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 921-12J
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 01193 / **11. MINERAL OWNERSHIP** FEDERAL ■ INDIAN ○ STATE ○ FEE ○	**12. SURFACE OWNERSHIP** FEDERAL ○ INDIAN ■ STATE ○ FEE ○
13. NAME OF SURFACE OWNER (if box 12 = 'fee')	**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') Ute Tribe / **18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ■ (Submit Commingling Application) NO ○	**19. SLANT** VERTICAL ■ DIRECTIONAL ○ HORIZONTAL ○

20. LOCATION OF WELL	**FOOTAGES**	**QTR-QTR**	**SECTION**	**TOWNSHIP**	**RANGE**	**MERIDIAN**
LOCATION AT SURFACE	1959 FSL 2051 FEL	NWSE	12	9.0 S	21.0 E	S
Top of Uppermost Producing Zone	1959 FSL 2051 FEL	NWSE	12	9.0 S	21.0 E	S
At Total Depth	1959 FSL 2051 FEL	NWSE	12	9.0 S	21.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 1959	**23. NUMBER OF ACRES IN DRILLING UNIT** 1920
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 700	**26. PROPOSED DEPTH** MD: 10100 TVD: 10100
27. ELEVATION - GROUND LEVEL 4851	**28. BOND NUMBER**	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** Permit #43-8496

ATTACHMENTS

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

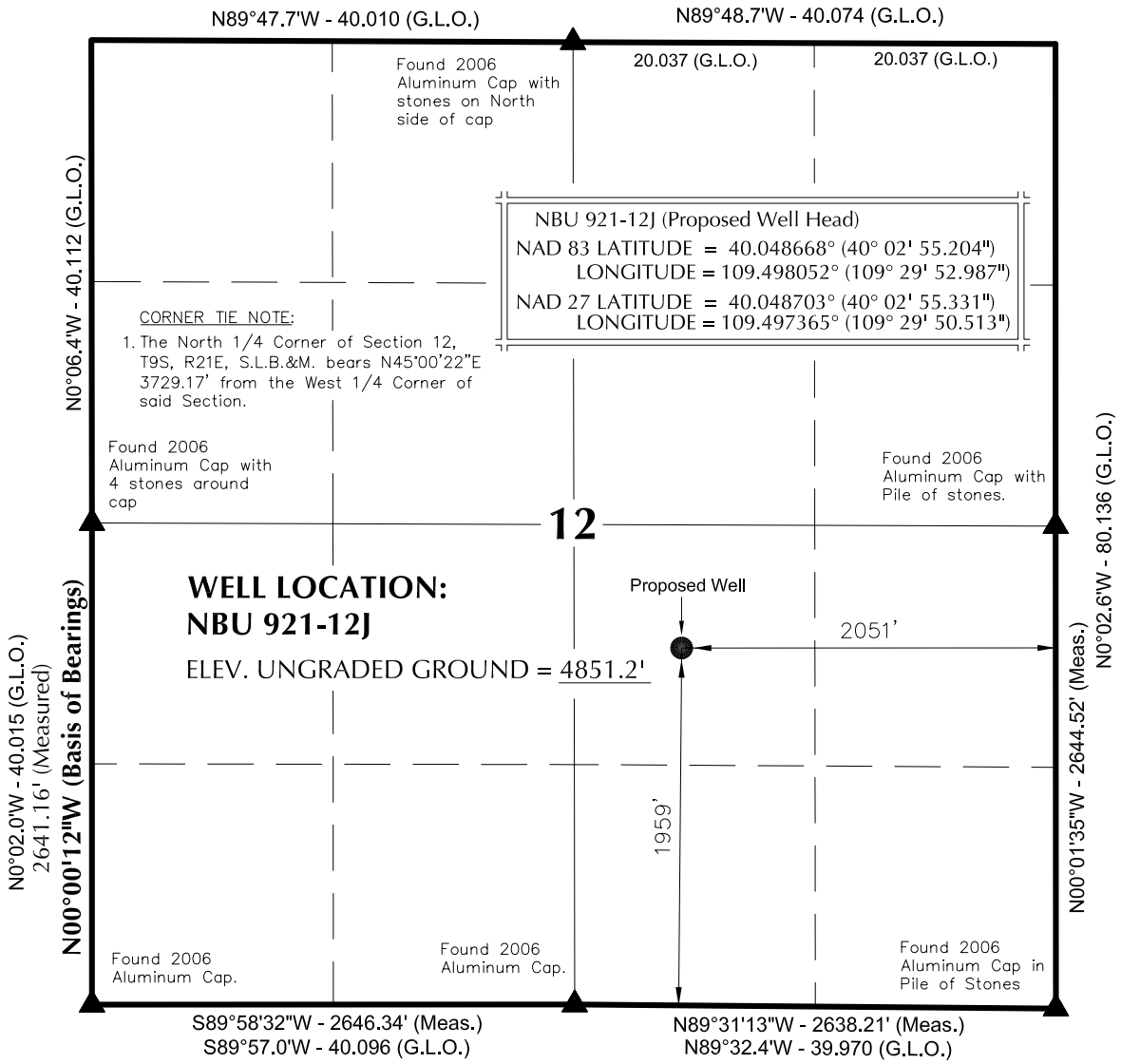
☑ **WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER**	☑ **COMPLETE DRILLING PLAN**
☐ **AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)**	☐ **FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER**
☐ **DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)**	☑ **TOPOGRAPHICAL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

NAME Danielle Piernot	**TITLE** Regulatory Analyst	**PHONE** 720 929-6156
SIGNATURE	**DATE** 09/01/2009	**EMAIL** danielle.piernot@anadarko.com
API NUMBER ASSIGNED 43047506820000	**APPROVAL** Permit Manager	

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	10100		
Pipe	**Grade**	**Length**	**Weight**			
	Grade I-80 Buttress	9600	11.6			
	Grade HCP-110 LT&C	500	11.6			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2900		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 LT&C	2900	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. Bearings are based on Global Positioning Satellite observations.
4. 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

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

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

WELL PAD - NBU 921-12J

NBU 921-12J
WELL PLAT
1959' FSL, 2051' FEL
NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 12, 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: 04-20-09	SURVEYED BY: J.D.H.	SHEET NO:
DATE DRAWN: 04-23-09	DRAWN BY: K.K.O.	1
SCALE: 1" = 1000'	Date Last Revised:	1 OF 9

NBU 921-12J

Surface: 1,959’ FSL 2,051’ FEL (NW/4SE/4)
Sec. 12 T9S R21E

Uintah, Utah
Mineral Lease: UTU 01193

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	1,871’	
Birds Nest	2,184’	Water
Mahogany	2,691’	Water
Wasatch	5,184’	Gas
Mesaverde	7,951’	Gas
MVU2	8,830’	Gas
MVL1	9,413’	Gas
TD	10,100’	

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 10,100’ TD, approximately equals 6,293 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,071 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:43047506820000’

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	August 19, 2009
WELL NAME	**NBU 921-12J**	TD	10,100' MD/TVD
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah
FINISHED ELEVATION	4,849'		
SURFACE LOCATION	NW/4 SE/4 1,959' FSL 2,051' FEL Sec 12 T 9S R 21E	BHL	Straight Hole
	Latitude: 40.048668 Longitude: -109.498052 NAD 83		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: BLM (MINERALS), Ute Tribe (SURFACE), UDOGM, Tri-County Health Dept.		

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'	14"		
			12-1/4"	9-5/8", 36#, J-55, LTC	Air mist
All water flows encountered while drilling will be reported to the appropriate agencies.					
	Green River @	**1,871'**			
	Top of Birds Nest Water @	**2,184'**			
	Mahogany @	**2,691'**			
	Preset f/ GL @	**2,900' MD**			
	Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone.				
Mud logging program TBD Open hole logging program from TD - surf csg			7-7/8"	4-1/2" 11.6# HCP-110 & I-80 or equivalent LTC/BTC casing	Water/Fresh Water Mud 8.3-12.2 ppg
	Wasatch @	**5,184'**			
	Mverde @	**7,951'**			
	MVU2 @	**8,830'**			
	MVL1 @	**9,413'**			
	TD @	**10,100'**			Max anticipated Mud required 12.2 ppg

’APIWellNo:43047506820000’

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	2900	36.00	J-55	LTC	0.84*	1.49	4.34
								7,780	6,350	278,000
PRODUCTION	4-1/2"	0	to	9600	11.60	I-80	BTC	1.86	1.04	2.92
								10,690	8,650	279,000
		9600	to	10100	11.60	HCP-110	LTC	2.55	1.35	59.13

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 1.93

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 12.2 ppg) 0.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 4,071 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 6,293 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	2,400'	Prem cmt + 16% Gel + 10 pps gilsonite	270	35%	11.00	3.82
			+ 0.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ 0.25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	4,680'	Premium Lite II + 0.25 pps celloflake +	450	40%	11.00	3.38
			5 pps gilsonite + 10% gel '+ 1% Retarder				
	TAIL	5,420'	50/50 Poz/G + 10% salt + 2% gel	1330	40%	14.30	1.31
			+ 0.1% R-3				

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

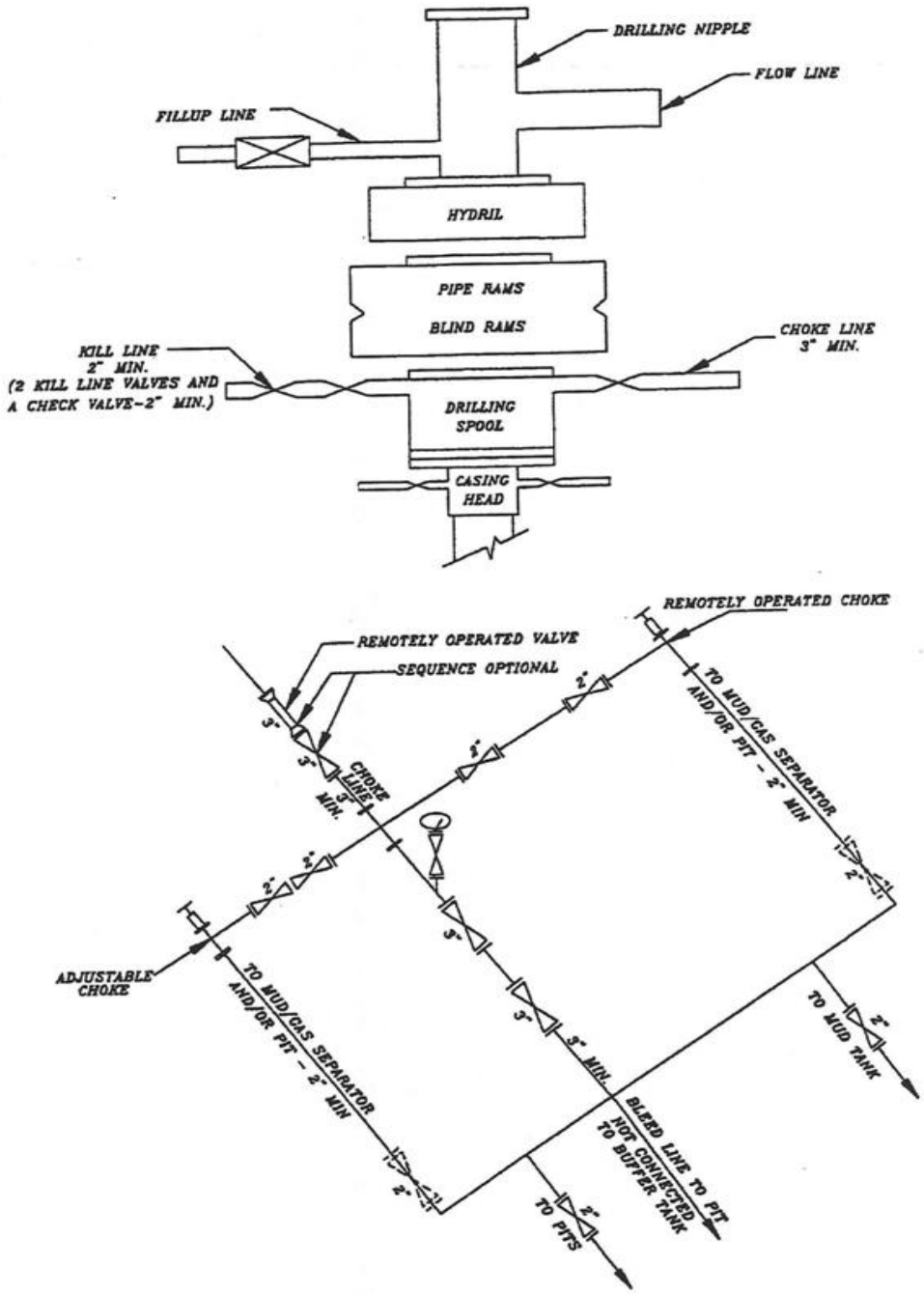
DRILLING ENGINEER: _____ **DATE:** _____

John Huycke / Emile Goodwin

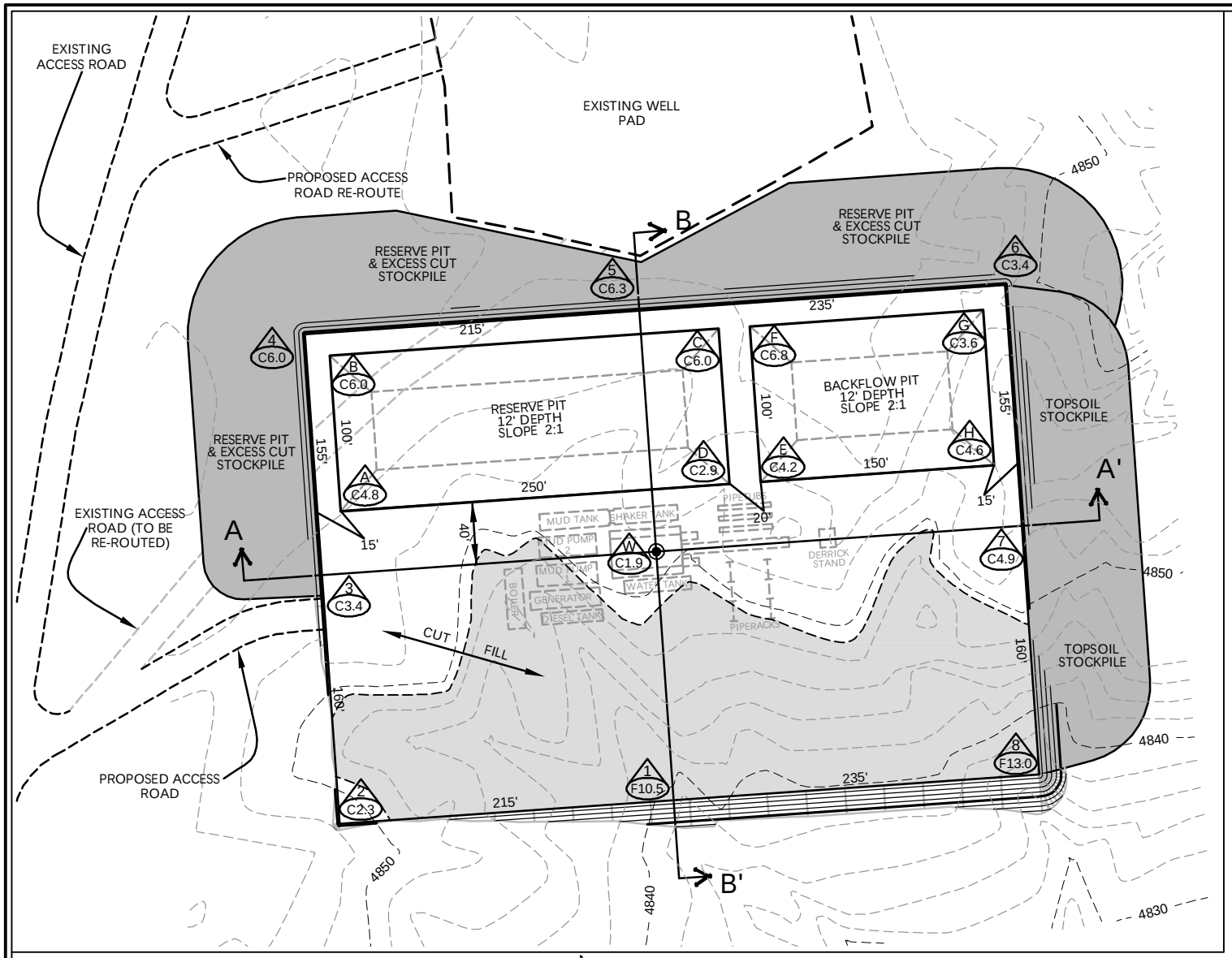
DRILLING SUPERINTENDENT: _____ **DATE:** _____

John Merkel / Lovel Young

EXHIBIT A
NBU 921-12J



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK



WELL PAD LEGEND

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

WELL PAD NBU 921-12J QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4,851.2'
FINISHED GRADE ELEVATION = 4,849.3'
CUT SLOPES = 1.5:1
FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 12,473 C.Y.
TOTAL FILL FOR WELL PAD = 11,450 C.Y.
TOPSOIL @ 6" DEPTH = 2,895 C.Y.
EXCESS MATERIAL = 1,023 C.Y.
TOTAL PAD DISTURBANCE = 3.59 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)
+/- 15,900 BARRELS
BACKFLOW PIT VOLUME
+/- 4,350 CY

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

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

WELL PAD - NBU 921-12J

WELL PAD - LOCATION LAYOUT
NBU 921-12J
1959' FSL, 2051' FEL
NW1/4 SE1/4 OF SECTION 12, 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

Scale: 1"=100' | Date: 4/30/09 | SHEET NO: 2 2 OF 9
REVISED:

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

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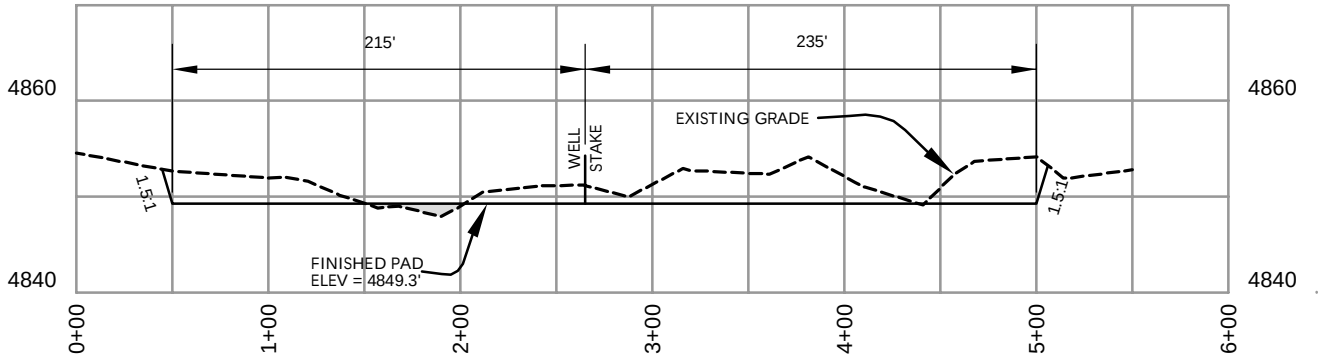
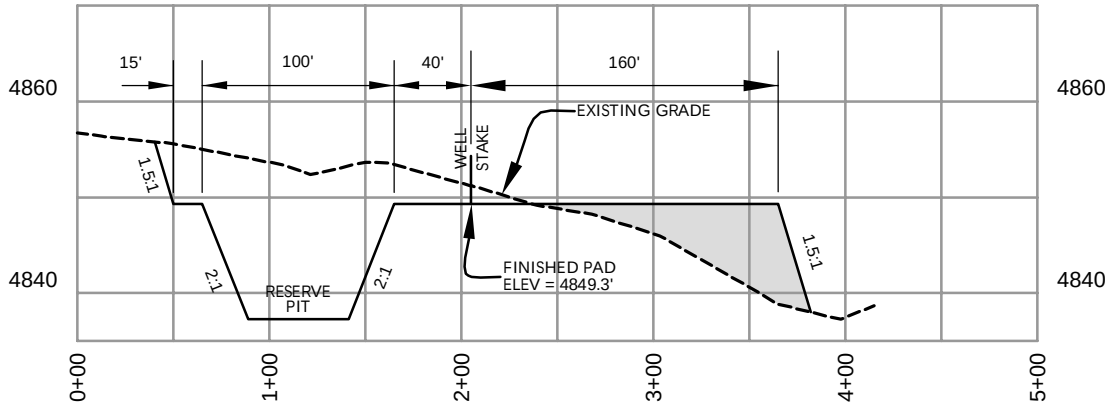


CROSS SECTION A-A'



CROSS SECTION B-B'

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

WELL PAD - NBU 921-12J

WELL PAD - CROSS SECTIONS
NBU 921-12J
1959' FSL, 2051' FEL
NW1/4 SE1/4 OF SECTION 12, T9S, R21E
S.L.B.&M., UINTAH COUNTY, UTAH

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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: 4/30/09	SHEET NO: 3 3 OF 9
REVISED:		

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

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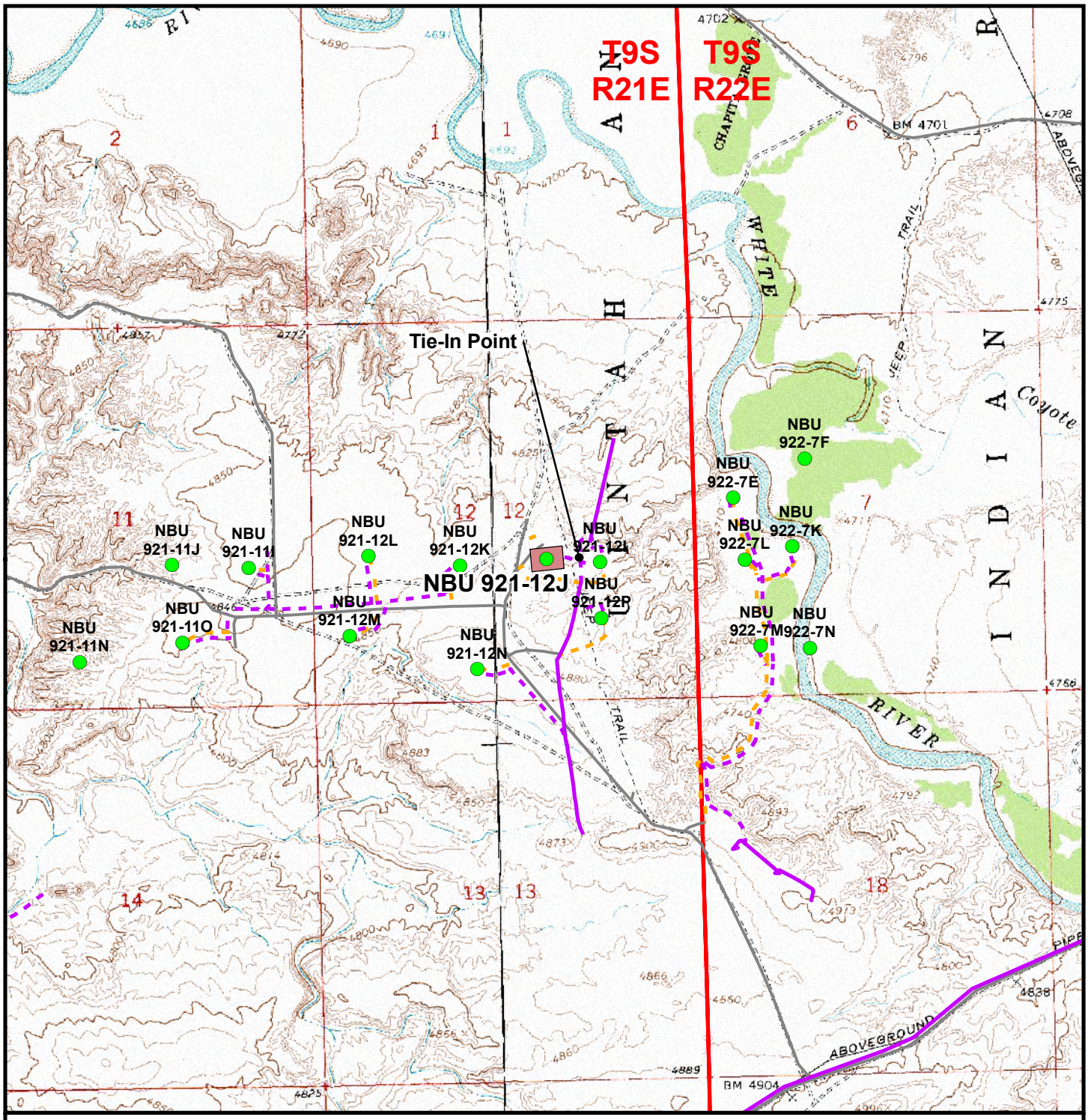


Legend

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ±310ft
Proposed Pipeline Length Around Pad: ±660ft

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

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

Well Pad - NBU 921-12J

NBU 921-12J
Topo D
1959' FSL, 2051' FEL
NW¼ SE¼, Section 12, 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" = 2,000ft	NAD83 USP Central	Sheet No: 8
Drawn: JELo	Date: 15 May 2009	8 of 9
Revised:	Date:	

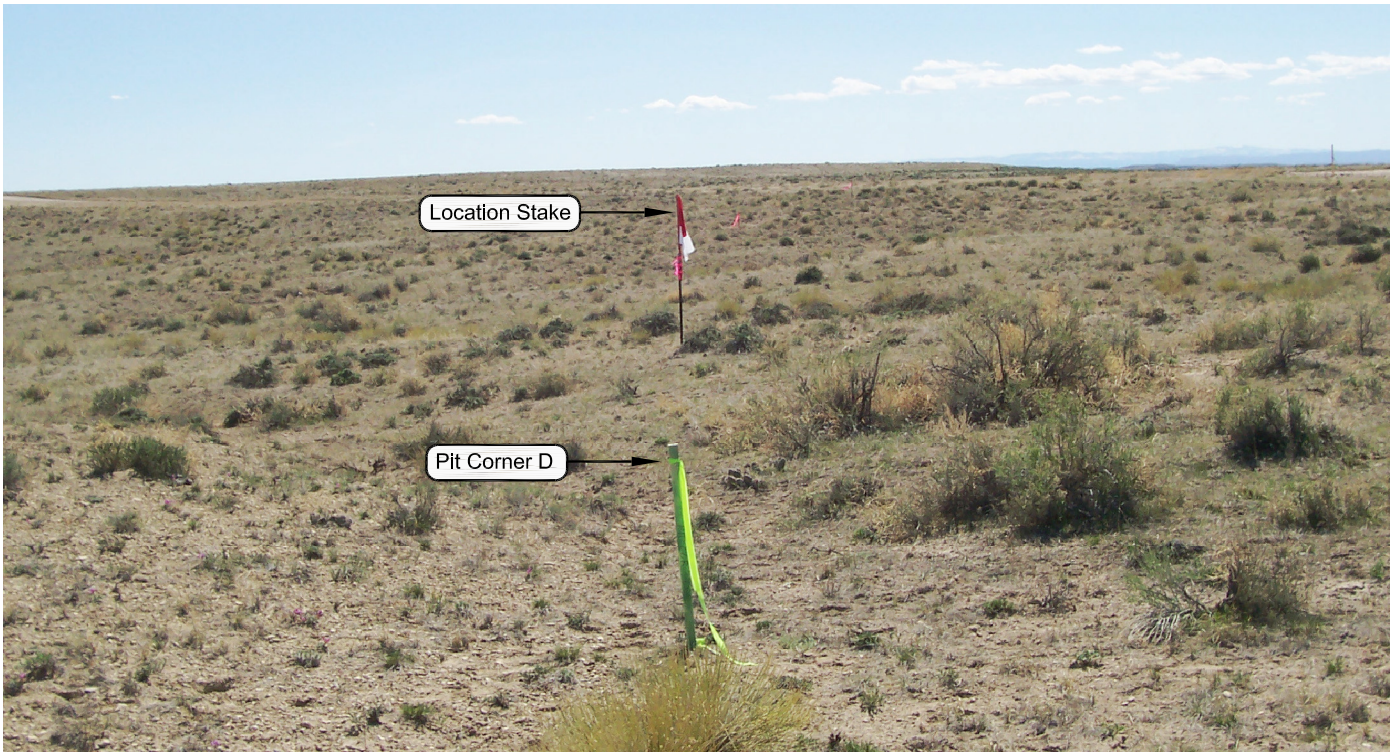


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE **CAMERA ANGLE: SOUTHWESTERLY**

PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD **CAMERA ANGLE: EASTERLY**

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

Well Pad - NBU 921-12J

NBU 921-12J
LOCATION PHOTOS
1959' FSL, 2051' FEL
NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 12, 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 PHOTOS TAKEN: 04-20-09	PHOTOS TAKEN BY: J.D.S.	SHEET NO:
DATE DRAWN: 04-23-09	DRAWN BY: K.K.O.	4
Date Last Revised:		4 OF 9

Kerr-McGee Oil & Gas Onshore, LP
WELL PAD - NBU 921-12J
WELL – NBU 921-12J
Section 12, 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 13.0 MILES TO A SERVICE ROAD TO THE NORTHWEST. EXIT LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 1.0 MILES TO THE INTERSECTION OF A SECOND SERVICE ROAD TO THE NORTHWEST. EXIT RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SECOND SERVICE ROAD APPROXIMATELY 0.7 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 210 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE WELL LOCATION IS APPROXIMATELY 56.6 MILES IN A SOUTHERLY DIRECTION.

NBU 921-12J

Surface: 1,959' FSL 2,051' FEL (NW/4SE/4)
Sec. 12 T9S R21E

Uintah, Utah
Mineral Lease: UTU 01193

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 NW/4 SE/4 of Section 12 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 BIA-Ft Duchesne Office.

An on-site meeting is scheduled for September 1-3, 2009. Please contact Raleen White at 720-929-6666 for any questions.

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

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

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

See MDP for additional details on road construction.
Approximately ±420' (±0.08 miles) 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.

C. <u>Location of Existing Wells Within a 1-Mile Radius</u>:

Please refer to Topo Map C.

D. **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 ±970' (±0.18 miles) 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

E. **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.

No water well is to be drilled on this lease.

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

G. **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

H. **Ancillary Facilities:**
See MDP for additional details on Ancillary Facilities.

None are anticipated.

I. **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.

J. 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.

K. 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

L. Other Information:

See MDP for additional details on Other Information.

M. 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 20, 2009
Date

'APIWellNo:43047506820000'

’APIWellNo:43047506820000’

CLASS I REVIEW OF KERR-MCGEE OIL & GAS ONSHORE LP’S 51 PROPOSED WELL LOCATIONS (T9S, R21E, SECTIONS 7, 8, 10, 11, 12, 17, 18, 19, 20, 23, 25, AND 30) IN UINTAH COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Ute Tribal Land
Uintah and Ouray Agency

Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:

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

Prepared By:

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

MOAC Report No. 09-39

May 11, 2009

United States Department of Interior (FLPMA)
Permit No. 09-UT-60122

Public Lands Policy Coordination Office
Archaeological Survey Permit No. 117

Ute Tribal Permit No. A09-363

'APIWellNo:43047506820000'

IPC #09-99

Paleontological Reconnaissance Survey Report

Survey of Kerr McGee's Proposed Well Pads, Access Roads, and Pipelines for "NBU #921-12I, J, K, L, M, N, & P" (Sec. 11-13, T 9 S, R 21 E)

Ouray SE & Red Wash SW
Topographic Quadrangles
Uintah County, Utah

June 4, 2009

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

Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237
(303) 759-5377 Office (303) 759-5324 Fax

SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT

Report Number: GCI#76

Operator: Kerr-McGee Oil & Gas Onshore LP

Wells: NBU 921-12L, NBU 921-12K, NBU 921-12M, NBU 921-12N, and NBU 921-12J.

Pipelines: Associated pipelines to proposed well pads

Access Roads: Associated access roads to proposed well pads and access road re-route to the existing water well located in the northwest quarter of the southeast quarter of section 12.

Location: Section 12, Township 9 South, Range 21 East; Uintah County, Utah

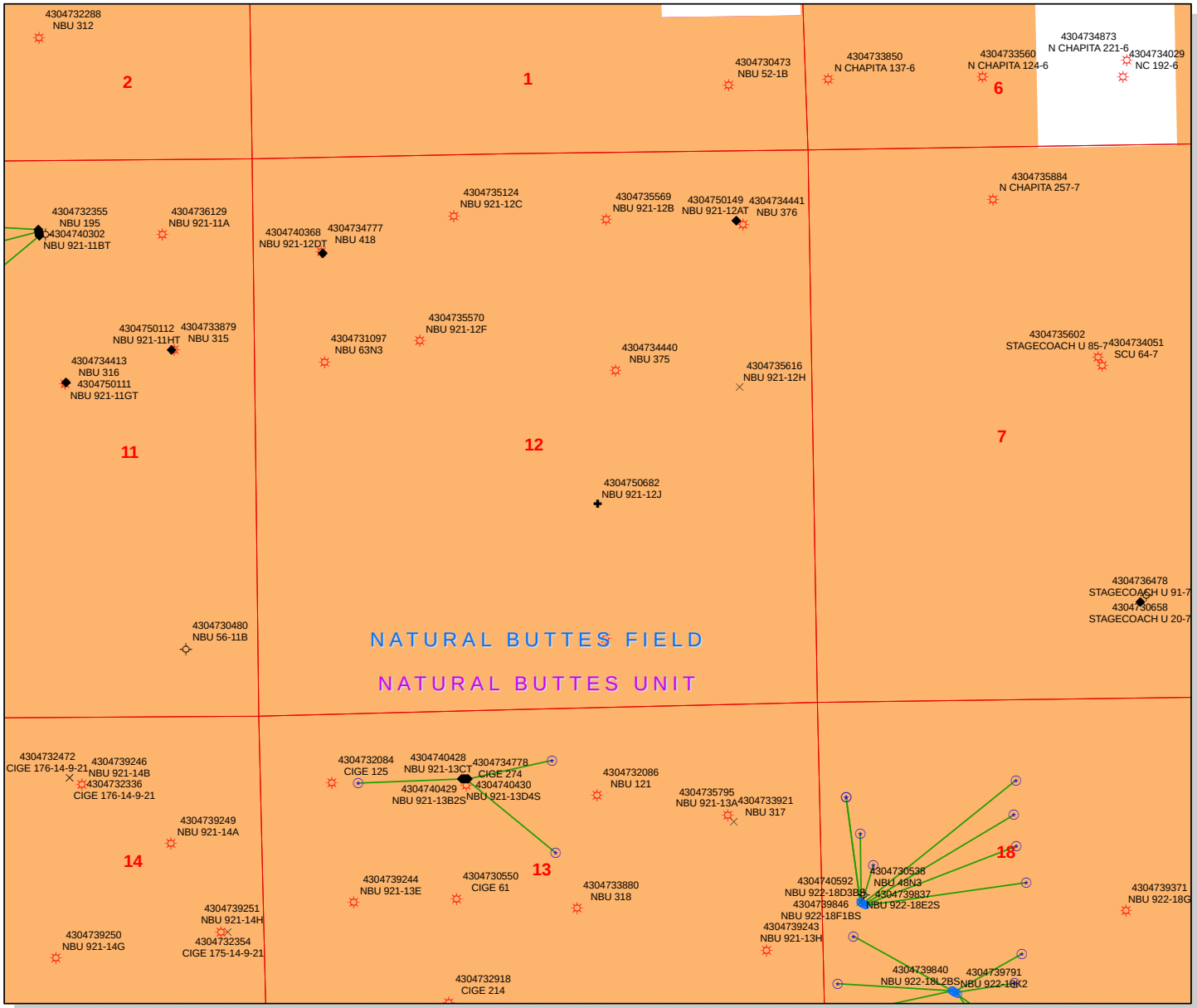
Survey-Species: Uinta Basin Hookless Cactus (*Sclerocactus wetlandicus*)

Dates: July 13, 15, and 21, 2009

Observers: Grasslands Consulting, Inc. Biologists: Nick Hall, Dan Hamilton, Jay Slocum, Matt Kelahan, BJ Lukins, and Jonathan Sexauer. Technicians: Chad Johnson.

Weather: Partly cloudy, 75-90ºF, 0-5 mph winds with no precipitation.

’APIWellNo:43047506820000’



API Number: 4304750682

Well Name: NBU 921-12J

Township 09.0 S Range 21.0 E Section 12

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

1:11,806

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 28, 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)

43-047-50640 NBU 1022-8B1DS   Sec 08 T10S R22E 0931 FNL 1709 FEL
                        BHL   Sec 08 T10S R22E 0367 FNL 1518 FEL

43-047-50641 NBU 1022-8B4AS   Sec 08 T10S R22E 0919 FNL 1693 FEL
                        BHL   Sec 08 T10S R22E 0744 FNL 1518 FEL

43-047-50642 NBU 1022-8C1AS   Sec 08 T10S R22E 0943 FNL 1725 FEL
                        BHL   Sec 08 T10S R22E 0102 FNL 2415 FWL

43-047-50643 NBU 1022-8C1CS   Sec 08 T10S R22E 0955 FNL 1742 FEL
                        BHL   Sec 08 T10S R22E 0418 FNL 2252 FWL

43-047-50644 NBU 922-30C3S    Sec 30 T09S R22E 1253 FNL 0663 FWL
                        BHL   Sec 30 T09S R22E 1238 FNL 1154 FWL

43-047-50645 NBU 922-30D3AS   Sec 30 T09S R22E 1232 FNL 0607 FWL
                        BHL   Sec 30 T09S R22E 0680 FNL 0382 FWL

43-047-50646 NBU 921-30C3CS   Sec 30 T09S R21E 0783 FNL 0920 FWL
                        BHL   Sec 30 T09S R21E 0993 FNL 1985 FWL


43-047-50647 NBU 921-30D2DS   Sec 30 T09S R21E 0747 FNL 0871 FWL
                        BHL   Sec 30 T09S R21E 0460 FNL 0665 FWL
```

API #	WELL NAME	LOCATION

(Proposed PZ WASATCH-MESA VERDE)

43-047-50648 NBU 921-30D3DS Sec 30 T09S R21E 0759 FNL 0887 FWL
BHL Sec 30 T09S R21E 1152 FNL 0665 FWL

43-047-50649 NBU 921-30E2AS Sec 30 T09S R21E 0771 FNL 0903 FWL
BHL Sec 30 T09S R21E 1522 FNL 0665 FWL

43-047-50650 NBU 1022-7N1S Sec 07 T10S R22E 0089 FSL 1920 FEL
BHL Sec 07 T10S R22E 0895 FSL 1870 FWL

43-047-50651 NBU 1022-7N4S Sec 07 T10S R22E 0097 FSL 1938 FEL
BHL Sec 07 T10S R22E 0595 FSL 1740 FWL

43-047-50652 NBU 1022-7O4AS Sec 07 T10S R22E 0081 FSL 1902 FEL
BHL Sec 07 T10S R22E 0550 FSL 1560 FEL

43-047-50653 NBU 1022-7O4DS Sec 07 T10S R22E 0074 FSL 1883 FEL
BHL Sec 07 T10S R22E 0230 FSL 1650 FEL

43-047-50655 NBU 922-30D3DS Sec 30 T09S R22E 1226 FNL 0588 FWL
BHL Sec 30 T09S R22E 1314 FNL 0352 FWL

43-047-50656 NBU 922-30E2AS Sec 30 T09S R22E 1246 FNL 0645 FWL
BHL Sec 30 T09S R22E 1636 FNL 0352 FWL

43-047-50678 NBU 922-31G4BS Sec 31 T09S R22E 2317 FSL 0188 FEL
BHL Sec 31 T09S R22E 1994 FNL 1808 FEL

43-047-50679 NBU 922-31G4CS Sec 31 T09S R22E 2316 FSL 0198 FEL
BHL Sec 31 T09S R22E 2353 FNL 1796 FEL

43-047-50680 NBU 922-31I1AS Sec 31 T09S R22E 2317 FSL 0178 FEL
BHL Sec 31 T09S R22E 2483 FSL 0243 FEL

43-047-50681 NBU 922-31I1DS Sec 31 T09S R22E 2317 FSL 0168 FEL
BHL Sec 31 T09S R22E 2137 FSL 0264 FEL

43-047-50682 NBU 921-12J Sec 12 T09S R21E 1959 FSL 2051 FEL

43-047-50684 NBU 1022-6I3AS Sec 06 T10S R22E 1160 FSL 1584 FEL
BHL Sec 06 T10S R22E 1684 FSL 1167 FEL

43-047-50685 NBU 1022-6J4CS Sec 06 T10S R22E 1178 FSL 1593 FEL
BHL Sec 06 T10S R22E 1535 FSL 1760 FEL

43-047-50686 NBU 1022-6O1BS Sec 06 T10S R22E 1124 FSL 1567 FEL
BHL Sec 06 T10S R22E 1197 FSL 1811 FEL

API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
43-047-50687	NBU 1022-6P1CS	Sec 06 T10S R22E 1142 FSL 1575 FEL BHL Sec 06 T10S R22E 0989 FSL 0541 FEL
43-047-50691	NBU 921-29A3AS	Sec 29 T09S R21E 0299 FNL 2630 FEL BHL Sec 29 T09S R21E 0700 FNL 0885 FEL
43-047-50692	NBU 921-29A3DS	Sec 29 T09S R21E 0303 FNL 2628 FWL BHL Sec 29 T09S R21E 1193 FNL 0885 FEL
43-047-50694	NBU 921-29A2AS	Sec 29 T09S R21E 0296 FNL 2611 FEL BHL Sec 29 T09S R21E 0209 FNL 0885 FEL
43-047-50693	NBU 921-29B2CS	Sec 29 T09S R21E 0307 FNL 2608 FWL BHL Sec 29 T09S R21E 0443 FNL 2635 FEL
43-047-50695	NBU 921-12N	Sec 12 T09S R21E 0441 FSL 2236 FWL
43-047-50698	NBU 921-19F	Sec 19 T09S R21E 2236 FNL 2285 FWL
43-047-50699	NBU 921-17C	Sec 17 T09S R21E 0656 FNL 2004 FWL
43-047-50700	NBU 921-17D	Sec 17 T09S R21E 0985 FNL 0418 FWL
43-047-50701	NBU 921-17G	Sec 17 T09S R21E 1500 FNL 2262 FEL
43-047-50702	NBU 921-17H	Sec 17 T09S R21E 2100 FNL 0553 FEL
43-047-50703	NBU 921-18P	Sec 18 T09S R21E 1080 FSL 0197 FEL
43-047-50704	NBU 921-19E	Sec 19 T09S R21E 2061 FNL 0842 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:8-28-09

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/20/2009 **API NO. ASSIGNED:** 43047506820000
WELL NAME: NBU 921-12J
OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) **PHONE NUMBER:** 720 929-6156
CONTACT: Danielle Piernot

PROPOSED LOCATION: NWSE 12 090S 210E **Permit Tech Review:** ✔

SURFACE: 1959 FSL 2051 FEL **Engineering Review:** ✔

BOTTOM: 1959 FSL 2051 FEL **Geology Review:** ✔

COUNTY: UINTAH
LATITUDE: 40.04865 **LONGITUDE:** -109.49730
UTM SURF EASTINGS: 628185.00 **NORTHINGS:** 4434028.00
FIELD NAME: NATURAL BUTTES
LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU 01193 **PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE
SURFACE OWNER: 2 - Indian **COALBED METHANE:** NO

RECEIVED AND/OR REVIEWED:

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

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit: NATURAL BUTTES

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

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

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

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

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

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

Permit To Drill
****

Well Name: NBU 921-12J
API Well Number: 43047506820000
Lease Number: UTU 01193
Surface Owner: INDIAN
Approval Date: 9/1/2009

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 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 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:

Gil Hunt
Associate Director, Oil & Gas

API Well No: 43047506820000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 01193

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 921-12J

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

9. API NUMBER: 43047506820000

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: 1959 FSL 2051 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 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: 8/31/2010	☐ 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 31, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE N/A		**DATE** 8/31/2010

RECEIVED August 31, 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 43047506820000

API: 43047506820000
Well Name: NBU 921-12J
Location: 1959 FSL 2051 FEL QTR NWSE SEC 12 TWNP 090S RNG 210E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/31/2009

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:** 8/31/2010
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: August 31, 2010

By: [signature]

RECEIVED August 31, 2010

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU 01193

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: NBU 921-12J

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

9. API NUMBER: 43047506820000

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: 1959 FSL 2051 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 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: 7/12/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

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

Approved by the Utah Division of Oil, Gas and Mining

Date: 07/12/2011

By: [signature]

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

SIGNATURE	DATE
N/A	7/12/2011

RECEIVED Jul. 12, 2011

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047506820000

API: 43047506820000
Well Name: NBU 921-12J
Location: 1959 FSL 2051 FEL QTR NWSE SEC 12 TWNP 090S RNG 210E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 8/31/2009

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

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

RECEIVED Jul. 12, 2011

GARY R. HERBERT
Governor

GREG 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

May 9, 2012

Jenn Hawkins
Anadarko Petroleum Corporation
1099 18th Street, Suite 1800
Denver, CO 80202

Re: APDs Rescinded for Anadarko Petroleum Corporation
Uintah County

Dear Ms. Hawkins:

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 May 2, 2012.

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
SITLA, Ed Bonner

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

4304750055	NBU 753-32E
4304750683	NBU 634-12EX
4304740346	NBU 921-15N1S
4304740347	NBU 921-14M3S
4304740348	NBU 921-22A1S
4304750089	NBU 921-15O3T
4304740441	NBU 1022-25G2S
4304740442	NBU 1022-25G4S
4304740443	NBU 1022-25G3S
4304750852	FEDERAL 920-23O
4304751026	NBU 921-12K
4304751027	NBU 921-12L
4304751028	NBU 921-12M
4304751039	NBU 920-21O
4304750697	NBU 687-30E
4304750811	NBU 699-25E
4304740153	NBU 1022-05JT
4304740135	NBU 921-15MT
4304750468	NBU 738-30E
4304739369	NBU 922-18O
4304739372	NBU 922-20E
4304740184	NBU 921-30FT
4304740217	NBU 759-29E
4304740218	NBU 737-30E
4304750461	NBU 1022-24O2S
4304740267	NBU 704-26E
4304740240	NBU 702-26E
4304740241	NBU 703-26E
4304750578	NBU 920-14B
4304750579	NBU 920-14A
4304740268	NBU 701-26E
4304750627	NBU 920-21P
4304750628	NBU 920-21N
4304750682	NBU 921-12J
4304750695	NBU 921-12N
4304750111	NBU 921-11GT
4304750112	NBU 921-11HT
4304750118	NBU 740-30E
4304740374	NBU 705-26E
4304750123	NBU 920-12N
4304750143	NBU 920-13J
4304750751	NBU 920-21G
4304750756	NBU 1022-35I1CS
4304750757	NBU 1022-35I4BS
4304750758	NBU 1022-35J1CS
4304750759	NBU 1022-35J4CS
4304740380	NBU 920-13D
4304750155	FEDERAL 920-24O
4304750769	NBU 1022-35K4CS
4304750770	NBU 1022-35N1CS
4304750771	NBU 1022-35O1BS
4304750772	NBU 1022-35O1CS
4304750791	NBU 921-10O
4304750792	NBU 921-10M
4304740439	NBU 1022-24P2S
4304740440	NBU 1022-24P4S

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
http://www.blm.gov/ut/st/en/fo/vernal.html

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MAY 1 4 2012

IN REPLY REFER TO:
3160 (UTG011)

Julie Jacobson
Anadarko Petroleum Corporation
Kerr McGee Oil & Gas Onshore LP
1099 18th Street, Suite 600
Denver, CO 80202

43 047 50682

Re: Request to Return APD
Well No. NBU 921-12J
NWSE, Sec. 12, T9S, R21E
Uintah County, Utah
Lease No. UTU-01193
Natural Buttes Unit

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on September 2, 2009, is being returned unapproved per a request to this office in an email message from you received on April 23, 2012. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

If you have any questions regarding APD processing, please contact Cindy Severson at (435) 781-4455.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM

RECEIVED
MAY 2 2 2012
DIV. OF OIL, GAS & MINING