

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 1022-35N1CS		
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				3. FIELD OR WILDCAT NATURAL BUTTES		
4. TYPE OF WELL Gas Well <input type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>				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 037167		11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		
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 <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>		19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	638 FSL 2206 FEL	SWSE	35	10.0 S	22.0 E	S
Top of Uppermost Producing Zone	965 FSL 2100 FWL	SESW	35	10.0 S	22.0 E	S
At Total Depth	965 FSL 2100 FWL	SESW	35	10.0 S	22.0 E	S
21. COUNTY UINTAH		22. DISTANCE TO NEAREST LEASE LINE (Feet) 965		23. NUMBER OF ACRES IN DRILLING UNIT 1320		
		25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 360		26. PROPOSED DEPTH MD: 8418 TVD: 8190		
27. ELEVATION - GROUND LEVEL 5707		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

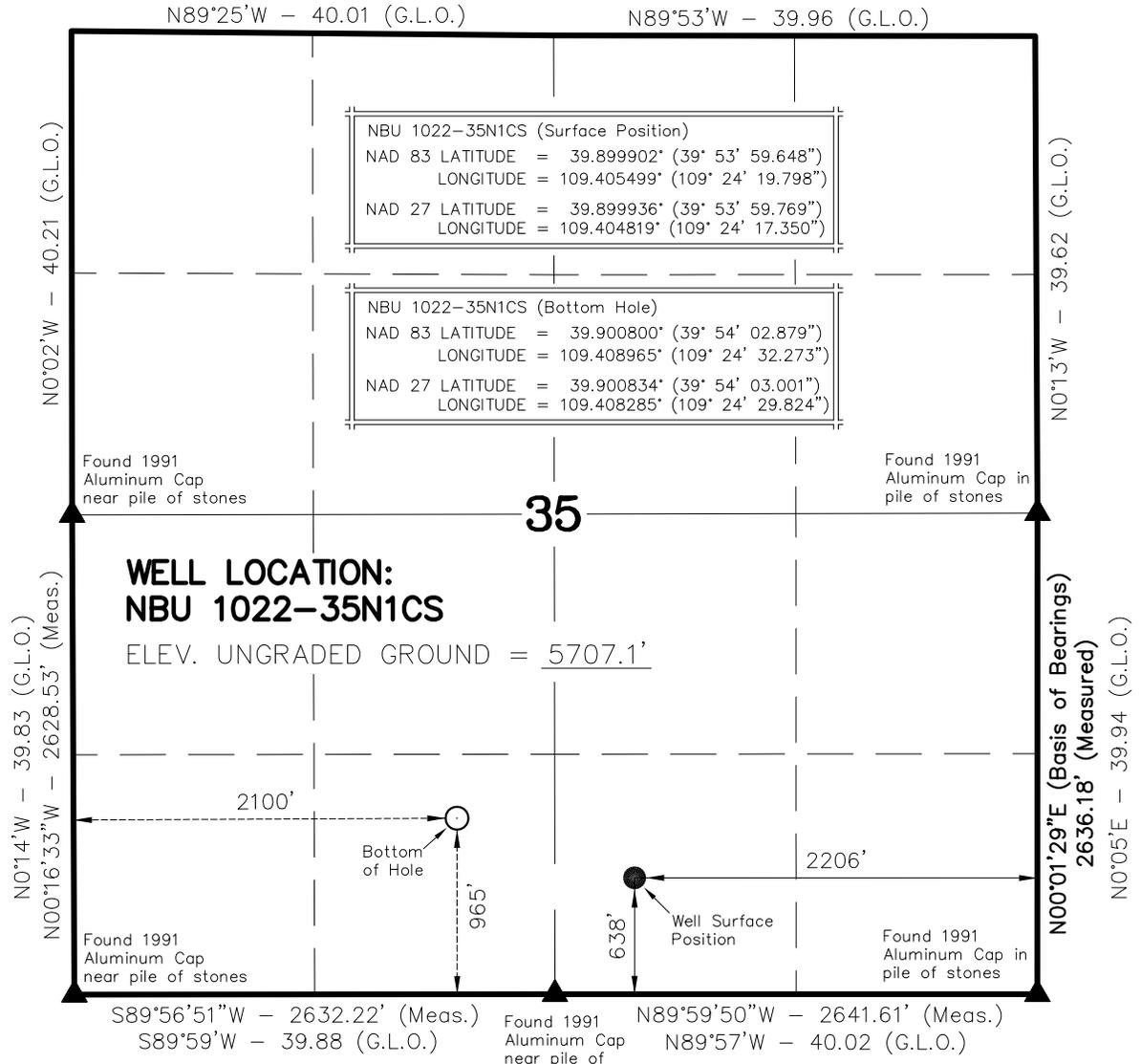
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN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

NAME Danielle Piernot	TITLE Regulatory Analyst	PHONE 720 929-6156
SIGNATURE	DATE 09/25/2009	EMAIL danielle.piernot@anadarko.com
API NUMBER ASSIGNED 43047507700000	APPROVAL  Permit Manager	

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	8418		
Pipe	Grade	Length	Weight			
	Grade I-80 Buttress	8418	11.6			

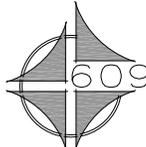
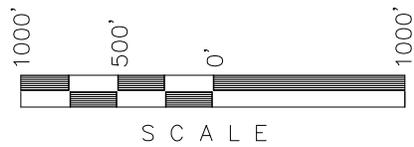
Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	1925		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	1925	36.0			

T10S, R22E, 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 N71°26'48"W 1026.04' 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 ¼ 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'.



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.

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

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

NBU 1022-35N1CS
WELL PLAT
 965' FSL, 2100' FWL (Bottom Hole)
 SE ¼ SW ¼ OF SECTION 35, T10S, R22E,
 S.L.B.&M. UINTAH COUNTY, UTAH.

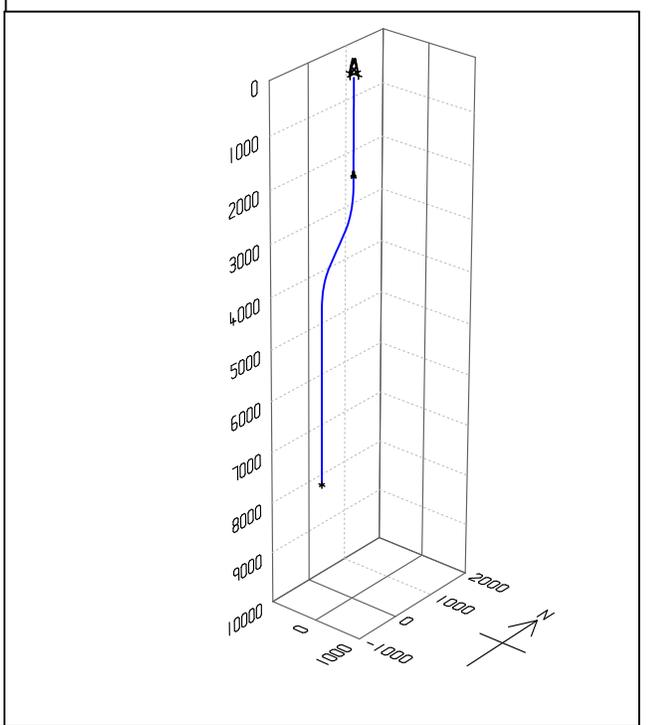
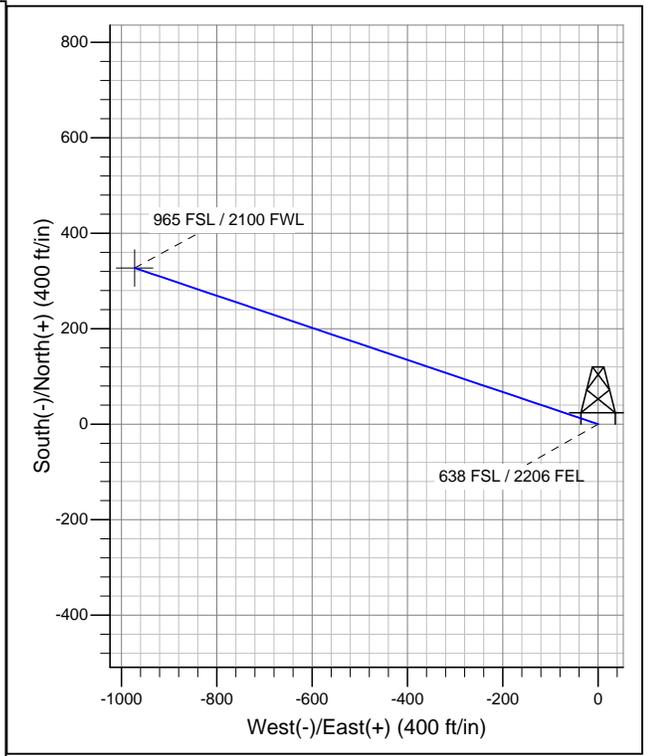
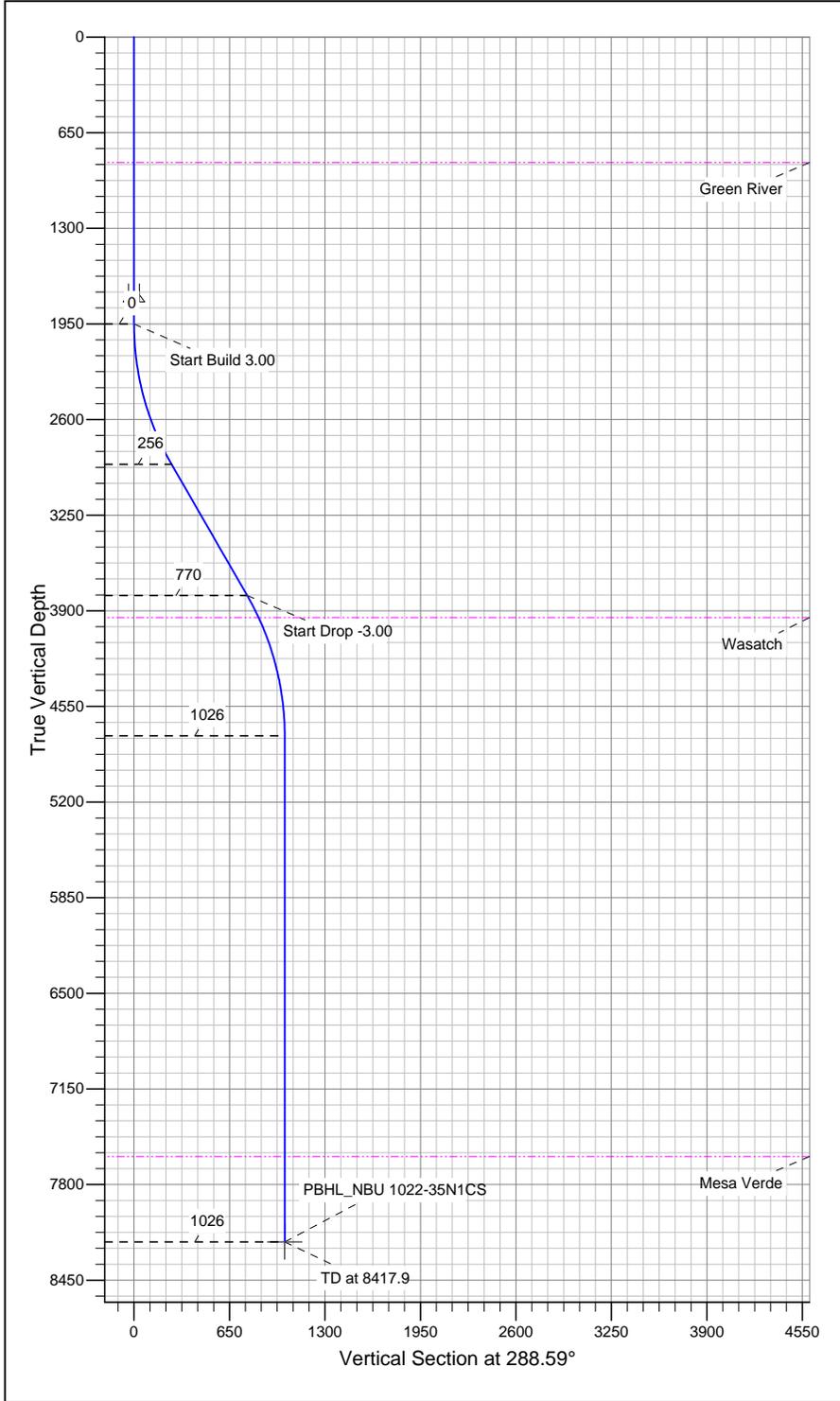
CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

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

DATE SURVEYED: 01-29-09	SURVEYED BY: M.S.B.	SHEET
DATE DRAWN: 02-12-09	DRAWN BY: M.W.W.	1
SCALE: 1" = 1000'	Date Last Revised:	OF 13



Well Name: P_NBU 1022-35N1CS
 Surface Location: UINTAH_NBU 1022-35O PAD
 NAD 1927 (NADCON CONUS) Universal Transverse Mercator (US Survey Feet)
 UTAH - UTM (feet), NAD27, Zone 12N
 Ground Elevation: 5707.0
 Northing 14493603.59 Easting 2087822.10 Latitude 39.899936°N Longitude 109.404819°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	1950.0	0.00	0.00	1950.0	0.0	0.0	0.00	0.00	0.0
3	2950.0	30.00	288.59	2904.9	81.6	-242.5	3.00	288.59	255.9
4	3978.2	30.00	288.59	3795.4	245.5	-729.8	0.00	0.00	770.0
5	4978.2	0.00	0.00	4750.3	327.1	-972.3	3.00	180.00	1025.8
6	8417.9	0.00	0.00	8190.0	327.1	-972.3	0.00	0.00	1025.8

Azimuths to True North
 Magnetic North: 11.28°

Magnetic Field
 Strength: 52524.3snT
 Dip Angle: 65.87°
 Date: 4/15/2009
 Model: IGRF200510

ROCKIES - PLANNING

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

UINTAH_NBU 1022-350 PAD

P_NBU 1022-35N1CS

P_NBU 1022-35N1CS

Plan: Plan #1 04-15-09 ZJRA6

Standard Planning Report - Geographic

15 April, 2009

APC Planning Report - Geographic

Database: apc_edmp	Local Co-ordinate Reference: Well P_NBU 1022-35N1CS
Company: ROCKIES - PLANNING	TVD Reference: WELL @ 5707.0ft (Original Well Elev)
Project: UTAH - UTM (feet), NAD27, Zone 12N	MD Reference: WELL @ 5707.0ft (Original Well Elev)
Site: UINTAH_NBU 1022-35O PAD	North Reference: True
Well: P_NBU 1022-35N1CS	Survey Calculation Method: Minimum Curvature
Wellbore: P_NBU 1022-35N1CS	
Design: Plan #1 04-15-09 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 1022-35O PAD		
Site Position:	Northing: 14,493,603.59ft	Latitude: 39.899936°N
From: Lat/Long	Easting: 2,087,822.10ft	Longitude: 109.404819°W
Position Uncertainty: 0.0 ft	Slot Radius: "	Grid Convergence: 1.02 °

Well P_NBU 1022-35N1CS			
Well Position	+N/-S 0.0 ft	Northing: 14,493,603.59 ft	Latitude: 39.899936°N
	+E/-W 0.0 ft	Easting: 2,087,822.10 ft	Longitude: 109.404819°W
Position Uncertainty	0.0 ft	Wellhead Elevation: ft	Ground Level: 5,707.0 ft

Wellbore P_NBU 1022-35N1CS					
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	4/15/2009	11.28	65.87	52,524

Design Plan #1 04-15-09 ZJRA6				
Audit Notes:				
Version:	Phase: PLAN	Tie On Depth: 0.0		
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	8,190.0	0.0	0.0	288.59

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	
1,950.0	0.00	0.00	1,950.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,950.0	30.00	288.59	2,904.9	81.6	-242.5	3.00	3.00	0.00	288.59	
3,978.2	30.00	288.59	3,795.4	245.5	-729.8	0.00	0.00	0.00	0.00	
4,978.2	0.00	0.00	4,750.3	327.1	-972.3	3.00	-3.00	0.00	180.00	
8,417.9	0.00	0.00	8,190.0	327.1	-972.3	0.00	0.00	0.00	0.00	PBHL_NBU 1022-3

APC

Planning Report - Geographic

Database:	apc_edmp	Local Co-ordinate Reference:	Well P_NBU 1022-35N1CS
Company:	ROCKIES - PLANNING	TVD Reference:	WELL @ 5707.0ft (Original Well Elev)
Project:	UTAH - UTM (feet), NAD27, Zone 12N	MD Reference:	WELL @ 5707.0ft (Original Well Elev)
Site:	UINTAH_NBU 1022-35O PAD	North Reference:	True
Well:	P_NBU 1022-35N1CS	Survey Calculation Method:	Minimum Curvature
Wellbore:	P_NBU 1022-35N1CS		
Design:	Plan #1 04-15-09 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	14,493,603.59	2,087,822.10	39.899936°N	109.404819°W	
853.0	0.00	0.00	853.0	0.0	0.0	14,493,603.59	2,087,822.10	39.899936°N	109.404819°W	
Green River										
1,800.0	0.00	0.00	1,800.0	0.0	0.0	14,493,603.59	2,087,822.10	39.899936°N	109.404819°W	
Surface Casing										
1,950.0	0.00	0.00	1,950.0	0.0	0.0	14,493,603.59	2,087,822.10	39.899936°N	109.404819°W	
2,950.0	30.00	288.59	2,904.9	81.6	-242.5	14,493,680.83	2,087,578.17	39.900160°N	109.405684°W	
3,978.2	30.00	288.59	3,795.4	245.5	-729.8	14,493,836.02	2,087,088.05	39.900610°N	109.407420°W	
4,148.0	24.91	288.59	3,946.0	270.4	-804.0	14,493,859.64	2,087,013.44	39.900679°N	109.407685°W	
Wasatch										
4,978.2	0.00	0.00	4,750.3	327.1	-972.3	14,493,913.26	2,086,844.11	39.900834°N	109.408285°W	
7,836.9	0.00	0.00	7,609.0	327.1	-972.3	14,493,913.26	2,086,844.11	39.900834°N	109.408285°W	
Mesa Verde										
8,417.9	0.00	0.00	8,190.0	327.1	-972.3	14,493,913.26	2,086,844.11	39.900834°N	109.408285°W	

Targets										
Target Name	- hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL_NBU 1022-35N	- plan hits target center	0.00	0.00	8,190.0	327.1	-972.3	14,493,913.26	2,086,844.11	39.900834°N	109.408285°W
	- Point									

Casing Points						
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")		
1,800.0	1,800.0	Surface Casing	9-5/8	12-1/4		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
7,836.9	7,609.0	Mesa Verde		0.00		
853.0	853.0	Green River		0.00		
4,148.0	3,946.0	Wasatch		0.00		

NBU 1022-35N1CS

Pad: NBU 1022-35O

Surface: 638' FSL 2,206' FEL (SW/4SE/4)

BHL: 965' FSL 2,100' FWL (SE/4SW/4)

Sec. 35 T10S R22E

Uintah, Utah

Mineral Lease: UTU 037167

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 – Surface	
Green River	953'	
Birds Nest	1,348'	Water
Mahogany	1,710'	Water
Wasatch	3,946'	Gas
Mesaverde	6,147'	Gas
MVU2	7,004'	Gas
MVL1	7,609'	Gas
TVD	8,190'	
TD	8,418'	

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 8,190' TVD, approximately equals 4,982 psi (calculated at 0.59 psi/foot).

Maximum anticipated surface pressure equals approximately 3,046 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.



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 1,925	36.00	J-55	LTC	1.09	2.24	8.32
PRODUCTION	4-1/2"	0 to 8,418	11.60	I-80	BTC	2.48	1.29	3.26

*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above.

D.F. = 2.90

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 = 11.6 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 3,046 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

(Burst Assumptions: TD = 11.6 ppg)

0.59 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MABHP 4,982 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	215	60%	15.60	1.18
Option 1							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele Premium cmt + 2% CaCl	380	0%	15.60	1.18
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	LEAD	1,425'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	340	35%	12.60	1.81
	TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,438'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	330	40%	11.00	3.38
	TAIL	4,980'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,220	40%	14.30	1.31

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

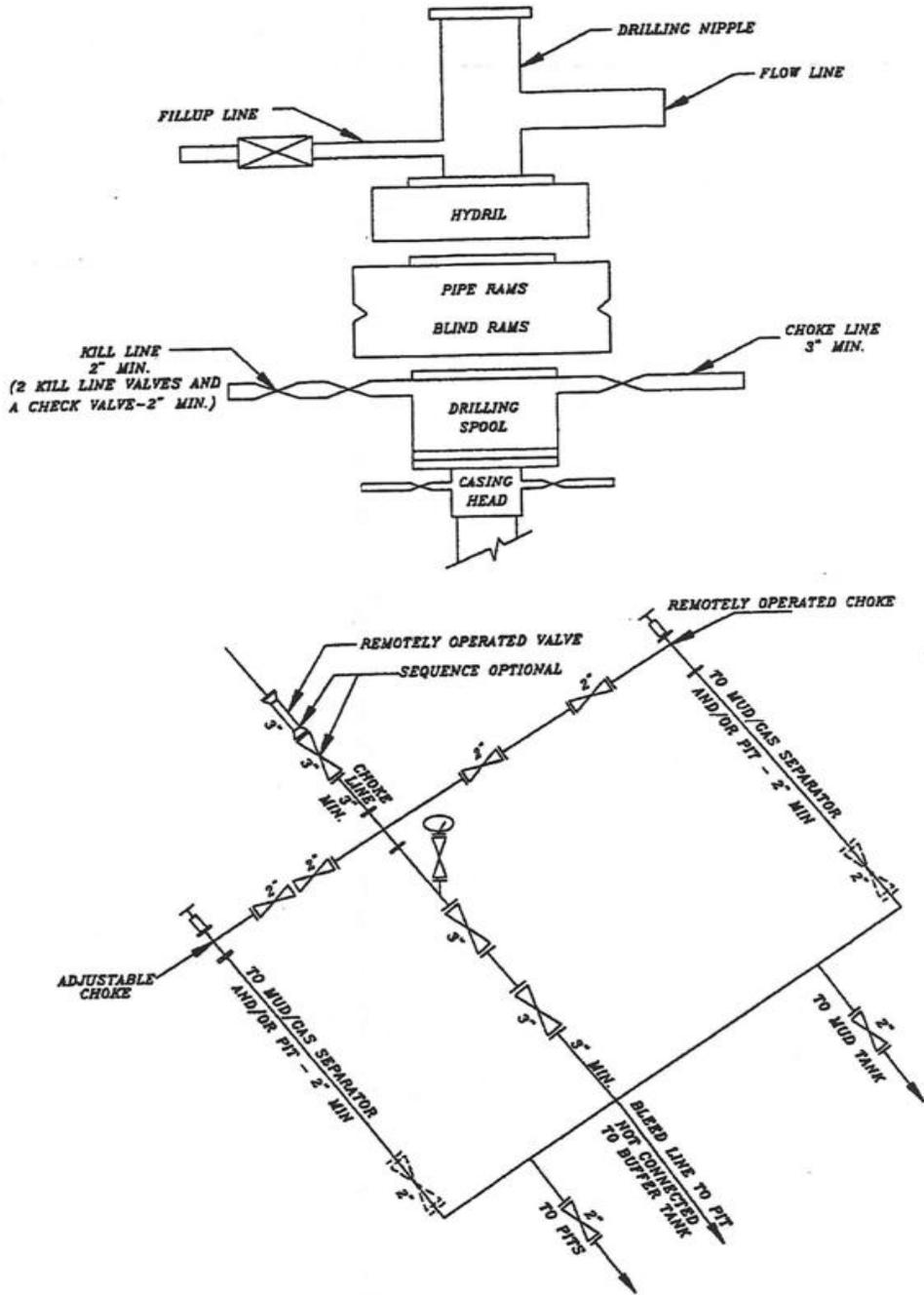
DRILLING ENGINEER: _____
John Huycke / Emile Goodwin

DATE: _____

DRILLING SUPERINTENDENT: _____
John Merkel / Lovel Young

DATE: _____

EXHIBIT A NBU 1022-35N1CS



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

WELL PAD INTERFERENCE PLAT

DIRECTIONAL PAD – NBU 1022-350



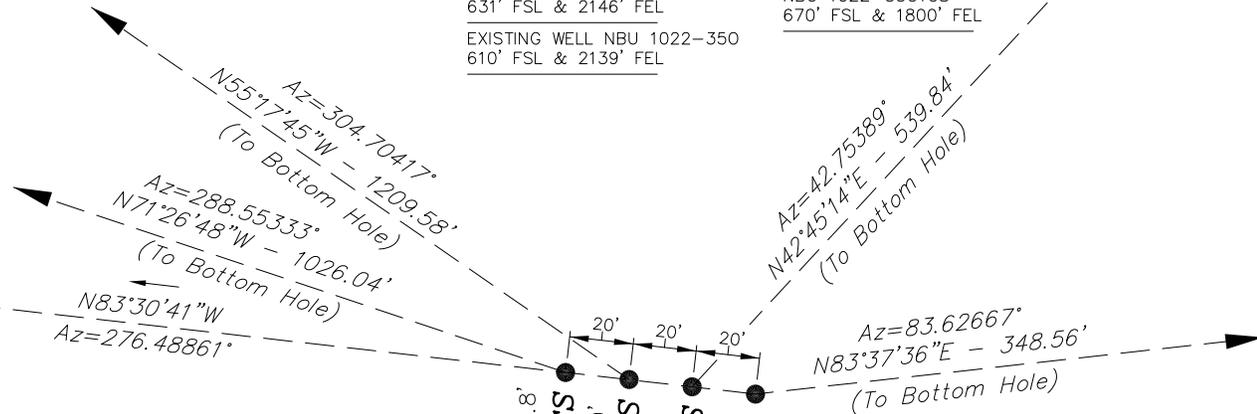
BASIS OF BEARINGS IS THE EAST LINE OF THE SE 1/4 OF SECTION 35, T10S, R22E, S.L.B.&M. WHICH IS TAKEN FROM GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR N00°01'29"E.

SURFACE POSITION FOOTAGES:

- NBU 1022-35N1CS
638' FSL & 2206' FEL
- NBU 1022-35K4CS
636' FSL & 2186' FEL
- NBU 1022-35O1BS
634' FSL & 2166' FEL
- NBU 1022-35O1CS
631' FSL & 2146' FEL
- EXISTING WELL NBU 1022-350
610' FSL & 2139' FEL

BOTTOM HOLE FOOTAGES

- NBU 1022-35N1CS
965' FSL & 2100' FWL
- NBU 1022-35K4CS
1325' FSL & 2100' FWL
- NBU 1022-35O1BS
1030' FSL & 1800' FEL
- NBU 1022-35O1CS
670' FSL & 1800' FEL



LATITUDE & LONGITUDE		
Surface Position – (NAD 83)		
WELL	N. LATITUDE	W. LONGITUDE
1022-35N1CS	39°53'59.648" 39.899902°	109°24'19.798" 109.405499°
1022-35K4CS	39°53'59.626" 39.899896°	109°24'19.542" 109.405428°
1022-35O1BS	39°53'59.604" 39.899890°	109°24'19.288" 109.405358°
1022-35O1CS	39°53'59.581" 39.899884°	109°24'19.033" 109.405287°
Existing Well NBU 1022-350	39°53'59.373" 39.899826°	109°24'18.934" 109.405260°

LATITUDE & LONGITUDE		
Bottom Hole – (NAD 83)		
WELL	N. LATITUDE	W. LONGITUDE
1022-35N1CS	39°54'02.879" 39.900800°	109°24'32.273" 109.408965°
1022-35K4CS	39°54'06.436" 39.901788°	109°24'32.292" 109.408970°
1022-35O1BS	39°54'03.517" 39.900977°	109°24'14.584" 109.404051°
1022-35O1CS	39°53'59.961" 39.899989°	109°24'14.589" 109.404052°

RELATIVE COORDINATES		
From Surface Position to Bottom Hole		
WELL	NORTH	EAST
1022-35N1CS	326'	-973'
1022-35K4CS	689'	-994'
1022-35O1BS	396'	366'
1022-35O1CS	39'	346'

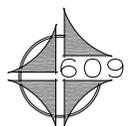
● EXISTING WELL NBU 1022-350

LATITUDE & LONGITUDE		
Surface Position – (NAD 27)		
WELL	N. LATITUDE	W. LONGITUDE
1022-35N1CS	39°53'59.769" 39.899936°	109°24'17.350" 109.404819°
1022-35K4CS	39°53'59.747" 39.899930°	109°24'17.094" 109.404748°
1022-35O1BS	39°53'59.725" 39.899924°	109°24'16.840" 109.404678°
1022-35O1CS	39°53'59.702" 39.899917°	109°24'16.585" 109.404607°
Existing Well NBU 1022-350	39°53'59.494" 39.899859°	109°24'16.487" 109.404580°

LATITUDE & LONGITUDE		
Bottom Hole – (NAD 27)		
WELL	N. LATITUDE	W. LONGITUDE
1022-35N1CS	39°54'03.001" 39.900834°	109°24'29.824" 109.408285°
1022-35K4CS	39°54'06.558" 39.901822°	109°24'29.844" 109.408290°
1022-35O1BS	39°54'03.639" 39.901011°	109°24'12.136" 109.403371°
1022-35O1CS	39°54'00.082" 39.900023°	109°24'12.141" 109.403373°



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



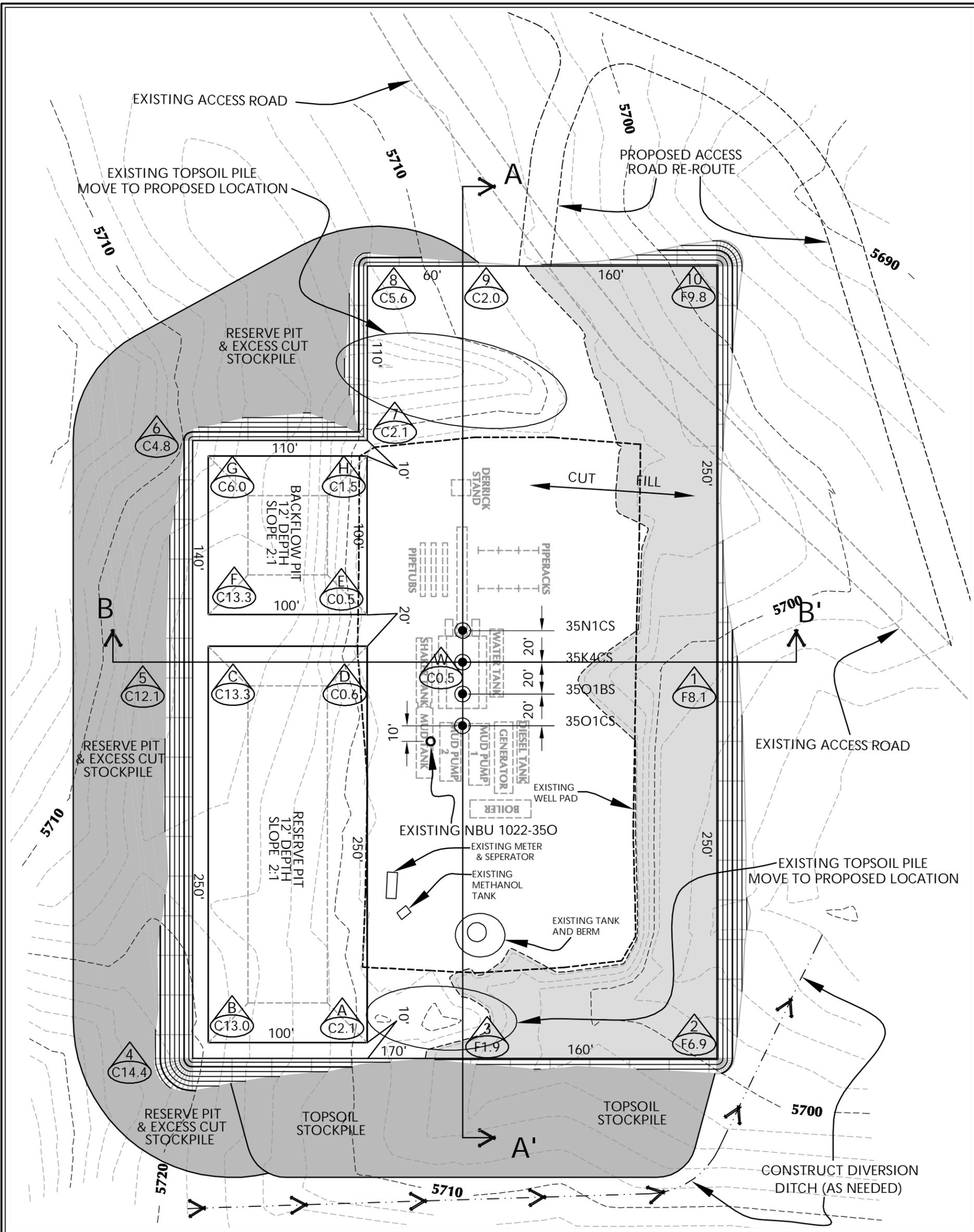
CONSULTING, LLC
371 Coffeen Avenue
Sheridan WY 82801
Phone 307-674-0609
Fax 307-674-0182

DATE SURVEYED: 01-29-09	SURVEYED BY: M.S.B.
DATE DRAWN: 02-12-09	DRAWN BY: M.W.W.
REVISED:	

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

SHEET
5
OF 13

NBU 1022-35N1CS, NBU 1022-35K4CS,
NBU 1022-35O1BS & NBU 1022-35O1CS
LOCATED IN SECTION 35, T10S, R22E,
S.L.B.&M. UINTAH COUNTY, UTAH.



WELL PAD NBU 1022-350 QUANTITIES

EXISTING GRADE @ CENTER OF WELL PAD = 5,707.0'
 FINISHED GRADE ELEVATION = 5,706.5'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 18,279 C.Y.
 TOTAL FILL FOR WELL PAD = 9,204 C.Y.
 TOPSOIL @ 6" DEPTH = 2,134 C.Y.
 EXCESS MATERIAL = 9,075 C.Y.
 TOTAL DISTURBANCE = 3.96 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

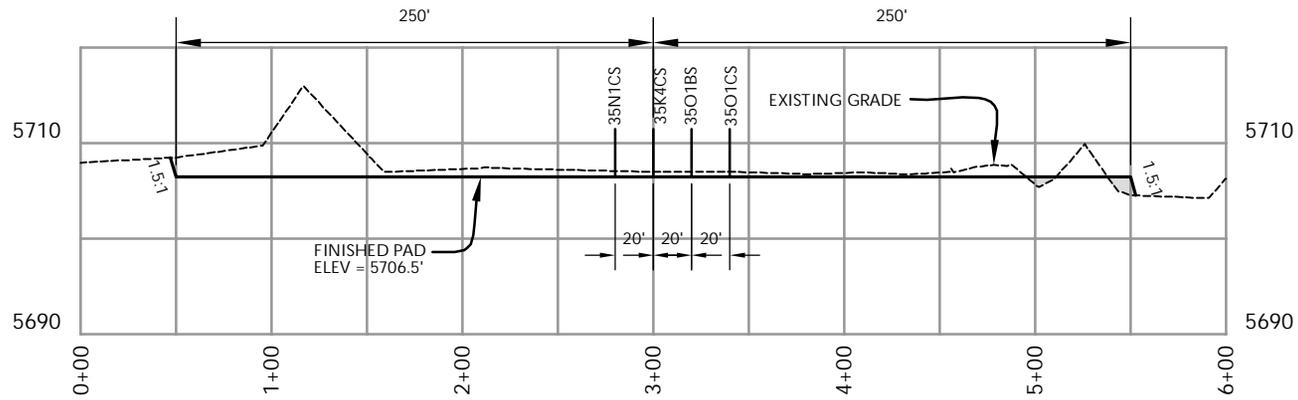


609 CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182

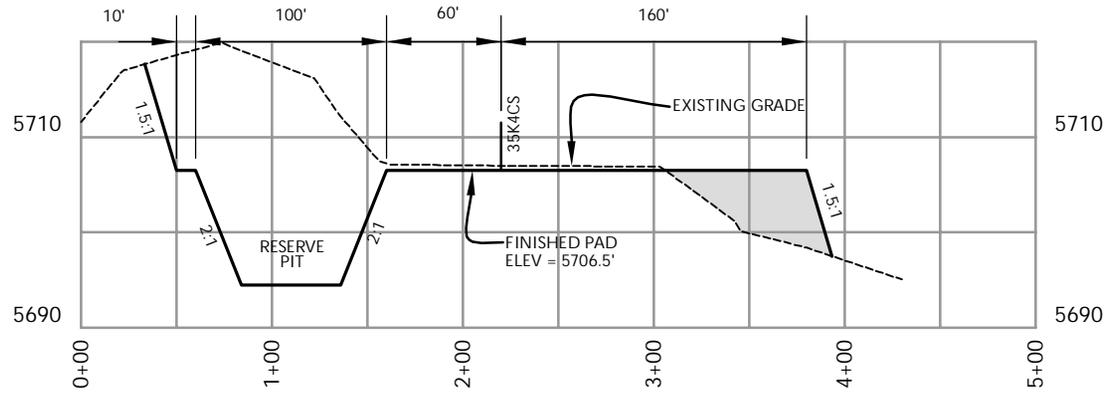
WELL PAD - LOCATION LAYOUT
 NBU 1022-35N1CS, NBU 1022-35K4CS,
 NBU 1022-35O1BS & NBU 1022-35O1CS
 LOCATED IN SECTION 35, T.10S., R.22E.
 S.L.B.&M., UINTAH COUNTY, UTAH

Scale: 1"=60'	Date: 3/17/09	SHEET NO:
REVISED:		6 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



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

WELL PAD - CROSS SECTIONS
NBU 1022-35N1CS, NBU 1022-35K4CS,
NBU 1022-35O1BS & NBU 1022-35O1CS
LOCATED IN SECTION 35, T.10S., R.22E.
S.L.B.&M., UINTAH COUNTY, UTAH

Scale: 1"=100'

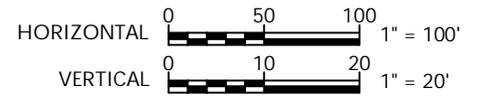
Date: 3/17/09

SHEET NO:

7

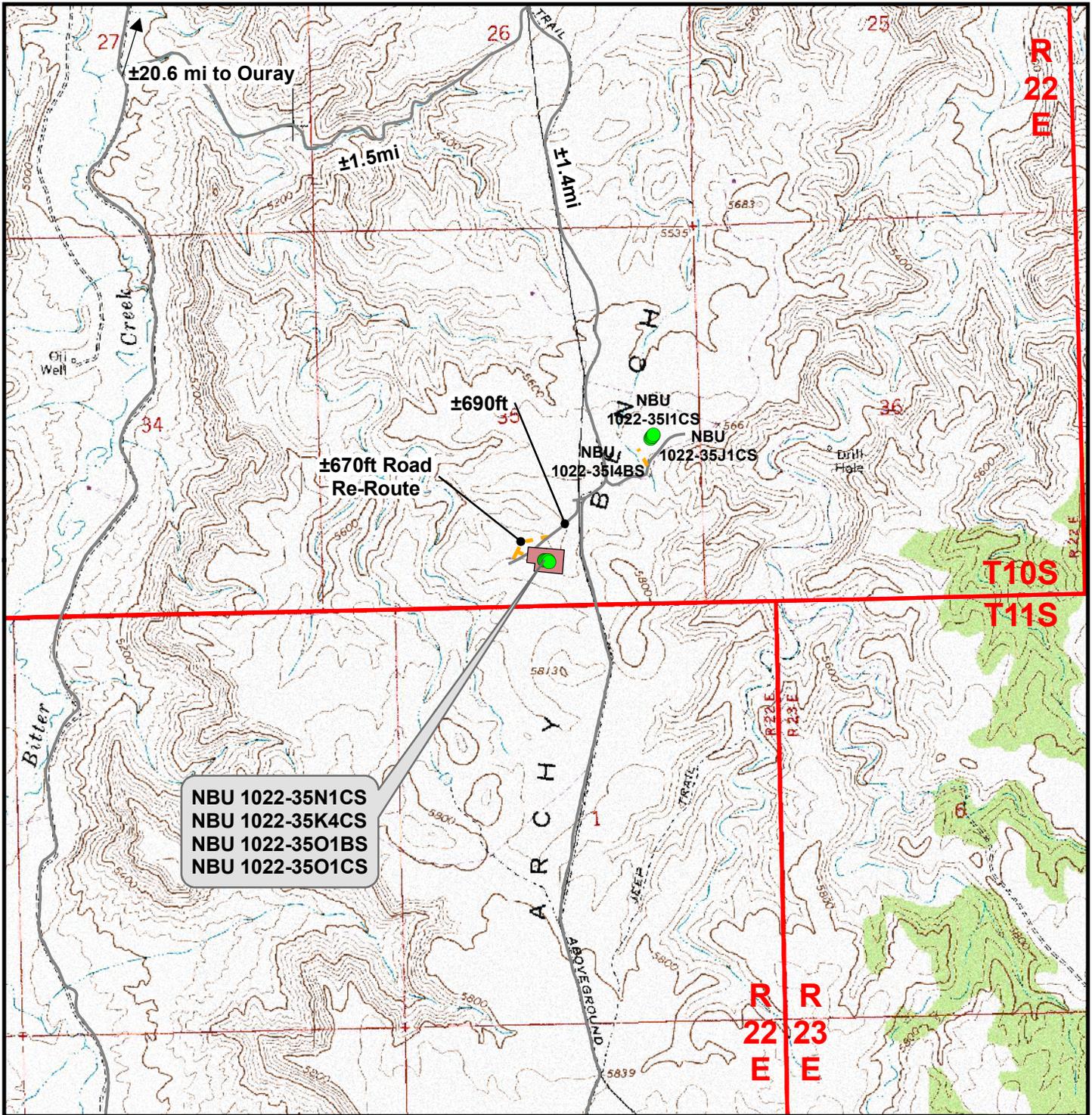
7 OF 13

REVISED:



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





NBU 1022-35N1CS
 NBU 1022-35K4CS
 NBU 1022-35O1BS
 NBU 1022-35O1CS

Legend

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

Total Proposed Road Length: ±670ft

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

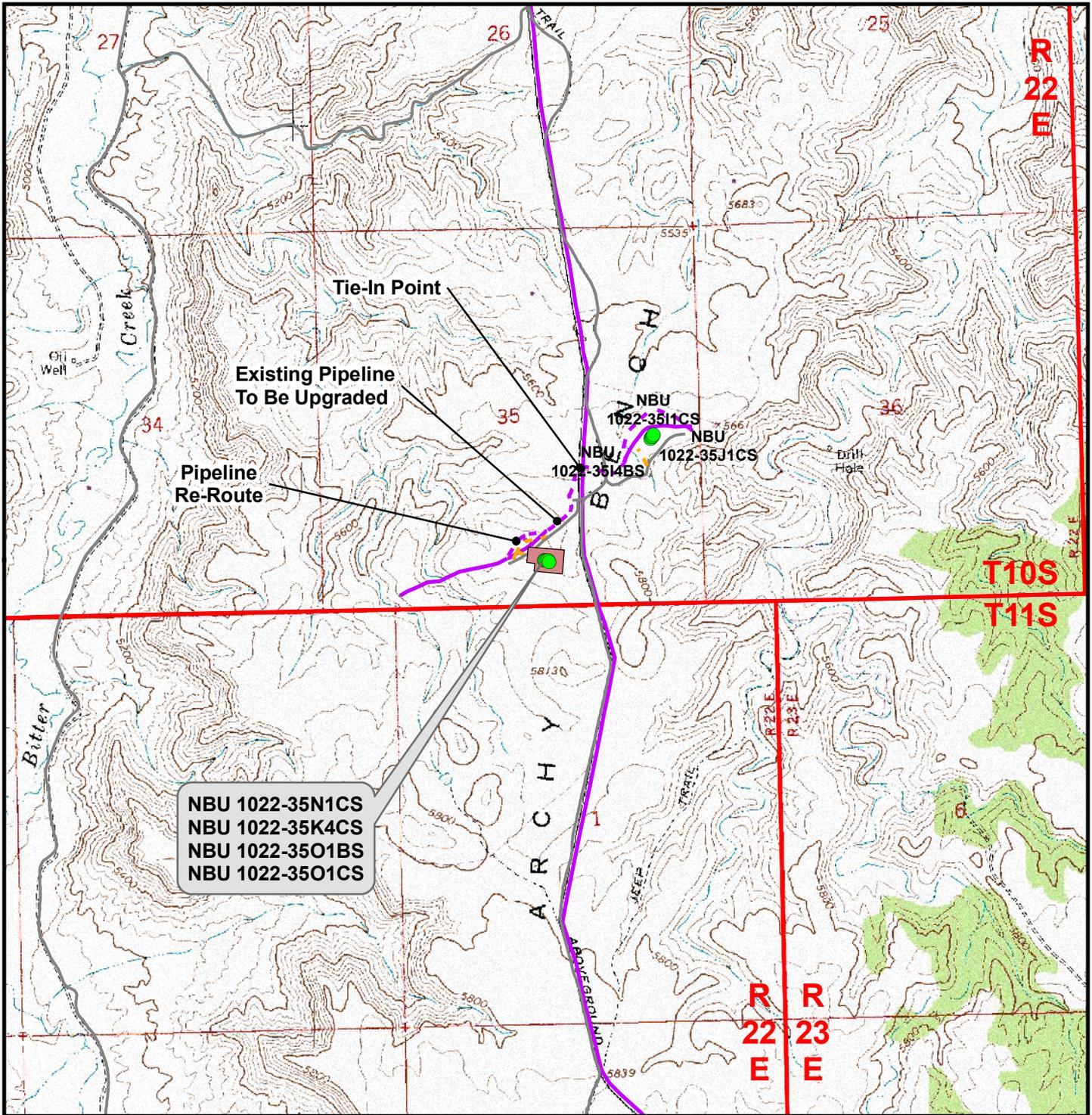
**NBU 1022-35N1CS, NBU 1022-35K4CS,
 NBU 1022-35O1BS & NBU 1022-35O1CS**
 Topo B
 Located In Section 35, T10S, R22E
 S.L.B.&M., Uintah County, Utah

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



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





Legend

- Well - Proposed ■ Well Pad - - - Road - Proposed - - - Pipeline - Proposed
- Road - Existing — Pipeline - Existing

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ±1,910ft
 Proposed Pipeline Length Around Pad: ±660ft

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

**NBU 1022-35N1CS, NBU 1022-35K4CS,
 NBU 1022-35O1BS & NBU 1022-35O1CS**
 Topo D
 Located In Section 35, T10S, R22E
 S.L.B.&M., Uintah County, Utah

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

Scale: 1" = 2000ft	NAD83 USP Central	Sheet No:
Drawn: JELO	Date: 24 Feb 2009	12
Revised:	Date:	

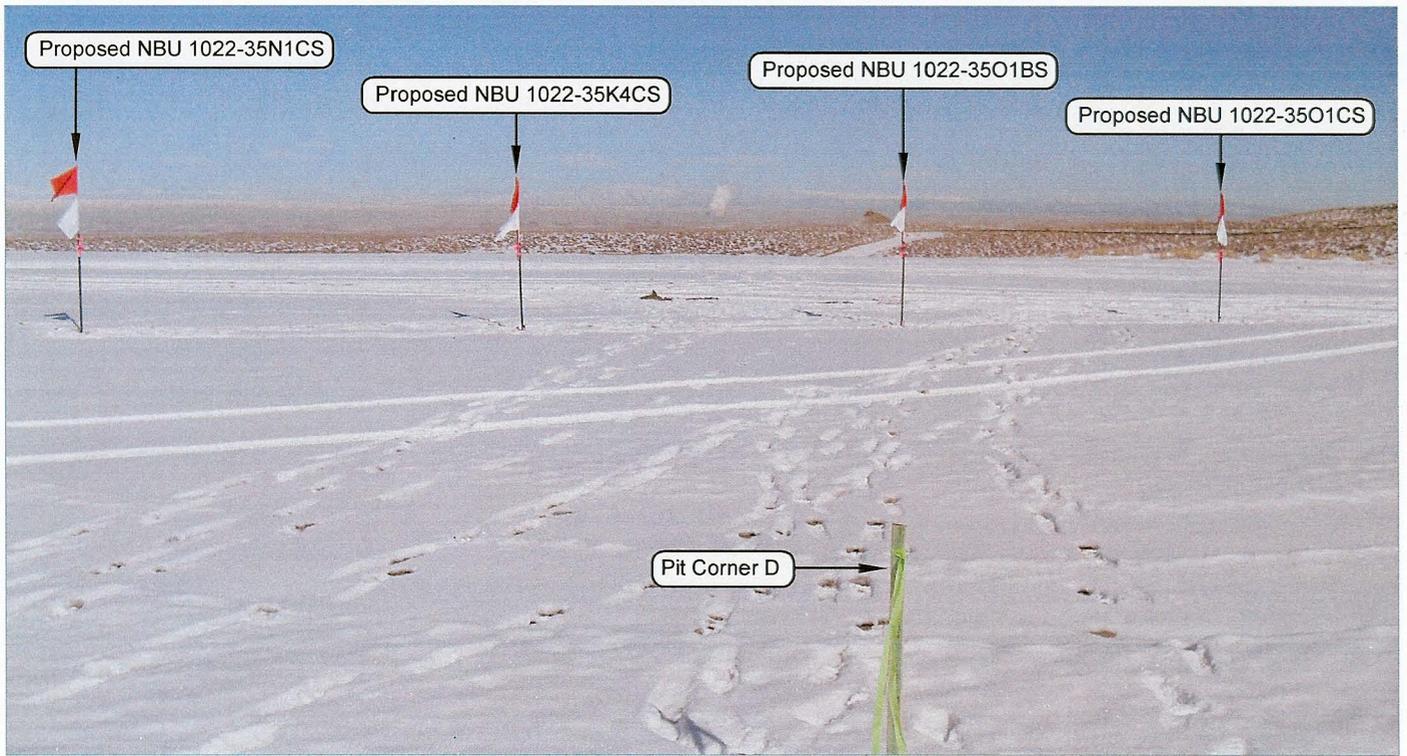


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKES

CAMERA ANGLE: NORTHEASTERLY

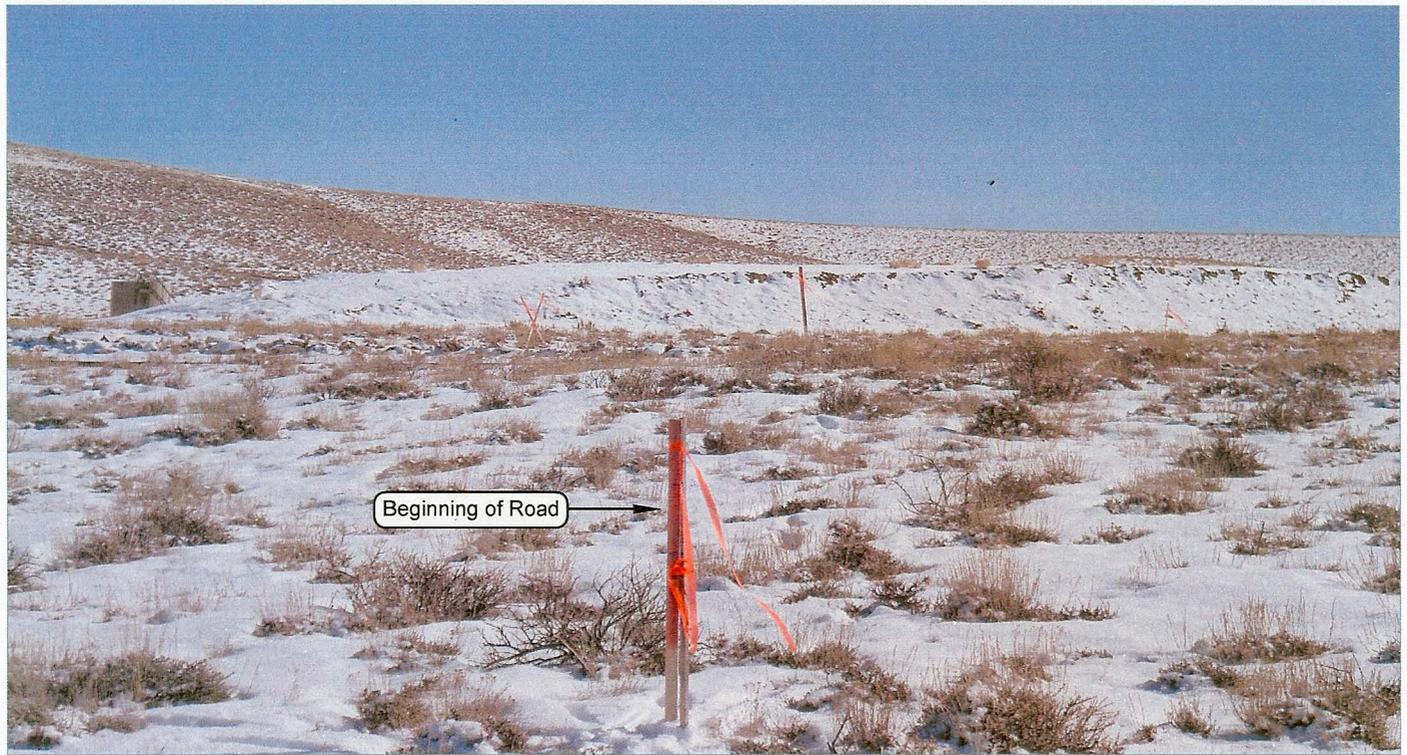
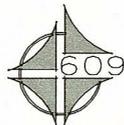


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

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



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

NBU 1022-35N1CS, NBU 1022-35K4CS,
 NBU 1022-35O1BS & NBU 1022-35O1CS
 LOCATED IN SECTION 35, T10S, R22E,
 S.L.B.&M. UINTAH COUNTY, UTAH.

LOCATION PHOTOS

TAKEN BY: M.S.B.		DATE TAKEN: 01-29-09
DRAWN BY: M.W.W.		DATE DRAWN: 02-12-09
REVISED:		

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

SHEET
8
OF 13

Kerr-McGee Oil & Gas Onshore, LP
NBU 1022-35N1CS, NBU 1022-35K4CS, NBU 1022-35O1BS,
& NBU 1022-35O1CS
Section 35, T10S, R22E, 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 DIRECTION ALONG THE GLEN BENCH ROAD APPROXIMATELY 5.2 MILES TO THE INTERSECTION OF THE BITTER CREEK ROAD (COUNTY B ROAD 4120). EXIT RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY, THEN SOUTHERLY DIRECTION ALONG THE BITTER CREEK ROAD APPROXIMATELY 4.2 MILES TO THE INTERSECTION OF THE BITTER CREEK CUT OFF ROAD (COUNTY B ROAD 4140). EXIT LEFT AND PROCEED IN AN EASTERLY DIRECTION ALONG THE BITTER CREEK CUT OFF ROAD APPROXIMATELY 1.5 MILES TO THE ARCHY BENCH ROAD (COUNTY B ROAD 4150). EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG THE ARCHY BENCH ROAD APPROXIMATELY 1.4 MILES TO A SERVICE ROAD RUNNING SOUTHWESTERLY. EXIT LEFT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 0.2 MILES TO THE NBU 1022-35O WELL PAD.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE WELL LOCATION IS APPROXIMATELY 54.4 MILES IN A SOUTHERLY DIRECTION.

NBU 1022-35K4CS

Surface: 636' FSL 2,186' FEL (SW/4SE/4)
BHL: 1,325' FSL 2,100' FWL (NE/4SW/4)

NBU 1022-35N1CS

Surface: 638' FSL 2,206' FEL (SW/4SE/4)
BHL: 965' FSL 2,100' FWL (SE/4SW/4)

NBU 1022-35O1BS

Surface: 634' FSL 2,166' FEL (SW/4SE/4)
BHL: 1,030' FSL 1,800' FEL (SW/4SE/4)

NBU 1022-35O1CS

Surface: 631' FSL 2,146' FEL (SW/4SE/4)
BHL: 670' FSL 1,800' FEL (SW/4SE/4)

Pad: NBU 1022-35O
Sec. 35 T10S R22E
Mineral Lease: UTU 037167

Uintah, Utah

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. NOSs were submitted on May 11, 2009 showing the surface locations in SW/4 SE/4 of Section 35 T10S R22E.

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.

A. 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.

B. Planned Access Roads:

See MDP for additional details on road construction.

Approximately $\pm 670'$ (± 0.13 mile) of road re-route 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. Location of Existing Wells Within a 1-Mile Radius:

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 $\pm 2,570'$ (± 0.49 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, there was an estimated 6 inches of topsoil between corners 8 and 10.

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.

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.

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.

K. Surface/Mineral Ownership:

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

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

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

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

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

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

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



Kathy Schneebeck Dulnoan

September 25, 2009

Date



Kerr-McGee Oil & Gas Onshore LP

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

May 5, 2009

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

Re: Directional Drilling R649-3-11
NBU 1022-35N1CS (FKA NBU 1022-35N1S)
T10S-R22E
Section 35: SESW
Surface: 638' FSL, 2206' FEL
Bottom Hole: 965' FSL, 2100' FWL
Uintah County, Utah

Dear Mrs. Mason:

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

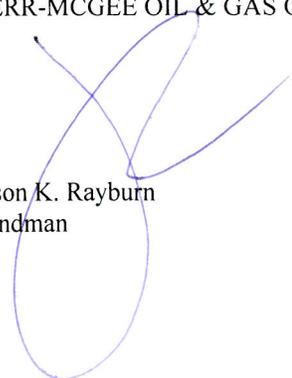
- Kerr-McGee's NBU 1022-35N1CS located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize 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 be granted pursuant to R649-3-11.

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

Jason K. Rayburn
Landman



CLASS I REVIEW OF KERR-MCGEE OIL AND GAS
ONSHORE LP'S 10 PROPOSED NBU WELL LOCATIONS
IN TOWNSHIP 10S, RANGE 22E, SECTION 35
UINTAH COUNTY, UTAH

By:

Nicole Shelnut

Prepared For:

Bureau of Land Management
Vernal Field Office

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. 09-010

March 12, 2009

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

IPC #09-52

Paleontological Reconnaissance Survey Report

**Survey of Kerr McGee's Proposed Multi-Well Pads, Access Roads,
Road Re-Route, Pipeline Upgrades, & Pipeline Re-Routes
"NBU #1022-35N1CS, K4CS, O1BS & O1CS,
& #1022-35J4CS, J1CS, I4BS & I1CS"
(Sec. 35, T 10 S, R 222 E)**

Archy Bench
Topographic Quadrangle
Uintah County, Utah

March 27, 2009

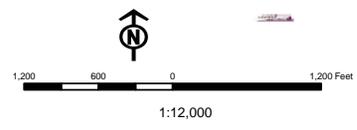
Prepared by Stephen D. Sandau
Paleontologist for
Intermountain Paleo-Consulting
P. O. Box 1125
Vernal, Utah 84078



API Number: 4304750770
Well Name: NBU 1022-35N1CS
Township 10.0 S Range 22.0 E Section 35
Meridian: SLBM
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query Events
STATUS	GIS_STAT_TYPE
ACTIVE	<call other values>
EXPLORATORY	<Nub>
GAS STORAGE	APD
NF PP OIL	DRL
NF SECONDARY	GI
PI OIL	GS
PP GAS	LA
PP GEOTHERM	NEW
PP OIL	OPS
SECONDARY	PA
TERMINATED	PGW
Fields	POW
STATUS	RET
ACTIVE	SGW
COMBINED	SOW
Sections	TA
	TW
	WD
	WT
	WS



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)

October 2, 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)		
43-047-50769	NBU 1022-35K4CS	Sec 35 T10S R22E 0636 FSL 2186 FEL
	BHL	Sec 35 T10S R22E 1325 FSL 2100 FWL
43-047-50770	NBU 1022-35N1CS	Sec 35 T10S R22E 0638 FSL 2206 FEL
	BHL	Sec 35 T10S R22E 0965 FSL 2100 FWL
43-047-50771	NBU 1022-35O1BS	Sec 35 T10S R22E 0634 FSL 2166 FEL
	BHL	Sec 35 T10S R22E 1030 FSL 1800 FEL
43-047-50772	NBU 1022-35O1CS	Sec 35 T10S R22E 0631 FSL 2146 FEL
	BHL	Sec 35 T10S R22E 0670 FSL 1800 FEL
43-047-50773	NBU 922-32P1BS	Sec 32 T09S R22E 1723 FSL 0195 FEL
	BHL	Sec 32 T09S R22E 1203 FSL 0537 FEL
43-047-50774	NBU 922-32P1CS	Sec 32 T09S R22E 1748 FSL 0164 FEL
	BHL	Sec 32 T09S R22E 0857 FSL 0571 FEL
43-047-50775	NBU 922-32P3AS	Sec 32 T09S R22E 1735 FSL 0179 FEL
	BHL	Sec 32 T09S R22E 0588 FSL 0733 FEL

Page 2

API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
43-047-50776	NBU 921-17B	Sec 17 T09S R21E 0492 FNL 1966 FEL
43-047-50777	NBU 921-8F	Sec 08 T09S R21E 2003 FNL 1636 FWL
43-047-50778	NBU 921-8K	Sec 08 T09S R21E 1918 FSL 1923 FWL
43-047-50779	NBU 920-32C	Sec 32 T09S R20E 0605 FNL 2077 FWL
43-047-50780	NBU 920-32F	Sec 32 T09S R20E 1884 FNL 2131 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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 9/25/2009

API NO. ASSIGNED: 43047507700000

WELL NAME: NBU 1022-35N1CS

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

PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: SWSE 35 100S 220E

Permit Tech Review:

SURFACE: 0638 FSL 2206 FEL

Engineering Review:

BOTTOM: 0965 FSL 2100 FWL

Geology Review:

COUNTY: UINTAH

LATITUDE: 39.89993

LONGITUDE: -109.40477

UTM SURF EASTINGS: 636374.00

NORTHINGS: 4417658.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 037167

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



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

Permit To Drill

Well Name: NBU 1022-35N1CS
API Well Number: 43047507700000
Lease Number: UTU 037167
Surface Owner: FEDERAL
Approval Date: 10/14/2009

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.

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

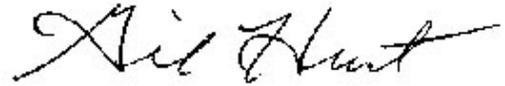
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 037167
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 1022-35N1CS
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 4304750770000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0638 FSL 2206 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSE Section: 35 Township: 10.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/14/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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: October 11, 2010
 By: 

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 10/11/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047507700000

API: 43047507700000

Well Name: NBU 1022-35N1CS

Location: 0638 FSL 2206 FEL QTR SWSE SEC 35 TWP 100S RNG 220E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 10/14/2009

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: 10/11/2010

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

Date: October 11, 2010

By: 



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 43047507700000

API: 43047507700000

Well Name: NBU 1022-35N1CS

Location: 0638 FSL 2206 FEL QTR SWSE SEC 35 TWP 100S RNG 220E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 10/14/2009

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

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

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

Signature: Danielle Piernot

Date: 9/19/2011

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



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



4304750055	NBU 753-32E	4304740374	NBU 705-26E
4304750683	NBU 634-12EX	4304750123	NBU 920-12N
4304740346	NBU 921-15N1S	4304750143	NBU 920-13J
4304740347	NBU 921-14M3S	4304750751	NBU 920-21G
4304740348	NBU 921-22A1S	4304750756	NBU 1022-35I1CS
4304750089	NBU 921-15O3T	4304750757	NBU 1022-35I4BS
4304740441	NBU 1022-25G2S	4304750758	NBU 1022-35J1CS
4304740442	NBU 1022-25G4S	4304750759	NBU 1022-35J4CS
4304740443	NBU 1022-25G3S	4304740380	NBU 920-13D
4304750852	FEDERAL 920-23O	4304750155	FEDERAL 920-24O
4304751026	NBU 921-12K	4304750769	NBU 1022-35K4CS
4304751027	NBU 921-12L	4304750770	NBU 1022-35N1CS
4304751028	NBU 921-12M	4304750771	NBU 1022-35O1BS
4304751039	NBU 920-21O	4304750772	NBU 1022-35O1CS
4304750697	NBU 687-30E	4304750791	NBU 921-10O
4304750811	NBU 699-25E	4304750792	NBU 921-10M
4304740153	NBU 1022-05JT	4304740439	NBU 1022-24P2S
4304740135	NBU 921-15MT	4304740440	NBU 1022-24P4S
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		

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>



MAY 14 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

Re: Request to Return APD
Well No. NBU 1022-35N1CS
SWSE, Sec. 35, T10S, R22E
Uintah County, Utah
Lease No. UTU-037167
Natural Buttes Unit

43 047 50770

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on September 30, 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 22 2012

DIV. OF OIL, GAS & MINING