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 699-25E
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: 307-752-1169
8. ADDRESS OF OPERATOR: P.O. Box 173779, Denver, CO, 80217							9. OPERATOR E-MAIL: Laura.Gianakos@anadarko.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE): ML22447		11. MINERAL OWNERSHIP: FEDERAL ○ INDIAN ○ STATE ◉ FEE ○					12. SURFACE OWNERSHIP: FEDERAL ○ INDIAN ○ STATE ◉ FEE ○
13. NAME OF SURFACE OWNER (if box 12 = 'fee')							14. SURFACE OWNER PHONE (if box 12 = 'fee')
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')							16. SURFACE OWNER E-MAIL (if box 12 = 'fee')
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')		18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS: YES ○ (Submit Commingling Application) NO ◉					19. SLANT: VERTICAL ◉ DIRECTIONAL ○ HORIZONTAL ○

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	549 FSL 461 FWL	SWSW	25	10.0 S	22.0 E	S
Top of Uppermost Producing Zone	549 FSL 461 FWL	SWSW	25	10.0 S	22.0 E	S
At Total Depth	549 FSL 461 FWL	SWSW	25	10.0 S	22.0 E	S

21. COUNTY	22. DISTANCE TO NEAREST LEASE LINE (Feet)	23. NUMBER OF ACRES IN DRILLING UNIT
UINTAH	461	640
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed): 60	26. PROPOSED DEPTH: MD: 6885 TVD: 6885
27. ELEVATION - GROUND LEVEL: 5579	28. BOND NUMBER: 6196017	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE: 49-225

ATTACHMENTS

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

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

NAME Kaylene Gardner	TITLE Regulatory Administrator	PHONE 435 781-9111
SIGNATURE	DATE 11/03/2009	EMAIL kaylene_gardner@eogresources.com

API NUMBER ASSIGNED	APPROVAL
43047508110000	Permit Manager

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2300		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 ST&C	2300	36.0			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	6885		
Pipe	**Grade**	**Length**	**Weight**			
	Grade N-80 LT&C	6885	11.6			

EIGHT POINT PLAN

NATURAL BUTTES UNIT 699-25E
SW/SW, SEC. 25, T10S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,110		Shale	
Birdsnest Zone	1,287		Dolomite	
Mahogany Oil Shale	1,712		Shale	
Wasatch	3,926	Primary	Sandstone	Gas
Chapita Wells	4,496	Primary	Sandstone	Gas
Buck Canyon	5,203	Primary	Sandstone	Gas
North Horn	5,873	Primary	Sandstone	Gas
Price River	6,129	Primary	Sandstone	Gas
TD	6,885			

Estimated TD: 6,885' or 200'± below TD **Anticipated BHP: 3,759 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	20"	0 – 60'	14"	32.5#	A-252	STC		1,880 PSI	10,000#
Surface	12 ¼"	0' – 2,300' KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	233,000#

Note: **12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.**

All casing will be new or inspected.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 699-25E
SW/SW, SEC. 25, T10S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 3rd joint to 400' above the top of primary objective. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 699-25E
SW/SW, SEC. 25, T10S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

Reference: **Onshore Oil and Gas Order No. 1**
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

EIGHT POINT PLAN

NATURAL BUTTES UNIT 699-25E
SW/SW, SEC. 25, T10S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: **88 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

Tail: **599 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 699-25E
SW/SW, SEC. 25, T10S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

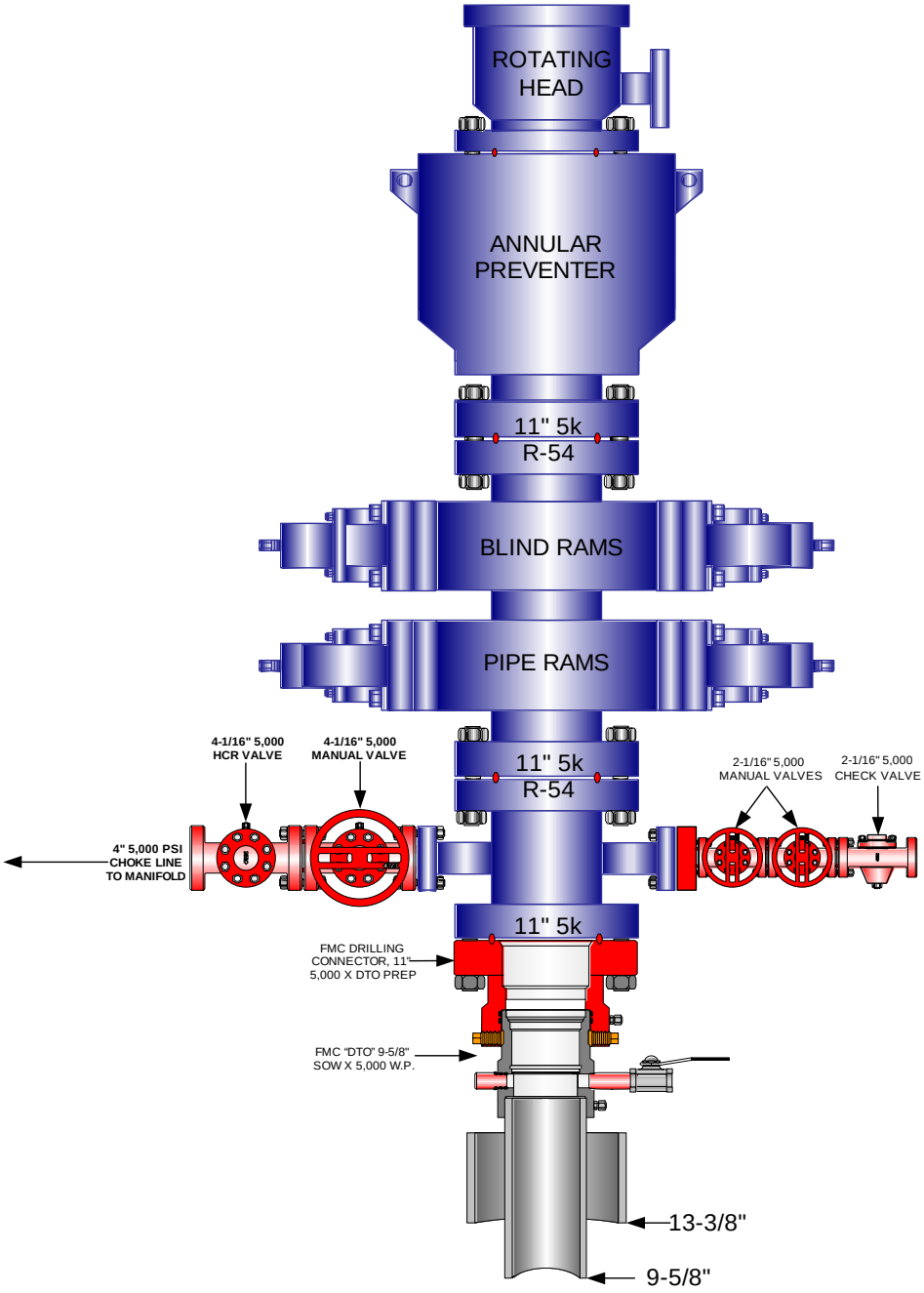
No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

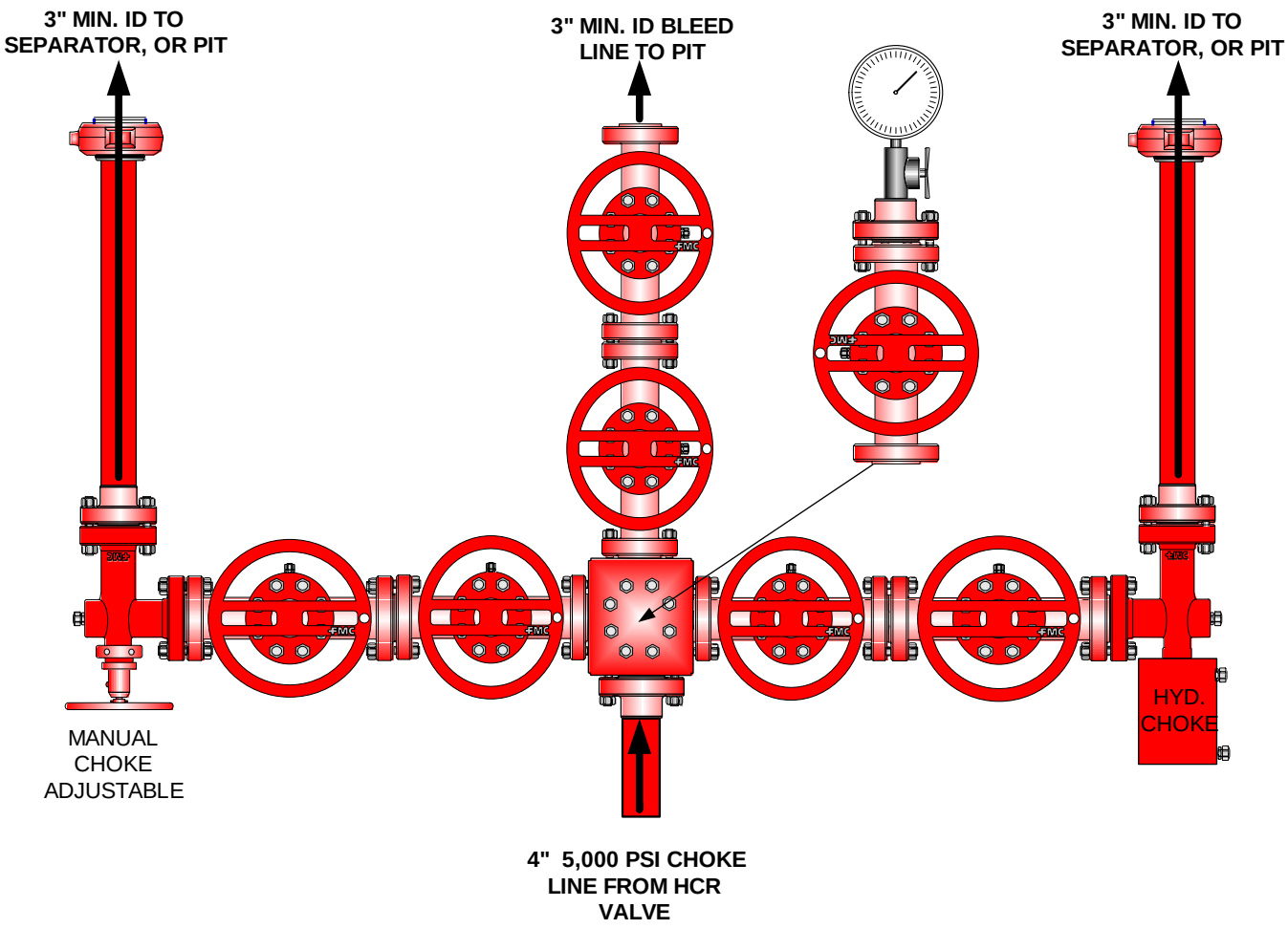
1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5,000 PSI WP VALVES



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
   Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

Natural Buttes Unit 699-25E
SWSW, Section 25, T10S, R22E
Uintah County, Utah

SURFACE USE PLAN

1. EXISTING ROADS:

A. See attached Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

B. The proposed well site is located approximately 59.1 miles south of Vernal, Utah – See attached TOPO Map "A".

C. Refer to attached Topographic Map "A" showing labeled access route to location.

D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

A. The access road will be approximately 290' in length. The existing two track will be upgraded for an approximate distance of 1848'. See attached Topo B.

B. The access road has a 30-foot ROW w/18 foot running surface.

C. Maximum grade of the new access road will be 8 percent.

D. No turnouts will be required.

E. Road drainage crossings shall be of the typical dry creek drainage crossing type.

F. No bridges, or major cuts and fills will be required.

G. The access road will be dirt surface.

H. No gates, cattleguards, or fences will be required or encountered.

I. A 30-foot permanent right-of-way is requested. No surfacing material will used.

J. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

All travel will be confined to existing access road rights-of-way.

New or reconstructed roads will be centerlined – flagged at time of location staking.

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30-foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around then avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

Traveling off the 30-foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400-bbl vertical tanks and attaching piping.

2. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

1. Proposed pipeline will transport natural gas.

2. The pipeline will be a permanent feeder line.

3. The length of the proposed pipeline is 82' x 8'. The proposed pipeline leaves the southern edge of the proposed location proceeding in a southerly direction for an approximate distance of 82' tieing into an existing pipeline located within SWSW, Section 25, T10S, R22E. Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lock, electric weld with a 35 mil X-Tru coating.

4. Proposed pipeline will be a 4" OD steel, zap-lok line laid on the surface

5. Proposed pipeline will be laid on surface.

6. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.

B. Water will be hauled by a licensed trucking company.

C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. All construction material for this pipeline will be of native borrow and soil accumulated during the construction of the location.

B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

1. Cuttings will be confined and dried on location. After drilling cuttings will be spread out on location.

2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.

4. Produced wastewater will be confined to a storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following

locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD CWU 2-29 SWD, Red Wash Evaporation Ponds 1, 2, 3, 4, 5, 6, or 7, or Coyote Evaporation Ponds 1, 2, 3, or 4, or White River Evaporation Ponds 1, or 2, or Hoss SWD Facility, right-of-way UTU 86010, UTU 897093 or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

B. Water from drilling fluids and recovered during testing operations will be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the closed loop system will be avoided by flaring them off in the flare pit at the time of recovery.

A closed loop system will be used during all drilling and completion operations.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

A. Refer to attached well site plat for related topography cuts and fills and cross sections.

B. Refer to attached well site plat for rig orientation, parking areas, access road and interim reclamation area.

The closed loop system will be located on the east side of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

Access to the well pad will be from the south.

FENCING REQUIREMENTS:

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. *Interim Reclamation (Producing Location)*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The stockpiled topsoil will then be spread over the area not required for production and seeded with the prescribed seed mixture for this location.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

State of Utah

12. OTHER INFORMATION:

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.

C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

D. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

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 of Lessees. The operator is 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.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied, as needed, to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources and archaeology survey will be conducted and submitted by Montgomery Archaeological Consultants. A paleontology survey will be conducted and submitted by intermountain paleontological Consulting.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT
Kaylene R. Gardner
EOG Resources, Inc.
1060 East Highway 40
Vernal, Utah 84078
(435) 781-9111

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 is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

CERTIFICATION:

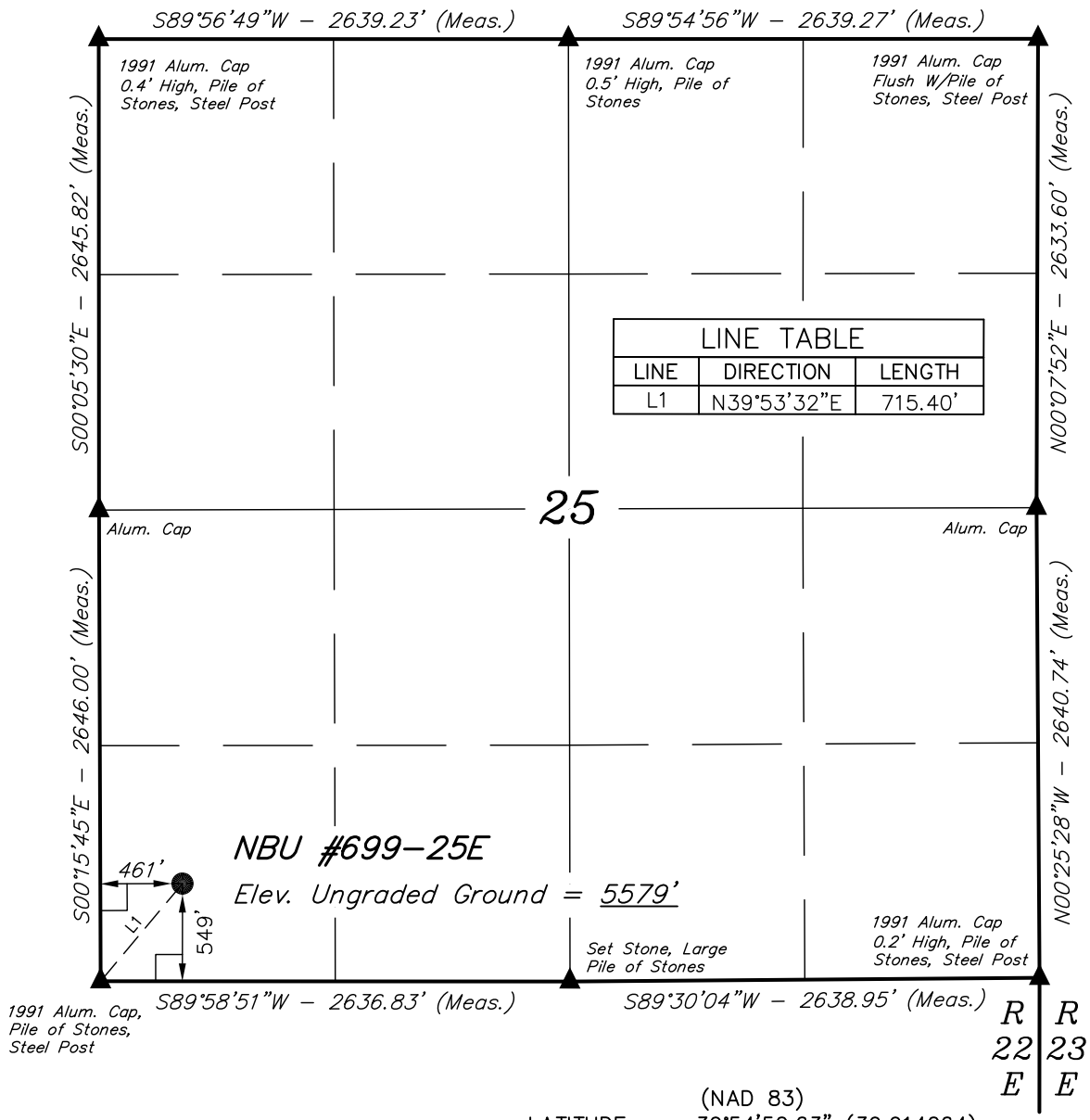
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Natural Buttes Unit 699-25E Well, located in the SWSW, of Section 25, T10S, R22E, Uintah County, Utah; State land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

November 3, 2009
Date

Kaylene R. Gardner, Regulatory Administrator

T10S, R22E, S.L.B.&M.



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N39°53'32"E	715.40'

(NAD 83)
LATITUDE = 39°54'50.63" (39.914064)
LONGITUDE = 109°23'45.71" (109.396031)
(NAD 27)
LATITUDE = 39°54'50.75" (39.914097)
LONGITUDE = 109°23'43.26" (109.395350)

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

EOG RESOURCES, INC.

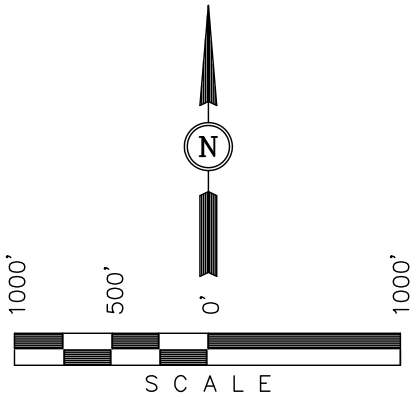
Well location, NBU #699-25E, located as shown in the SW 1/4 SW 1/4 of Section 25, T10S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE,, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	04-06-09	04-13-09
PARTY: G.S. J.J. C.H.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: EOG RESOURCES, INC.	

'API Well No: 43047508110000'

'APIWellNo:43047508110000'

EOG RESOURCES, INC.

NBU #699-25E

LOCATED IN UINTAH COUNTY, UTAH
SECTION 25, T10S, R22E, S.L.B.&M.

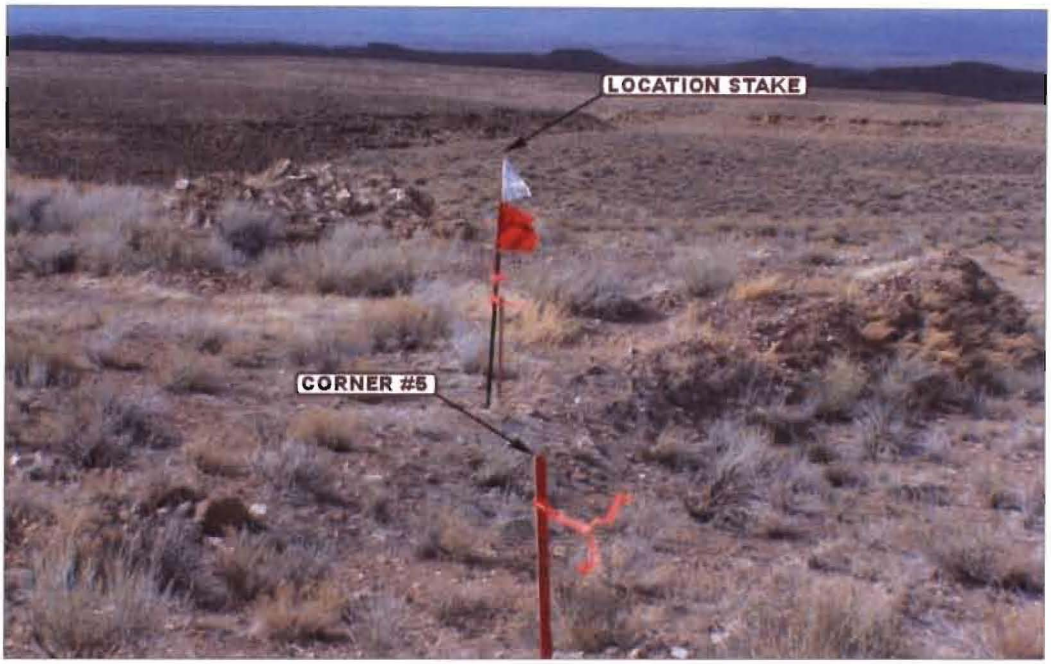


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE — CAMERA ANGLE: NORTHWESTERLY

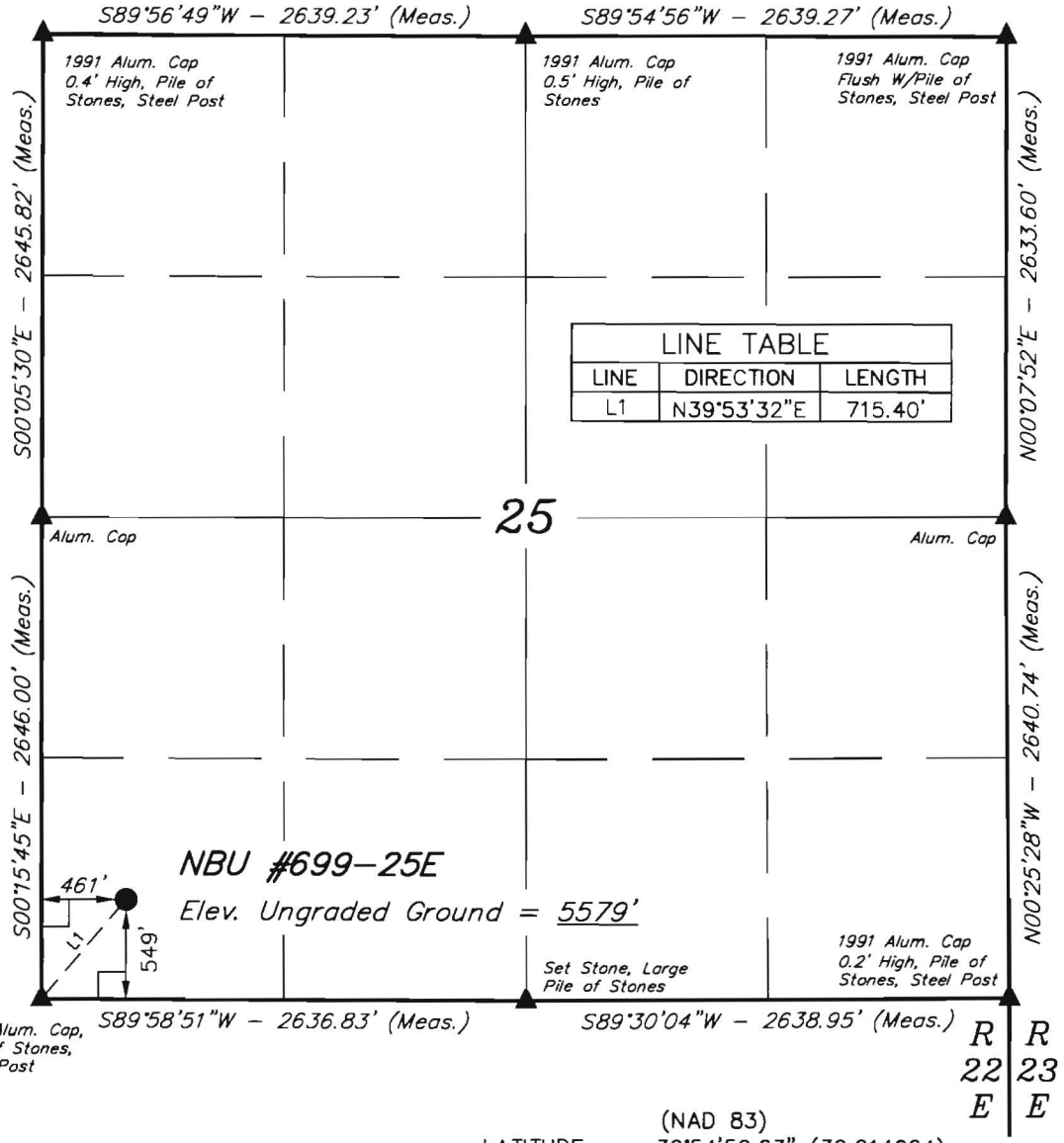
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS — CAMERA ANGLE: NORTHEASTERLY

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS	04 MONTH	14 DAY	09 YEAR	PHOTO
TAKEN BY: G.S.	DRAWN BY: Z.L.	REVISED: 00-00-00		

'APIWellNo:43047508110000'

T10S, R22E, S.L.B.&M.



LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

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LATITUDE = 39°54'50.75" (39.914097)
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EOG RESOURCES, INC.

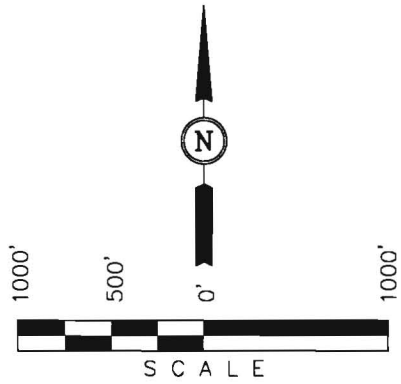
Well location, NBU #699-25E, located as shown in the SW 1/4 SW 1/4 of Section 25, T10S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE,, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

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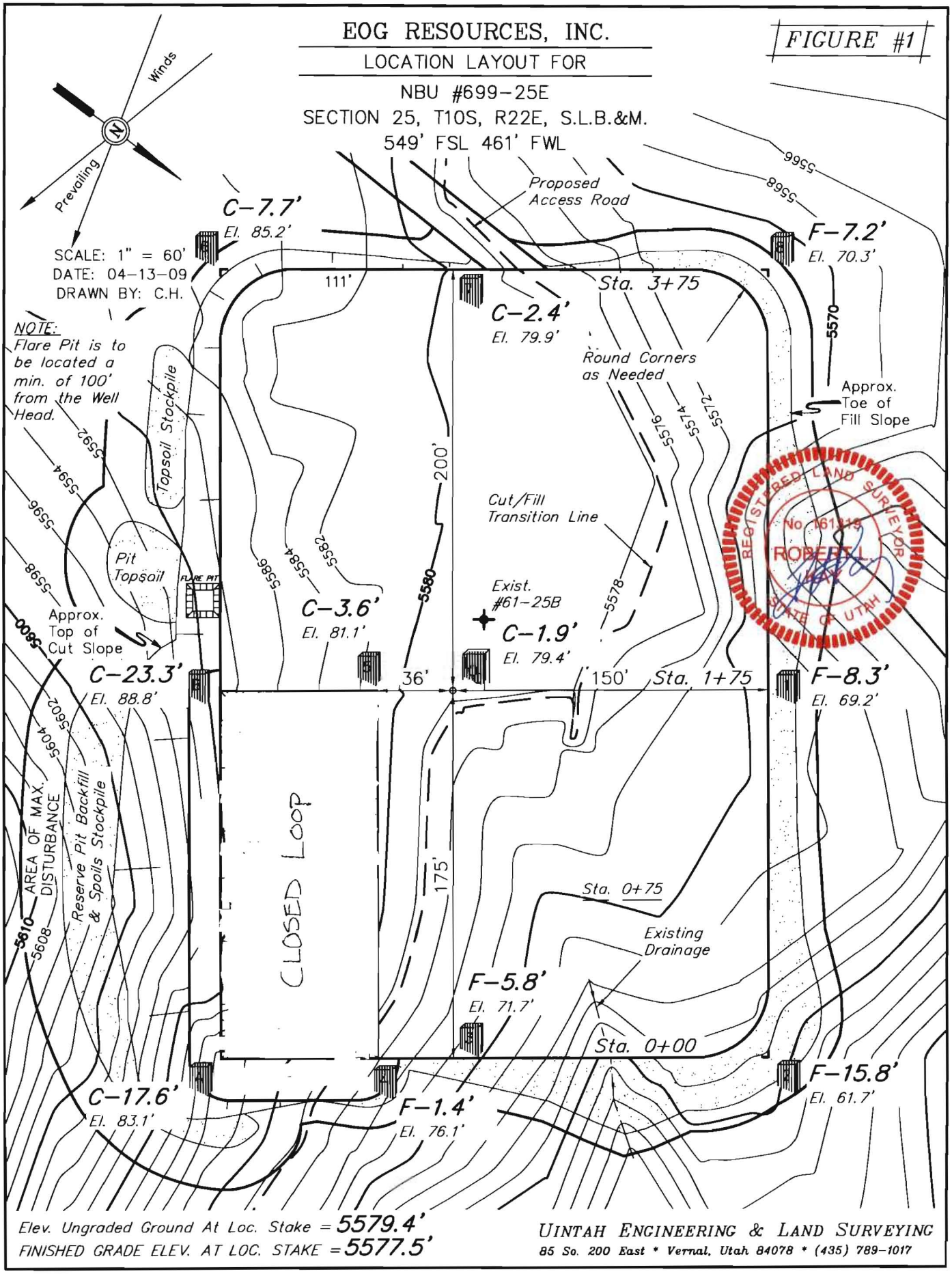
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	04-06-09	04-13-09
PARTY: G.S. J.J. C.H.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: EOG RESOURCES, INC.	

'APIWellNo:43047508110000'



'APIWellNo:43047508110000'

EOG RESOURCES, INC.

TYPICAL CROSS SECTION FOR

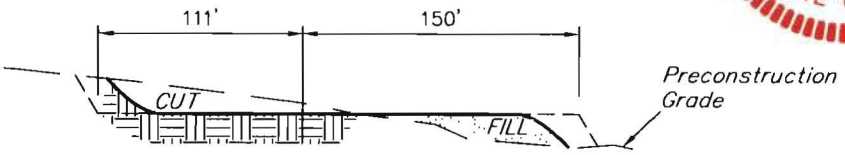
NBU #699-25E
SECTION 25, T10S, R22E, S.L.B.&M.
549' FSL 461' FWL

FIGURE #2

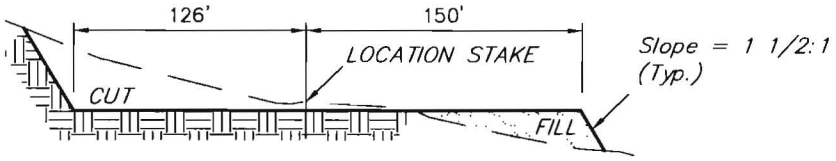
1" = 40' X-Section Scale
1" = 100'

DATE: 04-13-09
DRAWN BY: C.H.

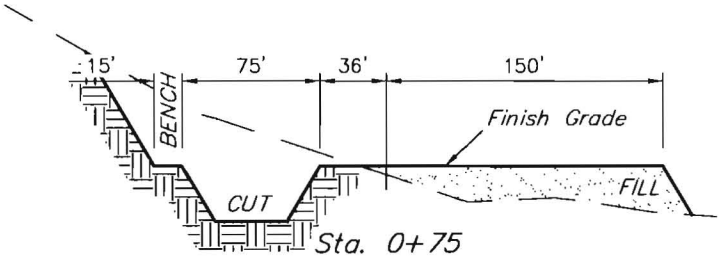
REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH



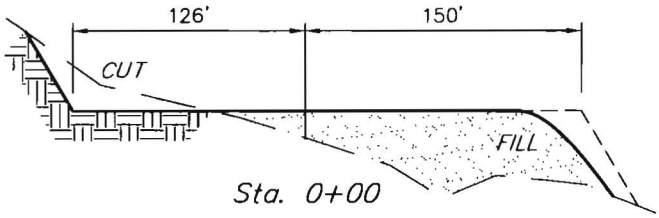
Sta. 3+75



Sta. 1+75



Sta. 0+75



Sta. 0+00

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 3.507 ACRES
ACCESS ROAD DISTURBANCE = ± 0.200 ACRES
PIPELINE DISTURBANCE = ± 0.056 ACRES
TOTAL = ± 3.763 ACRES

* *NOTE:*
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping = *2,400* Cu. Yds.
Remaining Location = *15,110* Cu. Yds.
TOTAL CUT = *17,510* CU.YDS.
FILL = *13,090* CU.YDS.

EXCESS MATERIAL = *4,420* Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = *4,420* Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation) = *0* Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

'APIWellNo:43047508110000'

EOG RESOURCES, INC.

TYPICAL RIG LAYOUT FOR

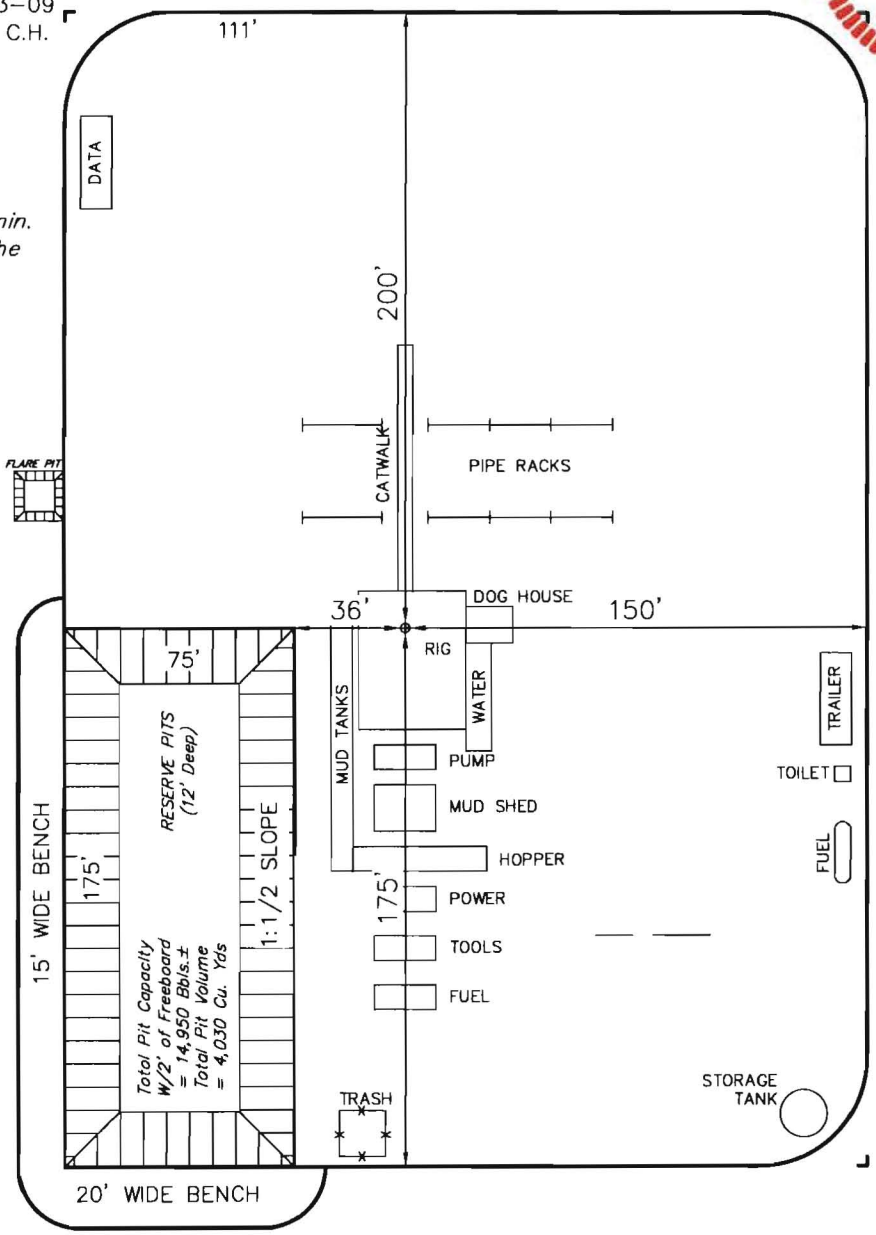
NBU #699-25E
SECTION 25, T10S, R22E, S.L.B.&M.
549' FSL 461' FWL

FIGURE #3

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L.
STATE OF UTAH

SCALE: 1" = 60'
DATE: 04-13-09
DRAWN BY: C.H.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

'APIWellNo:43047508110000'

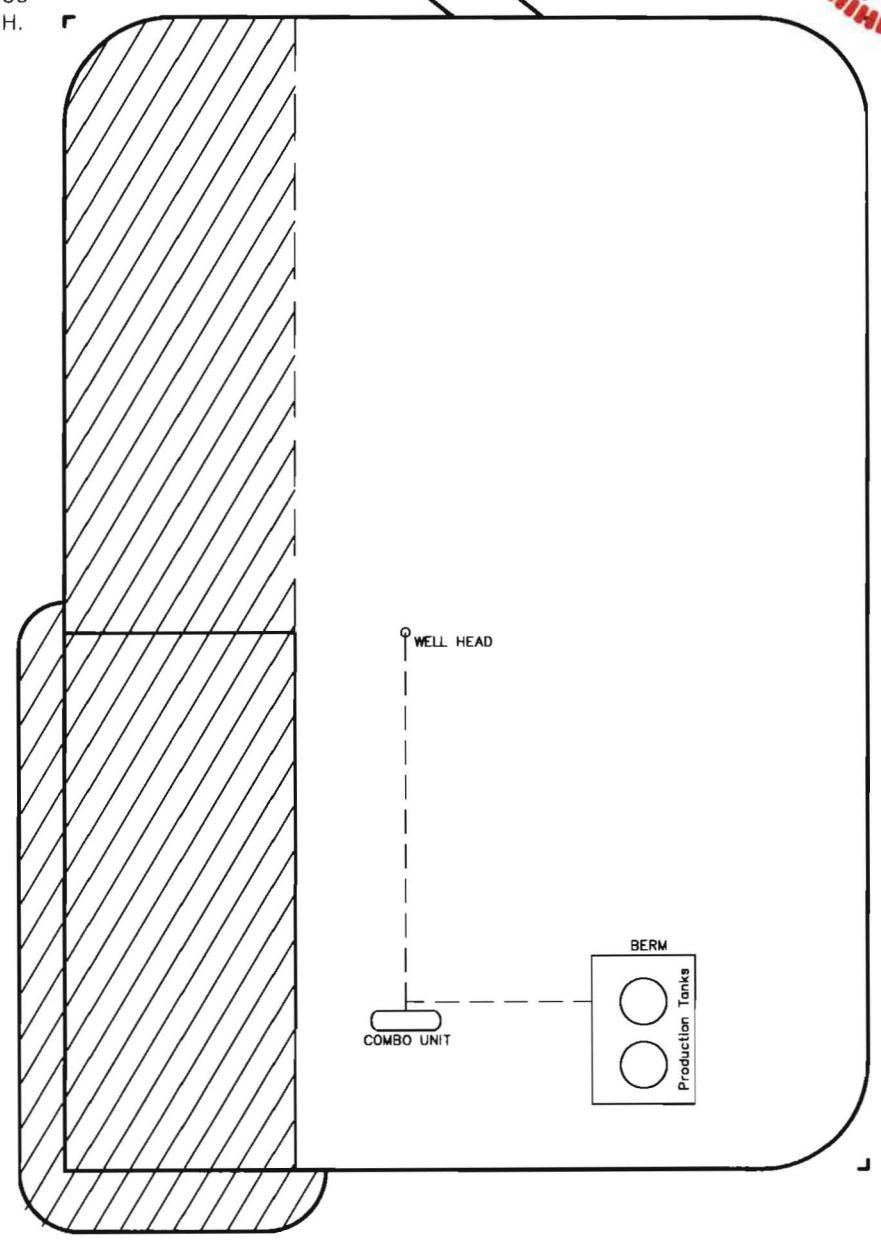
EOG RESOURCES, INC.

PRODUCTION FACILITY LAYOUT FOR

NBU #699-25E
SECTION 25, T10S, R22E, S.L.B.&M.
549' FSL 461' FWL

FIGURE #4

SCALE: 1" = 60'
DATE: 04-13-09
DRAWN BY: C.H.



REGISTERED LAND SURVEYOR
No. 161319
ROBERT L.
STATE OF UTAH

RE-HABED AREA

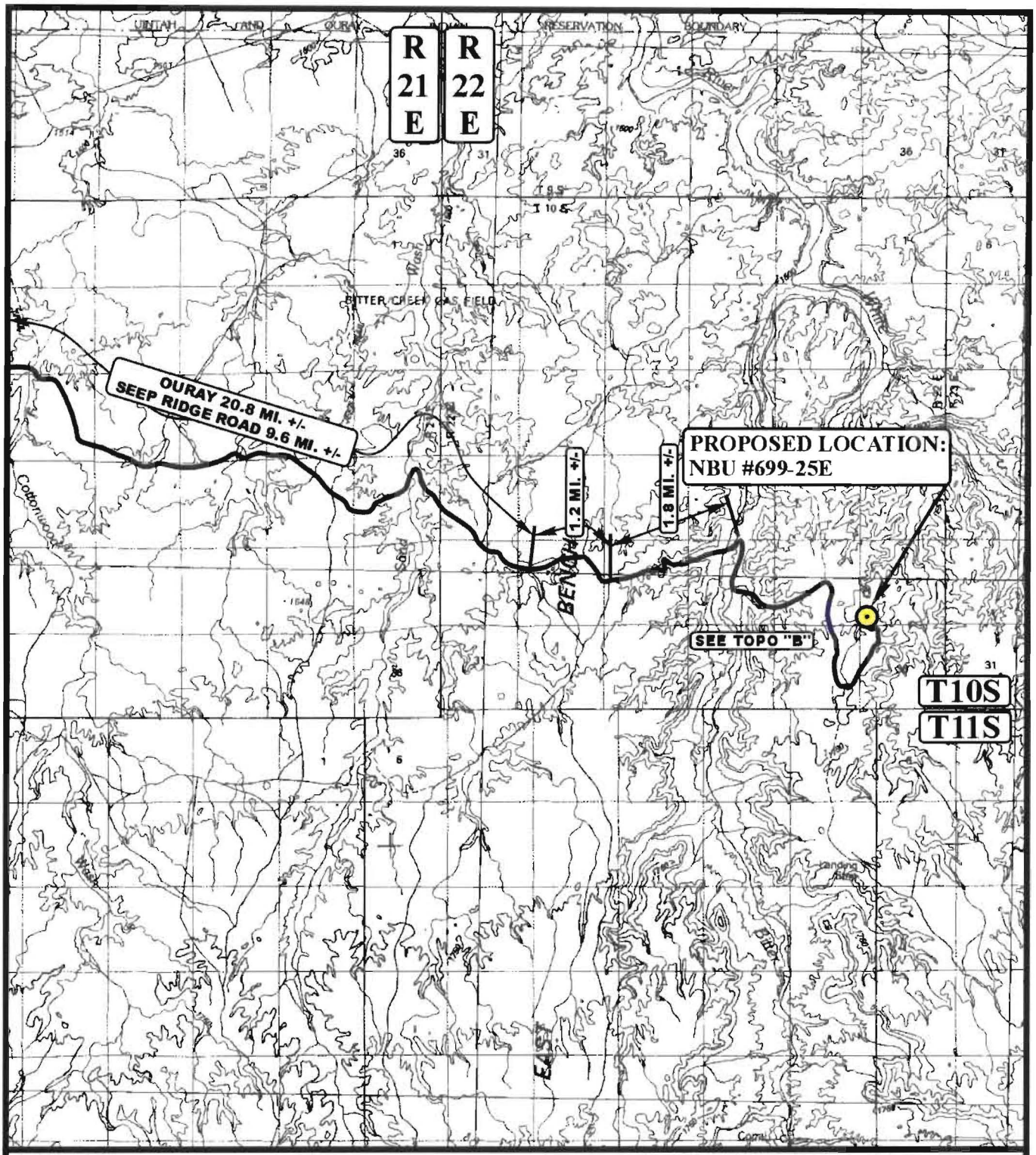
UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*

EOG RESOURCES, INC.
NBU #699-25E
SECTION 25, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE JUNCTION OF THIS ROAD AND A EXISTING TWO TRACK TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATLEY 300' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 59.05 MILES.

'APIWellNo:43047508110000'



LEGEND:

⊙ PROPOSED LOCATION

N

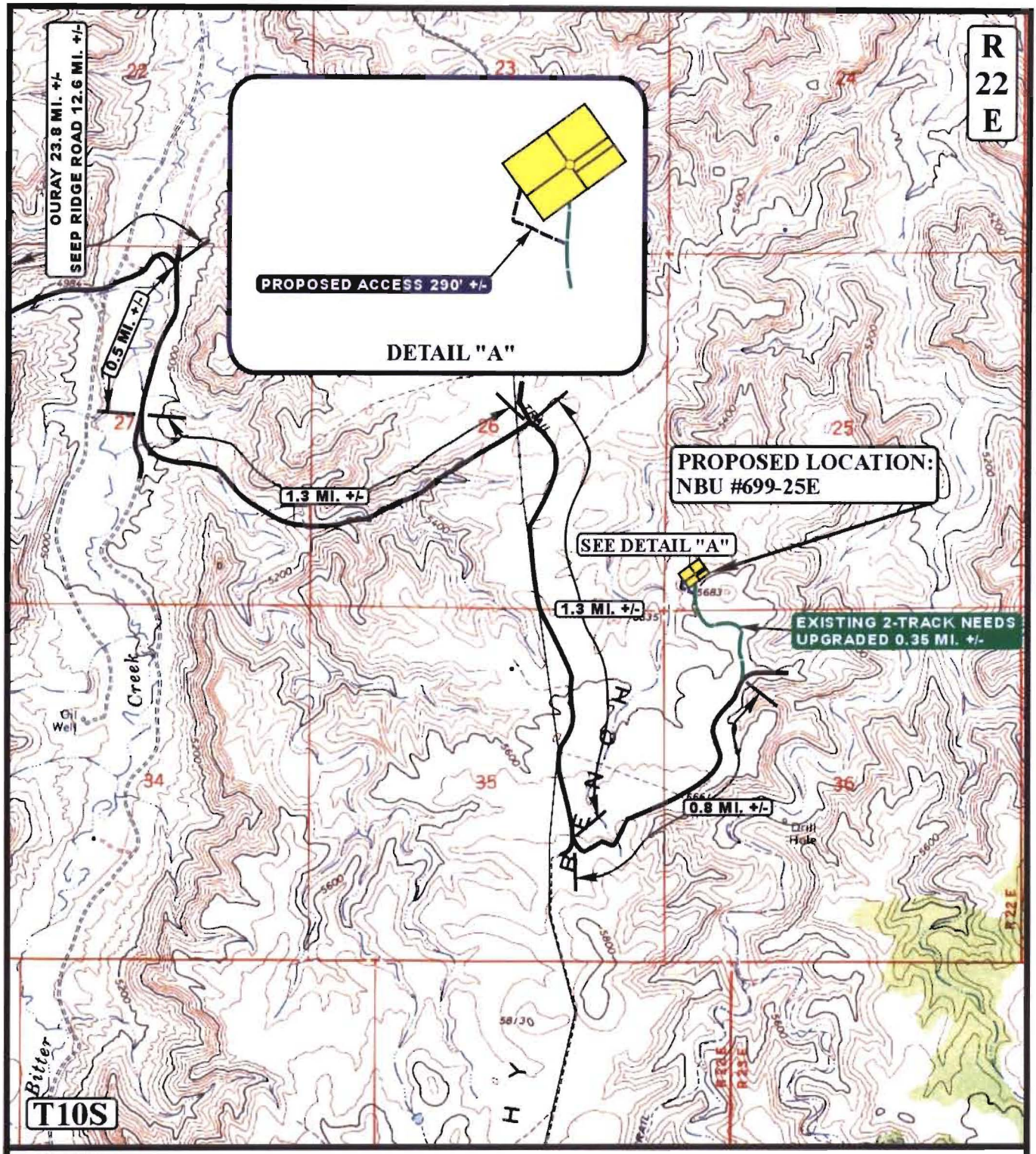
EOG RESOURCES, INC.

NBU #699-25E
SECTION 25, T10S, R22E, S.L.B.&M.
549' FSL 461' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	04 MONTH	14 DAY	09 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: Z.L.	REVISED: 00-00-00		

'APIWellNo:43047508110000'



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

EXISTING 2-TRACK NEEDS UPGRADED

N

EOG RESOURCES, INC.

NBU #699-25E

SECTION 25, T10S, R22E, S.L.B.&M.

549' FSL 461' FWL

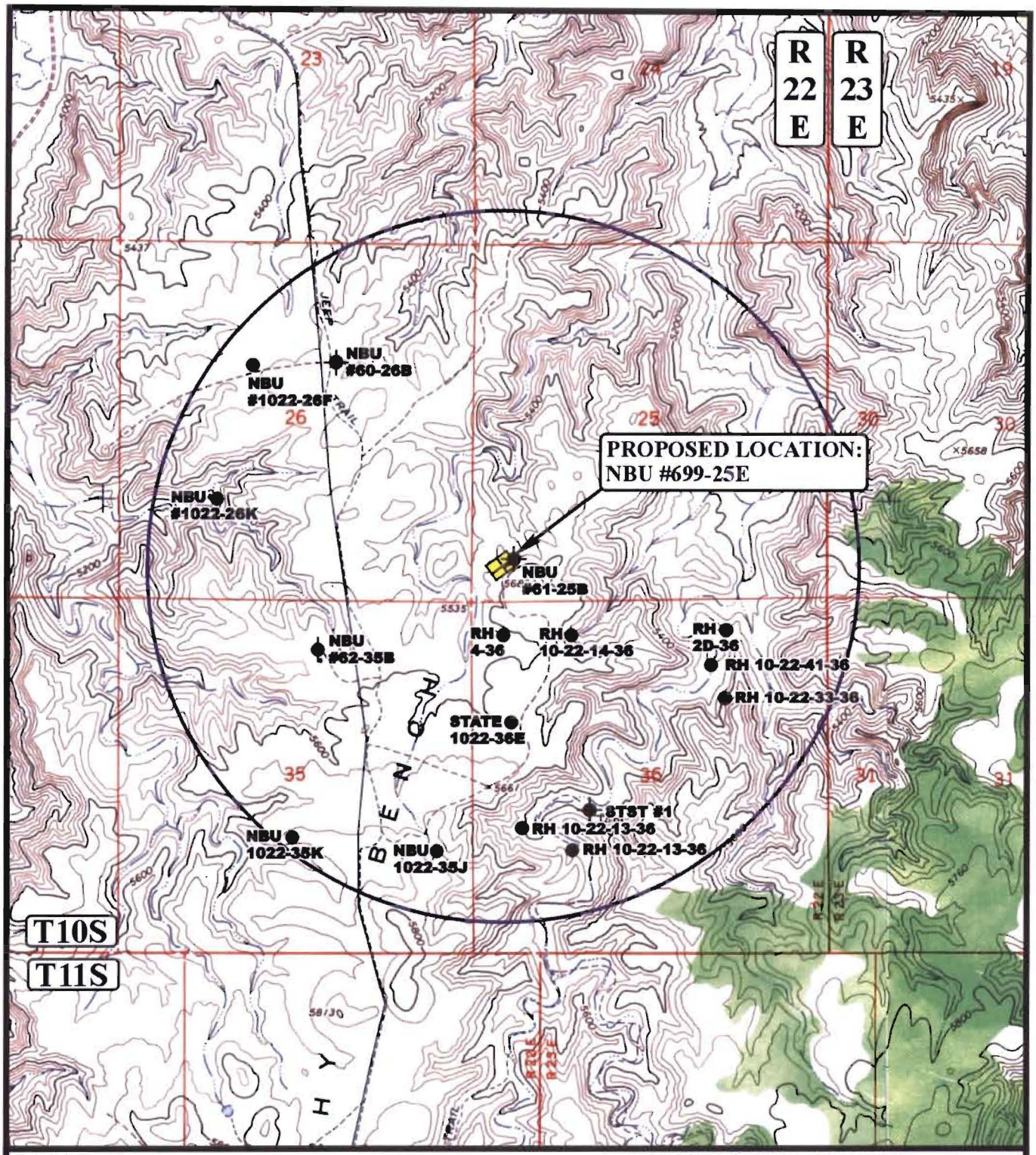
Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	04 MONTH	14 DAY	09 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: Z.L.	REVISED: 00-00-00		

'APIWellNo:43047508110000'



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

EOG RESOURCES, INC.

NBU #699-25E
SECTION 25, T10S, R22E, S.L.B.&M.
549' FSL 461' FWL

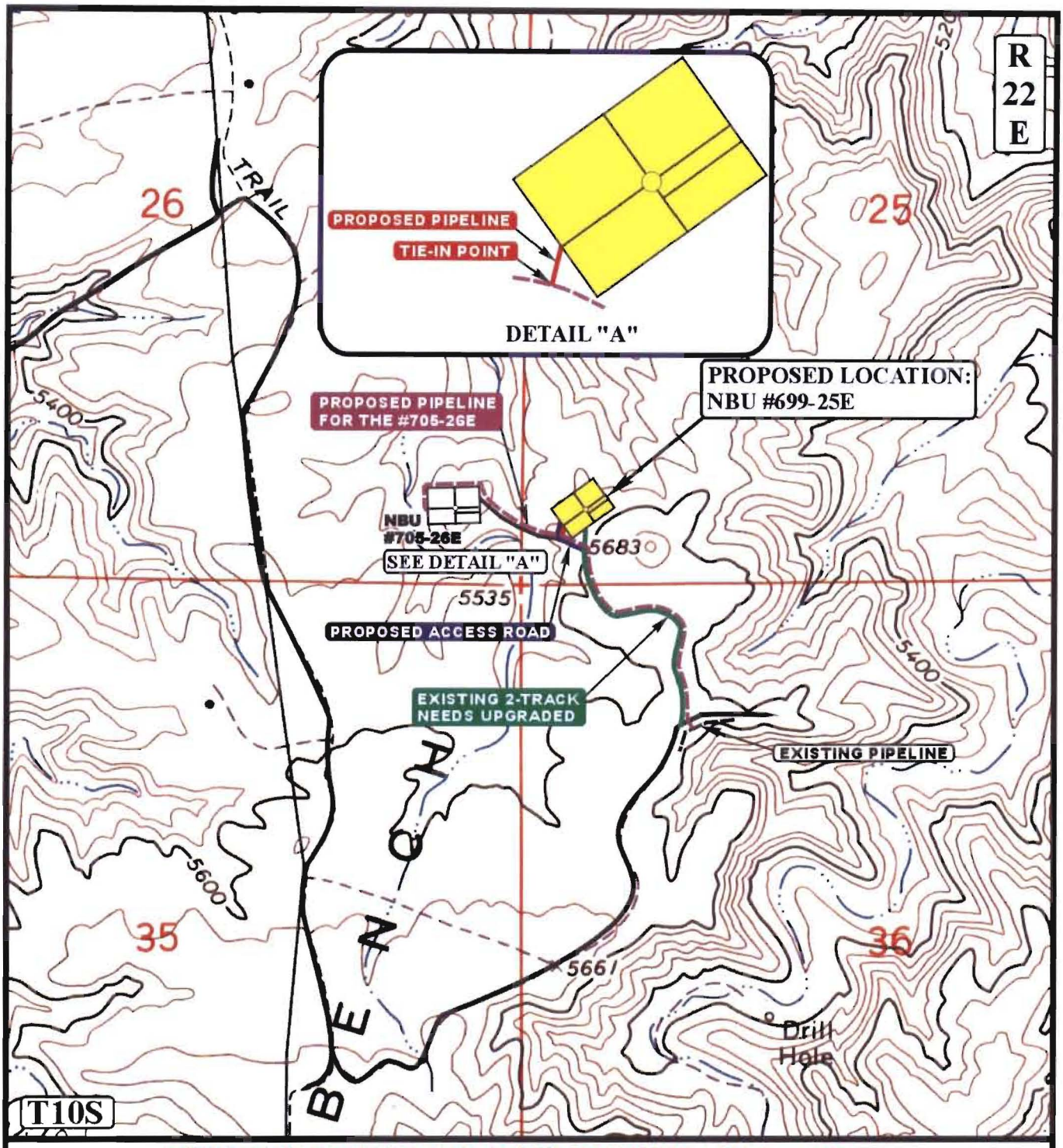
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP | 04 MONTH | 14 DAY | 09 YEAR

SCALE: 1" = 2000' | DRAWN BY: Z.L. | REVISED: 00-00-00

C TOPO

'APIWellNo:43047508110000'



APPROXIMATE TOTAL PIPELINE DISTANCE = 82' +/-

LEGEND:

PROPOSED ACCESS ROAD
EXISTING PIPELINE
PROPOSED PIPELINE
PROPOSED PIPELINE (SERVICING OTHER WELLS)
EXISTING 2-TRACK NEEDS UPGRADED

N

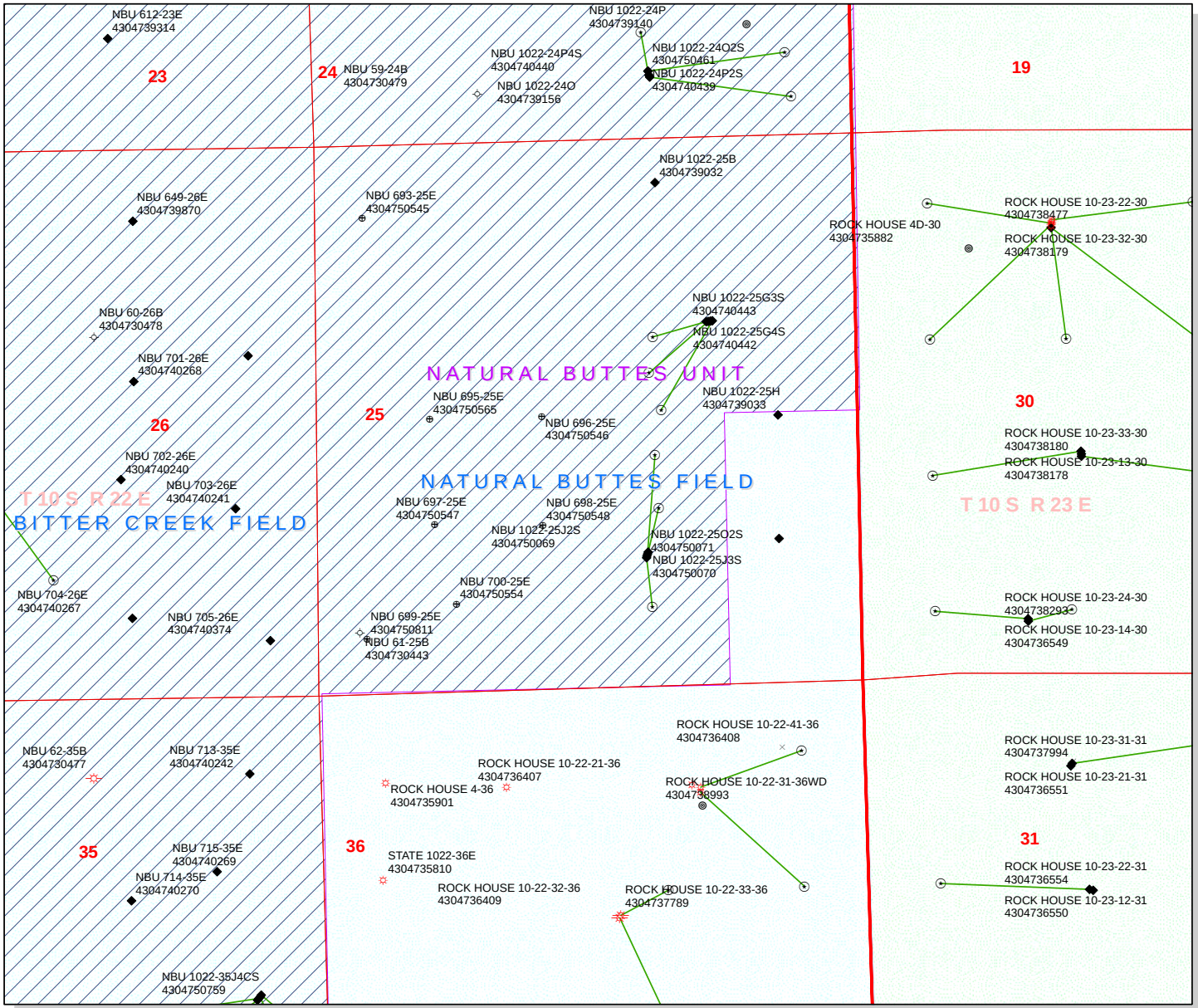
EOG RESOURCES, INC.

NBU #699-25E
SECTION 25, T10S, R22E, S.L.B.&M.
549' FSL 461' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	04 MONTH	14 DAY	09 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: Z.L.	REVISED: 00-00-00		

'API Well No:43047508110000'



API Number: 4304750811

Well Name: NBU 699-25E

Township 10.0 S Range 22.0 E Section 25

Meridian: SLBM

Operator: EOG RESOURCES, INC.

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
Unknown
ABANDONED
ACTIVE
COMBINED
INACTIVE
STORAGE
TERMINATED
Sections
Township

Wells Query
<all other values>
Status
APD - Aproved Permit
DRL - Spuded (Drilling Commenced)
GIW - Gas Injection
GS - Gas Storage
LA - Location Abandoned
LOC - New Location
OPS - Operation Suspended
PA - Plugged Abandoned
PGW - Producing Gas Well
POW - Producing Oil Well
RET - Returned APD
SGW - Shut-in Gas Well
SOW - Shut-in Oil Well
TA - Temp. Abandoned
TW - Test Well
WDW - Water Disposal
WIW - Water Injection Well
WSW - Water Supply Well

1,250 625 0 1,250 Feet

1:12,000

BOPE REVIEW EOG Resources, Inc. NBU 699-25E 43047508110000

Well Name	EOG Resources, Inc. NBU 699-25E 43047508110000			
String	Surf	Prod		
Casing Size(")	9.625	4.500		
Setting Depth (TVD)	2300	6885		
Previous Shoe Setting Depth (TVD)	60	2300		
Max Mud Weight (ppg)	8.4	10.5		
BOPE Proposed (psi)	500	5000		
Casing Internal Yield (psi)	3520	7780		
Operators Max Anticipated Pressure (psi)	3759	10.5		

Calculations	Surf String	9.625	"
Max BHP (psi)	.052*Setting Depth*MW=	1005	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	729	NO air drill
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	499	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	512	NO Reasonable for area
Required Casing/BOPE Test Pressure=		2300	psi
*Max Pressure Allowed @ Previous Casing Shoe=		60	psi *Assumes 1psi/ft frac gradient

Calculations	Prod String	4.500	"
Max BPH (psi)	.052*Setting Depth*MW=	3759	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	2933	YES
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	2244	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	2750	NO Reasonable
Required Casing/BOPE Test Pressure=		5000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		2300	psi *Assumes 1psi/ft frac gradient

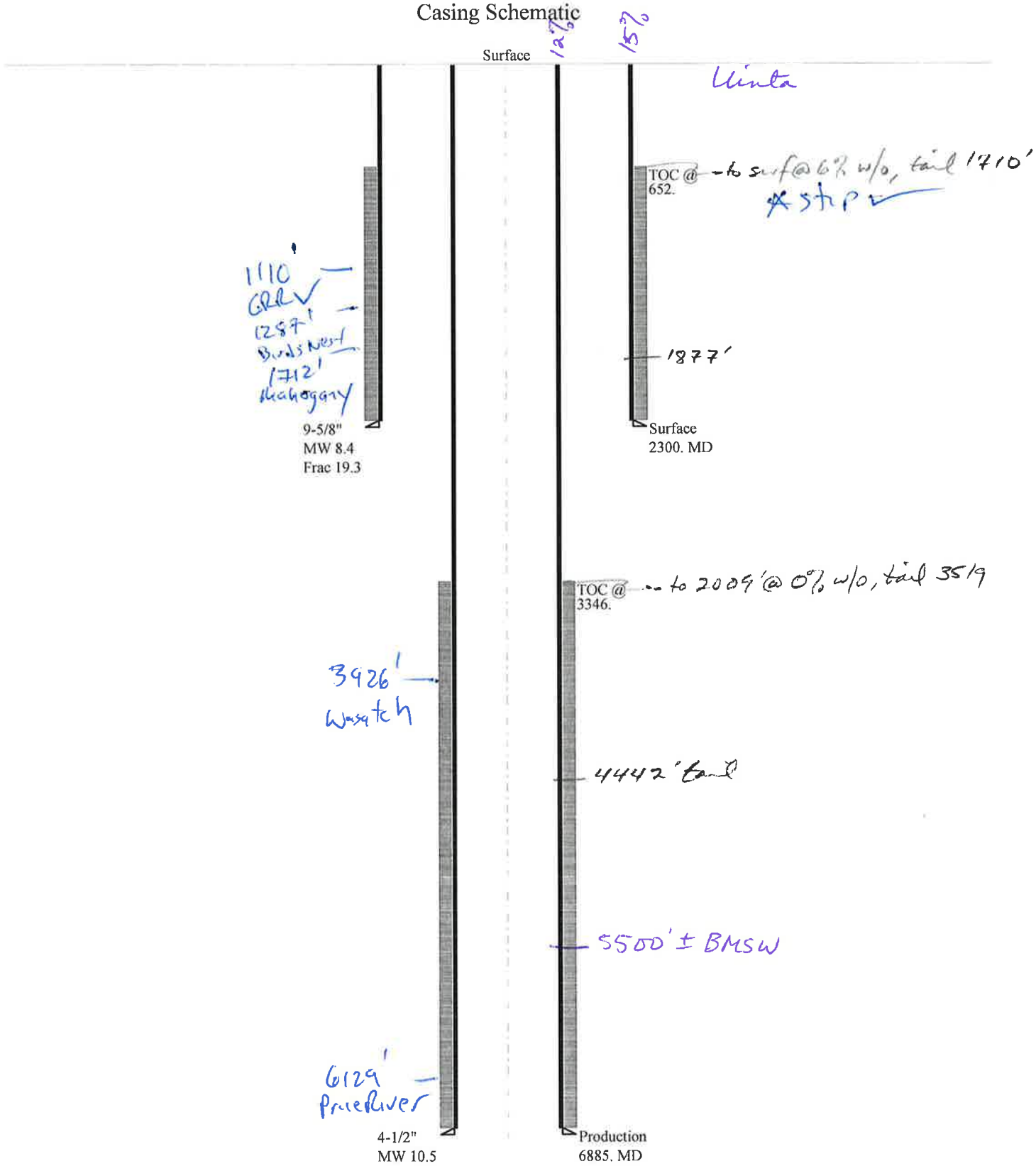
Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

'APIWellNo:43047508110000'

43047508110000 NBU 699-25E

Casing Schematic



'APIWellNo:43047508110000'

Well name:	**43047508110000 NBU 699-25E**
Operator:	**EOG Resources, Inc.**
String type:	Surface
Project ID:	43-047-50811
Location:	UINTAH COUNTY

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,024 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,300 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.70 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 2,014 ft

Environment:
H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 106 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 652 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 6,885 ft
Next mud weight: 10.500 ppg
Next setting BHP: 3,755 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,300 ft
Injection pressure: 2,300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	2300	9.625	36.00	J-55	ST&C	2300	2300	8.796	19991

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	1004	2020	2.013	2300	3520	1.53	82.8	394	4.76 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940
Date: January 19,2010
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

'APIWellNo:43047508110000'

Well name:	**43047508110000 NBU 699-25E**
Operator:	**EOG Resources, Inc.**
String type:	Production
Project ID:	43-047-50811
Location:	UINTAH COUNTY

Design parameters:

Collapse
Mud weight: 10.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,241 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,755 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)

Tension is based on air weight.
Neutral point: 5,804 ft

Environment:
H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 170 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 3,346 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	6885	4.5	11.60	N-80	LT&C	6885	6885	3.875	28355

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	3755	6350	1.691	3755	7780	2.07	79.9	223	2.79 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Mining
Phone: 801 538-5357
FAX: 801-359-3940
Date: January 19,2010
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 6885 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

X Change of Operator (Well Sold) Designation of Agent/Operator

Operator Name Change Merger

ROUTING
1. DJJ
2. CDW

The operator of the well(s) listed below has changed, effective: **1/1/2010**

FROM: (Old Operator):	**TO:** (New Operator):
N9550-EOG Resources	N2995-Kerr-McGee Oil & Gas Onshore., LP
1060 E Hwy 40	1368 South 1200 East
Vernal, UT 84078	Vernal, UT 84078
Phone: 1-(435) 781-9111	Phone: 1-(435) 781-7024

CA No. **Unit:** **NATURAL BUTTES**

WELL NAME(S)	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/24/2009
2. (R649-8-10) Sundry or legal documentation was received from the**NEW** operator on: 12/24/2009
3. The new company was checked on the**Department of Commerce, Division of Corporations Database on:** 3/7/2006
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181

6a. (R649-9-2)Waste Management Plan has been received on: IN PLACE

6b. Inspections of LA PA state/fee well sites complete on: n/a

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a
8. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
9. **Federal and Indian Communization Agreements ("CA"):** The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 1/31/2010
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 1/31/2010
3. Bond information entered in RBDMS on: 1/31/2010
4. Fee/State wells attached to bond in RBDMS on: 1/31/2010
5. Injection Projects to new operator in RBDMS on: n/a

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: WYB000291
2. Indian well(s) covered by Bond Number: n/a
3. (R649-3-1) The **NEW** operator of any state or fee well(s) listed covered by Bond Number 22013542
4. The **FORMER** operator has requested a release of liability from their bond on: n/a

COMMENTS:

EOG transferred all their leases and permits in NBU to Kerr-McGee effective January 1, 2010

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22447	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: Natural Buttes	
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	8. WELL NAME and NUMBER: Natural Buttes Unit 699-25E
2. NAME OF OPERATOR: EOG Resources, Inc.	9. API NUMBER: 43-047-50811
3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078	PHONE NUMBER: (435) 781-9111
10. FIELD AND POOL, OR WILDCAT: Natural Buttes	

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 549' FSL & 461' FWL 39.914064 LAT 109.396031 LON COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 25 10S 22E S STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

EOG Resources, Inc. has assigned all of its right, title and interest in the wells described in the attached list ("the Subject Wells") to Kerr-McGee Oil & Gas Onshore LP and will relinquish and transfer operatorship of all of the Subject Wells to Kerr-McGee Oil & Gas Onshore LP on January 1, 2010.

As of January 1, 2010, Kerr-McGee Oil & Gas Onshore LP will be considered to be the operator of each of the Subject Wells and will be responsible under the terms and conditions of the applicable lease for the operations conducted upon the leased lands. Bond coverage is provided under Kerr-McGee Oil & Gas Onshore LP's Nationwide BLM Bond No. WYB-000291.

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202-1918

By: _____ Date: 12/17/2009
Michael A. Nixson
Agent and Attorney-in-Fact

NAME (PLEASE PRINT) J. Michael Schween TITLE Agent and Attorney-in-Fact

SIGNATURE _____ DATE 12/17/2009

(This space for State use only)

APPROVED 1/31/2010
Earlene Russell
Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

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

(5/2000)

'APIWellNo:43047508110000'

From: Jim Davis
To: Bonner, Ed; Hill, Brad; Mason, Diana
CC: Danielle Piernot; Garrison, LaVonne; kathy.schneebeckdulnoan@anadarko.com
Date: 3/24/2010 12:41 PM
Subject: Kerr Mc Gee Approvals

The following APDs have been approved by SITLA including arch and paleo clearance.

4304750909	NBU 922-31E4CS
4304750910	NBU 922-31K1BS
4304750911	NBU 922-31K4CS
4304750912	NBU 922-31L4BS
4304750565	NBU 695-25E
4304750811	NBU 699-25E
4304750697	NBU 687-30E

The following APDs have also been approved by SITLA including arch and paleo clearance, with the following requirement.
In accordance with the recommendations given in the paleo reports, and as a condition of its approval, SITLA is requiring paleo monitoring during the construction of the pads for the following wells.

4304750890	NBU 921-27A4DS
4304750891	NBU 921-27H1BS
4304750892	NBU 921-27H3DS
4304750893	NBU 921-27I1BS
4304750894	NBU 921-27M4CS
4304750895	NBU 921-27M1AS
4304750896	NBU 921-27N3AS
4304750897	NBU 921-27O3DS
4304750898	NBU 922-32A2BS
4304750899	NBU 922-32B2AS
4304750900	NBU 922-32C1BS
4304750901	NBU 922-32C1DS
4304750902	NBU 922-32C2CS
4304750903	NBU 922-32C3DS
4304750904	NBU 922-32D4CS
4304750905	NBU 922-32G4CS
4304750906	NBU 922-32H3AS
4304750907	NBU 922-32I1CS
4304750908	NBU 922-32J1DS
4304750913	NBU 921-27K1DS
4304750914	NBU 921-27K3BS
4304750915	NBU 921-27K4AS
4304750916	NBU 921-27K4DS
4304750922	NBU 921-26F1AS
4304750923	NBU 921-26G1DS
4304750924	NBU 921-26G2AS
4304750925	NBU 921-26G4CS
4304750926	NBU 921-26J2AS
4304750927	NBU 921-26C3CS
4304750928	NBU 921-26D3AS
4304750929	NBU 921-26D3DS
4304750988	NBU 921-27E3AS
4304750989	NBU 921-27L1AS
4304750990	NBU 921-27L2BS
4304750991	NBU 921-27L3CS
4304750992	NBU 921-27M2BS
4304750996	NBU 921-26A3DS

’APIWellNo:43047508110000’

4304750997	NBU 921-26H1AS
4304750998	NBU 921-26H2DS
4304750999	NBU 921-26H4DS

Thanks.
-Jim

ON-SITE PREDRILL EVALUATION
Utah Division of Oil, Gas and Mining

Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.				
Well Name	NBU 699-25E				
API Number	43047508110000	**APD No**	2156	**Field/Unit**	NATURAL BUTTES
Location: 1/4,1/4	SWSW **Sec** 25 **Tw** 10.0S **Rng** 22.0E 549 FSL 461 FWL				
GPS Coord (UTM)	637152 4419246	**Surface Owner**			

Participants

Floyd Bartlett (DOGM), Kaylene Gardner and Robert Wilkins (EOG), Jim Davis and Kurt Higgins (SITLA), Ben Williams (UDWR)

Regional/Local Setting & Topography

The general area is in the southeast end of the Natural Buttes Unit and contains the White River and short rugged drainages that drain into the White River. Topography is varied and frequently dissected by short draws or washes, which become overly steep as they approach the White River breaks or rim. Distance to the White River varies from ¼ mile to 2 miles. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. Vernal, Utah is approximately 36 air miles and 59 road miles to the northwest. The area is accessed by Utah State, Uintah County and oilfield development Roads to with 0.35 miles where an existing 2-track road will be upgraded.

The location for the NBU 699-25E gas well is proposed on Archy Bench on top of a narrow ridge, which extends in a southerly to northerly direction. The ridge breaks off sharply on both the west and east sides into rugged canyons, which run northerly toward the White River which is about 2 miles away. Corners of the location will be rounded to avoid excessive fill and spilling fill into areas that will be difficult to recover. The well will be drilled using a closed loop mud circulating system. A shallow pit will be dug and lined with betonite to contain the cuttings. Following drilling, excess cuttings will be disposed of on the location or approach road. This is acceptable to SITLA. No drainages intersect the site and no diversions are needed. The location should be stable and pose no significant problems for drilling and operating a well.

The surface and minerals for this location are owned by SITLA.

Surface Use Plan

Current Surface Use
Grazing
Recreational

New Road Miles	Well Pad	Src Const Material	Surface Formation
0.35	**Width** 276 **Length** 375	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

The area was covered with about 6 inches of snow. Identified vegetation includes black sagebrush, bud sage, horsebrush, halogeton, curly mesquite, shadscale, cheatgrass, broom snakeweed, rabbit brush and spring annuals.

Antelope, coyote, small mammals and birds. Endangered fish species exist in the White River. Domestic sheep graze the area in the winter.

Soil Type and Characteristics

Shallow rocky shallow sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? **Paleo Potental Observed?** N **Cultural Survey Run?** Y **Cultural Resources?**

Reserve Pit

Site-Specific Factors		Site Ranking	
Distance to Groundwater (feet)	>200	0	
Distance to Surface Water (feet)	>1000	0	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)	300 to 1320	10	
Native Soil Type	Mod permeability	10	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)		0	
Affected Populations			
Presence Nearby Utility Conduits	Not Present	0	
	Final Score	25	1 Sensitivity Level

Characteristics / Requirements

The well will be drilled using a closed loop mud circulating system.

Closed Loop Mud Required? Y **Liner Required?** **Liner Thickness** **Pit Underlayment Required?**

Other Observations / Comments

Floyd Bartlett	12/8/2009
Evaluator	**Date / Time**

Application for Permit to Drill
Statement of Basis

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
2156	43047508110000	SITLA	GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.		**Surface Owner-APD**		
Well Name	NBU 699-25E		**Unit**	NATURAL BUTTES	
Field	NATURAL BUTTES		**Type of Work**	DRILL	
Location	SWSW 25 10S 22E S 549 FSL 461 FWL		GPS Coord (UTM)	637146E	4419237N

Geologic Statement of Basis

EOG proposes to set 2,300' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,500'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 25. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill	1/11/2010
APD Evaluator	**Date / Time**

Surface Statement of Basis

The general area is in the southeast end of the Natural Buttes Unit and contains the White River and short rugged drainages that drain into the White River. Topography is varied and frequently dissected by short draws or washes, which become overly steep as they approach the White River breaks or rim. Distance to the White River varies from ¼ mile to 2 miles. The side drainages are dry except for ephemeral flows. No seeps or springs exist in the area. An occasional pond has been constructed to supply water for livestock and antelope. Vernal, Utah is approximately 36 air miles and 59 road miles to the northwest. The area is accessed by Utah State, Uintah County and oilfield development Roads to with 0.35 miles where an existing 2-track road will be upgraded.

The location for the NBU 699-25E gas well is proposed on Archy Bench on top of a narrow ridge, which extends in a southerly to northerly direction. The ridge breaks off sharply on both the west and east sides into rugged canyons, which run northerly toward the White River which is about 2 miles away. Corners of the location will be rounded to avoid excessive fill and spilling fill into areas that will be difficult to recover. The well will be drilled using a closed loop mud circulating system. A shallow pit will be dug and lined with betonite to contain the cuttings. Following drilling, excess cuttings will be disposed of on the location or approach road. This is acceptable to SITLA. No drainages intersect the site and no diversions are needed. The location should be stable and pose no significant problems for drilling and operating a well.

The surface and minerals for this location are owned by SITLA. Both Kurt Higgins and Jim Davis of SITLA attended the site visit and had no concerns regarding the proposal except as noted above. Ben Williams represented the Utah Division of Wildlife Resources. He also had no comments regarding wildlife issues. EOG's Reclamation Plan will be used when the site is reclaimed. Mr. Davis said this was ok but this effort needs to be coordinated with SITLA for review

Floyd Bartlett	12/8/2009
Onsite Evaluator	**Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A closed loop mud circulation system is required for this location.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/3/2009 **API NO. ASSIGNED:** 43047508110000

WELL NAME: NBU 699-25E

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) **PHONE NUMBER:** 435 781-9111

CONTACT: Kaylene Gardner

PROPOSED LOCATION: SWSW 25 100S 220E **Permit Tech Review:** ☑

SURFACE: 0549 FSL 0461 FWL **Engineering Review:** ☑

BOTTOM: 0549 FSL 0461 FWL **Geology Review:** ☑

COUNTY: UINTAH

LATITUDE: 39.91402 **LONGITUDE:** -109.39541

UTM SURF EASTINGS: 637146.00 **NORTHINGS:** 4419237.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 3 - State

LEASE NUMBER: ML22447 **PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE

SURFACE OWNER: 3 - State **COALBED METHANE:** NO

RECEIVED AND/OR REVIEWED:

- ☑ **PLAT**
- ☑ **Bond:** STATE/FEE - 6196017
- ☐ **Potash**
- ☑ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☑ **Water Permit:** 49-225
- ☐ **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
APD IS IN UPOD:OP FR N9550:

Stipulations:
5 - Statement of Basis - bhill
12 - Cement Volume (3) - ddoucet
17 - Oil Shale 190-5(b) - dmason
25 - Surface Casing - hmacdonald

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 699-25E
API Well Number: 43047508110000
Lease Number: ML22447
Surface Owner: STATE
Approval Date: 3/29/2010

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

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:
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.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Cement volume for the 4 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 2100'+/- MD as indicated in the submitted drilling plan.

Surface casing shall be cemented to the surface.

Additional Approvals:
The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

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
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at https://oilgas.ogm.utah.gov
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

Contact Information:
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
  801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
  801-231-8956 - after office hours

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

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

Approved By:

For Gil Hunt
Associate Director, Oil & Gas

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5.LEASE DESIGNATION AND SERIAL NUMBER: ML22447

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 699-25E

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

9. API NUMBER: 43047508110000

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: 0549 FSL 0461 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSW Section: 25 Township: 10.0S Range: 22.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 3/29/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

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

Kerr-McGee Oil & Gas Onshore, 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: 03/23/2011

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Danielle Piernot	720 929-6156	Regulatory Analyst
SIGNATURE N/A		**DATE** 3/21/2011

RECEIVED Mar. 21, 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 43047508110000

API: 43047508110000
Well Name: NBU 699-25E
Location: 0549 FSL 0461 FWL QTR SWSW SEC 25 TWNP 100S RNG 220E MER S
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.
Date Original Permit Issued: 3/29/2010

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:** 3/21/2011
Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED Mar. 21, 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