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

FORM 3

AMENDED REPORT ☑

APPLICATION FOR PERMIT TO DRILL	**1. WELL NAME and NUMBER** NBU 921-28C1CS
2. TYPE OF WORK DRILL NEW WELL ◉ REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** NATURAL BUTTES
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME** NATURAL BUTTES
6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.	**7. OPERATOR PHONE** 720 929-6587
8. ADDRESS OF OPERATOR P.O. Box 173779, Denver, CO, 80217	**9. OPERATOR E-MAIL** mary.mondragon@anadarko.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU 0576 / **11. MINERAL OWNERSHIP** FEDERAL ◉ INDIAN ○ STATE ○ FEE ○	**12. SURFACE OWNERSHIP** FEDERAL ◉ INDIAN ○ STATE ○ FEE ○
13. NAME OF SURFACE OWNER (if box 12 = 'fee')	**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') / **18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ◉ (Submit Commingling Application) NO ○	**19. SLANT** VERTICAL ○ DIRECTIONAL ◉ HORIZONTAL ○

20. LOCATION OF WELL	**FOOTAGES**	**QTR-QTR**	**SECTION**	**TOWNSHIP**	**RANGE**	**MERIDIAN**
LOCATION AT SURFACE	642 FNL 844 FWL	NWNW	28	9.0 S	21.0 E	S
Top of Uppermost Producing Zone	471 FNL 1985 FWL	NENW	28	9.0 S	21.0 E	S
At Total Depth	471 FNL 1985 FWL	NENW	28	9.0 S	21.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 471	**23. NUMBER OF ACRES IN DRILLING UNIT** 1480
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 375	**26. PROPOSED DEPTH** MD: 10373 TVD: 10110
27. ELEVATION - GROUND LEVEL 4905	**28. BOND NUMBER** WYB000291	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** Permit #43-8496

ATTACHMENTS

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

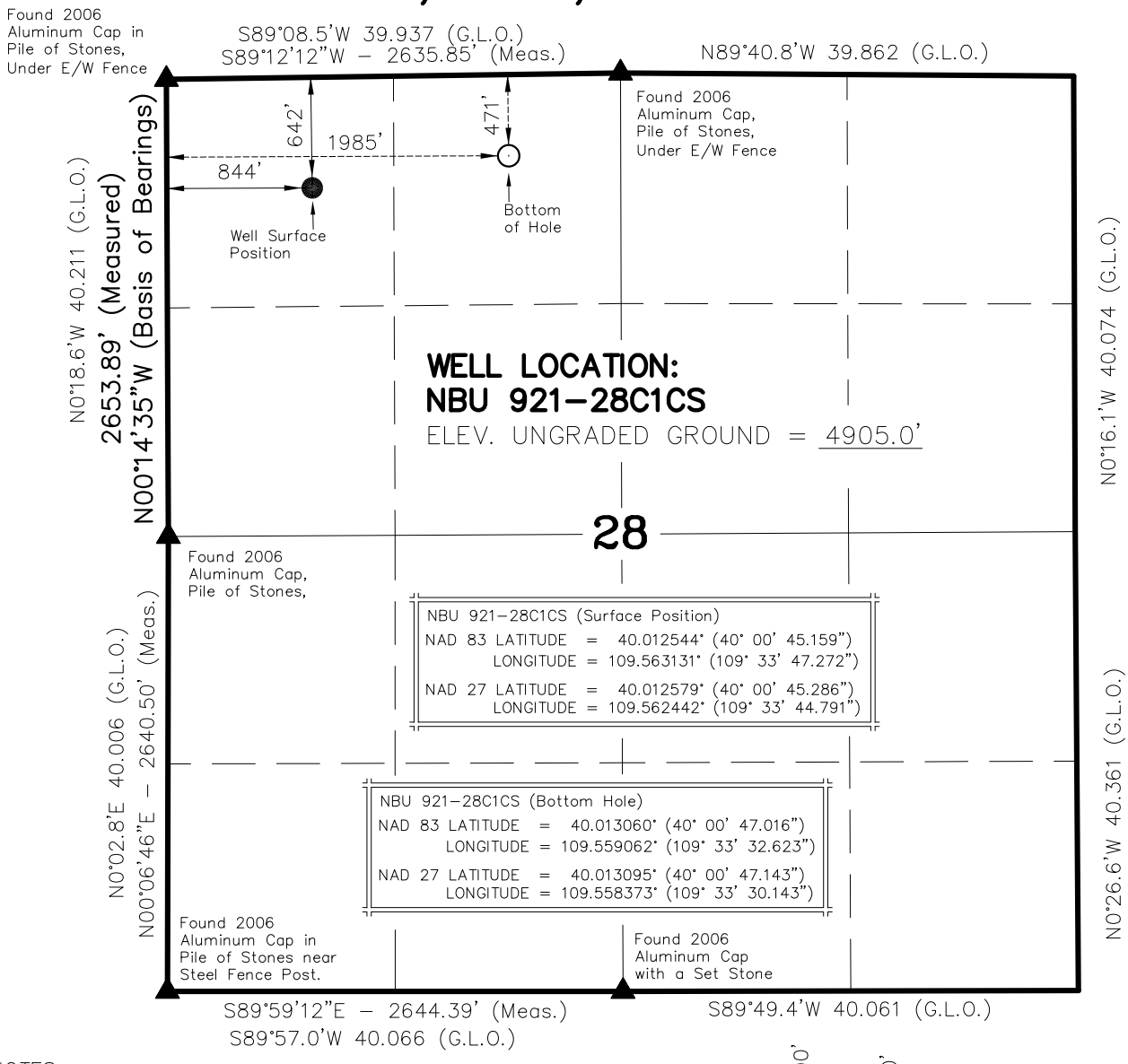
☑ **WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER**	☑ **COMPLETE DRILLING PLAN**
☐ **AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)**	☐ **FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER**
☑ **DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)**	☑ **TOPOGRAPHICAL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

NAME Danielle Piernot	**TITLE** Regulatory Analyst	**PHONE** 720 929-6156
SIGNATURE	**DATE** 08/06/2009	**EMAIL** danielle.piernot@anadarko.com
API NUMBER ASSIGNED 43047506230000	**APPROVAL**	Permit Manager

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	10373		
Pipe	**Grade**	**Length**	**Weight**			
	Grade I-80 LT&C	9913	11.6			
	Grade HCP-110 LT&C	460	11.6			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2570		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 LT&C	2570	36.0			

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



NOTES:

▲ = Section Corners Located

1. Well footages are measured at right angles to the Section Lines.
2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
3. The Bottom of hole bears N80°42'08"E 1155.47' from the Surface Position.
4. Bearings are based on Global Positioning Satellite observations.
5. Basis of elevation is Tri-Sta "Two Water" located in the NW $\frac{1}{4}$ of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack Mtn NE 7.5 Min. Quadrangle as being 5238'.

N

1000' 500' 0' 1000'

SCALE

SURVEYOR'S CERTIFICATE

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

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

Kolby R. Kay

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

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

NBU 921-28C1CS
WELL PLAT
471' FNL, 1985' FWL (Bottom Hole)
NE $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 28, T9S, R21E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

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

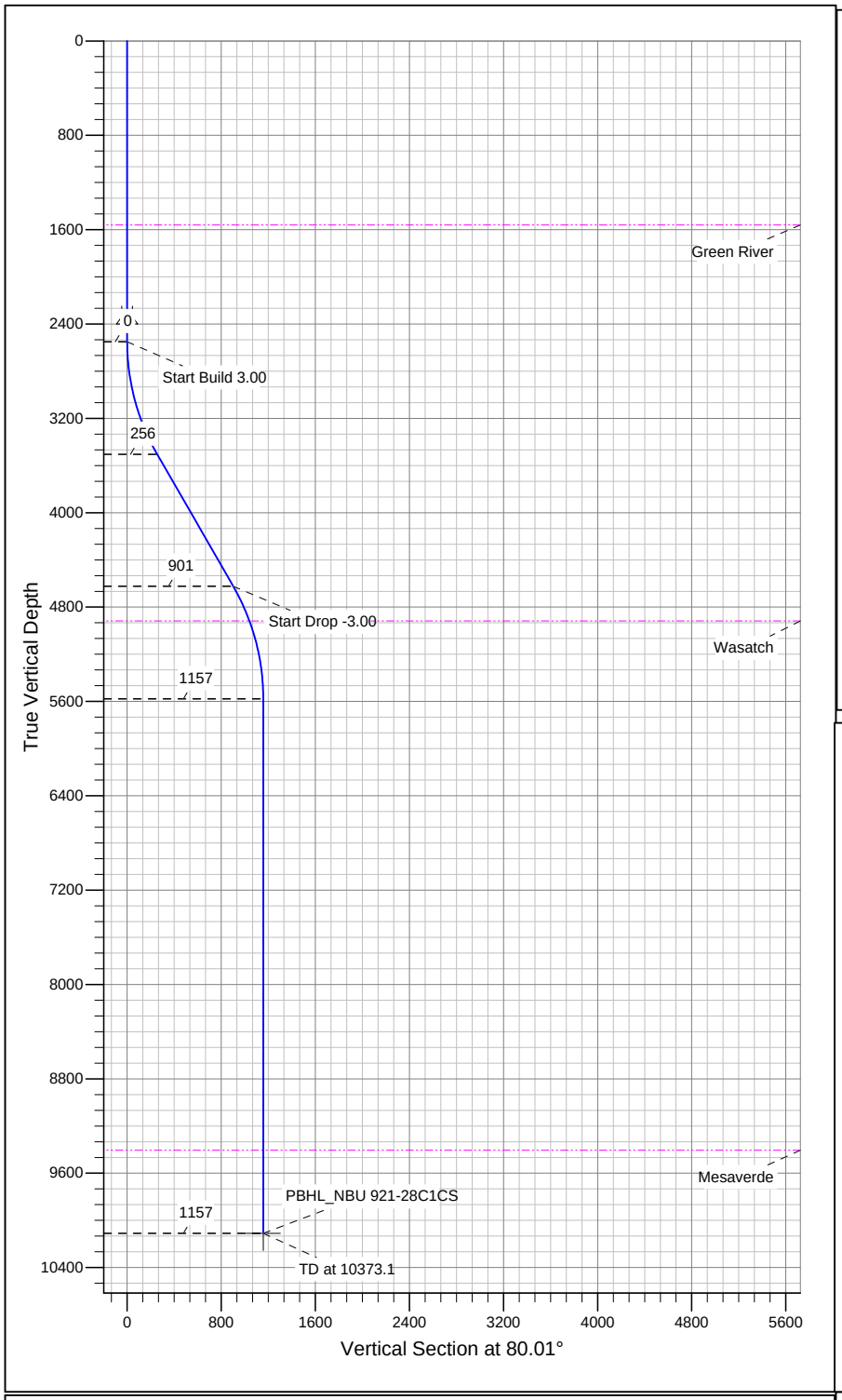
DATE SURVEYED: 12-09-08	SURVEYED BY: M.S.B.	SHEET
DATE DRAWN: 01-14-09	DRAWN BY: E.M.S.	3
SCALE: 1" = 1000'	Date Last Revised: 01-26-09	OF 13

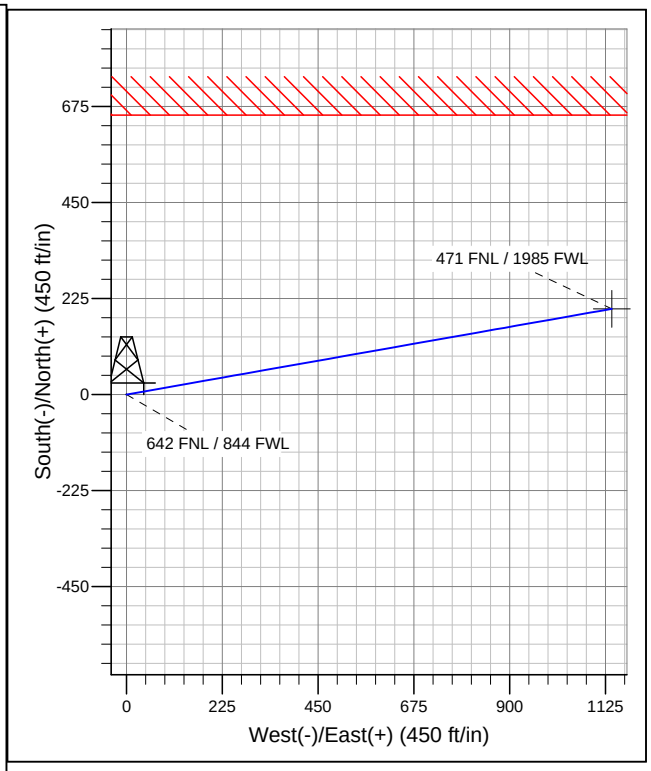
’APIWellNo:43047506230000’

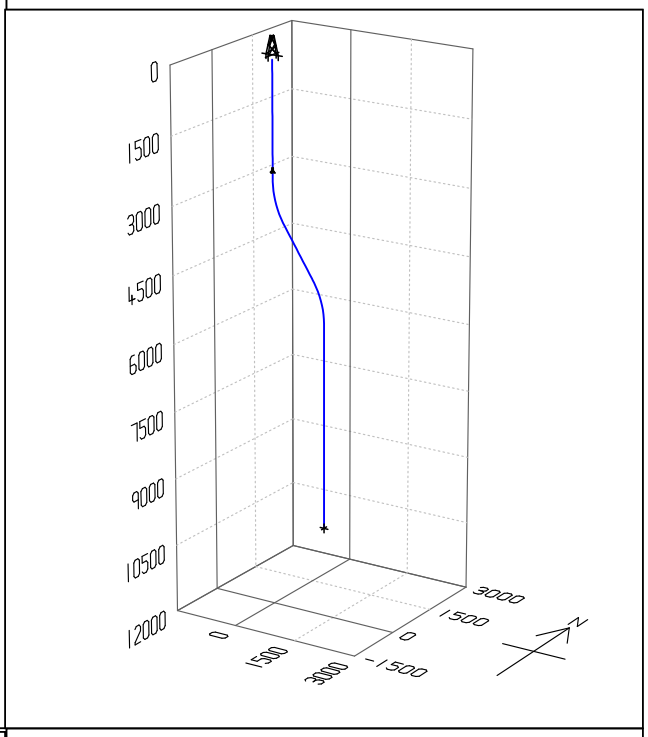
Anadarko Petroleum Corporation

Well Name: P_NBU 921-28C1CS
Surface Location: UINTAH_NBU 921-28D PAD
NAD 1927 (NADCON CONUS) Universal Transverse Mercator (US Survey Feet)
UTAH - UTM (feet), NAD27, Zone 12N
Ground Elevation: 4904.0

Northing	Easting	Latitude	Longitude
14533859.25	2042950.46	40.012544°N	109.562442°W

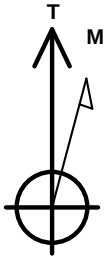






SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0
2	2550.0	0.00	0.00	2550.0	0.0	0.0	0.00	0.00	0.0
3	3550.0	30.00	80.01	3504.9	44.4	252.0	3.00	80.01	255.9
4	4840.7	30.00	80.01	4622.7	156.3	887.6	0.00	0.00	901.2
5	5840.7	0.00	0.00	5577.6	200.7	1139.6	3.00	180.00	1157.1
6	10373.1	0.00	0.00	10110.0	200.7	1139.6	0.00	0.00	1157.1



Azimuths to True North
Magnetic North: 11.36°

Magnetic Field
Strength: 52569.8snT
Dip Angle: 65.93°
Date: 4/16/2009
Model: IGRF200510

ROCKIES - PLANNING

UTAH - UTM (feet), NAD27, Zone 12N
UINTAH_NBU 921-28D PAD
P_NBU 921-28C1CS
P_NBU 921-28C1CS

Plan: Plan #1 04-16-09 ZJRA6

Standard Planning Report - Geographic

16 April, 2009

APC

Planning Report - Geographic

Database:	apc_edmp	**Local Co-ordinate Reference:**	Well P_NBU 921-28C1CS
Company:	ROCKIES - PLANNING	**TVD Reference:**	WELL @ 4904.0ft (Original Well Elev)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	WELL @ 4904.0ft (Original Well Elev)
Site:	UINTAH_NBU 921-28D PAD	**North Reference:**	True
Well:	P_NBU 921-28C1CS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	P_NBU 921-28C1CS		
Design:	Plan #1 04-16-09 ZJRA6		

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

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

Site UINTAH_NBU 921-28D PAD

Site Position:		**Northing:**	14,533,892.02 ft	**Latitude:**	40.012634°N
From:	Lat/Long	**Easting:**	2,042,949.65 ft	**Longitude:**	109.562443°W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	0.92 °

Well P_NBU 921-28C1CS

Well Position	**+N/-S**	0.0 ft	**Northing:**	14,533,859.25 ft	**Latitude:**	40.012544°N
	+E/-W	0.0 ft	**Easting:**	2,042,950.46 ft	**Longitude:**	109.562442°W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	ft	**Ground Level:**	4,904.0 ft

Wellbore P_NBU 921-28C1CS

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	4/16/2009	11.36	65.93	52,570

Design Plan #1 04-16-09 ZJRA6

Audit Notes:

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

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	10,110.0	0.0	0.0	80.01

Plan Sections

Measured Depth (ft)	**Inclination (°)**	**Azimuth (°)**	**Vertical Depth (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Dogleg Rate (°/100ft)**	**Build Rate (°/100ft)**	**Turn Rate (°/100ft)**	**TFO (°)**	**Target**
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,550.0	0.00	0.00	2,550.0	0.0	0.0	0.00	0.00	0.00	0.00	
3,550.0	30.00	80.01	3,504.9	44.4	252.0	3.00	3.00	0.00	80.01	
4,840.7	30.00	80.01	4,622.7	156.3	887.6	0.00	0.00	0.00	0.00	
5,840.7	0.00	0.00	5,577.6	200.7	1,139.6	3.00	-3.00	0.00	180.00	
10,373.1	0.00	0.00	10,110.0	200.7	1,139.6	0.00	0.00	0.00	0.00	PBHL_NBU 921-28

APC

Planning Report - Geographic

Database:	apc_edmp	**Local Co-ordinate Reference:**	Well P_NBU 921-28C1CS
Company:	ROCKIES - PLANNING	**TVD Reference:**	WELL @ 4904.0ft (Original Well Elev)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	**MD Reference:**	WELL @ 4904.0ft (Original Well Elev)
Site:	UINTAH_NBU 921-28D PAD	**North Reference:**	True
Well:	P_NBU 921-28C1CS	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	P_NBU 921-28C1CS		
Design:	Plan #1 04-16-09 ZJRA6		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (ft)	Map Easting (ft)	Latitude	Longitude
0.0	0.00	0.00	0.0	0.0	0.0	14,533,859.25	2,042,950.46	40.012544°N	109.562442°W
1,561.0	0.00	0.00	1,561.0	0.0	0.0	14,533,859.25	2,042,950.46	40.012544°N	109.562442°W
Green River									
2,400.0	0.00	0.00	2,400.0	0.0	0.0	14,533,859.25	2,042,950.46	40.012544°N	109.562442°W
Surface Casing									
2,550.0	0.00	0.00	2,550.0	0.0	0.0	14,533,859.25	2,042,950.46	40.012544°N	109.562442°W
3,550.0	30.00	80.01	3,504.9	44.4	252.0	14,533,907.69	2,043,201.70	40.012666°N	109.561542°W
4,840.7	30.00	80.01	4,622.7	156.3	887.6	14,534,029.87	2,043,835.38	40.012973°N	109.559273°W
5,166.1	20.24	80.01	4,917.0	180.3	1,023.4	14,534,055.99	2,043,970.86	40.013039°N	109.558788°W
Wasatch									
5,840.7	0.00	0.00	5,577.6	200.7	1,139.6	14,534,078.31	2,044,086.62	40.013095°N	109.558373°W
9,669.1	0.00	0.00	9,406.0	200.7	1,139.6	14,534,078.31	2,044,086.62	40.013095°N	109.558373°W
Mesaverde									
10,373.1	0.00	0.00	10,110.0	200.7	1,139.6	14,534,078.31	2,044,086.62	40.013095°N	109.558373°W

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL_NBU 921-28C1 - plan hits target center - Point	0.00	0.00	10,110.0	200.7	1,139.6	14,534,078.31	2,044,086.62	40.013095°N	109.558373°W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
2,400.0	2,400.0	Surface Casing	9-5/8	12-1/4

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
5,166.1	4,917.0	Wasatch		0.00	
1,561.0	1,561.0	Green River		0.00	
9,669.1	9,406.0	Mesaverde		0.00	

NBU 921-28C1CS

Pad: NBU 921-28D
Surface: 642’ FNL 844’ FWL (NW/4NW/4)
BHL: 471’ FNL 1,985’ FWL (NE/4NW/4)
Sec. 28 T9S R21E

Uintah, Utah
Mineral Lease: UTU 0576

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

Formation	Depth	Resource
Uinta	0 – Surface	
Green River	1,561’	
Birds Nest	1,881’	Water
Mahogany	2,369’	Water
Wasatch	4,917’	Gas
Mesaverde	7,898’	Gas
MVU2	8,824’	Gas
MVL1	9,406’	Gas
TVD	10,110’	
TD	10,373’	

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 10,373' TD, approximately equals 6,463 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,075 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

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

9. Variances:

Please refer to the attached Drilling Program.
Onshore Order #2 – Air Drilling Variance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Variance for FIT Requirements
KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). The air rig operation utilizes a 5M BOPE when drilling. This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

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

10. Other Information:

Please refer to the attached Drilling Program.

’APIWellNo:43047506230000’

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	August 6, 2009
WELL NAME	**NBU 921-28C1CS**	TD	10,110' TVD 10,373' MD
FIELD	Natural Buttes	COUNTY Uintah STATE Utah	FINISHED ELEVATION 4,904'
SURFACE LOCATION	NW/4 NW/4 642' FNL 844' FWL Sec 28 T 9S R 21E		
	Latitude: 40.012544 Longitude: -109.563131 NAD 83		
BTM HOLE LOCATION	NE/4 NW/4 471' FNL 1,985' FWL Sec 28 T 9S R 21E		
	Latitude: 40.013060 Longitude: -109.559062 NAD 83		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: BLM (Minerals), BLM (Surface), UDOGM Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		20'		14"	
			12-1/4"	9-5/8", 36#, J-55, LTC	Air mist
All water flows encountered while drilling will be reported to the appropriate agencies.					
	Green River @	**1,561'**			
	Top of Birds Nest @	**1,881**			
	Mahogany @	**2,369**			
	Preset f/ GL @ 2,570' MD				
	Note: 12.25" surface hole will usually be drilled ±400' below the lost circulation zone (aka bird's nest). Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone.				
	Wasatch @	**4,917'**			
Mud logging program TBD Cased hole logging program from TD - surf csg			7-7/8"	4-1/2" 11.6# I-180 & HCP-110 or equivalent LTC csg	Water / Fresh Water Mud 8.3-12.2 ppg
	Mverde @	**7,898' TVD**			
	MVU2 @	**8,824' TVD**			
	MVU1 @	**9,406' TVD**			
Max anticipated Mud required 12.2 ppg	**TD @**	**10,110' TVD** **10,373' MD**			

'APIWellNo:43047506230000'

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'								
								3,520	2,020	453,000
SURFACE	9-5/8"	0	to	2,570	36.00	J-55	LTC	0.82	1.68	6.23
								7,780	6,350	201,000
PRODUCTION	4-1/2"	0	to	9,913	11.60	I-80	LTC	1.86	1.07	2.05
								10,690	8,650	279,000
	4-1/2"	9,913	to	10,373	11.60	HCP-110	LTC	105.63	1.35	64.27

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 12.2 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 4,075 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 6,463 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ 0.25 pps flocele				
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	380	0%	15.60	1.18
			+ 2% CaCl + 0.25 pps flocele				
			Premium cmt + 2% CaCl				
SURFACE			**NOTE: If well will circulate water to surface, option 2 will be utilized**				
Option 2	LEAD	2,070'	65/35 Poz + 6% Gel + 10 pps gilsonite	490	35%	12.60	1.81
			+ 0.25 pps Flocele + 3% salt BWOW				
	TAIL	500'	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,413'	Premium Lite II + 3% KCl + 0.25 pps	420	40%	11.00	3.38
			celloflake + 5 pps gilsonite + 10% gel				
			+ 0.5% extender				
	TAIL	5,960'	50/50 Poz/G + 10% salt + 2% gel	1,460	40%	14.30	1.31
			+ 0.1% R-3				

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

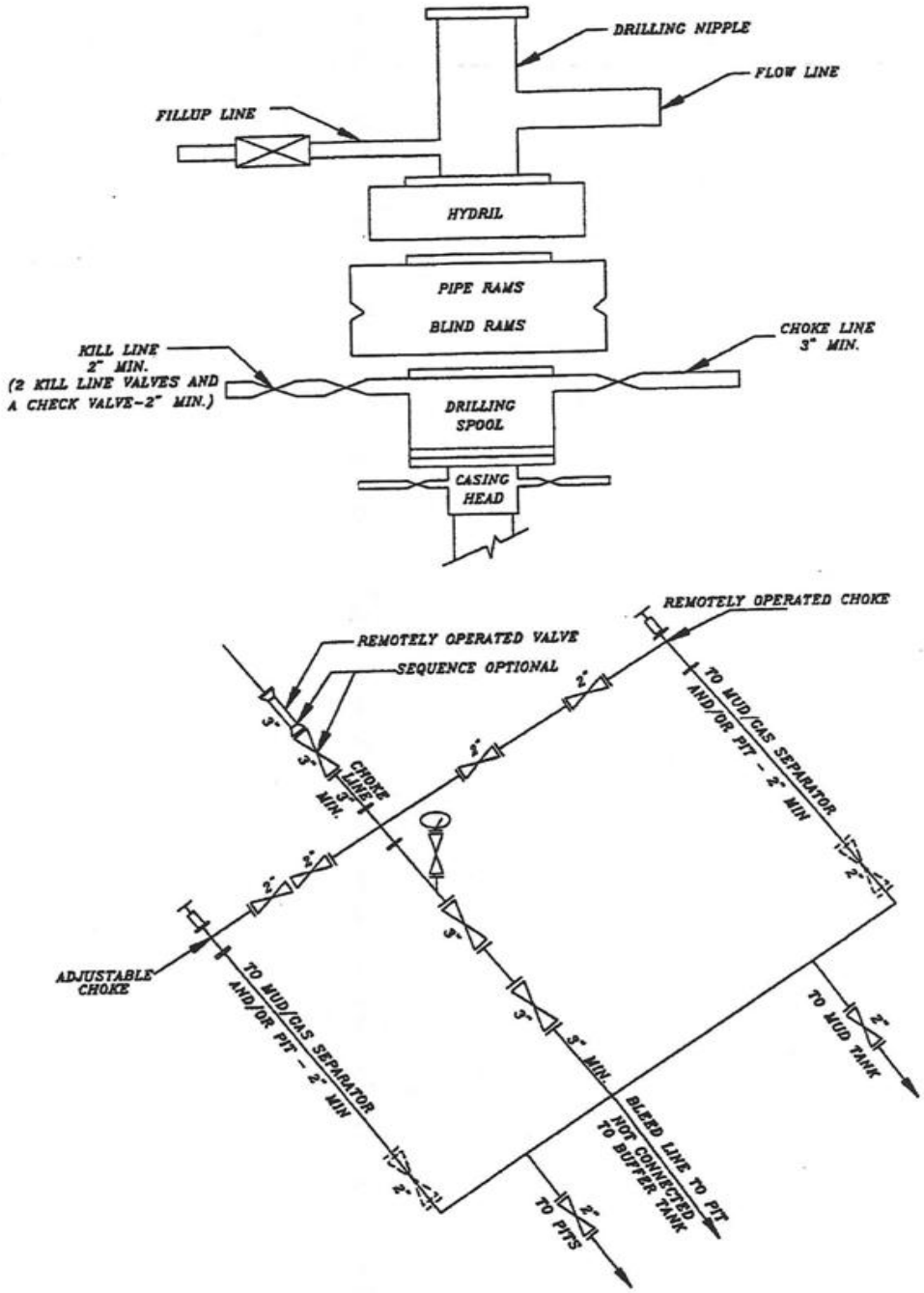
Surveys will be taken at 1,000' minimum intervals.

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

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

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

EXHIBIT A
NBU 921-28C1CS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

WELL PAD INTERFERENCE PLAT

DIRECTIONAL PAD – NBU 435

BASIS OF BEARINGS IS THE WEST LINE OF THE NW 1/4 OF SECTION 28, T9S, R21E, S.L.B.&M. WHICH IS TAKEN FROM GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR N00°14'35"W.

N

BOTTOM HOLE FOOTAGES

NBU 921–28C4CS
1219' FNL, 1985' FWL

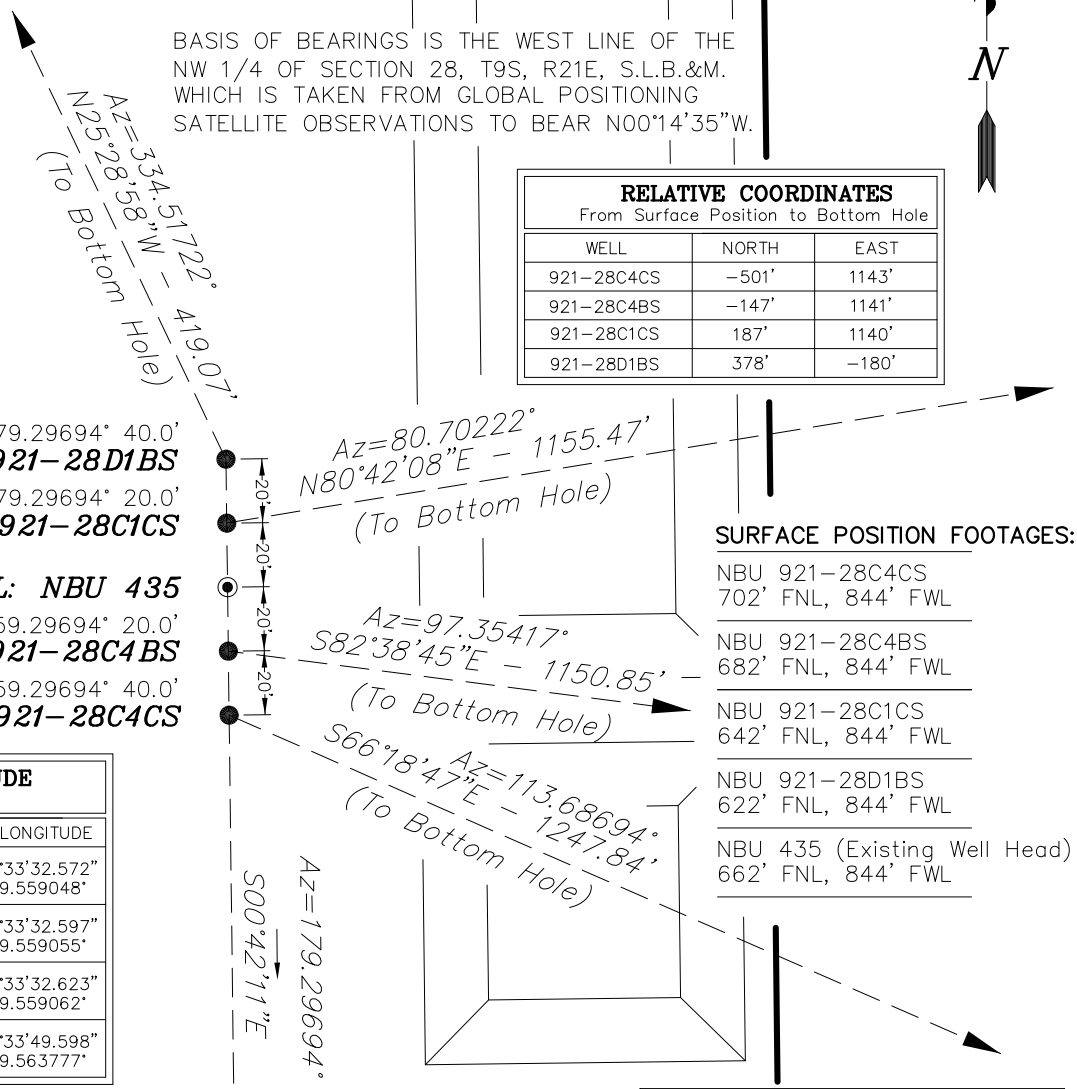
NBU 921–28C4BS
845' FNL, 1985' FWL

NBU 921–28C1CS
471' FNL, 1985' FWL

NBU 921–28D1BS
241' FNL, 665' FWL

RELATIVE COORDINATES
From Surface Position to Bottom Hole

WELL	NORTH	EAST
921–28C4CS	–501'	1143'
921–28C4BS	–147'	1141'
921–28C1CS	187'	1140'
921–28D1BS	378'	–180'



SURFACE POSITION FOOTAGES:

NBU 921–28C4CS
702' FNL, 844' FWL

NBU 921–28C4BS
682' FNL, 844' FWL

NBU 921–28C1CS
642' FNL, 844' FWL

NBU 921–28D1BS
622' FNL, 844' FWL

NBU 435 (Existing Well Head)
662' FNL, 844' FWL

LATITUDE & LONGITUDE
Bottom Hole – (NAD 83)

WELL	N. LATITUDE	W. LONGITUDE
921–28C4CS	40°00'39.626" 40.011007°	109°33'32.572" 109.559048°
921–28C4BS	40°00'43.321" 40.012034°	109°33'32.597" 109.559055°
921–28C1CS	40°00'47.016" 40.013060°	109°33'32.623" 109.559062°
921–28D1BS	40°00'49.093" 40.013637°	109°33'49.598" 109.563777°

LATITUDE & LONGITUDE
Surface Position – (NAD 83)

WELL	N. LATITUDE	W. LONGITUDE
921–28C4CS	40°00'44.566" 40.012379°	109°33'47.261" 109.563128°
921–28C4BS	40°00'44.764" 40.012434°	109°33'47.265" 109.563129°
921–28C1CS	40°00'45.159" 40.012544°	109°33'47.272" 109.563131°
921–28D1BS	40°00'45.357" 40.012599°	109°33'47.276" 109.563132°
Existing Well NBU 435	40°00'44.961" 40.012489°	109°33'47.268" 109.563130°

LATITUDE & LONGITUDE
Surface Position – (NAD 27)

WELL	N. LATITUDE	W. LONGITUDE
921–28C4CS	40°00'44.693" 40.012415°	109°33'44.781" 109.562439°
921–28C4BS	40°00'44.891" 40.012470°	109°33'44.784" 109.562440°
921–28C1CS	40°00'45.286" 40.012579°	109°33'44.791" 109.562442°
921–28D1BS	40°00'45.484" 40.012634°	109°33'44.795" 109.562443°
Existing Well NBU 435	40°00'45.088" 40.012525°	109°33'44.788" 109.562441°

LATITUDE & LONGITUDE
Bottom Hole – (NAD 27)

WELL	N. LATITUDE	W. LONGITUDE
921–28C4CS	40°00'39.752" 40.011042°	109°33'30.092" 109.558359°
921–28C4BS	40°00'43.448" 40.012069°	109°33'30.117" 109.558366°
921–28C1CS	40°00'47.143" 40.013095°	109°33'30.143" 109.558373°
921–28D1BS	40°00'49.220" 40.013672°	109°33'47.117" 109.563088°

60' 30' 0' 60'
SCALE

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

NBU 921-28C4CS, NBU 921-28C4BS, NBU 921-28C1CS & NBU 921-28D1BS LOCATED IN SECTION 28, T9S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

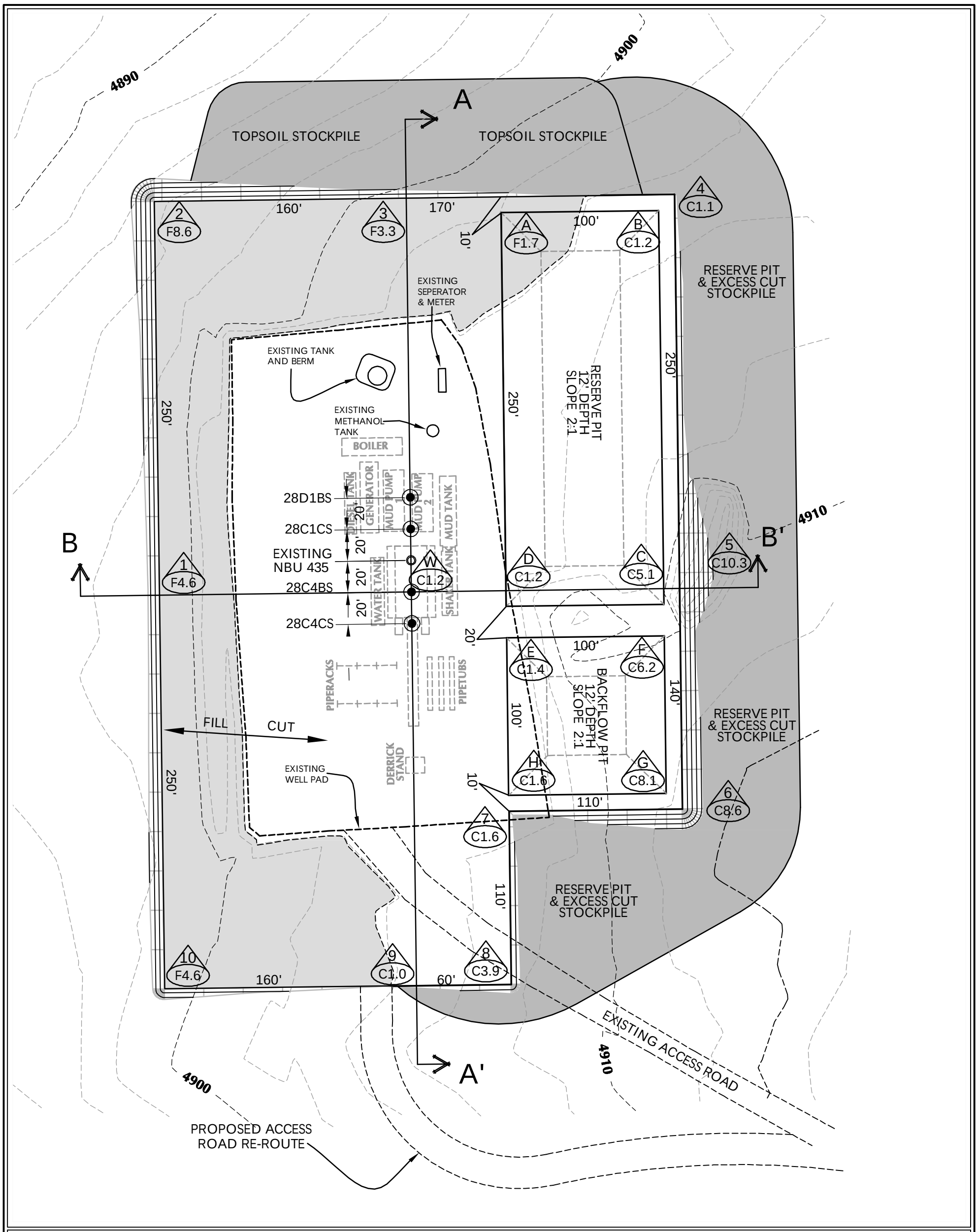
609 CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

DATE SURVEYED: 12-09-08	SURVEYED BY: M.S.B.
DATE DRAWN: 01-14-09	DRAWN BY: E.M.S.
	REVISED: 01-26-09

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

SHEET 5 OF 13

’APIWellNo:43047506230000’



WELL PAD NBU 435 QUANTITIES

EXISTING GRADE @ CENTER OF WELL PAD = 4904.9'
FINISHED GRADE ELEVATION = 4903.7'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 8,101 C.Y.
TOTAL FILL FOR WELL PAD = 7,572 C.Y.
TOPSOIL @ 6" DEPTH = 2,015 C.Y.
EXCESS MATERIAL = 529 C.Y.
TOTAL DISTURBANCE = 3.80 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 28,730 BARRELS
RESERVE PIT VOLUME
+/- 7,720 CY
BACKFLOW PIT CAPACITY (2' OF FREEBOARD)
+/- 9,490 BARRELS
BACKFLOW PIT VOLUME
+/- 2,660 CY

WELL PAD LEGEND

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

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

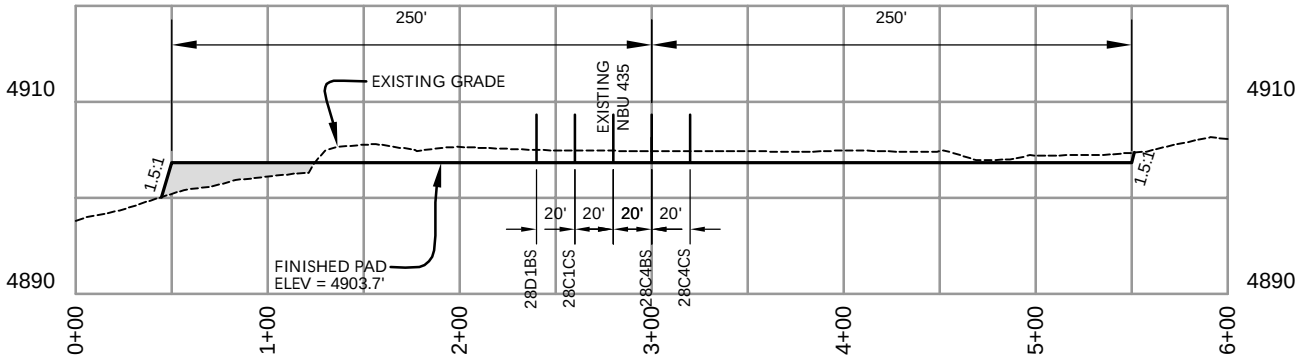
KERR-MCGEE OIL & GAS
ONSHORE L.P.
1099 18th Street - Denver, Colorado 80202

WELL PAD - LOCATION LAYOUT
NBU 921-28C4CS, NBU 921-28C4BS,
NBU 921-28C1CS & NBU 921-28D1BS
LOCATED IN SECTION 28, T.9S., R.21E.
S.L.B.&M., UINTAH COUNTY, UTAH

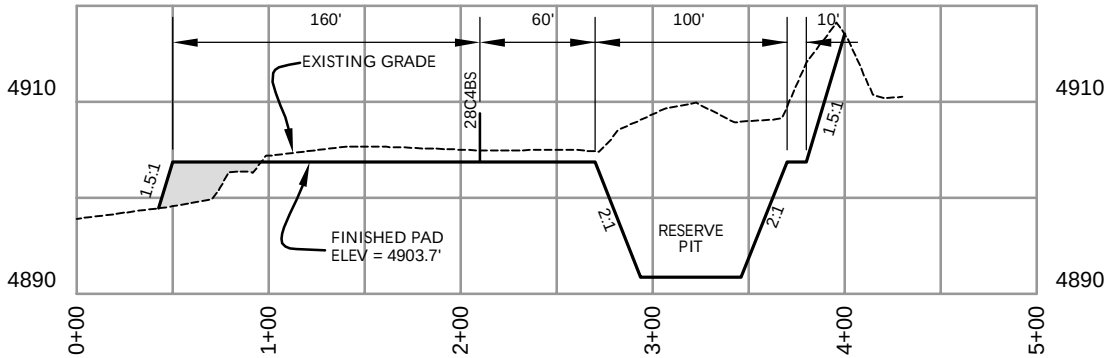
609
CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

Scale: 1"=60'	Date: 3/16/09	SHEET NO: 6
REVISED:		6 OF 13

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



CROSS SECTION A-A'



CROSS SECTION B-B'

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

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

WELL PAD - CROSS SECTIONS
NBU 921-28C4CS, NBU 921-28C4BS,
NBU 921-28C1CS & NBU 921-28D1BS
LOCATED IN SECTION 28, T.9S., R.21E.
S.L.B.&M., UINTAH COUNTY, UTAH

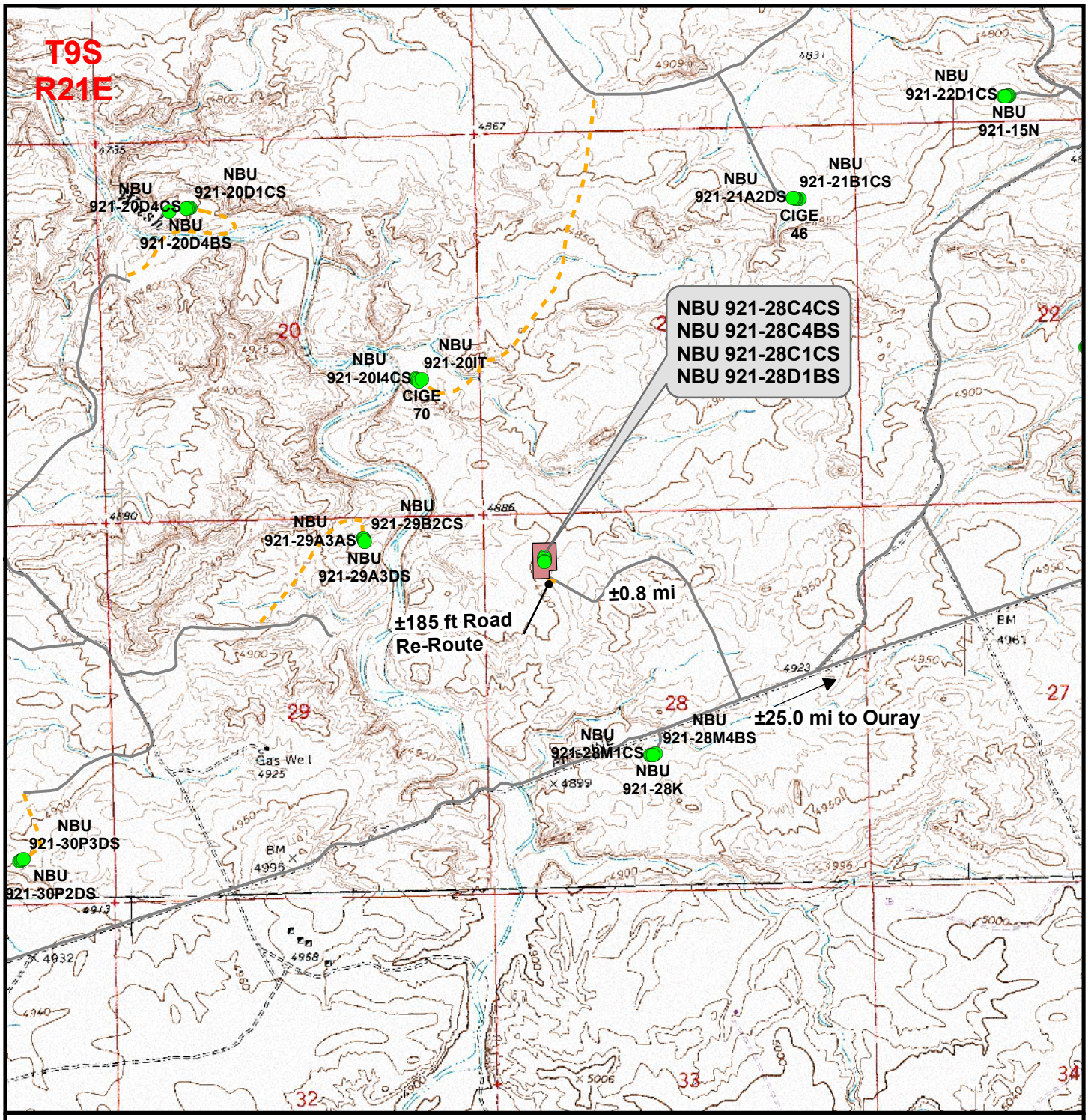
609 CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

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

Scale: 1"=100'	Date: 3/16/09	SHEET NO: 7
REVISED:		7 OF 13

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

'APIWellNo:43047506230000'



Legend

Total Proposed Road Length: ±185ft

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

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

NBU 921-28C4CS, NBU 921-28C4BS, NBU 921-28C1CS & NBU 921-28D1BS
Topo B
Located In Section 28, T9S, R21E
S.L.B.&M., Uintah County, Utah

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

N

Scale: 1" = 2000ft	NAD83 USP Central		Sheet No: 10 10 of 13
Drawn: JELo	Date: 24 Feb 2009		
Revised:	Date:		

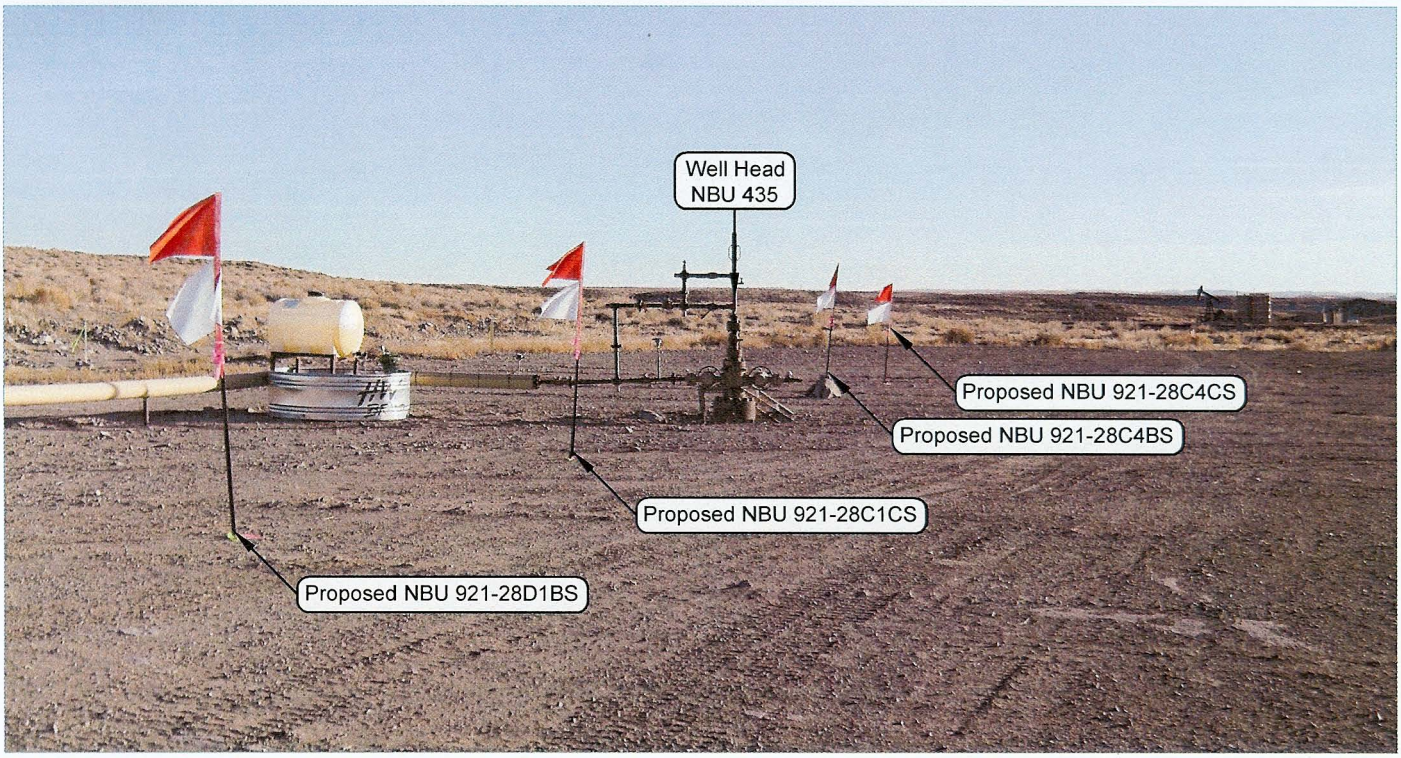


PHOTO VIEW: TO LOCATION STAKES

CAMERA ANGLE: SOUTHEASTERLY

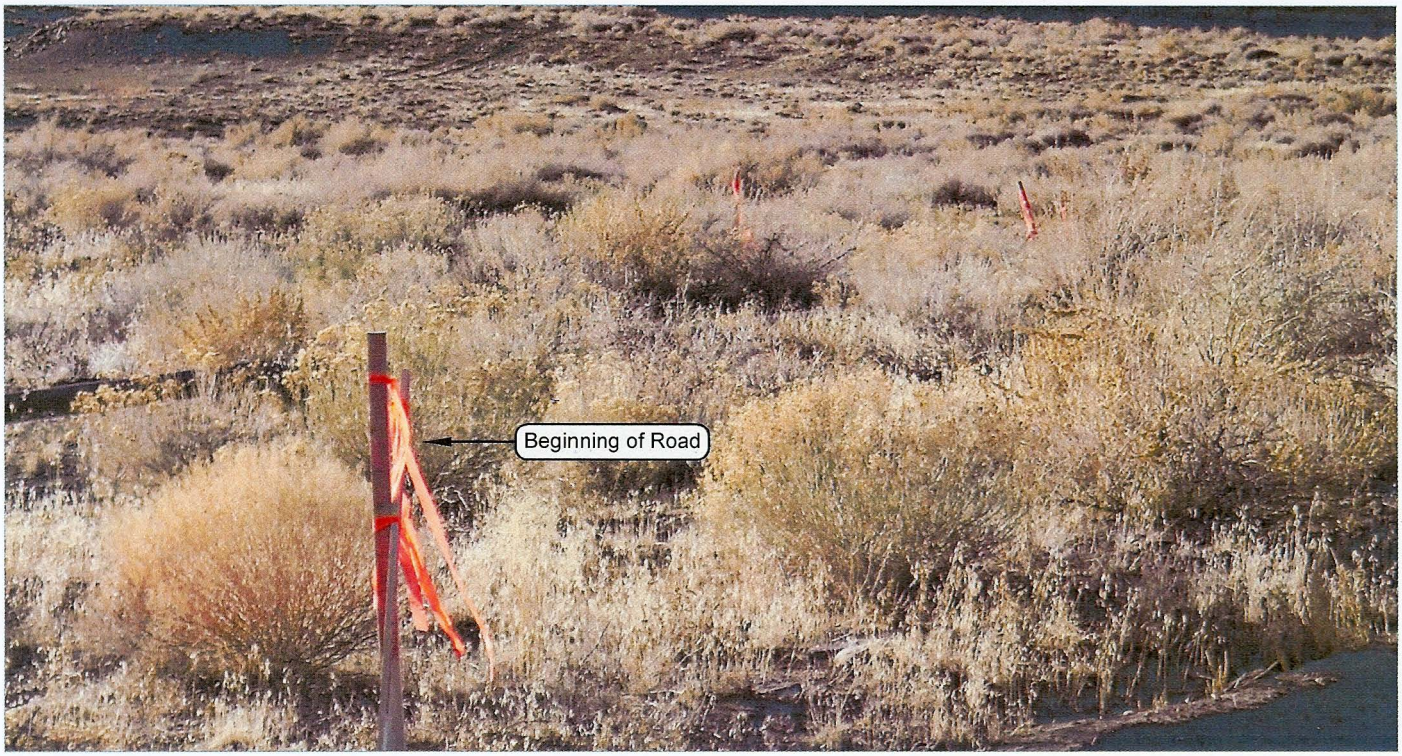


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHWESTERLY

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

NBU 921-28C4CS, NBU 921-28C4BS,
NBU 921-28C1CS & NBU 921-28D1BS
LOCATED IN SECTION 28, T9S, R21E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

LOCATION PHOTOS		DATE TAKEN: 12-09-08
		DATE DRAWN: 01-14-09
TAKEN BY: M.S.B.	DRAWN BY: E.M.S.	REVISED:

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

Kerr-McGee Oil & Gas Onshore, LP
NBU 921-28C4CS, NBU 921-28C4BS, NBU 921-28C1CS & NBU 921-28D1BS
Section 28, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 11.2 MILES TO THE INTERSECTION OF THE GLEN BENCH ROAD (COUNTY B ROAD 3260). EXIT LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION ALONG THE GLEN BENCH ROAD APPROXIMATELY 11.4 MILES TO A CLASS D COUNTY ROAD TO THE SOUTHWEST. EXIT LEFT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE CLASS D COUNTY ROAD APPROXIMATELY 2.4 MILES TO A SERVICE ROAD TO THE NORTHWEST. EXIT RIGHT AND PROCEED IN A NORTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE EXISTING NBU 435 WELL PAD.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE WELL LOCATION IS APPROXIMATELY 56.5 MILES IN A SOUTHERLY DIRECTION.

NBU 921-28C1CS
Surface: 642' FNL 844' FWL (NW/4NW/4)
BHL: 471' FNL 1,985' FWL (NE/4NW/4)

NBU 921-28C4BS
Surface: 682' FNL 844' FWL (NW/4NW/4)
BHL: 845' FNL 1,985' FWL (NE/4NW/4)

NBU 921-28C4CS
Surface: 702' FNL 844' FWL (NW/4NW/4)
BHL: 1,219' FNL 1,985' FWL (NE/4NW/4)

NBU 921-28D1BS
Surface: 622' FNL 844' FWL (NW/4NW/4)
BHL: 241' FNL 665' FWL (NW/4NW/4)

Pad: NBU 921-28D
Sec. 28 T9S R21E

Uintah, Utah
Mineral Lease: UTU 0576

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) documents. An NOS was submitted on May 6, 2009 showing the surface locations in NW/4 NW/4 of Section 28 T9S R21E.

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

An on-site meeting was held on May 27, 2009. Present were:
- Verlyn Pindell, Dave Gordon, Scott Ackerman – BLM;
- Kolby Kay – 609 Consulting, LLC;
- Tony Kazeck, Raleen White and Hal Blanchard – Kerr-McGee.

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

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

2. Planned Access Roads:

See MDP for additional details on road construction.

Approximately ±0.04 mile (±185') 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.

This pad will expand the existing pad for the NBU 435, which is a producing well according to Utah Division of Oil, Gas and Mining (UDOGM) records.

The following guidelines will apply if the well is productive.

Approximately ±6,280' (±1.2 miles) of pipeline is proposed. The existing pipeline, as shown on Topo D, will be upgraded to accommodate anticipated production from the proposed wells. The upgraded pipeline will follow the same route as the existing pipeline. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place.

Per the onsite meeting, the following items were requested:

- 10" of topsoil around entire location from corners 4 to 6.
- Stream Alteration permit needed due to the pipeline being buried.

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 one of the following sources:

- Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32 T4S R3E, Water User Claim number 43-8496, application number 53617.
- Price Water Pumping Inc. Green River and White River, various sources, Water Right Number 49-1659, application number: a35745.

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.

11. Surface/Mineral Ownership:
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
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

August 6, 2009
Date

'APIWellNo:43047506230000'

Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779

April 29, 2009

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

RE: Directional Drilling Letter R649-3-11
NBU 921-28C1CS
T9S-R21E
Section 28: NW/4NW/4 surface, NE/4NW/4 bottom hole
642' FNL, 844' FWL (surface)
471' FNL, 1985 FWL (bottom hole)
Uintah County, Utah

Dear Ms. Whitney:

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

- Kerr-McGee's NBU 921-28C1CS is located within the Natural Buttes Unit Area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

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

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

Joe Matney
Senior Staff Landman

'APIWellNo:43047506230000'

’APIWellNo:43047506230000’

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

By:

Patricia Stavish

Prepared For:
Ute Tribal Land
Uintah and Ouray Agency

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

Prepared Under Contract With:

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

Prepared By:

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

MOAC Report No. 08-319

February 19, 2009

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

Public Lands Policy Coordination Office
Archaeological Survey Permit No. 117

Ute Tribal Permit No. A08-363

'APIWellNo:43047506230000'

IPC #09-41

Paleontological Reconnaissance Survey Report

Survey of Kerr McGee's Proposed Multi-Well Pads, Access Roads, Pipelines and Pipeline Upgrades for "NBU #921-28C4CS, C4BS, C1CS & D1BS, #921-28K, L1CS, L1BS & M1CS, #921-30N1AS, P2AS, P3DS & P2DS, & NBU #921-30C3BS, E2AS D3DS & D2AS" (Sec. 28-30, T 9 S, R 21 E)

Ouray SE
Topographic Quadrangle
Uintah County, Utah

March 26, 2009

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

SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT

Operator: Anadarko Petroleum Company

Wells: NBU 921-28C4CS
NBU 921-28C4BS
NBU 921-28C1CS
NBU 921-28D1BS

Location: Township 9 South, Range 21 East, Section 28

Survey Date(s): April 1, 2009
April 2, 2009

Observer(s): SWCA Environmental Consultants, Inc.

Weather: April 1: 30° Fahrenheit, 30% cloud cover, wind speed 7-15 mph
April 2: 40-50° Fahrenheit, 10% cloud cover, wind speed 0-10 mph

PROPOSED PROJECT:

Anadarko proposes to construct a pipeline and gas wells NBU 921-28C4CS, 921-28C4BS, 921-28C1CS, and NBU 921-28D1BS in Township 9 South, Range 21 East and Section 28 in Uintah County, Utah. The proposed gas wells are located west of Bonanza, Utah in the Book Cliffs Management Area of the BLM Vernal Field Office. The project area has been historically impacted by mineral extraction activities, transportation corridors, agricultural and ranching activities, livestock grazing, and erosion. There is currently well construction activity occurring within the project area. A map of the proposed wells can be found in Appendix D.

PROJECT AREA DESCRIPTION:

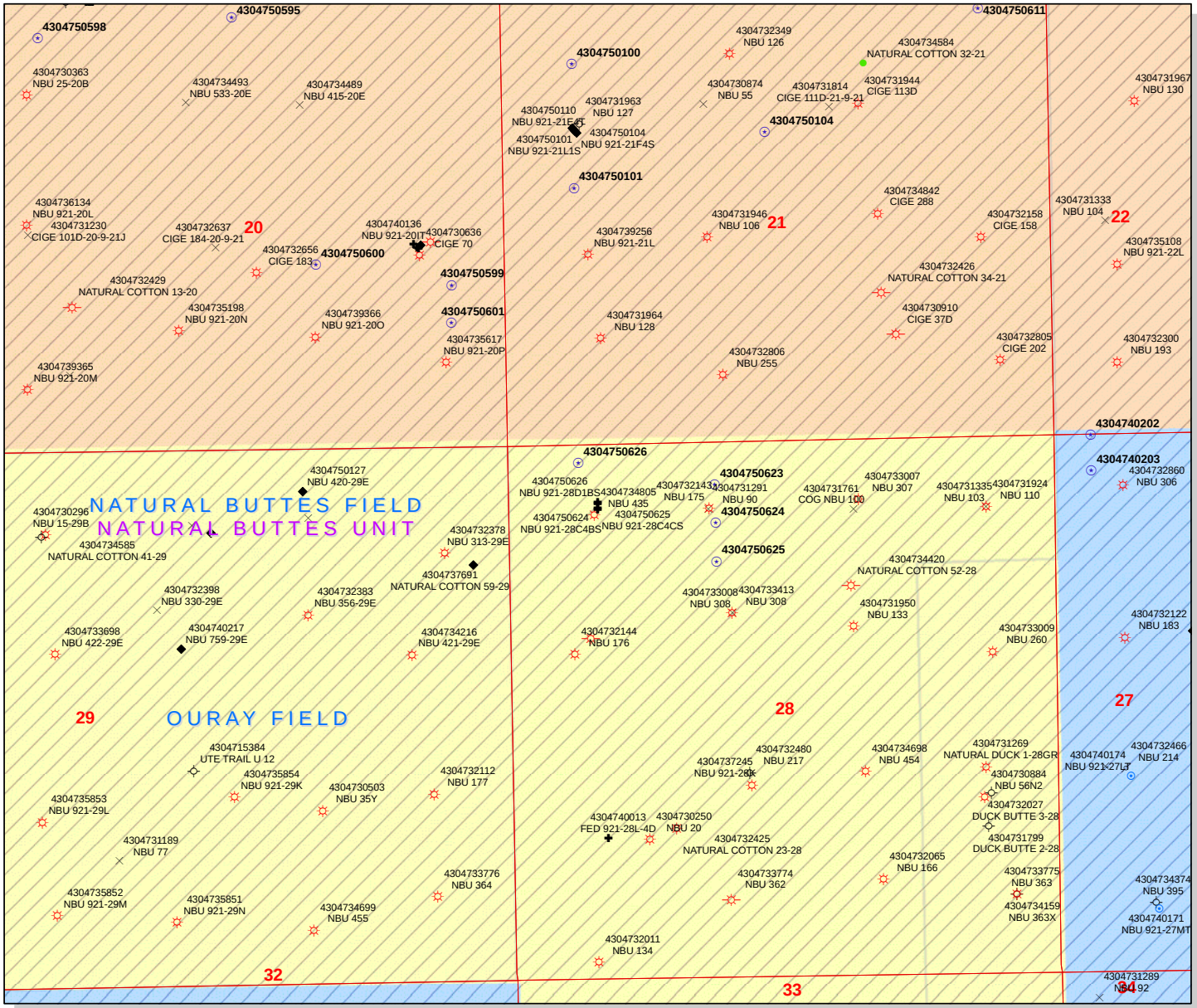
The proposed project area is underlain by sedimentary deposits of the Green River Formation of Late Middle Eocene age at an elevation of approximately 4,900 feet. Soils in the project area are predominantly sand and silt. Topography in the project area consists of rolling hills and a slight slope north into a narrow wash. The slopes within the project area boundary range from 0 to 10 percent. Rock outcroppings are present in the area.

The vegetation in the project area is a desert shrub community. For a complete list of common plants associated with the desert shrub community in the project area see Appendix A.

SURVEY METHODOLOGY:

In April of 2009, the Utah Department of Wildlife Resources website (http://dwrcdc.nr.utah.gov/ucdc/) and the Fish and Wildlife Service (http://www.fws.gov/mountain-prairie/endspp/countylists/utah.pdf) were reviewed for Uintah County. These sites contain the U.S. Fish and Wildlife Service list of threatened, endangered, and candidate species as well as the BLM/Utah state sensitive species list. In addition, past survey reports and environmental documents were reviewed to determine which federally listed

’APIWellNo:4304750623000’



API Number: 4304750623

Well Name: NBU 921-28C1CS

Township 09.0 S Range 21.0 E Section 28

Meridian: SLBM

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

Map Prepared:
Map Produced by Diana Mason

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

Fields
STATUS
- ACTIVE
- COMBINED
- Sections

Wells Query Events
- <all other values>

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

1,200 600 0 1,200 Feet

1:12,000

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)

August 7, 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)		
43-047-50613	NBU 921-23E1CS	Sec 23 T09S R21E 2192 FNL 0495 FWL
		BHL Sec 23 T09S R21E 1767 FNL 0665 FWL
43-047-50619	NBU 921-23E4BS	Sec 23 T09S R21E 2172 FNL 0530 FWL
		BHL Sec 23 T09S R21E 2080 FNL 0665 FWL
43-047-50620	NBU 921-23F4CS	Sec 23 T09S R21E 2182 FNL 0512 FWL
		BHL Sec 23 T09S R21E 2425 FNL 1985 FWL
43-047-50621	NBU 921-23L1BS	Sec 23 T09S R21E 2201 FNL 0477 FWL
		BHL Sec 23 T09S R21E 2520 FSL 0665 FWL
43-047-50623	NBU 921-28C1CS	Sec 28 T09S R21E 0642 FNL 0844 FWL
		BHL Sec 28 T09S R21E 0471 FNL 1985 FWL
43-047-50624	NBU 921-28C4BS	Sec 28 T09S R21E 0682 FNL 0844 FWL
		BHL Sec 28 T09S R21E 0845 FNL 1985 FWL
43-047-50625	NBU 921-28C4CS	Sec 28 T09S R21E 0702 FNL 0844 FWL
		BHL Sec 28 T09S R21E 1219 FNL 1985 FWL
43-047-50626	NBU 921-28D1BS	Sec 28 T09S R21E 0622 FNL 0844 FWL
		BHL Sec 28 T09S R21E 0241 FNL 0665 FWL

43-047-50627 NBU 920-21P Sec 21 T09S R20E 0281 FSL 0524 FEL

43-047-50628 NBU 920-21N Sec 21 T09S R20E 0460 FSL 1527 FWL

43-047-50629 NBU 920-21L Sec 21 T09S R20E 2139 FSL 0979 FWL

43-047-50630 NBU 920-21M Sec 21 T09S R20E 0734 FSL 0635 FWL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:8-7-09

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/6/2009 **API NO. ASSIGNED:** 43047506230000
WELL NAME: NBU 921-28C1CS
OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) **PHONE NUMBER:** 720 929-6156
CONTACT: Danielle Piernot

PROPOSED LOCATION: NWNW 28 090S 210E **Permit Tech Review:** ✔

SURFACE: 0642 FNL 0844 FWL **Engineering Review:** ✔

BOTTOM: 0471 FNL 1985 FWL **Geology Review:** ✔

COUNTY: UINTAH
LATITUDE: 40.01250 **LONGITUDE:** -109.56241
UTM SURF EASTINGS: 622696.00 **NORTHINGS:** 4429925.00
FIELD NAME: NATURAL BUTTES
LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU 0576 **PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE
SURFACE OWNER: 1 - Federal **COALBED METHANE:** NO

RECEIVED AND/OR REVIEWED:

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

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit: NATURAL BUTTES

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

Board Cause No: Cause 173-14
Effective Date: 12/2/1999
Siting: 460' fr u bdry & uncomm. tract

- ✔ **R649-3-11. Directional Drill**

Comments: Presite Completed

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

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

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

Permit To Drill
****

Well Name: NBU 921-28C1CS
API Well Number: 43047506230000
Lease Number: UTU 0576
Surface Owner: FEDERAL
Approval Date: 8/20/2009

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 Board Cause No. 173-14, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

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

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

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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

API Well No: 43047506230000

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 https://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:

For Gil Hunt
Associate Director, Oil & Gas

API Well No: 43047506230000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0576

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL: Gas Well

8. WELL NAME and NUMBER: NBU 921-28C1CS

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

9. API NUMBER: 43047506230000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6007 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0642 FNL 0844 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 28 Township: 09.0S Range: 21.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 3/1/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) would like to revise the SUPO for this well due to a request from the BLM. For you records please see the attached additions to the SUPO which include the seed mix, erosion control references and the Reclamation Reference Point. Please contact the undersigned with any questions and/or comments. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: February 25, 2010

By: Dark K Quist

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

SIGNATURE	DATE
N/A	2/23/2010

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NBU 921-28C1CS
Surface: 642' FNL 844' FWL (NW/4NW/4)
BHL: 471' FNL 1,985' FWL (NE/4NW/4)

NBU 921-28C4BS
Surface: 682' FNL 844' FWL (NW/4NW/4)
BHL: 845' FNL 1,985' FWL (NE/4NW/4)

NBU 921-28C4CS
Surface: 702' FNL 844' FWL (NW/4NW/4)
BHL: 1,219' FNL 1,985' FWL (NE/4NW/4)

NBU 921-28D1BS
Surface: 622' FNL 844' FWL (NW/4NW/4)
BHL: 241' FNL 665' FWL (NW/4NW/4)

Pad: NBU 921-28D
Sec. 28 T9S R21E

Uintah, Utah
Mineral Lease: UTU 0576

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) documents. An NOS was submitted on May 6, 2009 showing the surface locations in NW/4 NW/4 of Section 28 T9S R21E.

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

An on-site meeting was held on May 27, 2009. Present were:
- Verlyn Pindell, Dave Gordon, Scott Ackerman – BLM;
- Kolby Kay – 609 Consulting, LLC;
- Tony Kazeck, Raleen White and Hal Blanchard – Kerr-McGee.

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

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

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2. Planned Access Roads:

See MDP for additional details on road construction.

Approximately ±0.04 mile (±185') 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.

This pad will expand the existing pad for the NBU 435, which is a producing well according to Utah Division of Oil, Gas and Mining (UDOGM) records.

The following guidelines will apply if the well is productive.

Approximately ±6,280' (±1.2 miles) of pipeline is proposed. The existing pipeline, as shown on Topo D, will be upgraded to accommodate anticipated production from the proposed wells. The upgraded pipeline will follow the same route as the existing pipeline. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place.

Per the onsite meeting, the following items were requested:

- 10" of topsoil around entire location from corners 4 to 6.
- Stream Alteration permit needed due to the pipeline being buried.

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 the following sources:

49-2243	Target Trucking Inc.	Green River- Various points
49-2300	R.N. Industries	White River- Various points
49-2298	RNI Trucking	White River- Various points
49-2231	Nile Chapman	Green River- Various points
49-2299	R.N. Industries	Green River- Various points
49-2306	R.N. Industries	White River- Various points

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.

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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 applicable BMPs on Plans for Reclamation of the Surface.

Per recent requirements from the BLM, the following is the information for the Reclamation Monitoring Reference Point:

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Location (NAD 83):
Latitude: 40.009967
Longitude: -109.561553
Approximately 350 feet south east of existing NBU 435 well head.

This Monitoring point will work for both the pipeline and the well pad.

The Following Seed Mix will be used during reclamation:

Shadscale	
Indian Ricegrass (Nezpar)	3
Sandberg bluegrass	0.75
Bottlebrush squirreltail	0.5
Sand Dropseed?	0.5
Slender wheatgrass (Pryor)	1.5
Winterfat	0.25
Shadscale	1.5
Four-wing saltbush	0.75
trident saltbush	0.5
Forage Kochia	0.25
Total	9.5

11. Surface/Mineral Ownership:
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.

RECEIVED February 23, 2010

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

Danielle Piernot
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779
(720) 929-6156

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.

Danielle Piernot
Danielle Piernot

February 23, 2010
Date

RECEIVED February 23, 2010

API Well No: 43047506230000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0576

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL: Gas Well

8. WELL NAME and NUMBER: NBU 921-28C1CS

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

9. API NUMBER: 43047506230000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6007 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0642 FNL 0844 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 28 Township: 09.0S Range: 21.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/20/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: August 23, 2010

By:

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

SIGNATURE	DATE
N/A	8/18/2010

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047506230000

API: 43047506230000
Well Name: NBU 921-28C1CS
Location: 0642 FNL 0844 FWL QTR NWNW SEC 28 TWNP 090S RNG 210E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/20/2009

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

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

Approved by the Utah Division of Oil, Gas and Mining

Signature: Danielle Piernot **Date:** 8/18/2010
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: August 23, 2010

By: [signature]

RECEIVED August 18, 2010

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0576

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 921-28C1CS

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

9. API NUMBER: 43047506230000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
PHONE NUMBER: 720 929-6515 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0642 FNL 0844 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 28 Township: 09.0S Range: 21.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 7/11/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: 07/11/2011

By: [signature]

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Andy Lytle	720 929-6100	Regulatory Analyst

SIGNATURE	DATE
N/A	7/11/2011

RECEIVED Jul. 11, 2011

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047506230000

API: 43047506230000
Well Name: NBU 921-28C1CS
Location: 0642 FNL 0844 FWL QTR NWNW SEC 28 TWNP 090S RNG 210E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/20/2009

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- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Signature: Andy Lytle **Date:** 7/11/2011
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED Jul. 11, 2011

FORM 9

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

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 0576

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 921-28C1CS

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

9. API NUMBER: 43047506230000

3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779

PHONE NUMBER: 720 929-6515 EXT

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0642 FNL 0844 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 28 Township: 09.0S Range: 21.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/20/2012	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
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	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: August 28, 2012

By:

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

SIGNATURE	DATE
N/A	8/15/2012

RECEIVED: Aug. 15, 2012

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047506230000

API: 43047506230000
Well Name: NBU 921-28C1CS
Location: 0642 FNL 0844 FWL QTR NWNW SEC 28 TWNP 090S RNG 210E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/20/2009

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- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Signature: Danielle Piernot **Date:** 8/15/2012
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Aug. 15, 2012

United States Department of the Interior

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

April 1, 2013

IN REPLY REFER TO:
3160 (UTG011)

Julie Jacobson
Kerr McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779

43 047 50623

Re: Request to Return APD
Well No. NBU 921-28C1CS
NWSW, Sec. 28, T9S, R21E
Uintah County, Utah
Lease No. UTU-0576
Natural Buttes Unit

Dear Julie:

The Application for Permit to Drill (APD) for the above referenced well received in this office on August 11, 2009, is being returned unapproved per your request to this office in an email message to Natural Resource Specialist Tyler Cox received on March 7, 2013. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding APD processing, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Resource Minerals

Enclosures

cc: UDOGM

bcc: Well File

RECEIVED
MAY 01 2013
DIV. OF OIL, GAS & MINING

GARY R. HERBERT
Governor

GREGORY S. BELL
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

July 23, 2013

Teena Paulo
Anadarko Petroleum
1099 18th Street, Suite 600
Denver, CO 80202

Re: APDs Rescinded for Anadarko Petroleum, Uintah County

Dear Ms. Paulo:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective July 22, 2013.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

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

UTAH DNR
OIL, GAS & MINING

43-047-50623	NBU 921-28C1CS
43-047-50624	NBU 921-28C4BS
43-047-50625	NBU 921-28C4CS
43-047-50626	NBU 921-28D1BS
43-047-50632	NBU 920-21I
43-047-36948	NBU 540-24E
43-047-40330	NBU 681-26E
43-047-50649	NBU 921-30E2AS
43-047-50646	NBU 921-30C3CS
43-047-50647	NBU 921-30D2DS
43-047-50648	NBU 921-30D3DS
43-047-36999	NBU 920-25L

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dianawhitney@utah.gov

Mail More 9 of 109

COMPOSE

Inbox (10)
Starred
Important
Sent Mail
Drafts (1)
BLM (1)
Cabinet
Electronic filing
Eng. Tech (1)
New Permits
saved
Follow up
Misc
Priority
Tang
More

Good Morning Diana,

Please see the below list of wells for the APD's that Kerr-McGee requests to rescind with UDOGM.

Well Name	API Number
NBU 921-28C1CS	4304750623
NBU 921-28C4BS	4304750624
NBU 921-28C4CS	4304750625
NBU 921-28D1BS	4304750626
NBU 920-21I	4304750632
NBU 540-24E	4304736948
NBU 681-26E	4304740330
NBU 921-30E2AS	4304750649
NBU 921-30C3CS	4304750646
NBU 921-30D2DS	4304750647
NBU 921-30D3DS	4304750648
NBU 920-25L	4304736999

Paulo, Teena
teena.paulo@anadarko.com

Show details