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

FORM 3

AMENDED REPORT ☐

| | |
|---|---|
| **APPLICATION FOR PERMIT TO DRILL** | **1. WELL NAME and NUMBER** NBU 921-30P3DS |
| **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)** UTU 0581 / **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** | 621 FSL 1241 FEL | SESE | 30 | 9.0 S | 21.0 E | S |
| **Top of Uppermost Producing Zone** | 185 FSL 885 FEL | SESE | 30 | 9.0 S | 21.0 E | S |
| **At Total Depth** | 185 FSL 885 FEL | SESE | 30 | 9.0 S | 21.0 E | S |

| | | |
|---|---|---|
| **21. COUNTY** UINTAH | **22. DISTANCE TO NEAREST LEASE LINE (Feet)** 185 | **23. NUMBER OF ACRES IN DRILLING UNIT** 2400 |
| | **25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)** 515 | **26. PROPOSED DEPTH** MD: 10207 TVD: 10140 |
| **27. ELEVATION - GROUND LEVEL** 4905 | **28. BOND NUMBER** | **29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** Permit #43-8496 |

**ATTACHMENTS**

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

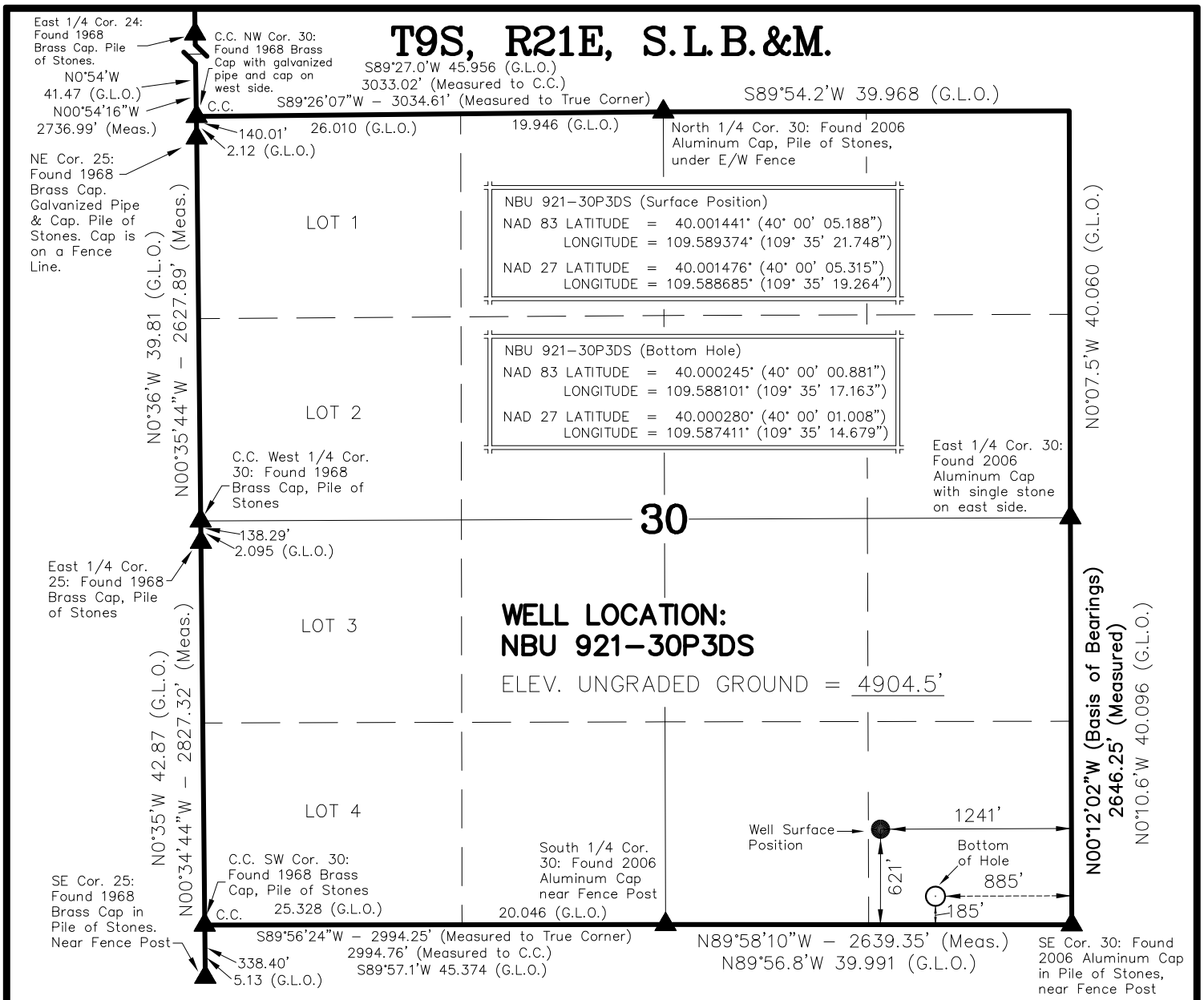
| | |
|---|---|
| ☑ **WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER** | ☑ **COMPLETE DRILLING PLAN** |
| ☐ **AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)** | ☐ **FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER** |
| ☑ **DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY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

| | | |
|---|---|---|
| **NAME** Danielle Piernot | **TITLE** Regulatory Analyst | **PHONE** 720 929-6156 |
| **SIGNATURE** | **DATE** 04/15/2010 | **EMAIL** gnbregulatory@anadarko.com |
| **API NUMBER ASSIGNED** 43047509540000 | **APPROVAL** Permit Manager | |

| Proposed Hole, Casing, and Cement | | | | | | |
|---|---|---|---|---|---|---|
| **String** | **Hole Size** | **Casing Size** | **Top (MD)** | **Bottom (MD)** | | |
| Prod | 7.875 | 4.5 | 0 | 10207 | | |
| **Pipe** | **Grade** | **Length** | **Weight** | | | |
| | Grade HCP-110 LT&C | 490 | 11.6 | | | |
| | Grade I-80 Buttress | 9717 | 11.6 | | | |
| | | | | | | |

| Proposed Hole, Casing, and Cement | | | | | | |
|---|---|---|---|---|---|---|
| **String** | **Hole Size** | **Casing Size** | **Top (MD)** | **Bottom (MD)** | | |
| Surf | 11 | 8.625 | 0 | 2480 | | |
| **Pipe** | **Grade** | **Length** | **Weight** | | | |
| | Grade I-80 LT&C | 2480 | 28.0 | | | |
| | | | | | | |

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




NOTES:

▲ = Section Corners Located

1. Well footages are measured at right angles to the Section Lines.
2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
3. The Bottom of hole bears S39°19'57"E 563.36' from the Surface Position.
4. Bearings are based on Global Positioning Satellite observations.
5. Basis of elevation is the Northwest Corner of Section 12, T9S, R20E, S.L.B.&M. The elevation of this Section Corner is shown on the Ouray SE 7.5 Min. Quadrangle as being 4676'.

N

1000' 500' 0' 1000'

SCALE

SURVEYOR'S CERTIFICATE

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

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

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

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

NBU 921-30P3DS
WELL PLAT
185' FSL, 885' FEL (Bottom Hole)
SE ¼ SE ¼ OF SECTION 30, T9S, R21E,
S.L.B.&M. UINTAH COUNTY, UTAH.

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

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

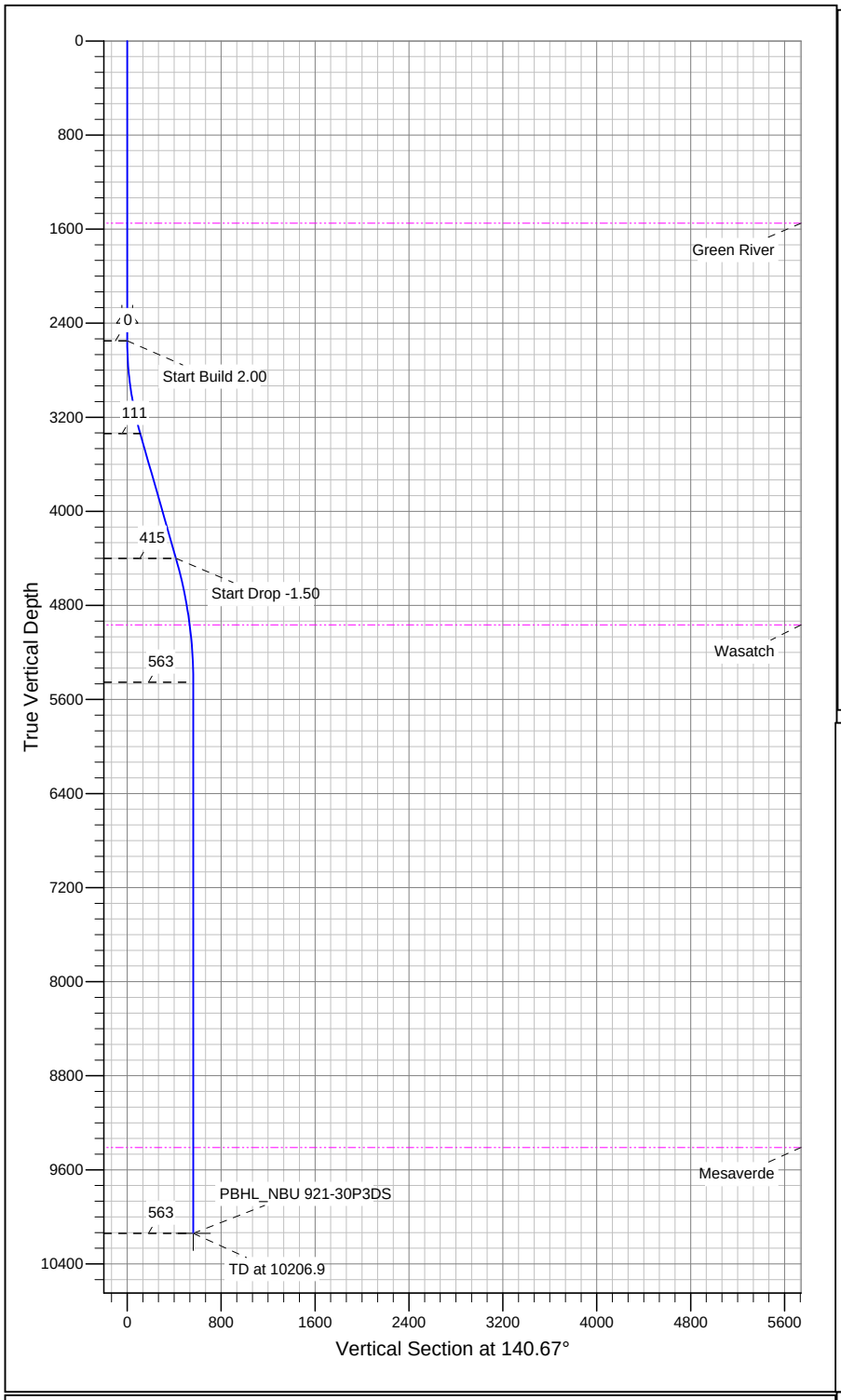
| | | |
|---|---|---|
| DATE SURVEYED: 12–17–08 | SURVEYED BY: M.S.B. | SHEET |
| DATE DRAWN: 01–20–09 | DRAWN BY: M.W.W. | 3 |
| SCALE: 1" = 1000' | Date Last Revised: 02–07–09 | OF 13 |

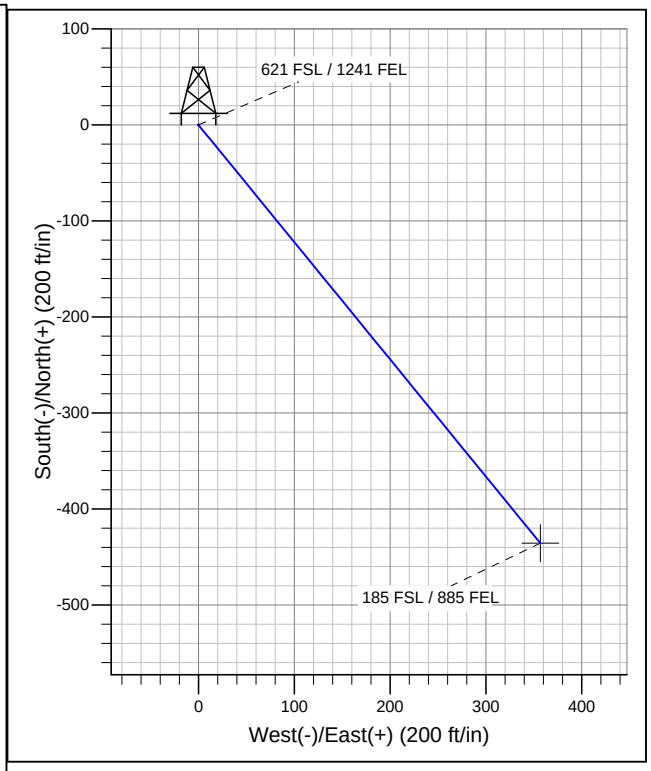
’APIWellNo:43047509540000’

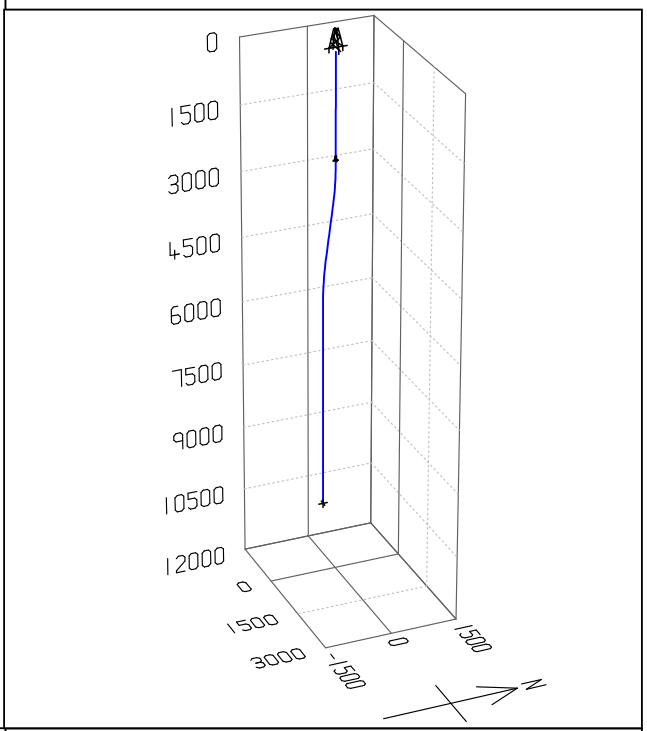
Anadarko Petroleum Corporation

Well Name: P_NBU 921-30P3DS
Surface Location: UINTAH_NBU 921-30P PAD
NAD 1927 (NADCON CONUS) Universal Transverse Mercator (US Survey Feet)
UTAH - UTM (feet), NAD27, Zone 12N
Ground Elevation: 4902.0

| Northing | Easting | Latitude | Longitude |
|---|---|---|---|
| 14529711.31 | 2035665.67 | 40.001476°N | 109.588685°W |

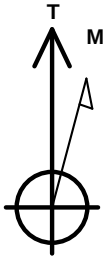



SECTION DETAILS

| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | DLeg | TFace | VSec |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 |
| 2 | 2550.0 | 0.00 | 0.00 | 2550.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 |
| 3 | 3350.0 | 16.00 | 140.67 | 3339.6 | -85.8 | 70.3 | 2.00 | 140.67 | 111.0 |
| 4 | 4453.4 | 16.00 | 140.67 | 4400.3 | -321.1 | 263.1 | 0.00 | 0.00 | 415.1 |
| 5 | 5520.1 | 0.00 | 0.00 | 5453.2 | -435.6 | 356.9 | 1.50 | 180.00 | 563.1 |
| 6 | 10206.9 | 0.00 | 0.00 | 10140.0 | -435.6 | 356.9 | 0.00 | 0.00 | 563.1 |




Azimuths to True North
Magnetic North: 11.37°

Magnetic Field
Strength: 52560.4snT
Dip Angle: 65.91°
Date: 4/15/2009
Model: IGRF200510

# ROCKIES - PLANNING

**UTAH - UTM (feet), NAD27, Zone 12N**
**UINTAH_NBU 921-30P PAD**
**P_NBU 921-30P3DS**
**P_NBU 921-30P3DS**

**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 921-30P3DS |
| **Company:** | ROCKIES - PLANNING | **TVD Reference:** | WELL @ 4902.0ft (Original Well Elev) |
| **Project:** | UTAH - UTM (feet), NAD27, Zone 12N | **MD Reference:** | WELL @ 4902.0ft (Original Well Elev) |
| **Site:** | UINTAH_NBU 921-30P PAD | **North Reference:** | True |
| **Well:** | P_NBU 921-30P3DS | **Survey Calculation Method:** | Minimum Curvature |
| **Wellbore:** | P_NBU 921-30P3DS | | |
| **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 921-30P PAD

| | | | | | |
|---|---|---|---|---|---|
| **Site Position:** | | **Northing:** | 14,529,720.34 ft | **Latitude:** | 40.001500°N |
| **From:** | Lat/Long | **Easting:** | 2,035,683.74 ft | **Longitude:** | 109.588620°W |
| **Position Uncertainty:** | 0.0 ft | **Slot Radius:** | " | **Grid Convergence:** | 0.91 ° |

**Well** P_NBU 921-30P3DS

| | | | | | | |
|---|---|---|---|---|---|---|
| **Well Position** | **+N/-S** | 0.0 ft | **Northing:** | 14,529,711.31 ft | **Latitude:** | 40.001476°N |
| | **+E/-W** | 0.0 ft | **Easting:** | 2,035,665.67 ft | **Longitude:** | 109.588685°W |
| **Position Uncertainty** | | 0.0 ft | **Wellhead Elevation:** | ft | **Ground Level:** | 4,902.0 ft |

**Wellbore** P_NBU 921-30P3DS

| **Magnetics** | **Model Name** | **Sample Date** | **Declination (°)** | **Dip Angle (°)** | **Field Strength (nT)** |
|---|---|---|---|---|---|
| | IGRF200510 | 4/15/2009 | 11.37 | 65.91 | 52,560 |

**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 (°)** |
|---|---|---|---|---|
| | 10,140.0 | 0.0 | 0.0 | 140.67 |

**Plan Sections**

| **Measured Depth (ft)** | **Inclination (°)** | **Azimuth (°)** | **Vertical Depth (ft)** | **+N/-S (ft)** | **+E/-W (ft)** | **Dogleg Rate (°/100ft)** | **Build Rate (°/100ft)** | **Turn Rate (°/100ft)** | **TFO (°)** | **Target** |
|---|---|---|---|---|---|---|---|---|---|---|
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,550.0 | 0.00 | 0.00 | 2,550.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,350.0 | 16.00 | 140.67 | 3,339.6 | -85.8 | 70.3 | 2.00 | 2.00 | 0.00 | 140.67 | |
| 4,453.4 | 16.00 | 140.67 | 4,400.3 | -321.1 | 263.1 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 5,520.1 | 0.00 | 0.00 | 5,453.2 | -435.6 | 356.9 | 1.50 | -1.50 | 0.00 | 180.00 | |
| 10,206.9 | 0.00 | 0.00 | 10,140.0 | -435.6 | 356.9 | 0.00 | 0.00 | 0.00 | 0.00 | PBHL_NBU 921-30 |

# APC

## Planning Report - Geographic

| | | | |
|---|---|---|---|
| **Database:** | apc_edmp | **Local Co-ordinate Reference:** | Well P_NBU 921-30P3DS |
| **Company:** | ROCKIES - PLANNING | **TVD Reference:** | WELL @ 4902.0ft (Original Well Elev) |
| **Project:** | UTAH - UTM (feet), NAD27, Zone 12N | **MD Reference:** | WELL @ 4902.0ft (Original Well Elev) |
| **Site:** | UINTAH_NBU 921-30P PAD | **North Reference:** | True |
| **Well:** | P_NBU 921-30P3DS | **Survey Calculation Method:** | Minimum Curvature |
| **Wellbore:** | P_NBU 921-30P3DS | | |
| **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 | 14,529,711.31 | 2,035,665.67 | 40.001476°N | 109.588685°W |
| 1,550.0 | 0.00 | 0.00 | 1,550.0 | 0.0 | 0.0 | 14,529,711.31 | 2,035,665.67 | 40.001476°N | 109.588685°W |
| **Green River** | | | | | | | | | |
| 2,400.0 | 0.00 | 0.00 | 2,400.0 | 0.0 | 0.0 | 14,529,711.31 | 2,035,665.67 | 40.001476°N | 109.588685°W |
| **Surface Casing** | | | | | | | | | |
| 2,550.0 | 0.00 | 0.00 | 2,550.0 | 0.0 | 0.0 | 14,529,711.31 | 2,035,665.67 | 40.001476°N | 109.588685°W |
| 3,350.0 | 16.00 | 140.67 | 3,339.6 | -85.8 | 70.3 | 14,529,626.59 | 2,035,737.35 | 40.001240°N | 109.588434°W |
| 4,453.4 | 16.00 | 140.67 | 4,400.3 | -321.1 | 263.1 | 14,529,394.40 | 2,035,933.81 | 40.000594°N | 109.587746°W |
| 5,031.6 | 7.33 | 140.67 | 4,966.0 | -411.4 | 337.1 | 14,529,305.25 | 2,036,009.23 | 40.000346°N | 109.587482°W |
| **Wasatch** | | | | | | | | | |
| 5,520.1 | 0.00 | 0.00 | 5,453.2 | -435.6 | 356.9 | 14,529,281.43 | 2,036,029.38 | 40.000280°N | 109.587411°W |
| 9,477.9 | 0.00 | 0.00 | 9,411.0 | -435.6 | 356.9 | 14,529,281.43 | 2,036,029.38 | 40.000280°N | 109.587411°W |
| **Mesaverde** | | | | | | | | | |
| 10,206.9 | 0.00 | 0.00 | 10,140.0 | -435.6 | 356.9 | 14,529,281.43 | 2,036,029.38 | 40.000280°N | 109.587411°W |

### Targets

| Target Name<br>- hit/miss target<br>- Shape | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (ft) | Easting (ft) | Latitude | Longitude |
|---|---|---|---|---|---|---|---|---|---|
| PBHL_NBU 921-30P3<br>- plan hits target center<br>- Point | 0.00 | 0.00 | 10,140.0 | -435.6 | 356.9 | 14,529,281.43 | 2,036,029.38 | 40.000280°N | 109.587411°W |

### Casing Points

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

### Formations

| Measured Depth (ft) | Vertical Depth (ft) | Name | Lithology | Dip (°) | Dip Direction (°) |
|---|---|---|---|---|---|
| 9,477.9 | 9,411.0 | Mesaverde | | 0.00 | |
| 5,031.6 | 4,966.0 | Wasatch | | 0.00 | |
| 1,550.0 | 1,550.0 | Green River | | 0.00 | |

# NBU 921-30P3DS

Surface: 621’ FSL 1,241’ FEL (SE/4SE/4)
BHL: 185’ FSL 885’ FEL (SE/4SE/4)
Sec. 30 T9S R21E

Uintah, Utah
Mineral Lease: UTU 0581
Surface Owner: Ute Indian Tribe
Operator: Kerr-McGee Oil & Gas Onshore LP

## ONSHORE ORDER NO. 1

## *DRILLING PROGRAM*

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

| Formation | Depth | Resource |
|---|---|---|
| Uinta | 0 – Surface | |
| Green River | 1,550’ | |
| Birds Nest | 1,828’ | Water |
| Mahogany | 2,332’ | Water |
| Wasatch | 4,966’ | Gas |
| Mesaverde | 7,909’ | Gas |
| MVU2 | 8,833’ | Gas |
| MVL1 | 9,411’ | Gas |
| TD | 10,140’ | |
| TVD | 10,207’ | |

**3. Pressure Control Equipment** (Schematic Attached)

*Please refer to the attached Drilling Program.*

**4. Proposed Casing & Cementing Program:**

*Please refer to the attached Drilling Program.*

**5. Drilling Fluids Program:**

*Please refer to the attached Drilling Program.*

**6. Evaluation Program:**

*Please refer to the attached Drilling Program.*

**7. Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 10,140' TVD, approximately equals 6,423 psi (calculated at 0.63 psi/foot).

Maximum anticipated surface pressure equals approximately 4,192 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**8. Anticipated Starting Dates:**

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

**9. Variances:**

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

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

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

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

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

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

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

*Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found*

*competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.*

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

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

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

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

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

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

*Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see*

*attachment) are located on the rig (1250 cfm) and on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.*

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

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

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

**10. Other Information:**

*Please refer to the attached Drilling Program.*

’APIWellNo:43047509540000’

# KERR-McGEE OIL & GAS ONSHORE LP

## DRILLING PROGRAM

| | | | |
|---|---|---|---|
| COMPANY NAME | KERR-McGEE OIL & GAS ONSHORE LP | DATE | February 22, 2010 |
| WELL NAME | **NBU 921-30P3DS** | TD | 10,140' TVD 10,207' MD |
| FIELD | Natural Buttes | COUNTY Uintah STATE Utah | FINISHED ELEVATION 4,902' |
| SURFACE LOCATION | SE/4 SE/4 621' FSL 1,241' FEL | Sec 30 T 9S R 21E | |
| | Latitude: 40.001441 | Longitude: -109.589374 | NAD 83 |
| BTM HOLE LOCATION | SE/4 SE/4 185' FSL 885' FEL | Sec 30 T 9S R 21E | |
| | Latitude: 40.000245 | Longitude: -109.588101 | NAD 83 |
| OBJECTIVE ZONE(S) | Wasatch/Mesaverde | | |
| ADDITIONAL INFO | Regulatory Agencies: BLM (Minerals), BLM (Surface), UDOGM Tri-County Health Dept. | | |

| GEOLOGICAL | | | MECHANICAL | | |
|---|---|---|---|---|---|
| LOGS | FORMATION TOPS | DEPTH | HOLE SIZE | CASING SIZE | MUD WEIGHT |
| | | 40' | 14" | | |
| | | | 11" | 8-5/8", 28#, IJ-55, LTC | Air mist |
| **All water flows encountered while drilling will be reported to the appropriate agencies.** | | | | | |
| | **Green River @** | **1,550'** | | | |
| | **Top of Birds Nest @** | **1,828** | | | |
| | **Mahogany @** | **2,332** | | | |
| | **Preset f/ GL @ 2,480' MD** | | | | |
| | Note: 11" surface hole will usually be drilled ±400' below the lost circulation zone (aka bird's nest). Drilled depth may be ±200' of the estimated set depth depending on the acutal depth of the loss zone. | | | | |
| | **Wasatch @** | **4,966'** | | | |
| Mud logging program TBD<br>Cased hole logging program from TD - surf csg | | | 7-7/8" | 4-1/2" 11.6#<br>I-80 & HCP-110<br>or equivalent BTC/LTC csg | Water / Fresh Water Mud 8.3-12.4 ppg |
| | **Mverde @** | **7,909' TVD** | | | |
| | **MVU2 @** | **8,833' TVD** | | | |
| | **MVU1 @** | **9,411' TVD** | | | |
| Max anticipated Mud required 12.4 ppg | **TD @** | **10,140' TVD**<br>**10,207' MD** | | | |

# KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

## CASING PROGRAM

| | SIZE | INTERVAL | | | WT. | GR. | CPLG. | DESIGN FACTORS BURST | COLLAPSE | TENSION |
|---|---|---|---|---|---|---|---|---|---|---|
| CONDUCTOR | 14" | 0-40' | | | | | | | | |
| | | | | | | | | 3,390 | 1,880 | 348,000 |
| SURFACE | 8-5/8" | 0 | to | 2,480' | 28.00 | IJ-55 | LTC | 0.78 | 1.62 | 4.96 |
| | | | | | | | | 7,780 | 6,350 | 278,000 |
| PRODUCTION | 4-1/2" | 0 | to | 9,717' | 11.60 | I-80 | BTC | 1.81 | 1.05 | 2.90 |
| | | | | | | | | 10,690 | 8,650 | 279,000 |
| | 4-1/2" | 9,717' | to | 10,207' | 11.60 | HCP-110 | LTC | 99.17 | 1.32 | 60.56 |
| | | 490' | of HCP-110 pipe | | | | | | | |

*Burst on suface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.17

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
(Burst Assumptions: TD = 12.4 ppg) 0.22 psi/ft = gradient for partially evac wellbore
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
**MASP 4,192 psi**

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
(Burst Assumptions: TD = 12.4 ppg) 0.63 psi/ft = bottomhole gradient
(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
**MABHP 6,423 psi**

## CEMENT PROGRAM

| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | YIELD |
|---|---|---|---|---|---|---|---|
| SURFACE | TAIL | 500' | Premium cmt + 2% CaCl | 180 | 60% | 15.80 | 1.15 |
| **Option 1** | | | + 0.25 pps flocele | | | | |
| | TOP OUT CMT (6 jobs) | 1,200' | 20 gals sodium silicate + Premium cmt | 270 | 0% | 15.80 | 1.15 |
| | | | + 2% CaCl + 0.25 pps flocele | | | | |
| SURFACE | | | **NOTE: If well will circulate water to surface, option 2 will be utilized** | | | | |
| **Option 2** | LEAD | 1,980' | 65/35 Poz + 6% Gel + 10 pps gilsonite | 180 | 35% | 11.00 | 3.82 |
| | | | + 0.25 pps Flocele + 3% salt BWOW | | | | |
| | TAIL | 500' | Premium cmt + 2% CaCl | 150 | 35% | 15.80 | 1.15 |
| | | | + 0.25 pps flocele | | | | |
| | TOP OUT CMT | as required | Premium cmt + 2% CaCl | as req. | | 15.80 | 1.15 |
| PRODUCTION | LEAD | 4,457' | Premium Lite II + 3% KCl + 0.25 pps | 360 | 40% | 11.00 | 3.38 |
| | | | celloflake + 5 pps gilsonite + 10% gel | | | | |
| | | | + 0.5% extender | | | | |
| | TAIL | 5,750' | 50/50 Poz/G + 10% salt + 2% gel | 1,410 | 40% | 14.30 | 1.31 |
| | | | + 0.1% R-3 | | | | |

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

## FLOAT EQUIPMENT & CENTRALIZERS

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

## ADDITIONAL INFORMATION

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

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

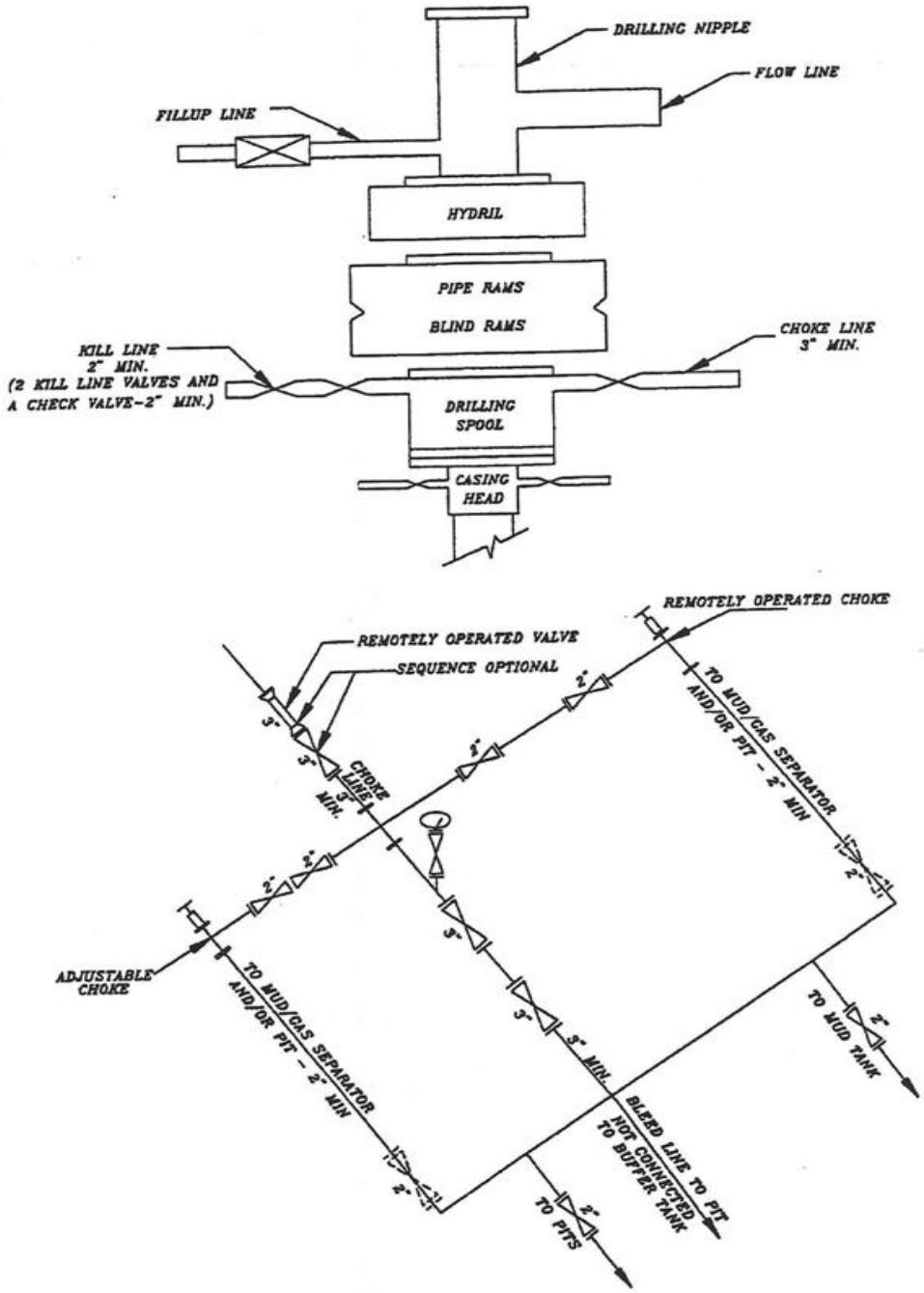
Surveys will be taken at 1,000' minimum intervals.

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

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

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

**EXHIBIT A**
**NBU 921-30P3DS**




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

# WELL PAD INTERFERENCE PLAT

## DIRECTIONAL PAD – NBU 921–30N1AS, NBU 921–30P2AS, NBU 921–30P3DS & NBU 921–30P2DS

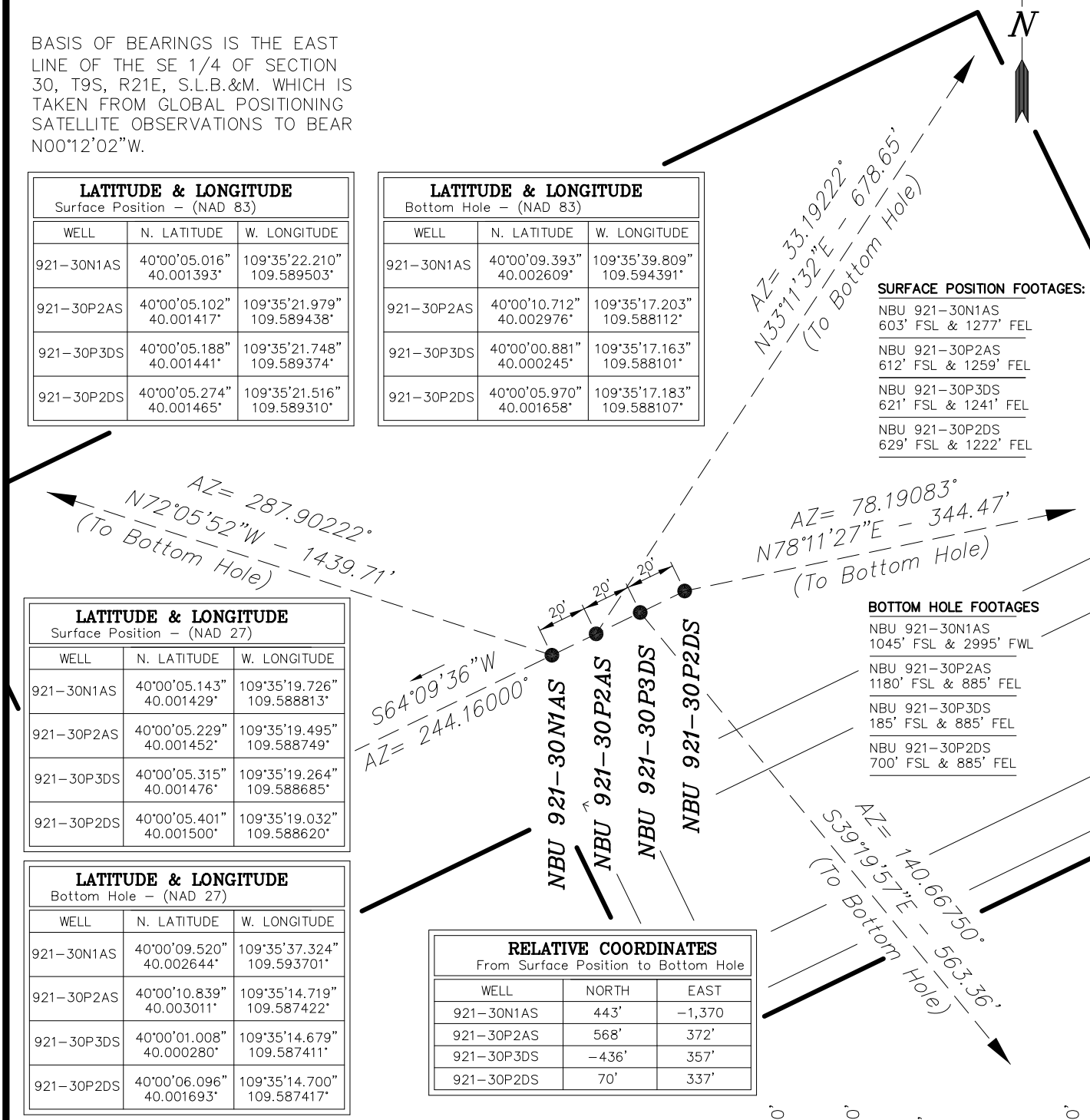
BASIS OF BEARINGS IS THE EAST LINE OF THE SE 1/4 OF SECTION 30, T9S, R21E, S.L.B.&M. WHICH IS TAKEN FROM GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR N00°12'02"W.

**LATITUDE & LONGITUDE**
Surface Position – (NAD 83)

| WELL | N. LATITUDE | W. LONGITUDE |
|---|---|---|
| 921–30N1AS | 40°00'05.016" 40.001393° | 109°35'22.210" 109.589503° |
| 921–30P2AS | 40°00'05.102" 40.001417° | 109°35'21.979" 109.589438° |
| 921–30P3DS | 40°00'05.188" 40.001441° | 109°35'21.748" 109.589374° |
| 921–30P2DS | 40°00'05.274" 40.001465° | 109°35'21.516" 109.589310° |

**LATITUDE & LONGITUDE**
Bottom Hole – (NAD 83)

| WELL | N. LATITUDE | W. LONGITUDE |
|---|---|---|
| 921–30N1AS | 40°00'09.393" 40.002609° | 109°35'39.809" 109.594391° |
| 921–30P2AS | 40°00'10.712" 40.002976° | 109°35'17.203" 109.588112° |
| 921–30P3DS | 40°00'00.881" 40.000245° | 109°35'17.163" 109.588101° |
| 921–30P2DS | 40°00'05.970" 40.001658° | 109°35'17.183" 109.588107° |




**SURFACE POSITION FOOTAGES:**

NBU 921–30N1AS
603' FSL & 1277' FEL

NBU 921–30P2AS
612' FSL & 1259' FEL

NBU 921–30P3DS
621' FSL & 1241' FEL

NBU 921–30P2DS
629' FSL & 1222' FEL

**BOTTOM HOLE FOOTAGES**

NBU 921–30N1AS
1045' FSL & 2995' FWL

NBU 921–30P2AS
1180' FSL & 885' FEL

NBU 921–30P3DS
185' FSL & 885' FEL

NBU 921–30P2DS
700' FSL & 885' FEL

**LATITUDE & LONGITUDE**
Surface Position – (NAD 27)

| WELL | N. LATITUDE | W. LONGITUDE |
|---|---|---|
| 921–30N1AS | 40°00'05.143" 40.001429° | 109°35'19.726" 109.588813° |
| 921–30P2AS | 40°00'05.229" 40.001452° | 109°35'19.495" 109.588749° |
| 921–30P3DS | 40°00'05.315" 40.001476° | 109°35'19.264" 109.588685° |
| 921–30P2DS | 40°00'05.401" 40.001500° | 109°35'19.032" 109.588620° |

**LATITUDE & LONGITUDE**
Bottom Hole – (NAD 27)

| WELL | N. LATITUDE | W. LONGITUDE |
|---|---|---|
| 921–30N1AS | 40°00'09.520" 40.002644° | 109°35'37.324" 109.593701° |
| 921–30P2AS | 40°00'10.839" 40.003011° | 109°35'14.719" 109.587422° |
| 921–30P3DS | 40°00'01.008" 40.000280° | 109°35'14.679" 109.587411° |
| 921–30P2DS | 40°00'06.096" 40.001693° | 109°35'14.700" 109.587417° |

**RELATIVE COORDINATES**
From Surface Position to Bottom Hole

| WELL | NORTH | EAST |
|---|---|---|
| 921–30N1AS | 443' | –1,370 |
| 921–30P2AS | 568' | 372' |
| 921–30P3DS | –436' | 357' |
| 921–30P2DS | 70' | 337' |

60' 30' 0' 60'
SCALE

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

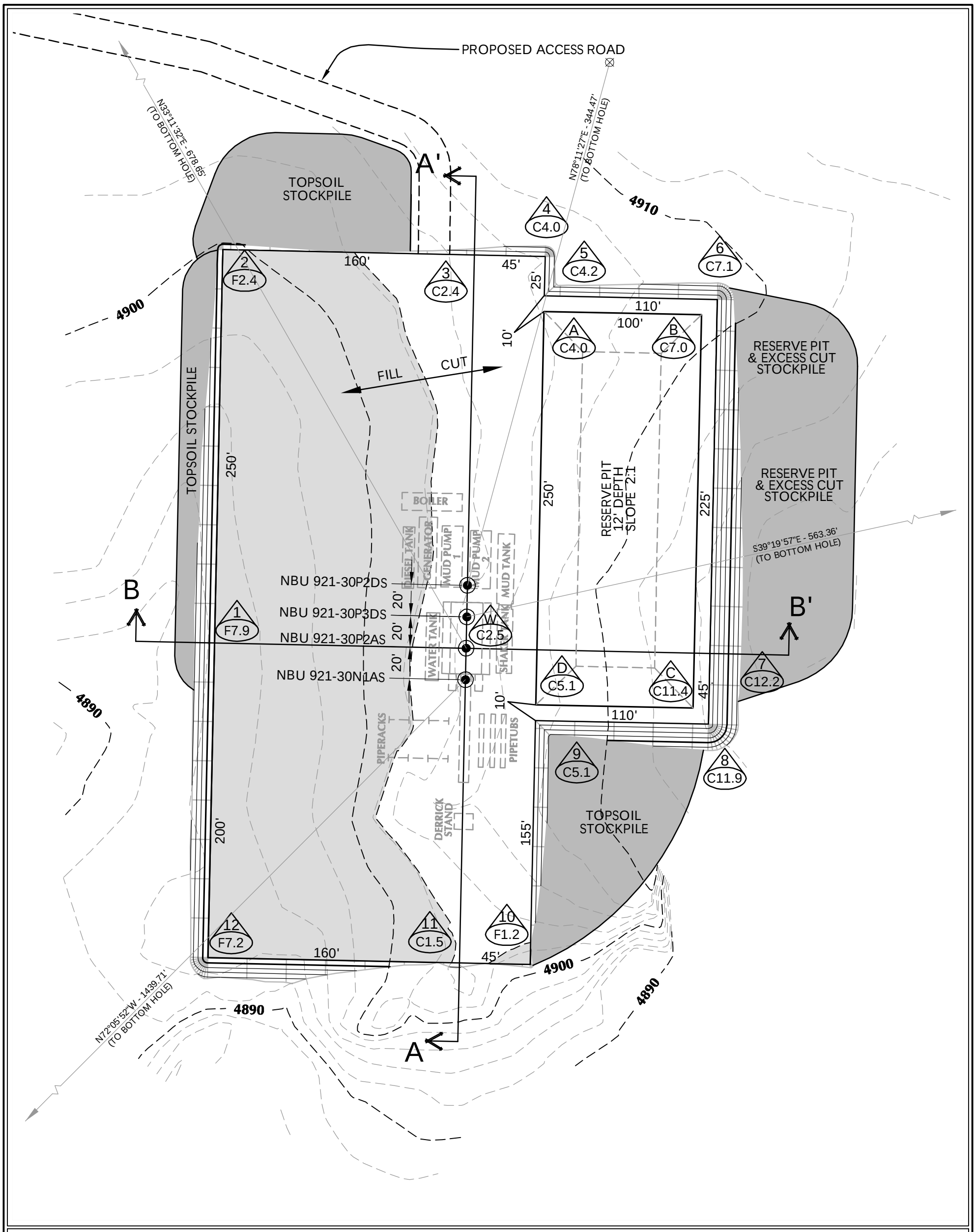
NBU 921-30N1AS, NBU 921-30P2AS, NBU 921-30P3DS & NBU 921-30P2DS
LOCATED IN SECTION 30, T9S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

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

| | |
|---|---|
| DATE SURVEYED: 12-17-08 | SURVEYED BY: M.S.B. |
| DATE DRAWN: 01-27-09 | DRAWN BY: M.W.W. |
| | REVISED: 02-07-09 |

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

SHEET 5 OF 13




## WELL PAD NBU 921-30P QUANTITIES

EXISTING GRADE @ CENTER OF WELL PAD = 4904.4'
FINISHED GRADE ELEVATION = 4902.2'
**CUT SLOPES = 1.5:1**
**FILL SLOPES = 1.5:1**

TOTAL CUT FOR WELL PAD = 11,983 C.Y.
TOTAL FILL FOR WELL PAD = 11,466 C.Y.
TOPSOIL @ 6" DEPTH = 2,453 C.Y.
EXCESS MATERIAL = 517 C.Y.
TOTAL DISTURBANCE = 3.15 ACRES
SHRINKAGE FACTOR = 1.10
SWELL FACTOR = 1.00
RESERVE PIT CAPACITY (2' OF FREEBOARD)
+/- 28,730 BARRELS
RESERVE PIT VOLUME
+/- 7,720 CY

## WELL PAD LEGEND

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

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

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

WELL PAD - LOCATION LAYOUT
NBU 921-30N1AS, NBU 921-30P2AS,
NBU 921-30P3DS & NBU 921-30P2DS
LOCATED IN SECTION 30, T.9S., R.21E.
S.L.B.&M., UINTAH COUNTY, UTAH

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

| Scale: 1"=60' | Date: 3/17/09 | SHEET NO: 6 |
|---|---|---|
| REVISED: | RAW 7/31/09 | 6 OF 13 |

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

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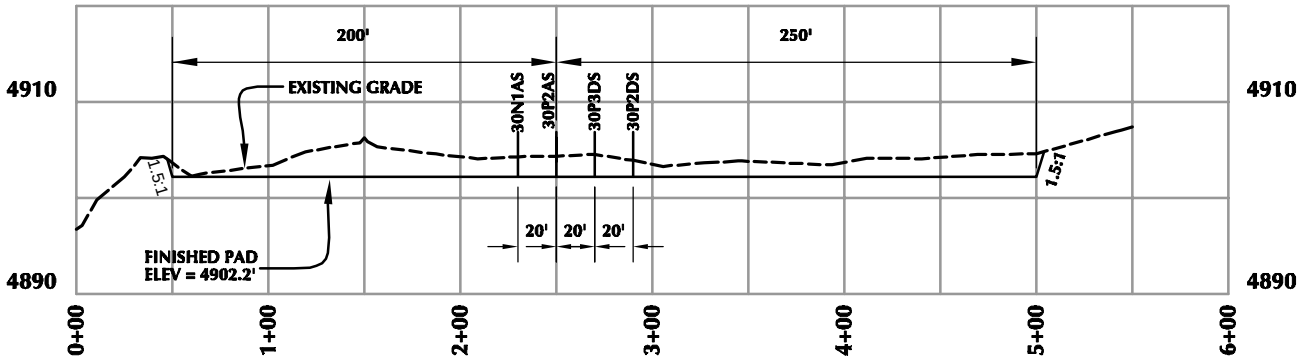
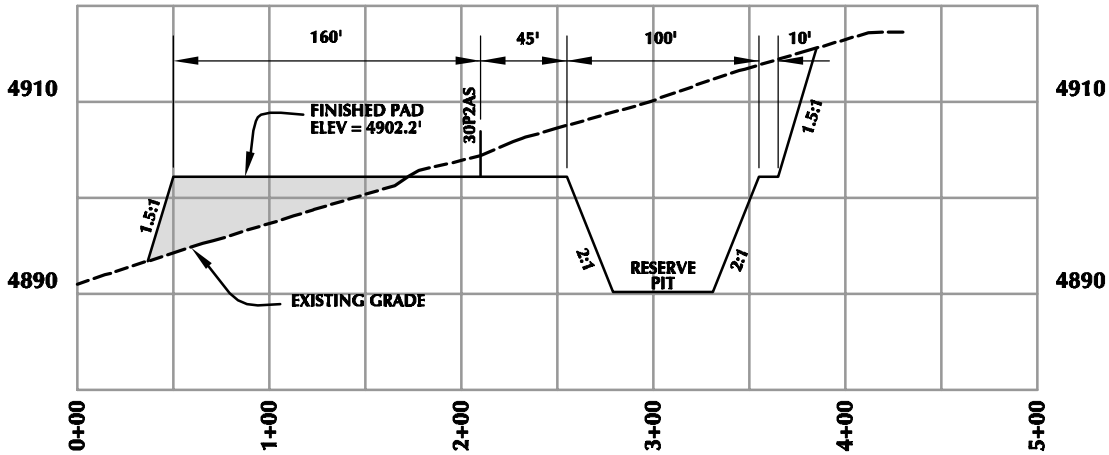



## CROSS SECTION A-A'




## CROSS SECTION B-B'

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

**WELL PAD - CROSS SECTIONS**
**NBU 921-30N1AS, NBU 921-30P2AS, NBU 921-30P3DS & NBU 921-30P2DS**
**LOCATED IN SECTION 30, T.9S., R.21E.**
**S.L.B.&M., UINTAH COUNTY, UTAH**

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

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

| | | | |
|---|---|---|---|
| Scale: 1"=100' | Date: 3/17/09 | SHEET NO: 7 | 7 OF 13 |
| REVISED: | RAW 7/31/09 | | |

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

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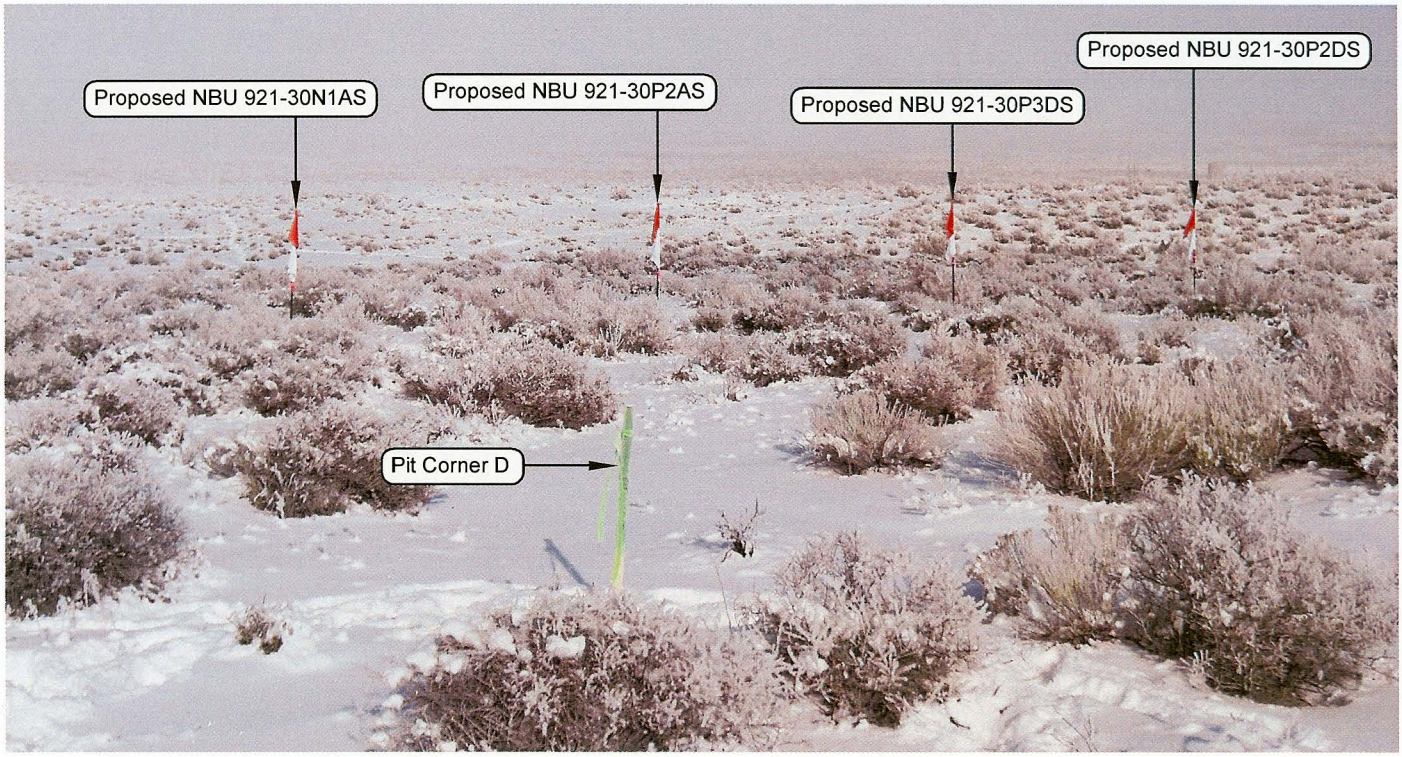



PHOTO VIEW: FROM CORNER D TO LOCATION STAKES

CAMERA ANGLE: NORTHERLY

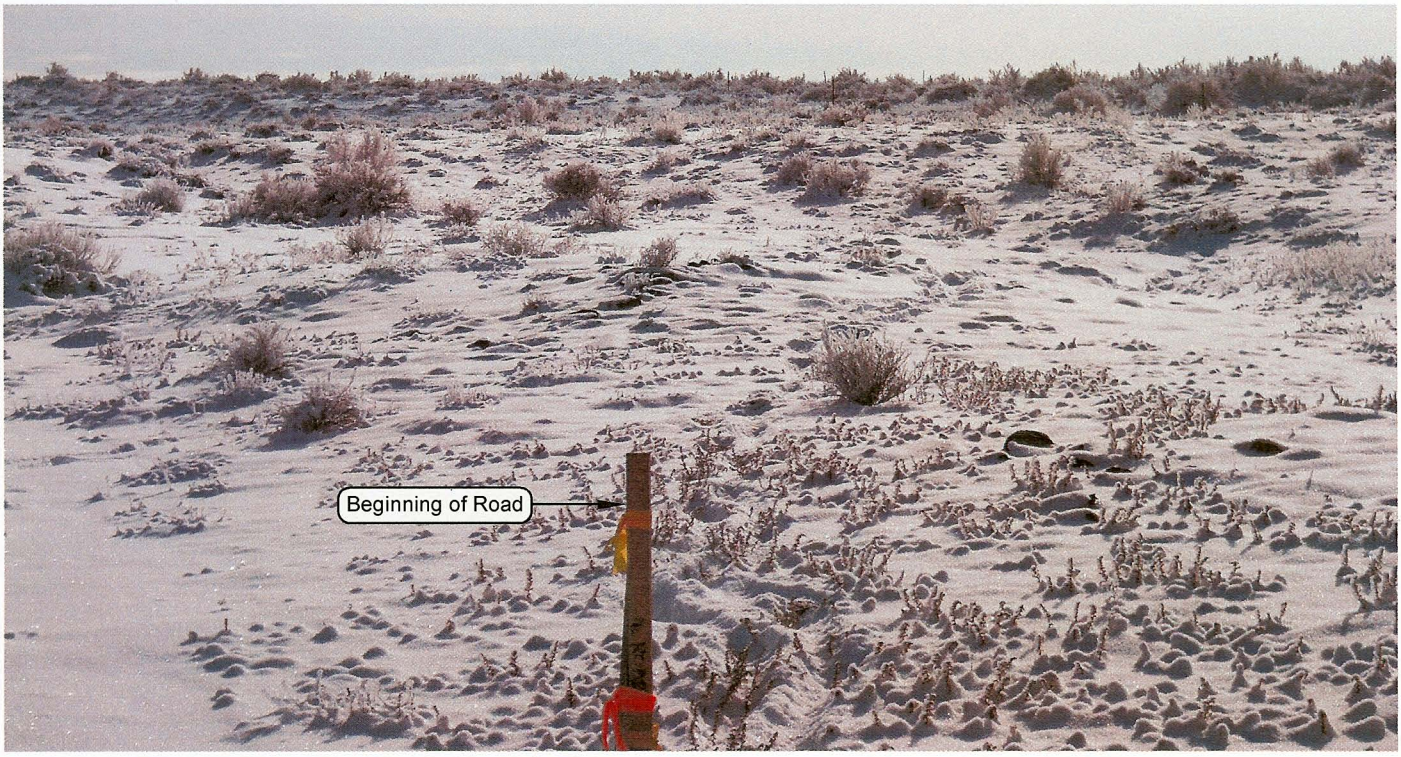



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHERLY

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

NBU 921-30N1AS, NBU 921-30P2AS, NBU 921-30P3DS & NBU 921-30P2DS LOCATED IN SECTION 30, T9S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.

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

| LOCATION PHOTOS | | DATE TAKEN: 12-17-08 |
|---|---|---|
| | | DATE DRAWN: 01-27-09 |
| TAKEN BY: M.S.B. | DRAWN BY: M.W.W. | REVISED: 02-07-09 |

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

**Kerr-McGee Oil & Gas Onshore, LP**
**NBU 921-30N1AS, NBU 921-30P2AS, NBU 921-30P3DS, & NBU 921-30P2DS**
**Section 30, T9S, R21E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 5.3 MILES TO THE INTERSECTION OF AN EXISTING ROAD TO THE EAST. EXIT LEFT AND PROCEED IN A NORTHEASTERLY THEN SOUTHEASTERLY DIRECTION ALONG THE EXISTING ROAD APPROXIMATELY 5.8 MILES TO A SERVICE ROAD RUNNING SOUTHWESTERLY. EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 0.4 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 890 FEET TO THE PROPOSED WELL LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 42.4 MILES IN A SOUTHERLY DIRECTION.

**NBU 921-30N1AS**
Surface: 603' FSL 1,277' FEL (SE/4SE/4)
BHL: 1,045' FSL 2,995' FWL (SE/4SW/4)

**NBU 921-30P2AS**
Surface: 612' FSL 1,259' FEL (SE/4SE/4)
BHL: 1,180' FSL 885' FEL (SE/4SE/4)

**NBU 921-30P2DS**
Surface: 629' FSL 1,222' FEL (SE/4SE/4)
BHL: 700' FSL 885' FEL (SE/4SE/4)

**NBU 921-30P3DS**
Surface: 621' FSL 1,241' FEL (SE/4SE/4)
BHL: 185' FSL 885' FEL (SE/4SE/4)

Pad: NBU 921-30P
Sec. 30 T9S R21E

Uintah, Utah
Mineral Lease: UTU 0581
Operator: Kerr-McGee Oil & Gas Onshore LP

## ONSHORE ORDER NO. 1

## *MULTI-POINT SURFACE USE & OPERATIONS PLAN SUBMITTED WITH SITE-SPECIFIC INFORMATION*

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) documents. An NOS was submitted on May 11, 2009 showing the surface locations in SE/4 SE/4 of Section 30 T9S R21E.

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

An on-site meeting was held on May 27, 2009. Present were:

- Verlyn Pindell, Dave Gordon, Scott Ackerman – BLM;
- Kolby Kay – 609 Consulting, LLC;
- Tony Kazeck, Raleen White, 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 ±890' (±0.2 miles) of new access road is proposed. Please refer to the attached Topo Map B. No pipelines will be crossed with the new construction.

***Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site and are typically shown on the attached Exhibits and Topo maps.***

**C. 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 3,310' (±0.6 miles) of buried 6" pipeline is proposed from the tie-in point to the edge of the pad**.** Another approximately ±660' (±0.08 miles) of buried 6" pipeline is proposed around the pad. Please refer to Topo D for 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.

At the onsite meeting Kerr-McGee agreed to the following:

- 4-6" of Topsoil
- Square well location from Corner 13 to Corner10
- Push topsoil pile over

**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 the following sources:

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

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

**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:**

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

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

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

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

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

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

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

Danielle Piernot
Danielle Piernot

February 22, 2010
Date

'APIWellNo:43047509540000'

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

January 26, 2010

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

RE: Directional Drilling Letter R649-3-11
NBU 921-30P3DS
T9S-R21E
Section 30: SE/4SE/4 surface and bottom hole
621' FSL, 1241' FEL (surface)
185' FSL, 885' FEL (bottom hole)
Uintah County, Utah

Dear Ms. 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 herby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Directional Drilling of Wells.

- Kerr-McGee's NBU 921-30P3DS is located within the Natural Buttes Unit Area.
- Kerr-McGee is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Kerr-McGee will be able to utilize the existing road and pipelines in the area.
- Furthermore, Kerr-McGee certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

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

Sincerely,

KERR-MCGEE OIL & GAS ONSHORE LP

Joe Matney
Senior Staff Landman

'APIWellNo:43047509540000'

’APIWellNo:43047509540000’

# CLASS I REVIEW OF KERR-MCGEE OIL & GAS ONSHORE LP’S 50 PROPOSED WELL LOCATIONS IN T9S, R21E SECS. 19, 20, 21, 23, 28, 29 AND 30 UINTAH COUNTY, UTAH

By:

Jacki A. Montgomery

Prepared For:

Ute Tribal Land
Uintah and Ouray Agency

Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:

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

Prepared By:

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

MOAC Report No. 09-11

February 23, 2009

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

Public Lands Policy Coordination Office
Archaeological Survey Permit No. 117

Ute Tribal Permit No. A08-363

’APIWellNo:43047509540000’

**IPC #09-41**

# Paleontological Reconnaissance Survey Report

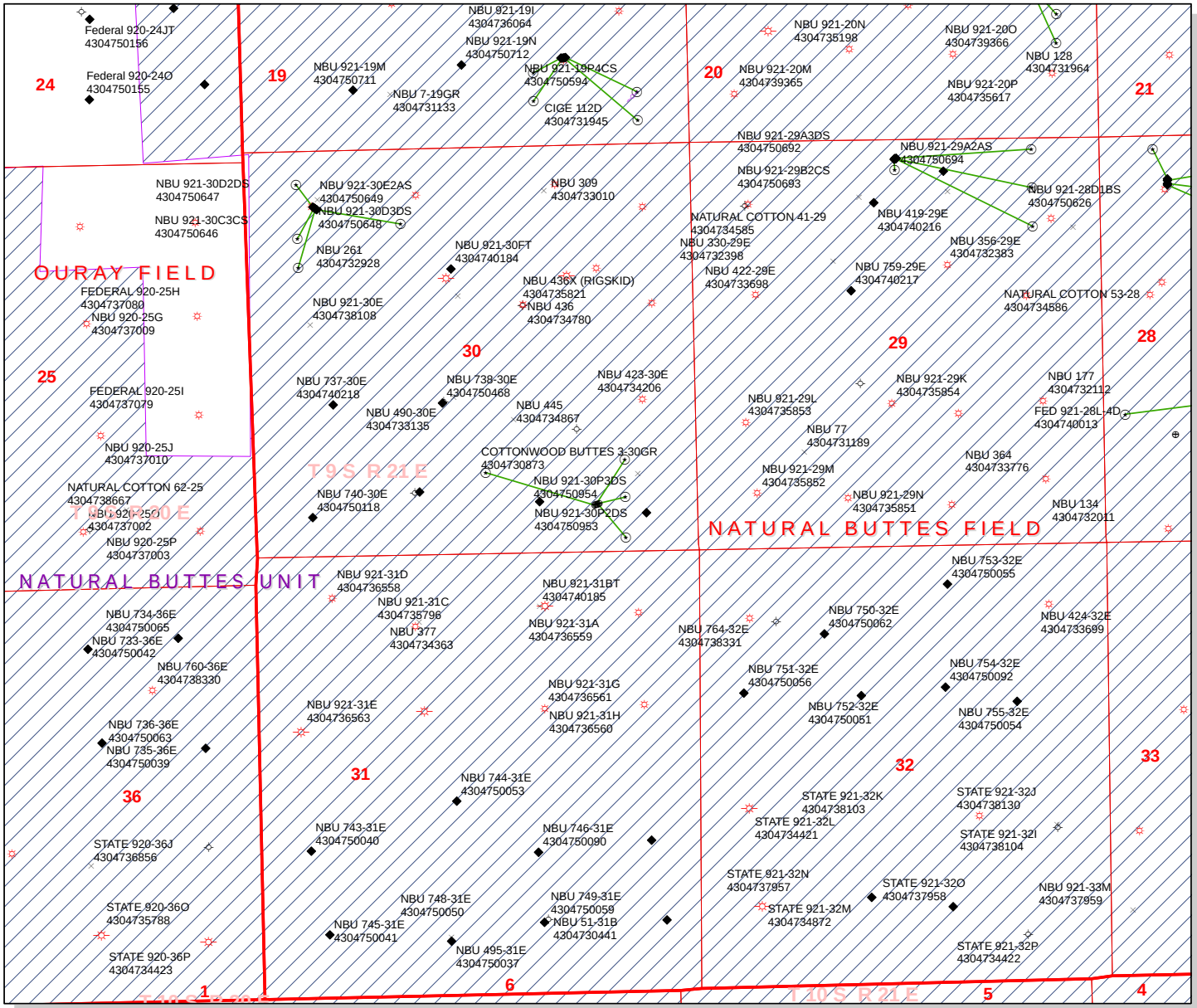
**Survey of Kerr McGee’s Proposed Multi-Well Pads, Access Roads, Pipelines and Pipeline Upgrades for “NBU #921-28C4CS, C4BS, C1CS & D1BS, #921-28K, L1CS, L1BS & M1CS, #921-30N1AS, P2AS, P3DS & P2DS, & NBU #921-30C3BS, E2AS D3DS & D2AS” (Sec. 28-30, T 9 S, R 21 E)**

Ouray SE
Topographic Quadrangle
Uintah County, Utah

March 26, 2009

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

’APIWellNo:4304750954000’




**API Number: 4304750954**

**Well Name: NBU 921-30P3DS**

**Township 09.0 S Range 21.0 E Section 30**

**Meridian: SLBM**

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

Map Prepared:
Map Produced by Diana Mason

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

1,700 850 0 1,700 Feet

1:15,787

# 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)**

March 8, 2010

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2010 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 2010 within the Natural Buttes Unit, Uintah County, Utah.

| API # | WELL NAME | LOCATION |
|---|---|---|
| 43-047-50951 | NBU 921-30N1AS | Sec 30 T09S R21E 0603 FSL 1277 FEL<br>BHL Sec 30 T09S R21E 1045 FSL 2995 FWL |
| 43-047-50953 | NBU 921-30P2DS | Sec 30 T09S R21E 0629 FSL 1222 FEL<br>BHL Sec 30 T09S R21E 0700 FSL 0885 FEL |
| 43-047-50954 | NBU 921-30P3DS | Sec 30 T09S R21E 0621 FSL 1241 FEL<br>BHL Sec 30 T09S R21E 0185 FSL 0885 FEL |

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:3-8-10

# WORKSHEET
# APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 2/24/2010 **API NO. ASSIGNED:** 43047509540000
**WELL NAME:** NBU 921-30P3DS
**OPERATOR:** KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) **PHONE NUMBER:** 720 929-6156
**CONTACT:** Danielle Piernot

**PROPOSED LOCATION:** SESE 30 090S 210E **Permit Tech Review:** ✔

**SURFACE:** 0621 FSL 1241 FEL **Engineering Review:** ✔

**BOTTOM:** 0185 FSL 0885 FEL **Geology Review:** ✔

**COUNTY:** UINTAH
**LATITUDE:** 40.00148 **LONGITUDE:** -109.58859
**UTM SURF EASTINGS:** 620480.00 **NORTHINGS:** 4428665.00
**FIELD NAME:** NATURAL BUTTES
**LEASE TYPE:** 1 - Federal
**LEASE NUMBER:** UTU 0581 **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 & Uncommitted 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 921-30P3DS
**API Well Number:** 43047509540000
**Lease Number:** UTU 0581
**Surface Owner:** FEDERAL
**Approval Date:** 4/15/2010

**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

**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:**

API Well No: 43047509540000

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 0581

## SUNDRY NOTICES AND REPORTS ON WELLS

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

**6. IF INDIAN, ALLOTTEE OR TRIBE NAME:**

**7.UNIT or CA AGREEMENT NAME:** NATURAL BUTTES

**1. TYPE OF WELL** Gas Well

**8. WELL NAME and NUMBER:** NBU 921-30P3DS

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

**9. API NUMBER:** 43047509540000

**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:** 0621 FSL 1241 FEL
**QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:** Qtr/Qtr: SESE Section: 30 Township: 09.0S Range: 21.0E Meridian: S

**COUNTY:** UINTAH

**STATE:** UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ✓ NOTICE OF INTENT<br>Approximate date work will start: 4/14/2011 | ☐ ACIDIZE | ☐ ALTER CASING | ☐ CASING REPAIR |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ CHANGE TUBING | ☐ CHANGE WELL NAME |
| | ☐ CHANGE WELL STATUS | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ CONVERT WELL TYPE |
| ☐ SUBSEQUENT REPORT<br>Date of Work Completion: | ☐ DEEPEN | ☐ FRACTURE TREAT | ☐ NEW CONSTRUCTION |
| | ☐ OPERATOR CHANGE | ☐ PLUG AND ABANDON | ☐ PLUG BACK |
| | ☐ PRODUCTION START OR RESUME | ☐ RECLAMATION OF WELL SITE | ☐ RECOMPLETE DIFFERENT FORMATION |
| ☐ SPUD REPORT<br>Date of Spud: | ☐ REPERFORATE CURRENT FORMATION | ☐ SIDETRACK TO REPAIR WELL | ☐ TEMPORARY ABANDON |
| | ☐ TUBING REPAIR | ☐ VENT OR FLARE | ☐ WATER DISPOSAL |
| ☐ DRILLING REPORT<br>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:** 04/14/2011

**By:** [signature]

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

| SIGNATURE | DATE |
|---|---|
| N/A | 4/7/2011 |

**RECEIVED** Apr. 07, 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 43047509540000

**API:** 43047509540000
**Well Name:** NBU 921-30P3DS
**Location:** 0621 FSL 1241 FEL QTR SESE SEC 30 TWNP 090S RNG 210E MER S
**Company Permit Issued to:** KERR-MCGEE OIL & GAS ONSHORE, L.P.
**Date Original Permit Issued:** 4/14/2010

**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:** Andy Lytle **Date:** 4/7/2011
**Title:** Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED Apr. 07, 2011

# 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:** UTU 0581

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**7.UNIT or CA AGREEMENT NAME:** NATURAL BUTTES

**1. TYPE OF WELL** Gas Well

**8. WELL NAME and NUMBER:** NBU 921-30P3DS

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

**9. API NUMBER:** 43047509540000

**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:** 0621 FSL 1241 FEL
**QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:** Qtr/Qtr: SESE Section: 30 Township: 09.0S Range: 21.0E Meridian: S

**COUNTY:** UINTAH

**STATE:** UTAH

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ✓ NOTICE OF INTENT<br>Approximate date work will start: 4/14/2012 | ☐ ACIDIZE | ☐ ALTER CASING | ☐ CASING REPAIR |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ CHANGE TUBING | ☐ CHANGE WELL NAME |
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| | ☐ TUBING REPAIR | ☐ VENT OR FLARE | ☐ WATER DISPOSAL |
| ☐ DRILLING REPORT<br>Report Date: | ☐ WATER SHUTOFF | ☐ SI TA STATUS EXTENSION | ✓ APD EXTENSION |
| | ☐ WILDCAT WELL DETERMINATION | ☐ OTHER | OTHER: |

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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:** March 26, 2012

**By:**

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

| SIGNATURE | DATE |
|---|---|
| N/A | 3/20/2012 |

RECEIVED: Mar. 20, 2012

## The Utah Division of Oil, Gas, and Mining

**- State of Utah**
**- Department of Natural Resources**

**Electronic Permitting System - Sundry Notices**

## Request for Permit Extension Validation Well Number 43047509540000

**API:** 43047509540000
**Well Name:** NBU 921-30P3DS
**Location:** 0621 FSL 1241 FEL QTR SESE SEC 30 TWNP 090S RNG 210E MER S
**Company Permit Issued to:** KERR-MCGEE OIL & GAS ONSHORE, L.P.
**Date Original Permit Issued:** 4/14/2010

**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.**

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

**Signature:** Danielle Piernot **Date:** 3/20/2012
**Title:** Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Mar. 20, 2012

# 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

TAKE PRIDE® IN AMERICA

MAY 1 4 2012

IN REPLY REFER TO:
3160 (UTG011)

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

43 047 50954

Re: Request to Return APD
Well No. NBU 921-30P3DS
SESE, Sec. 30, T9S, R21E
Uintah County, Utah
Lease No. UTU-0581
Natural Buttes Unit

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on February 22, 2010, is being returned unapproved per a request to this office in an email message from you received on April 23, 2012. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM

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

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*

March 21, 2013

Luke Urban
Kerr McGee Oil & Gas Onshore, L.P.
P.O. Box 173779
Denver, CO 80217

Re: APDs Rescinded for Kerr McGee Oil & Gas Onshore, L.P.
Uintah County

Dear Mr. Urban:

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 March 21, 2013.

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

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

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

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

UTAH DNR
OIL, GAS & MINING

| | |
|---|---|
| 43-047-50951 | NBU 921-30N1AS |
| 43-047-50952 | NBU 921-30P2AS |
| 43-047-50953 | NBU 921-30P2DS |
| 43-047-50954 | NBU 921-30P3DS |
| 43-047-50982 | NBU 921-28K3BS |
| 43-047-50983 | NBU 921-28L3BS |
| 43-047-50984 | NBU 921-28N1DS |
| 43-047-50985 | NBU 921-28N2CS |

## Kerr-McGee APDs to Rescind

**Urban, Luke** <Luke.Urban@anadarko.com> Thu, Mar 21, 2013 at 10:54 AM
To: Diana Mason <dianawhitney@utah.gov>

Good Morning Diana,

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

| Well Name | API Number |
|---|---|
| NBU 921-30N1AS | 4304750951 |
| NBU 921-30P2AS | 4304750952 |
| NBU 921-30P2DS | 4304750953 |
| NBU 921-30P3DS | 4304750954 |
| NBU 921-28K3BS | 4304750982 |
| NBU 921-28L3BS | 4304750983 |
| NBU 921-28N1DS | 4304750984 |
| NBU 921-28N2CS | 4304750985 |

Thank You,


**Luke Urban**

Regulatory Specialist

Anadarko Petroleum Corporation

Office: (720) 929-6501 Fax: (720) 929-7501

luke.urban@anadarko.com



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