND PULL THE WEAR RING.  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                          |   |
|--|--------------------------|---|
| Well: NBU 920-15I                                    | Spud Conductor: 2/9/2010 | Spud Date: 2/26/2010  |
| Project: UTAH-UINTAH                                 | Site: NBU 920-15I        | Rig Name No: PIONEER 69/69, PROPETRO/                       |
| Event: DRILLING                                      | Start Date: 2/26/2010    | End Date: 11/6/2010   |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |                          | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |

| Date      | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation   |
|-----------|----------------|---------------|--------|------|----------|-----|--------------|---|
|           | 16:00 - 18:00  | 2.00          | DRLPRO | 12   | A        | P   |              | CHANGE THE LD MACHINE OVER TO RUN CSG., HELD A SAFETY MEETING WITH ALL PERSONEL, R/U THE FLOOR TO RUN CASING.   |
|           | 18:00 - 0:00   | 6.00          | DRLPRO | 12   | C        | P   |              | RU AND RAN 223 JTS.+ 2 MARKER JTS. OF I-80/11.6#/BTS CASING(9381') + 33 JTS. OF HCP-110/ 11.6#/BTC CASING (1384') LANDED @ 10765.6', SHOE/10765.6', FC/10725.6', MARKERS 8429.4'-8450.3' / 5133.34'-5147.09',   |
| 11/6/2010 | 0:00 - 0:30    | 0.50          | DRLPRO | 12   | C        | P   |              | RU AND RAN 223 JTS.+ 2 MARKER JTS. OF I-80/11.6#/BTS CASING(9381') + 33 JTS. OF HCP-110/ 11.6#/BTC CASING (1384') LANDED @ 10765.6', SHOE/10765.6', FC/10725.6', MARKERS 8429.4'-8450.3' / 5133.34'-5147.09',   |
|           | 0:30 - 1:30    | 1.00          | DRLPRO | 05   | D        | P   |              | CIRCULATE AND RD THE CASING CREW SPOT IN THE CEMENTERS TRUCKS   |
|           | 1:30 - 3:30    | 2.00          | DRLPRO | 12   | B        | P   |              | CIRC AND RU BJ TO CEMENT  |
|           | 3:30 - 7:00    | 3.50          | DRLPRO | 12   | E        | P   |              | PUMP CEMENT, 40 BBLS PREFLUSH, 740 SX 13.0#, 1.76 YLD LEAD, FOLLOWED BY 1490 SX 14.3#, 1.31 YLD TAIL, DISPLACE W/ 166 BBLS CLAY TREAT WATER, FINAL LIFT 3580 PSI, BUMP PLUG @ 4170 PSI, HELD PRESS 5 MIN., 2.5 BBL. BLED BACK TO TRUCK, FLOATS HELD, PD @ 06:36 11/7/2010, 8 BBLS LEAD CMT BACK TO PIT, EST TOP OF TAIL 4320', LOST APP 20 BBLS OF FLUID WHILE DISPLACING CEMENT RETURNS SLOWED AT THE END OF THE JOB. SLOWED THE PUMP RATE TO 3-5 BPM TOWARD THE END. FLUSH BOP, WASH UP TRUCK, R/D CEMENTERS ND, SET SLIPS W/ 96K. CLEAN PITS. RDRT |
|           | 7:00 - 11:00   | 4.00          | DRLPRO | 01   | E        |     |              |   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |                          |  |                      |                                       |
|--|--|--------------------------|--|----------------------|---------------------------------------|
| Well: NBU 920-15I                                    |  | Spud Conductor: 2/9/2010 |  | Spud Date: 2/26/2010 |                                       |
| Project: UTAH-UINTAH                                 |  |                          | Site: NBU 920-15I  |                      | Rig Name No: PIONEER 69/69, PROPETRO/ |
| Event: DRILLING                                      |  |                          | Start Date: 2/26/2010                                      |                      | End Date: 11/6/2010                   |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |  |                          | UWI: NE/SE/09/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |                      |                                       |

| Date | Time Start-End | Duration (hr) | Phase  | Code | Sub Code | P/U | MD From (ft) | Operation   |
|------|----------------|---------------|--------|------|----------|-----|--------------|---|
|      | 11:00 - 11:00  | 0.00          | DRLPRO |      |          |     |              | <p><b>CONDUCTOR CASING:</b><br/>           Cond. Depth set: 40<br/>           Cement sx used:</p> <p><b>SPUD DATE/TIME:</b></p> <p><b>SURFACE HOLE:</b><br/>           Surface From depth: 40<br/>           Surface To depth: 2,750<br/>           Total SURFACE hours: 33.00<br/>           Surface Casing size: 8 7/8<br/>           # of casing joints ran: 61<br/>           Casing set MD: 2,702.0<br/>           # sx of cement: 611<br/>           Cement blend (ppg): 15.8<br/>           Cement yield (ft3/sk): 1.15<br/>           # of bbls to surface:<br/>           Describe cement issues:<br/>           Describe hole issues:</p> <p><b>PRODUCTION:</b><br/>           Rig Move/Skid start date/time: 10/23/2010 7:00<br/>           Rig Move/Skid finish date/time: 10/23/2010 17:00<br/>           Total MOVE hours: 10.0<br/>           Prod Rig Spud date/time: 10/24/2010 19:00<br/>           Rig Release date/time: 11/7/2010 11:00<br/>           Total SPUD to RR hours: 328.0<br/>           Planned depth MD 10,776<br/>           Planned depth TVD 10,776<br/>           Actual MD: 10,790<br/>           Actual TVD: 10,788<br/>           Open Wells \$: \$1,001,405<br/>           AFE \$: \$987,062<br/>           Open wells \$/ft: \$92.81</p> <p><b>PRODUCTION HOLE:</b><br/>           Prod. From depth: 2,759<br/>           Prod. To depth: 10,790<br/>           Total PROD hours: 202<br/>           Log Depth: 10790<br/>           Float Collar Top Depth:<br/>           Production Casing size: 4 1/2<br/>           # of casing joints ran: 258<br/>           Casing set MD: 10,765.8<br/>           Stage 1<br/>           # sx of cement: 740<br/>           Cement density (ppg): 13<br/>           Cement yield (ft3/sk): 1.76<br/>           Stage 2<br/>           # sx of cement: 1,490<br/>           Cement density (ppg): 14.3<br/>           Cement yield (ft3/sk): 1.31<br/>           Top Out Cmt<br/>           # sx of cement:<br/>           Cement density (ppg):<br/>           Cement yield (ft3/sk):<br/>           Est. TOC (Lead &amp; Tail) or 2 Stage : LEAD/18'<br/>           TAIL/4320'<br/>           Describe cement issues: LOST APP. 20 BBLS<br/>           SEPPING TOWARD THE END<br/>           Describe hole issues:</p> <p><b>DIRECTIONAL INFO:</b><br/>           KOP:<br/>           Max angle:</p> |

**US ROCKIES REGION**  
**Operation Summary Report**

| Well: NBU 920-15I                                    |                | Spud Conductor: 2/9/2010                                    |       | Spud Date: 2/26/2010                  |          |     |              |                              |
|--|----------------|---|-------|---------------------------------------|----------|-----|--------------|------------------------------|
| Project: UTAH-UINTAH                                 |                | Site: NBU 920-15I   |       | Rig Name No: PIONEER 69/69, PROPETRO/ |          |     |              |                              |
| Event: DRILLING                                      |                | Start Date: 2/26/2010                                       |       | End Date: 11/6/2010                   |          |     |              |                              |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |                | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |       |                                       |          |     |              |                              |
| Date   | Time Start-End | Duration (hr)   | Phase | Code                                  | Sub Code | P/U | MD From (ft) | Operation                    |
|  |                |   |       |                                       |          |     |              | Departure:<br>Max dogleg MD: |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |   |                          |
|--|---|--------------------------|
| Well: NBU 920-15I                                    | Spud Conductor: 2/9/2010                                    | Spud Date: 2/26/2010     |
| Project: UTAH-UINTAH                                 | Site: NBU 920-15I   | Rig Name No: SWABBCO 1/1 |
| Event: COMPLETION                                    | Start Date: 1/3/2011  | End Date: 1/18/2011      |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |                          |

| Date      | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|-------|------|----------|-----|--------------|--|
| 1/14/2011 | 7:00 - 7:15    | 0.25          | COMP  | 48   |          | P   |              | JSA= PRESS TEST  |
|           | 7:15 - 7:15    | 0.00          | COMP  | 30   |          | P   |              | MI RU RIG SPOT EQUIP ND WELLHEAD NU FRAC VALVES MIRU TESTERS TEST CASING & FRAC VALVES TO 7000# TEST SURF ACE TO 900# MIRU CUTTERS PERF 1 ST STAGE<br><br>STAGE #1]P/U RIH W/ PERF GUN PERF MESA VERDE USING 3-3/8" EXPEND,23 GRM, 0.36" HOLE<br>10678'-10679' 3 SPF, 120* PH, 3 HOLES<br>10657'-10658', 3 SPF, 120* PH, 3 HOLES<br>10616'-10618', 4 SPF, 90* PH, 8 HOLES<br>10578'-10579', 4 SPF, 90* PF, 4 HOLES<br>10464'-10465', 3 SPF, 120* PH, 3 HOLES (21 HOLES)<br>SWIFN |
| 1/15/2011 | -              |               |       |      |          |     |              |  |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |  |  |                          |  |
|--|--|--|--|--------------------------|--|
| Well: NBU 920-151                                    |  | Spud Conductor: 2/9/2010                                   |  | Spud Date: 2/26/2010     |  |
| Project: UTAH-UINTAH                                 |  | Site: NBU 920-151  |  | Rig Name No: SWABBCO 1/1 |  |
| Event: COMPLETION                                    |  | Start Date: 1/3/2011                                       |  | End Date: 1/18/2011      |  |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |  | UWI: NE/SE/09/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |  |                          |  |

| Date | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation   |
|------|----------------|---------------|-------|------|----------|-----|--------------|---|
|      | 7:00 - 19:00   | 12.00         | COMP  | 30   |          | P   |              | <p>MI RU FRAC TECH PRESS TEST 8000#<br/>FRAC STAGE #1] MESA VERDE 10464'-10679' (21 HOLES) PERF DAY BEFORE</p> <p>WHP= 1899# , BRK DWN PERFS @ 4151 @4.6 ,<br/>INJ RT= 36.2 , INJ PSI= 5890# ,ISIP= 3349# , FG= .75 , PUMPED 1776 BBLs SLICK WTR W/ 59949#<br/>30/50 MESH, W/ 5000# RESIN COAT IN TAIL,<br/>MP=6226# , MR= 50.9 ,AP=5500# , AR=46 ,<br/>FG=.73 , ISIP=3190# , NPI= -159, W/ 19/21 CALC PERFS OPEN, 90%</p> <p>STAGE #2] P/U RIH W/ HALLI 10K CBP &amp; PERF GUN, SET CBP @ 10418', PERF MESA VERDE USING 3-3/8" EXPEND, 23 GRM, 0.36" HOLE.<br/>10386'-10388' 3 SPF, 120* PH, 6 HOLES<br/>10241'-10242', 3 SPF, 120* PH, 3 HOLES<br/>10207'-10208', 3 SPF, 120* PH, 3 HOLES<br/>10184'-10185', 3 SPF, 120* PH, 3 HOLES<br/>10155'-10156', 3 SPF, 120* PH, 3 HOLES<br/>10130'-10131', 3 SPF, 120* PH, 3 HOLES (21 HOLES)</p> <p>WHP= 1890# , BRK DWN PERFS @ 4564# , INJ RT=26.1, INJ PSI= 6515# ,ISIP= 2824# , FG= .71 , PUMPED 1334 BBLs SLICK WTR W/47134# 30/50 MESH, W/ 5000# RESIN COAT IN TAIL, MP=6598# , MR= 40.7 ,AP= 6000# , AR= 32 , FG= .81 , ISIP= 3850# , NPI=1016# , W/9 /21 CALC PERFS OPEN, 43%</p> <p>STAGE #3] P/U RIH W/ HALLI 8K CBP &amp; PERF GUN, SET CBP @ 10080', PERF MESA VERDE USING 3-3/8" EXPEND, 23 GRM, 0.36" HOLE.<br/>10033'-10034', 4 SPF, 90* PH, 4 HOLES<br/>9992'-9994', 3 SPF, 120* PH, 6 HOLES<br/>9976'-9978', 4 SPF, 120* PH, 8 HOLES<br/>9842'-9843', 3 SPF, 120* PH, 3 HOLES (21 HOLES)</p> <p>WHP=1550 , BRK DWN PERFS @ 3432# , INJ RT= 41 , INJ PSI= 6433# ,ISIP= 2724 , FG= .71 , PUMPED 1147 BBLs SLICK WTR W/ 38419# 30/50 MESH, W/ 5000# RESIN COAT IN TAIL, MP= 6521# , MR=40.7 ,AP=6000 , AR=32 , FG= .81 , ISIP=3850 , NPI=519 , W/17 /21 CALC PERFS OPEN, 81%</p> <p>STAGE #4] P/U RIH W/ HALLI 8K CBP &amp; PERF GUN, SET CBP @ 9465', PERF MESA VERDE USING 3-3/8" EXPEND, 23 GRM, 0.36" HOLE<br/>9364'-9365' 4 SPF, 90* PH, 4 HOLES<br/>9317'-9318', 3 SPF, 120* PH, 3 HOLES<br/>9300'-9302', 4 SPF, 90* PH, 8 HOLES<br/>9292'-9293', 3 SPF, 120* PH, 3 HOLES<br/>9274'-9275', 3 SPF, 120* PH, 3 HOLES ( 21 HOLES)</p> <p>WHP= 1427# , BRK DWN PERFS @ 4764# , INJ RT= 30 , INJ PSI= 5808# ,ISIP= 4340# , FG= .90 , PUMPED 645 BBLs SLICK WTR W/ 16,001 30/50 MESH, W/ 5000# RESIN COAT IN TAIL, MP= 7017# , MR= 49.8 ,AP= 6000# , AR= 32, FG= .76 , ISIP= 3255 , NPI= -1085 , W/ 21/21 CALC PERFS OPEN,100%</p> <p>STAGE #5] P/U RIH W/ HALLI 8K CBP &amp; PERF</p> |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |  |   |  |                          |  |
|--|--|---|--|--------------------------|--|
| Well: NBU 920-15I                                    |  | Spud Conductor: 2/9/2010                                    |  | Spud Date: 2/26/2010     |  |
| Project: UTAH-UINTAH                                 |  | Site: NBU 920-15I   |  | Rig Name No: SWABBCO 1/1 |  |
| Event: COMPLETION                                    |  | Start Date: 1/3/2011  |  | End Date: 1/18/2011      |  |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |  | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |  |                          |  |

| Date      | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation   |
|-----------|----------------|---------------|-------|------|----------|-----|--------------|---|
|           |                |               |       |      |          |     |              | <p>GUN, SET CBP @ 9224', PERF MESA VERDE USING 3-3/8" EXPEND, 23 GRM, 0.36" HOLE<br/>           9135'-9137', 4 SPF, 90* PH, 8 HOLES<br/>           9051'-9052', 4 SPF, 90* PH, 4 HOLES<br/>           9034'-9035', 3 SPF, 120* PH, 3 HOLES<br/>           9002'-9003', 3 SPF, 120* PH, 3 HOLES<br/>           8973'-8974', 3 SPF, 120* PH, 3 HOLES (21 HOLES)</p> <p>WHP= 1126# , BRK DWN PERFS @ 3154# , INJ RT= 49.5 , INJ PSI=5702# , ISIP= 2942# , FG= .76 , PUMPED 897 BBLS SLICK WTR W/ 35393# 30/50 MESH, W/ 5000# RESIN COAT IN TAIL, MP=6616# , MR= 50.3 , AP= 5200# , AR= 44 , FG=.77 , ISIP= 3042# , NPI= 100# , W/21/21 CALC PERFS OPEN, 100%<br/>           TOTAL SAND= 196,896#<br/>           TOTAL FL=5799 BBLS</p> <p>PU RIH W/ 8K CBP SET @ 8923' RD FRAC TECH &amp; CUTTERS W/L SWIFW<br/>           JSA= PU TUBING<br/>           0 PSI ON WELL ND FRAC VALVES NU BOPS RU FLOOR &amp; TUBING EQUIP PU 3-7/8" BIT POBS &amp; XN NPL TALLEY &amp; PU TUBING TAG KILL PLG @ 8930' 283 JNTS RU PWR SWVL PREP TO DRILL IN AM<br/>           JSA= DRILL PLUGS</p> |
| 1/17/2011 | 7:00 - 7:15    | 0.25          | COMP  | 48   |          | P   |              |   |
|           | 7:15 - 15:00   | 7.75          | COMP  | 30   |          | P   |              |   |
| 1/18/2011 | 7:00 - 7:15    | 0.25          | COMP  | 48   |          | P   |              |   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                          |   |
|--|--------------------------|---|
| Well: NBU 920-15I                                    | Spud Conductor: 2/9/2010 | Spud Date: 2/26/2010  |
| Project: UTAH-UINTAH                                 | Site: NBU 920-15I        | Rig Name No: SWABBCO 1/1                                    |
| Event: COMPLETION                                    | Start Date: 1/3/2011     | End Date: 1/18/2011   |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |                          | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |

| Date      | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation  |
|-----------|----------------|---------------|-------|------|----------|-----|--------------|--|
|           | 7:15 - 17:00   | 9.75          | COMP  | 30   |          | P   |              | <p>0 PSI ON WELL PU 1 JNT EST CIRC, PRESS TEST TO 3500 PSI<br/>           PLUG #1] DRILL THRU HALLI 8K CBP @ 8930' IN 9 MIN W/ 200 # INCREASE</p> <p>PLUG #2] CONTINUE TO RIH TAG SAND @ 9140' (20' FILL) C/O &amp; DRILL THRU HALLI8K CBP @ 9160' IN 7 MIN W/ 200 # INCREASE</p> <p>PLUG #3] CONTINUE TO RIH TAG SAND @ 9350' (50' FILL) C/O &amp; DRILL THRU HALLI8K CBP @ 9400' IN 9 MIN W/ 200 # INCREASE</p> <p>PLUG #4] CONTINUE TO RIH TAG SAND @ 10040' (40' FILL) C/O &amp; DRILL THRU HALLI8K CBP @ 10080' IN 12 MIN W/ 100 # INCREASE</p> <p>PLUG #5] CONTINUE TO RIH TAG SAND @ 10320' (100' FILL) C/O &amp; DRILL THRU HALLI8K CBP @ 10420' IN 10150 MIN W/ # INCREASE (250# ON WELL)</p> <p>CONTINUE TO RIH TAG SAND @ 10676' (50' FILL) C/O &amp; DRILL TO PBD @ 10726' CIRC CLEAN RD SWVL LD 19 JNTS LAND TUBING ON HANGER W/ 320 JNTS EOT @ 10112.76' RD FLOOR &amp; TUIING EQUIP ND BOPS NU WELLHEAD DROP BALL PUMP OFF BIT @ 2300 PSI SHUT WELL IN 30 MIN TO ALLOW BIT TO FALL TURN WELL OVER TO FBC @ 13:00 RD RIG &amp; EQUIP MOVE TO NBU 920-15PT</p> <p>TOTAL PUMPED= 5829 BBLS<br/>           RIG REC= 1700 BBLS<br/>           LEFT TO REC= 4129 BBLS</p> <p>CTAP DEL= 350 JNTS<br/>           IN WELL= 320 JNTS<br/>           ON FLOAT= 30 JNTS</p> <p>TUBING DETAIL<br/>           K.B.= 18.00<br/>           HNGR= 1.00<br/>           320 JNTS 2-3/8" L-80= 10091.56<br/>           POBS= 2.20<br/>           EOT @= 10112.76<br/>           JNTS IN WELL=</p> |
|           | 15:30 - 15:30  | 0.00          | PROD  |      |          |     |              | <p>WELL TURNED TO SALES @ 1530 HR ON 1/18/11 - 1236 MCFD, 1680 BWPD, CP 2850#, 2039#, CK 20/64"</p>  |
| 1/19/2011 | 7:00 -         |               |       | 33   | A        |     |              | <p>7 AM FLBK REPORT: CP 2975#, TP 1925#, 20/64" CK, 35 BWPH, LIGHT SAND, 1.9 GAS<br/>           TTL BBLS RECOVERED: 2511<br/>           BBLS LEFT TO RECOVER: 3318</p>   |
| 1/20/2011 | 7:00 -         |               |       | 50   |          |     |              | <p>WELL IP'D ON 1/20/11 - 1924 MCFD, 0 BOPD, 235 BWPD, CP 2275#, FTP 1500#, CK 20/64", LP 128#, 24 HRS</p>   |
|           | 7:00 -         |               |       | 33   | A        |     |              | <p>7 AM FLBK REPORT: CP 2275#, TP 1500#, 20/64" CK, 15 BWPH, LIGHT SAND, 1.9 GAS<br/>           TTL BBLS RECOVERED: 3063<br/>           BBLS LEFT TO RECOVER: 2766</p>   |

**US ROCKIES REGION**  
**Operation Summary Report**

|  |                          |   |
|--|--------------------------|---|
| Well: NBU 920-15I                                    | Spud Conductor: 2/9/2010 | Spud Date: 2/26/2010  |
| Project: UTAH-UINTAH                                 | Site: NBU 920-15I        | Rig Name No: SWABBCO 1/1                                    |
| Event: COMPLETION                                    | Start Date: 1/3/2011     | End Date: 1/18/2011   |
| Active Datum: RKB @4,813.00ft (above Mean Sea Level) |                          | UWI: NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/562.00/0/0 |

| Date      | Time Start-End | Duration (hr) | Phase | Code | Sub Code | P/U | MD From (ft) | Operation   |
|-----------|----------------|---------------|-------|------|----------|-----|--------------|---|
| 1/21/2011 | 7:00 -         |               |       | 33   | A        |     |              | 7 AM FLBK REPORT: CP 1925#, TP 1250#, 20/64" CK, 12 BWPH, LIGHT SAND, 1.8 GAS<br>TTL BBLS RECOVERED: 3408<br>BBLS LEFT TO RECOVER: 2421 |
| 1/22/2011 | 7:00 -         |               |       | 33   | A        |     |              | 7 AM FLBK REPORT: CP 1625#, TP 1150#, 20/64" CK, 12 BWPH, LIGHT SAND, 1.7 GAS<br>TTL BBLS RECOVERED: 2470<br>BBLS LEFT TO RECOVER: 3675 |
| 1/23/2011 | 7:00 -         |               |       | 33   | A        |     |              | 7 AM FLBK REPORT: CP 1425#, TP 1000#, 20/64" CK, 9 BWPH, LIGHT SAND, 1.6 GAS<br>TTL BBLS RECOVERED: 3908<br>BBLS LEFT TO RECOVER: 1921  |

1 General

1.1 Customer Information

|                |                   |
|----------------|-------------------|
| Company        | US ROCKIES REGION |
| Representative |                   |
| Address        |                   |

1.2 Well Information

|                          |  |                 |   |
|--------------------------|--|-----------------|---|
| Well                     | NBU 920-15I                            | Wellbore No.    | OH  |
| Well Name                | NBU 920-15I                            | Common Name     | NBU 920-15I   |
| Project                  | UTAH-UINTAH                            | Site            | NBU 920-15I   |
| Vertical Section Azimuth | 0.00 (°)                               | North Reference | True  |
| Origin N/S               |  | Origin E/W      |   |
| Spud Date                | 2/26/2010                              | UWI             | NE/SE/0/9/S/20/E/15/0/0/6/PM/S/2,071.00/E/0/5 62.00/0/0 |
| Active Datum             | RKB @4,813.00ft (above Mean Sea Level) |                 |   |

2 Survey Name

2.1 Survey Name: Survey #1

|             |           |          |           |
|-------------|-----------|----------|-----------|
| Survey Name | Survey #1 | Company  | PRO PETRO |
| Started     | 2/26/2010 | Ended    | 3/1/2010  |
| Tool Name   | TOT       | Engineer | Anadarko  |

2.1.1 Tie On Point

| MD (ft) | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) |
|---------|---------|---------|----------|----------|----------|
| 14.00   | 0.00    | 0.00    | 14.00    | 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 (°) |
|-----------|--------|----------|---------|---------|----------|----------|----------|-------------|----------------|-----------------|----------------|-----------|
| 2/26/2010 | Tie On | 14.00    | 0.00    | 0.00    | 14.00    | 0.00     | 0.00     | 0.00        | 0.00           | 0.00            | 0.00           | 0.00      |
| 2/26/2010 | NORMAL | 519.00   | 1.00    | 353.00  | 518.97   | 4.37     | -0.54    | 4.37        | 0.20           | 0.20            | 0.00           | 353.00    |
|           | NORMAL | 1,029.00 | 1.00    | 14.70   | 1,028.90 | 13.10    | 0.05     | 13.10       | 0.07           | 0.00            | 4.25           | 100.85    |
| 2/27/2010 | NORMAL | 2,009.00 | 0.30    | 231.00  | 2,008.86 | 19.75    | 0.23     | 19.75       | 0.13           | -0.07           | -14.66         | -171.86   |

2.2 Survey Name: Survey #2

|             |            |          |            |
|-------------|------------|----------|------------|
| Survey Name | Survey #2  | Company  | SCIENTIFIC |
| Started     | 10/24/2010 | Ended    |            |
| Tool Name   | MWD        | Engineer | Anadarko   |

2.2.1 Tie On Point

| MD (ft)  | Inc (°) | Azi (°) | TVD (ft) | N/S (ft) | E/W (ft) |
|----------|---------|---------|----------|----------|----------|
| 2,768.00 | 1.41    | 160.87  | 2,768.00 | -32.11   | 11.14    |

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 (°) |
|------------|--------|-----------|---------|---------|-----------|----------|----------|-------------|----------------|-----------------|----------------|-----------|
| 10/24/2010 | Tie On | 2,768.00  | 1.41    | 160.87  | 2,768.00  | -32.11   | 11.14    | -32.11      | 0.00           | 0.00            | 0.00           | 0.00      |
| 10/25/2010 | NORMAL | 3,079.00  | 0.79    | 299.04  | 3,078.97  | -34.68   | 10.52    | -34.68      | 0.66           | -0.20           | 44.43          | 165.23    |
|            | NORMAL | 3,400.00  | 1.14    | 332.00  | 3,399.93  | -30.79   | 7.09     | -30.79      | 0.20           | 0.11            | 10.27          | 74.97     |
|            | NORMAL | 3,721.00  | 0.62    | 224.77  | 3,720.90  | -29.20   | 4.36     | -29.20      | 0.45           | -0.16           | -33.40         | -155.89   |
|            | NORMAL | 4,038.00  | 1.14    | 288.49  | 4,037.87  | -29.42   | 0.16     | -29.42      | 0.32           | 0.16            | 20.10          | 96.43     |
|            | NORMAL | 4,346.00  | 0.70    | 301.15  | 4,345.83  | -27.48   | -4.35    | -27.48      | 0.16           | -0.14           | 4.11           | 161.44    |
|            | NORMAL | 4,660.00  | 1.67    | 338.59  | 4,659.76  | -22.22   | -7.66    | -22.22      | 0.38           | 0.31            | 11.92          | 58.34     |
|            | NORMAL | 4,975.00  | 0.44    | 253.25  | 4,974.72  | -18.30   | -10.50   | -18.30      | 0.54           | -0.39           | -27.09         | -164.98   |
|            | NORMAL | 5,289.00  | 1.14    | 359.07  | 5,288.69  | -15.52   | -11.70   | -15.52      | 0.42           | 0.22            | 33.70          | 124.39    |
| 10/26/2010 | NORMAL | 5,611.00  | 1.23    | 3.46    | 5,610.63  | -8.87    | -11.55   | -8.87       | 0.04           | 0.03            | 1.36           | 47.46     |
|            | NORMAL | 6,117.00  | 0.80    | 342.33  | 6,116.55  | -0.08    | -12.29   | -0.08       | 0.11           | -0.08           | -4.18          | -149.20   |
|            | NORMAL | 6,622.00  | 0.09    | 334.19  | 6,621.53  | 3.63     | -13.53   | 3.63        | 0.14           | -0.14           | -1.61          | -178.97   |
| 10/27/2010 | NORMAL | 7,095.00  | 0.44    | 188.03  | 7,094.52  | 2.17     | -13.95   | 2.17        | 0.11           | 0.07            | -30.90         | -151.72   |
| 10/28/2010 | NORMAL | 7,603.00  | 1.06    | 185.92  | 7,602.48  | -4.44    | -14.71   | -4.44       | 0.12           | 0.12            | -0.42          | -3.61     |
|            | NORMAL | 8,108.00  | 1.14    | 187.42  | 8,107.39  | -14.07   | -15.84   | -14.07      | 0.02           | 0.02            | 0.30           | 20.55     |
| 10/29/2010 | NORMAL | 8,643.00  | 1.06    | 190.49  | 8,642.29  | -24.21   | -17.42   | -24.21      | 0.02           | -0.01           | 0.57           | 145.15    |
| 10/30/2010 | NORMAL | 8,897.00  | 1.58    | 172.12  | 8,896.22  | -29.99   | -17.37   | -29.99      | 0.26           | 0.20            | -7.23          | -48.56    |
| 10/31/2010 | NORMAL | 9,148.00  | 1.85    | 153.67  | 9,147.11  | -37.05   | -15.10   | -37.05      | 0.24           | 0.11            | -7.35          | -73.36    |
| 11/1/2010  | NORMAL | 9,716.00  | 1.76    | 168.08  | 9,714.83  | -53.80   | -9.23    | -53.80      | 0.08           | -0.02           | 2.54           | 108.36    |
| 11/2/2010  | NORMAL | 10,214.00 | 1.85    | 161.66  | 10,212.58 | -68.91   | -5.12    | -68.91      | 0.04           | 0.02            | -1.29          | -69.24    |
| 11/4/2010  | NORMAL | 10,790.00 | 1.85    | 161.66  | 10,788.28 | -86.56   | 0.73     | -86.56      | 0.00           | 0.00            | 0.00           | 0.00      |

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

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

Well Name:                     **NBU 920-15I**                    

Api No:     **43-047-50575**     Lease Type:     **FEDERAL**    

Section   **15**   Township   **09S**   Range   **20E**   County     **UINTAH**    

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

### **SPUDDED:**

Date     **02/09/2010**    

Time     **3:00 PM**    

How     **DRY**    

**Drilling will Commence:** \_\_\_\_\_

Reported by                     **JAMES GOBER**                    

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

Date     **02/10/2010**     Signed     **CHD**

# DIVISION OF OIL, GAS AND MINING

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