

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 921-12L	
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT NATURAL BUTTES	
4. TYPE OF WELL Gas Well 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 01193			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')	
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')	
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') Ute Tribe			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN	
LOCATION AT SURFACE	2051 FSL 761 FWL	NWSW	12	9.0 S	21.0 E	S	
Top of Uppermost Producing Zone	2051 FSL 761 FWL	NWSW	12	9.0 S	21.0 E	S	
At Total Depth	2051 FSL 761 FWL	NWSW	12	9.0 S	21.0 E	S	
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 761			23. NUMBER OF ACRES IN DRILLING UNIT 1920	
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1200			26. PROPOSED DEPTH MD: 10170 TVD: 10170	
27. ELEVATION - GROUND LEVEL 4851			28. BOND NUMBER			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Permit #43-8496	
ATTACHMENTS							
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORCANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES							
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER				<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)				<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)				<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
NAME Danielle Piernot			TITLE Regulatory Analyst			PHONE 720 929-6156	
SIGNATURE			DATE 04/20/2010			EMAIL gnbregulatory@anadarko.com	
API NUMBER ASSIGNED 43047510270000			APPROVAL  Permit Manager				

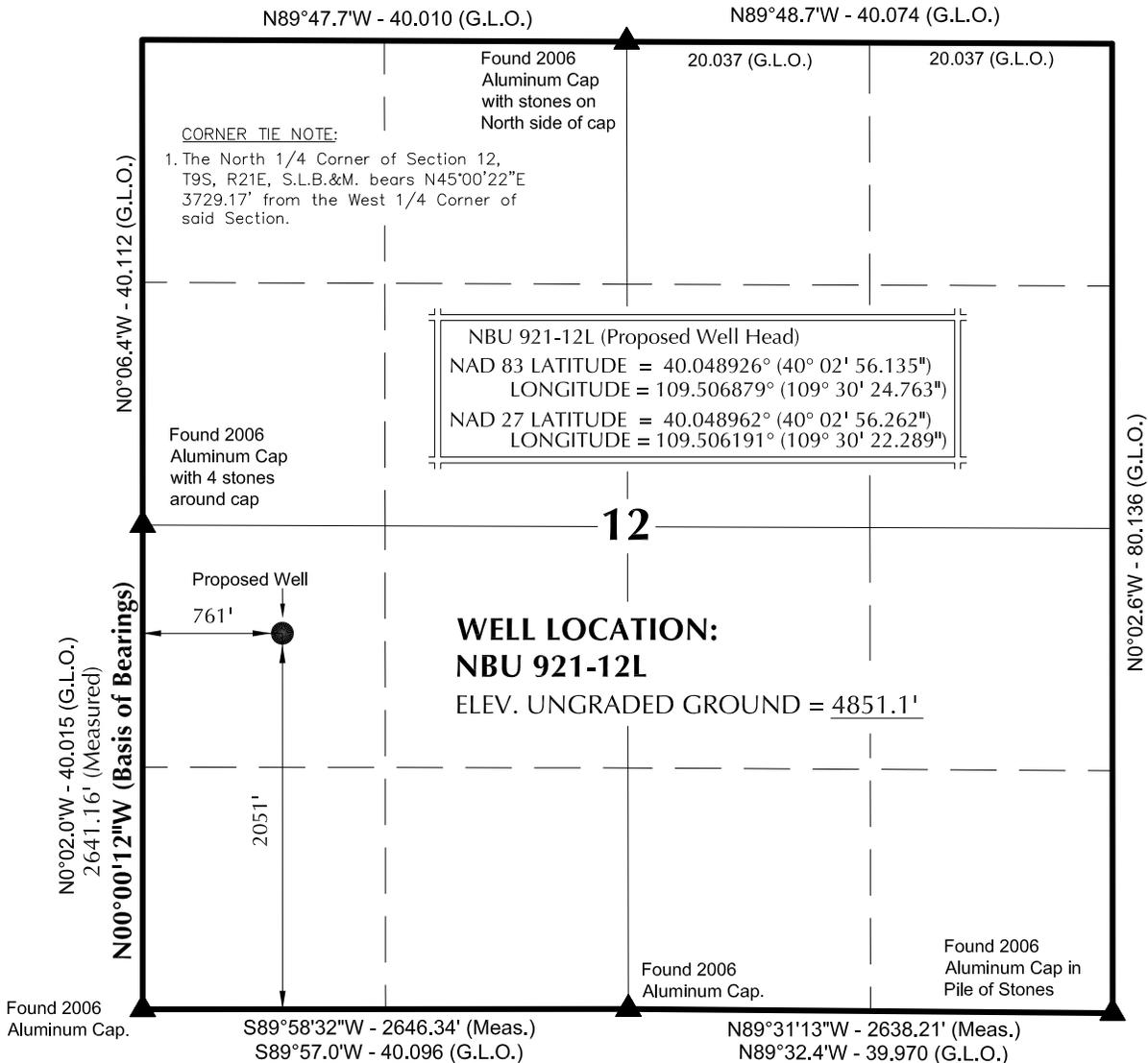
Proposed Hole, Casing, and Cement

String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	7.875	4.5	0	10170		
Pipe	Grade	Length	Weight			
	Grade HCP-110 LT&C	570	11.6			
	Grade I-80 Buttress	9600	11.6			

Proposed Hole, Casing, and Cement

String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	11	8.625	0	2890		
Pipe	Grade	Length	Weight			
	Grade I-80 LT&C	2890	28.0			

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



CORNER TIE NOTE:

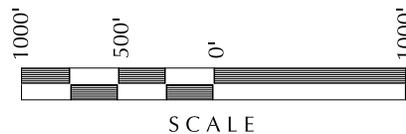
1. The North 1/4 Corner of Section 12, T9S, R21E, S.L.B.&M. bears N45°00'22\"E 3729.17' from the West 1/4 Corner of said Section.

NBU 921-12L (Proposed Well Head)
 NAD 83 LATITUDE = 40.048926° (40° 02' 56.135")
 LONGITUDE = 109.506879° (109° 30' 24.763")
 NAD 27 LATITUDE = 40.048962° (40° 02' 56.262")
 LONGITUDE = 109.506191° (109° 30' 22.289")

WELL LOCATION:
NBU 921-12L
 ELEV. UNGRADED GROUND = 4851.1'

NOTES:

- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
- 3. Bearings are based on Global Positioning Satellite observations.
- 4. Basis of elevation is Tri-Sta "Two Water" located in the NW 1/4 of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack Mtn NE 7.5 Min. Quadrangle as being 5238'.



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.

Robby R. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION No. 362251
 STATE OF UTAH

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

WELL PAD - NBU 921-12L

NBU 921-12L
WELL PLAT
2051' FSL, 761' FWL
NW 1/4 SW 1/4 OF SECTION 12, T9S, R21E,
S.L.B.&M., UTAH COUNTY, UTAH.



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

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

DATE SURVEYED: 04-17-09	SURVEYED BY: JD.H.	SHEET NO: 1 1 OF 9
DATE DRAWN: 04-20-09	DRAWN BY: E.M.S.	
SCALE: 1" = 1000'		

NBU 921-12L
2,051' FSL 761' FWL (NW/4SW/4)
Sec. 12 T9S R21E

Uintah, Utah
Mineral Lease: UTU 01193

ONSHORE ORDER NO. 1

DRILLING PROGRAM

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

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 – Surface	
Green River	1,896'	
Birds Nest	2,193'	Water
Mahogany	2,686'	Water
Wasatch	5,219'	Gas
Mesaverde	7,971'	Gas
MVU2	8,954'	Gas
MVL1	9,464'	Gas
TD	10,170'	

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 10,170' TD, approximately equals 6,336 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4,099 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

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

9. Variances:

Please refer to the attached Drilling Program.

Onshore Order #2 – Air Drilling Variance

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

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

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

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

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

Background

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

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

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

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

Variance for BOPE Requirements

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

Variance for Mud Material Requirements

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

Variance for Special Drilling Operation (surface equipment placement) Requirements

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

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

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

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

Variance for FIT Requirements

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

Conclusion

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

10. Other Information:

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2710	28.00	IJ-55	LTC	0.80*	1.48	4.59
PRODUCTION	4-1/2"	0 to 9600	11.60	I-80	BTC	1.84	1.04	2.88
		9600 to 10227	11.60	HCP-110	LTC	2.52	1.33	47.15

*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 1.99

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

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 12.2 ppg) 0.22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MASP 4,122 psi

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD
 (Burst Assumptions: TD = 12.2 ppg) 0.62 psi/ft = bottomhole gradient
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
MABHP 6,372 psi

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
Option 1 TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele	270	0%	15.80	1.15
NOTE: If well will circulate water to surface, option 2 will be utilized						
SURFACE LEAD	2,210'	Prem cmt + 16% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOc	200	35%	11.00	3.82
Option 2 TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	150	35%	15.80	1.15
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION LEAD	4,697'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	380	40%	11.00	3.38
TAIL	5,530'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,350	40%	14.30	1.31

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

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

FLOAT EQUIPMENT & CENTRALIZERS

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

ADDITIONAL INFORMATION

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

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

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

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

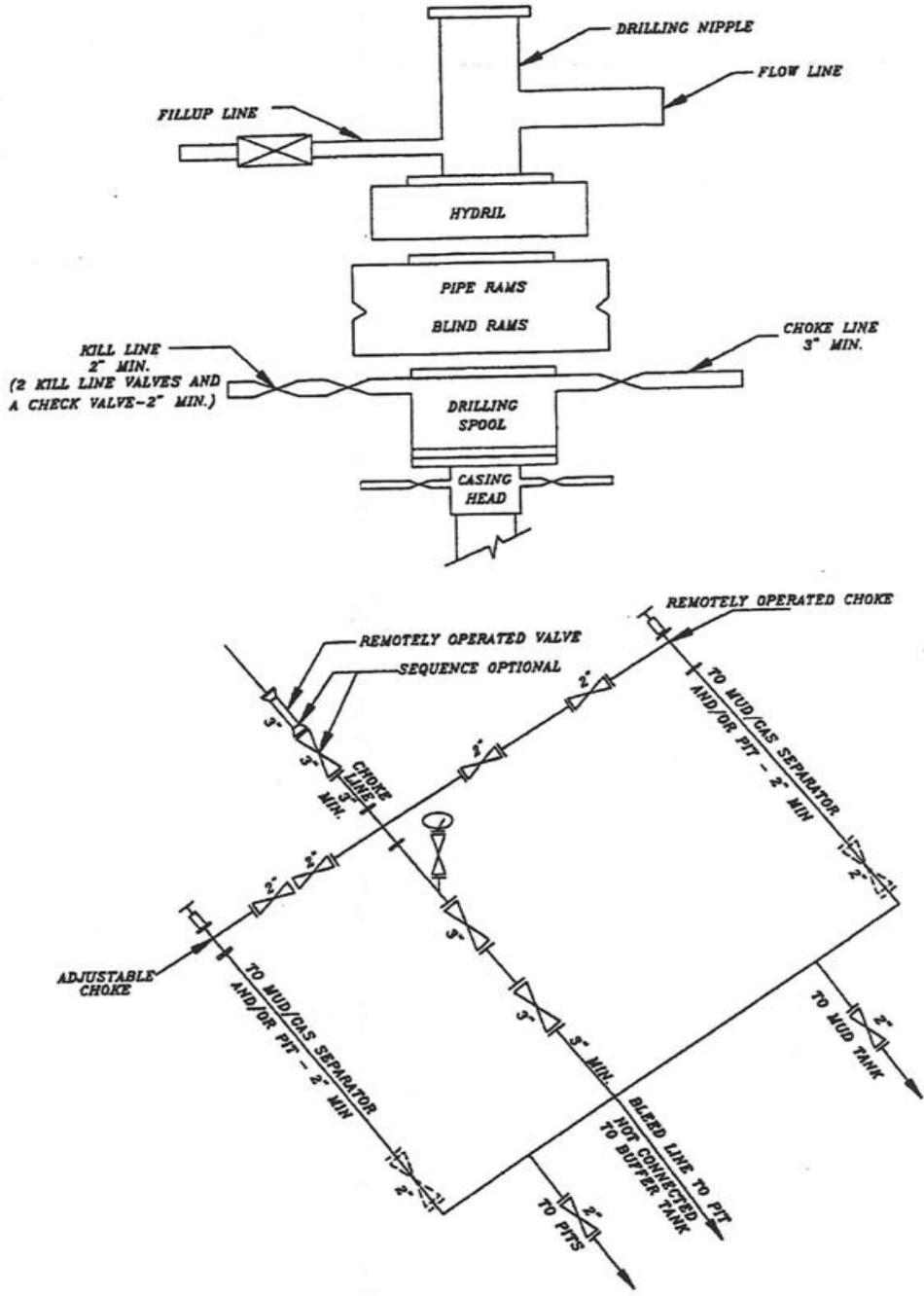
DRILLING ENGINEER: _____
John Huycke / Emile Goodwin

DATE: _____

DRILLING SUPERINTENDENT: _____
John Merkel / Lovel Young

DATE: _____

EXHIBIT A NBU 921-12L



SCHMATIC DIAGRAM OF 5,000 PSI BOP STACK

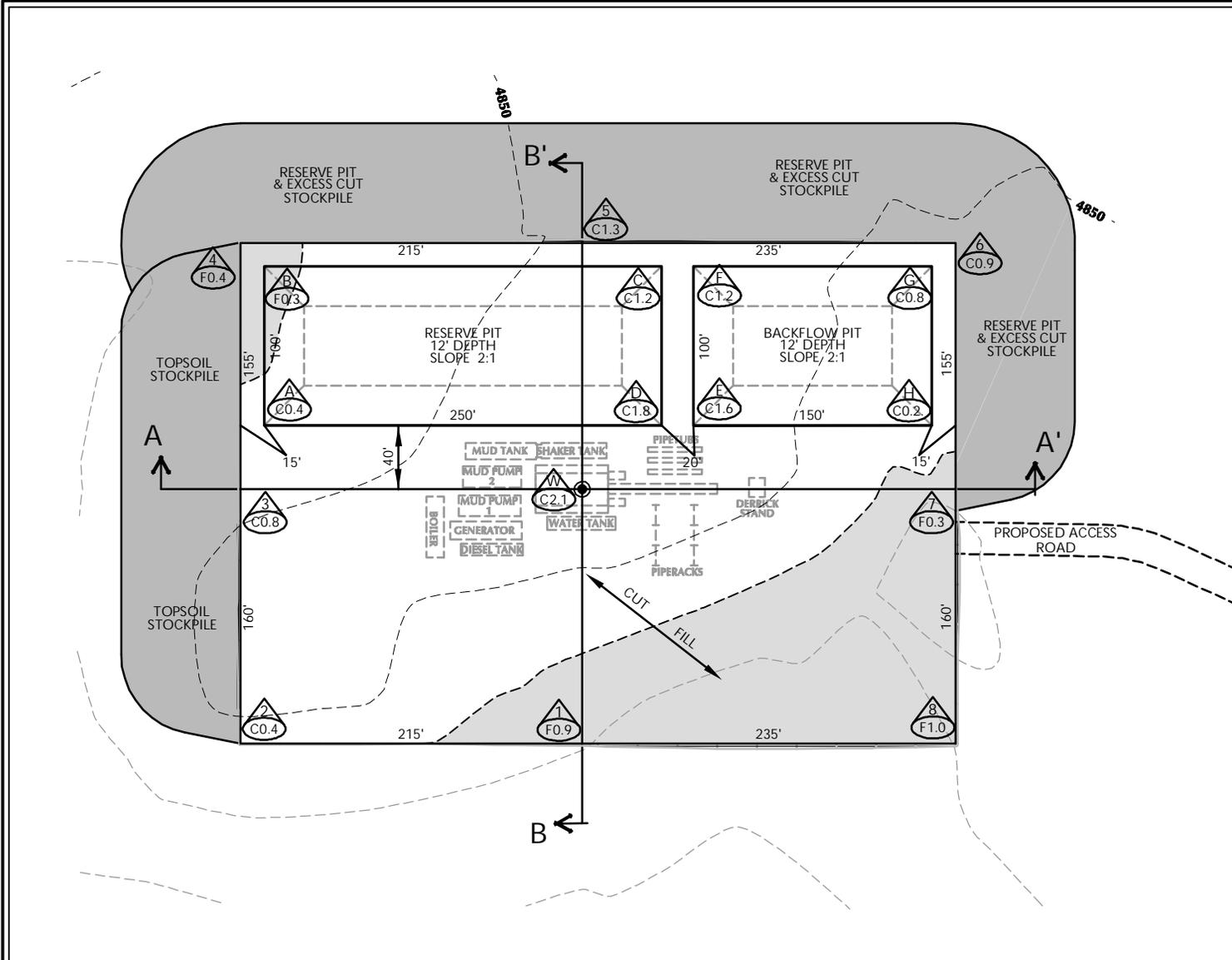
WELL PAD LEGEND

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

WELL PAD NBU 921-12L QUANTITIES

EXISTING GRADE @ LOC. STAKE = 4,851.1'
 FINISHED GRADE ELEVATION = 4849.0'
 CUT SLOPES = 1.5:1
 FILL SLOPES = 1.5:1

TOTAL CUT FOR WELL PAD = 1,958 C.Y.
 TOTAL FILL FOR WELL PAD = 1,725 C.Y.
 TOPSOIL @ 6" DEPTH = 2,663 C.Y.
 EXCESS MATERIAL = 233 C.Y.
 TOTAL PAD DISTURBANCE = 3.30 ACRES
 SHRINKAGE FACTOR = 1.10
 SWELL FACTOR = 1.00
 RESERVE PIT CAPACITY (2' OF FREEBOARD)
 +/- 28,730 BARRELS
 RESERVE PIT VOLUME
 +/- 7,720 CY
 BACKFLOW PIT CAPACITY (2' OF FREEBOARD)
 +/- 15,900 BARRELS
 BACKFLOW PIT VOLUME
 +/- 4,350 CY



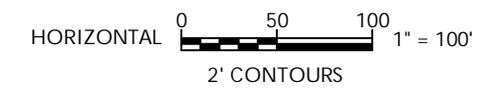
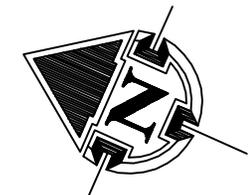
Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street - Denver, Colorado 80202

WELL PAD - NBU 921-12L

WELL PAD - LOCATION LAYOUT
 NBU 921-12L
 2051' FSL, 761' FWL
 NW1/4 SW1/4 OF SECTION 12, T9S, R21E
 S.L.B.&M., UINTAH COUNTY, UTAH



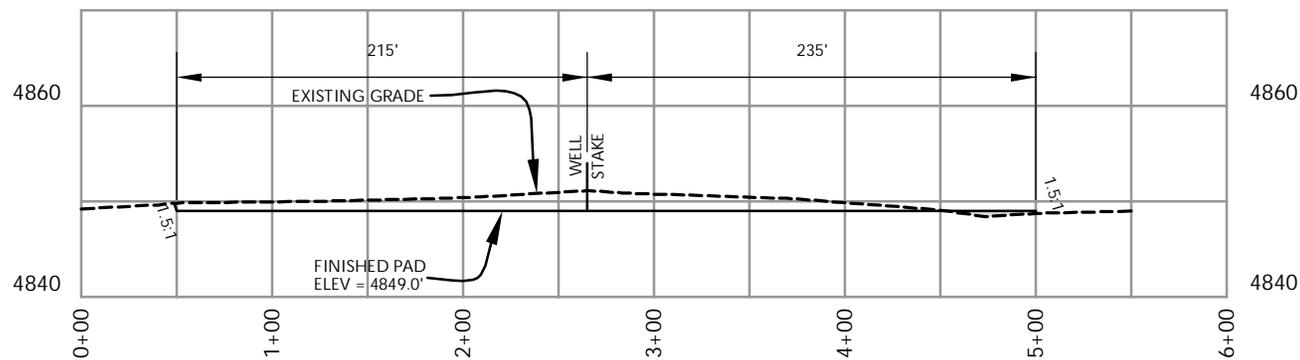
CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan WY 82801
 Phone 307-674-0609
 Fax 307-674-0182



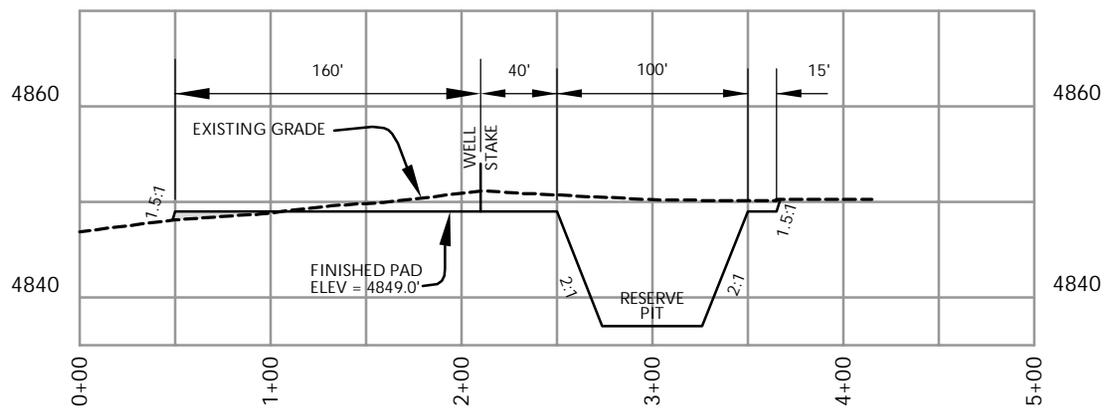
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REVISED:		2 2 OF 9

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

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CROSS SECTION A-A'



CROSS SECTION B-B'

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

WELL PAD - NBU 921-12L

WELL PAD - CROSS SECTIONS
NBU 921-12L

2051' FSL, 761' FWL
NW1/4 SW1/4 OF SECTION 12, T9S, R21E
S.L.B.&M., Uintah County, Utah



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



Scale: 1"=100'

Date: 4/27/09

SHEET NO:

3

3 OF 9

REVISED:

TIMBERLINE
ENGINEERING & LAND SURVEYING, INC.
209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365

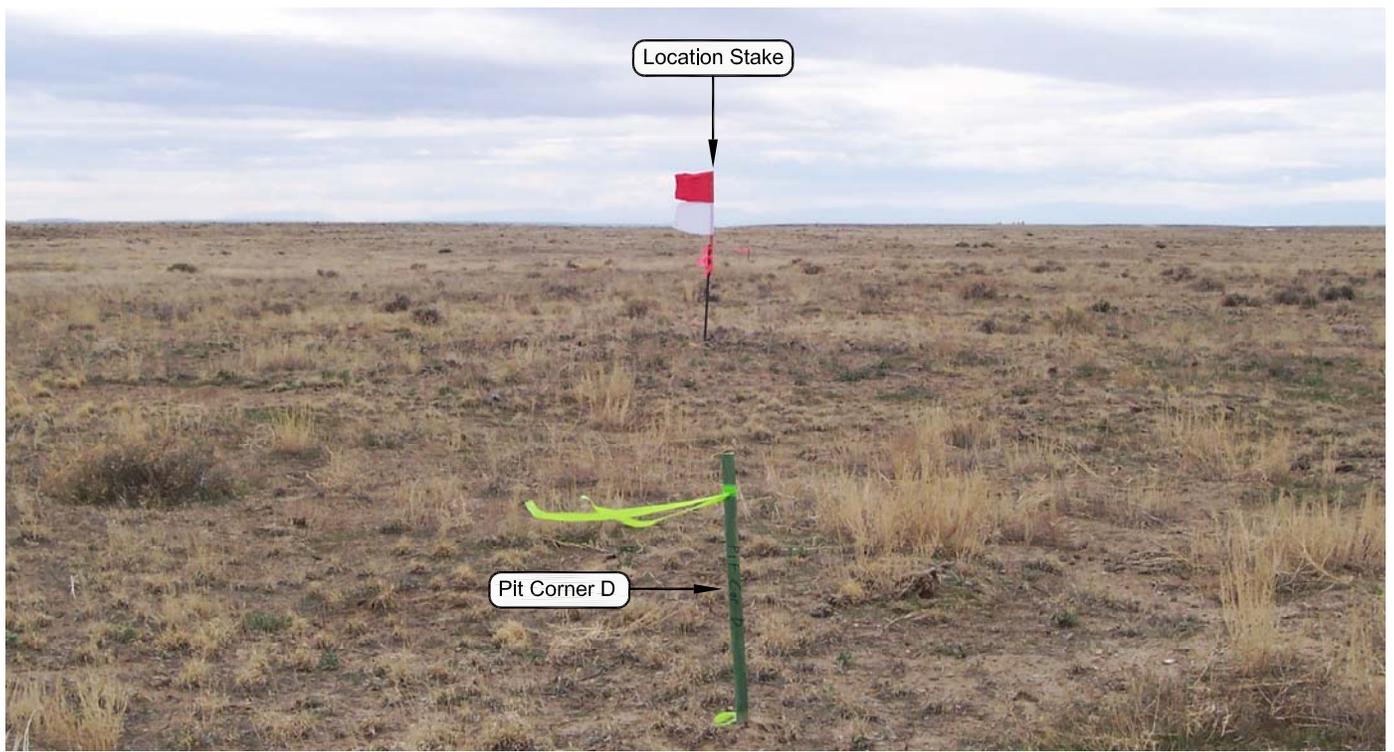


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY

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

Well Pad - NBU 921-12L

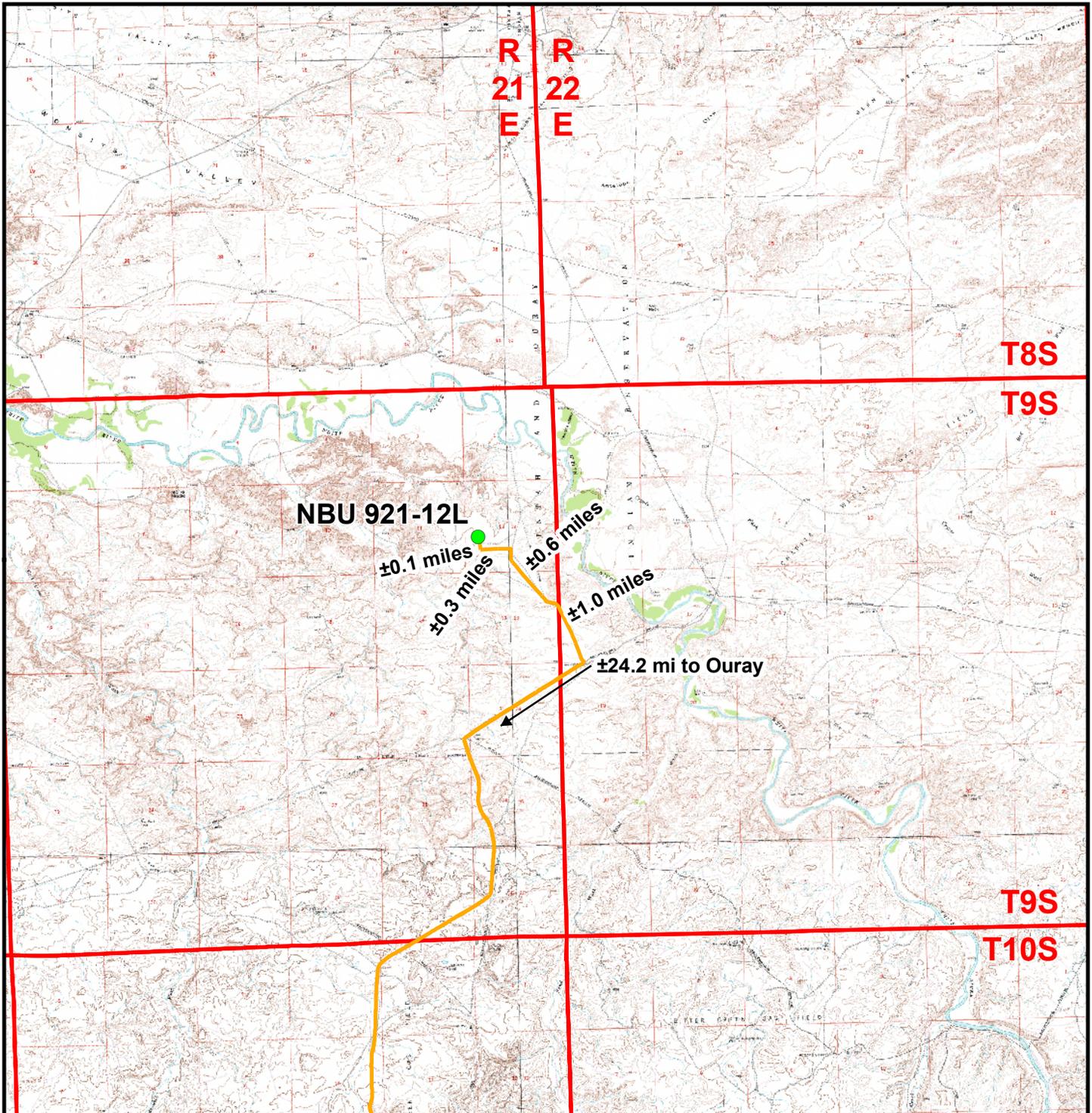
**NBU 921-12L
 LOCATION PHOTOS
 2051' FSL, 761' FWL
 NW ¼ SW ¼ OF SECTION 12, T9S, R21E,
 S.L.B.&M., UINTAH COUNTY, UTAH.**



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

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 ENGINEERING & LAND SURVEYING, INC.
 209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN: 04-17-09	PHOTOS TAKEN BY: JD. H.	SHEET NO: 4 4 OF 9
DATE DRAWN: 04-20-09	DRAWN BY: E.M.S.	
Date Last Revised: 05-12-09		



Legend

- Proposed NBU 921-12L Well Location
- Access Route - Proposed

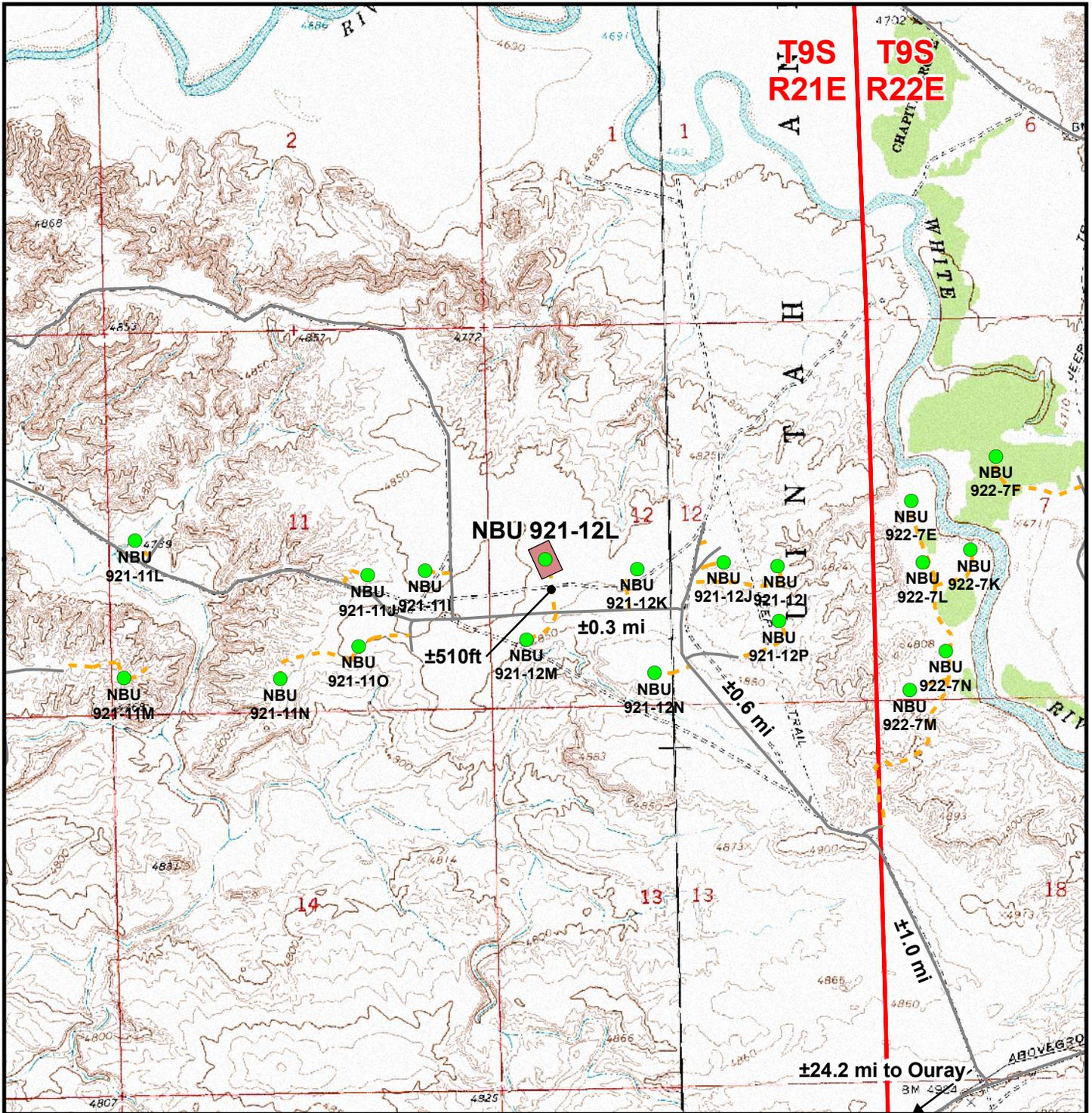
Kerr-McGee Oil & Gas Onshore, LP
 1099 18th Street, Denver, Colorado 80202

Well Pad - NBU 921-12L
NBU 921-12L

Topo A
 2051' FSL, 761' FWL
 NW¼ SW¼, Section 12, T9S, R21E
 S.L.B.&M., Uintah County, Utah



Scale: 1:100,000	NAD83 USP Central	Sheet No:
Drawn: JELO	Date: 12 May 2009	5 5 of 9
Revised: JELO	Date: 18 Aug 2009	



Legend

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

Total Proposed Road Length: ±510ft

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

Well Pad - NBU 921-12L

NBU 921-12L

Topo B

2051' FSL, 761' FWL

NW¼ SW¼, Section 12, T9S, R21E

S.L.B.&M., Uintah County, Utah



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

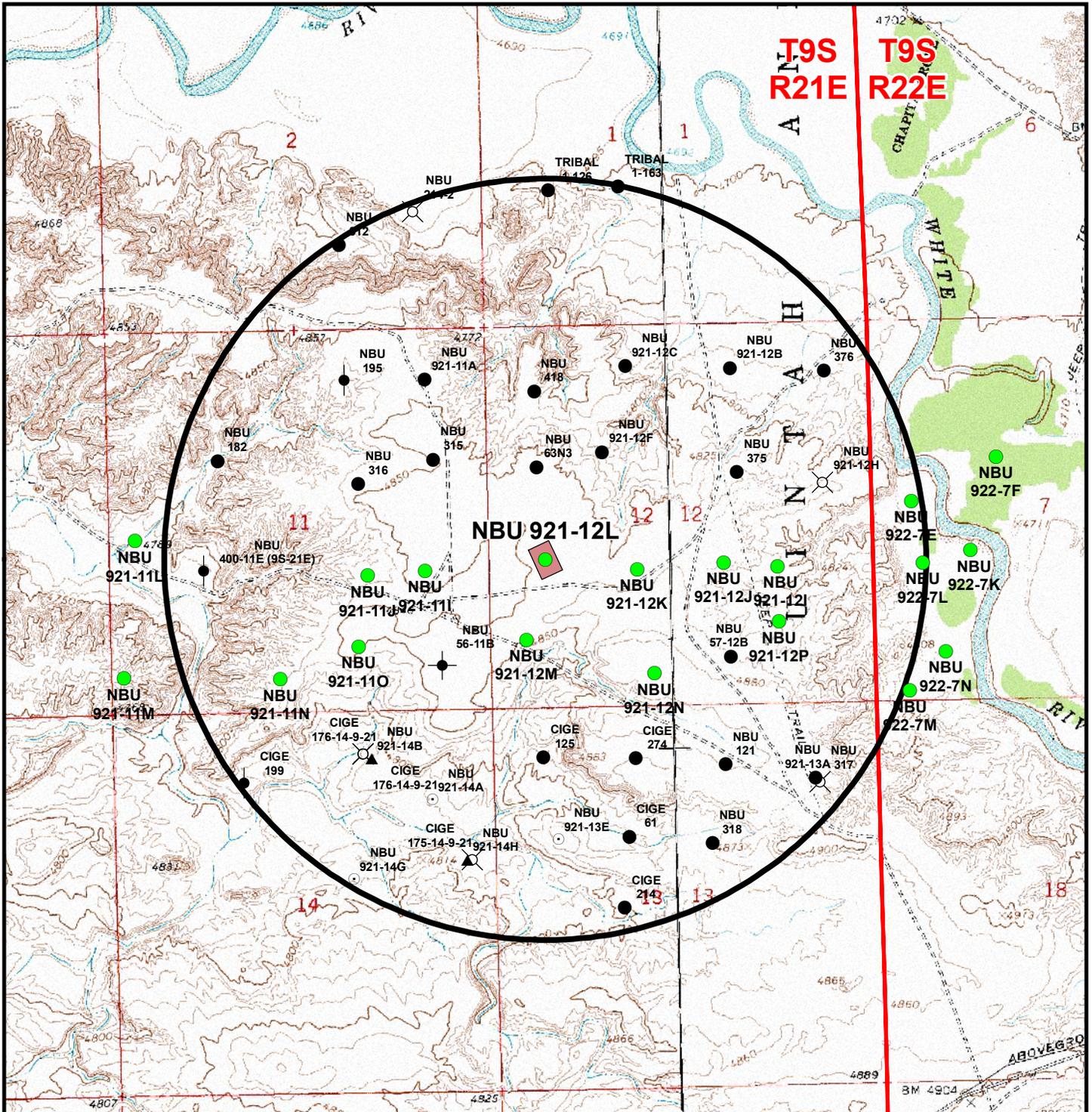


Scale: 1" = 2,000ft	NAD83 USP Central
Drawn: JELO	Date: 12 May 2009
Revised: JELO	Date: 18 Aug 2009

Sheet No:

6

6 of 9



Legend

Well locations derived from State of Utah, Dept. of Natural Resources, Division of Oil, Gas and Mining

- Well - Proposed
- Well - 1 Mile Radius
- Producing
- ▲ Approved permit (APD); not yet spudded
- ⊗ Location Abandoned
- Shut-In
- Well Pad
- ▲ Spudded (Drilling commenced: Not yet complete)
- Temporarily-Abandoned
- Plugged and Abandoned

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

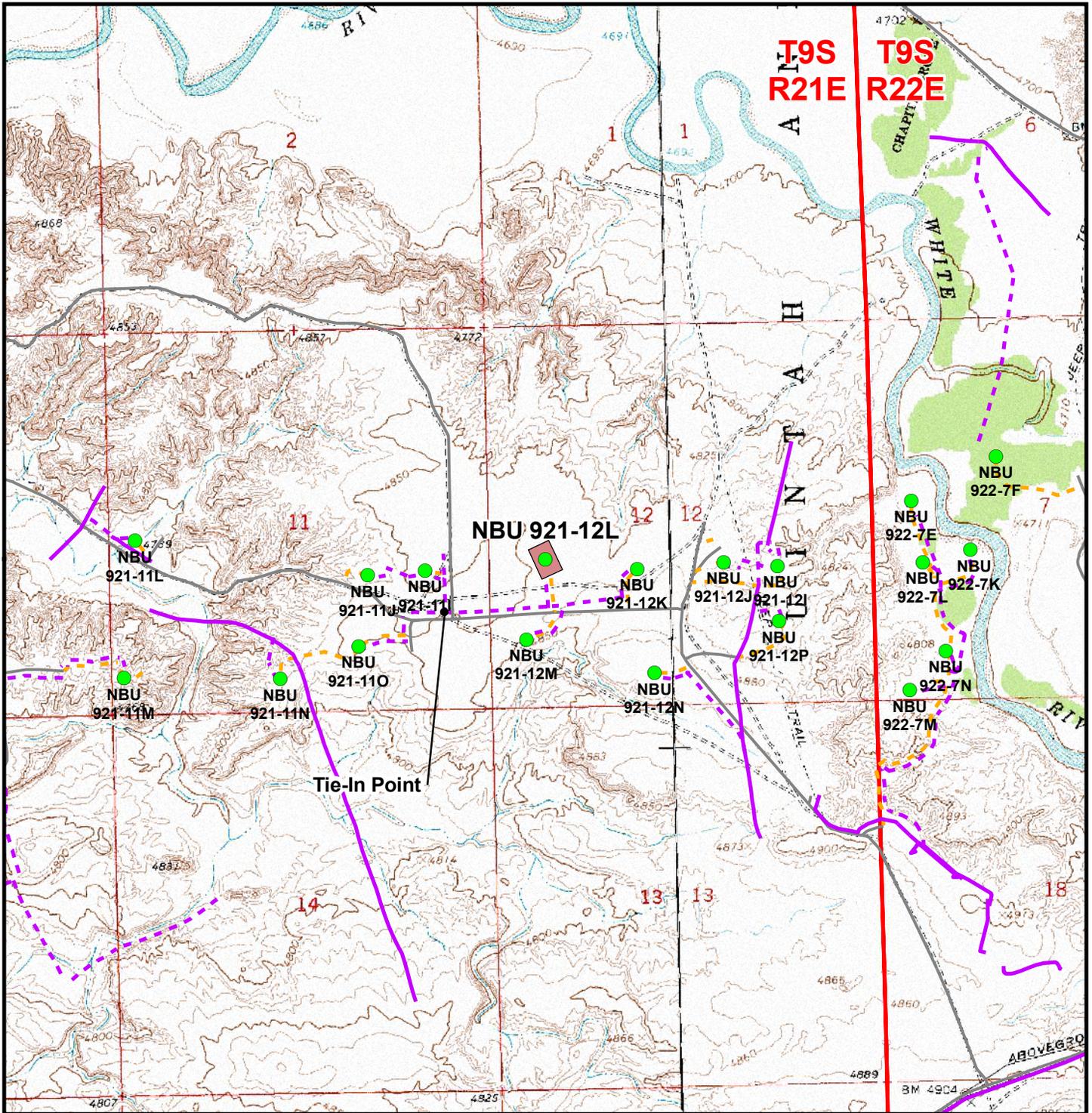
Well Pad - NBU 921-12L
NBU 921-12L

Topo C
2051' FSL, 761' FWL
NW¼ SW¼, Section 12, T9S, R21E
S.L.B.&M., Uintah County, Utah

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



Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:	7
Drawn: JELo	Date: 12 May 2009	7 of 9	
Revised: JELo	Date: 18 Aug 2009		



Legend

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

Proposed Pipeline Length From Tie-In Point To Edge Of Pad: ±1,980ft
 Proposed Pipeline Length Around Pad: ±660ft

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

Well Pad - NBU 921-12L
NBU 921-12L

Topo D
2051' FSL, 761' FWL
NW¼ SW¼, Section 12, T9S, R21E
S.L.B.&M., Uintah County, Utah

609

CONSULTING, LLC
 371 Coffeen Avenue
 Sheridan, WY 82801
 Phone (307) 674-0609
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Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:
Drawn: JELo	Date: 12 May 2009	8
Revised: JELo	Date: 18 Aug 2009	

Kerr-McGee Oil & Gas Onshore, LP
WELL PAD - NBU 921-12L
WELL – NBU 921-12L
Section 12, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 13.9 MILES TO THE JUNCTION OF STATE HIGHWAY 88. EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 16.8 MILES TO OURAY, UTAH. FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 11.2 MILES TO THE INTERSECTION OF THE GLEN BENCH ROAD (COUNTY B ROAD 3260). EXIT LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION ALONG THE GLEN BENCH ROAD APPROXIMATELY 13.0 MILES TO A SERVICE ROAD TO THE NORTHWEST. EXIT LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SERVICE ROAD APPROXIMATELY 1.0 MILES TO THE INTERSECTION OF A SECOND SERVICE ROAD TO THE NORTHWEST. EXIT RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE SECOND SERVICE ROAD APPROXIMATELY 0.6 MILES TO A THIRD SERVICE ROAD TO THE WEST. EXIT LEFT AND PROCEED IN A WESTERLY DIRECTION ALONG THE THIRD SERVICE ROAD APPROXIMATELY 0.3 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 510 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE WELL LOCATION IS APPROXIMATELY 56.9 MILES IN A SOUTHERLY DIRECTION.

NBU 921-12L

2,051' FSL 761' FWL (NW/4SW/4)
Sec. 12 T9S R21E

Uintah, Utah

Operator: Kerr-McGee Oil & Gas Onshore LP

Mineral Lease: UTU 01193

Surface Owner: Ute Indian Tribe

ONSHORE ORDER NO. 1

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

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 (OSO #1) and supporting Bureau of Land Management (BLM) and Bureau of Indian Affairs (BIA) documents. An NOS was submitted showing the surface location in NW/4 SW/4 of Section 12 T9S R21E.

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

An on-site meeting was held on September 1, 2009. Present were:

- Verlyn Pindell, Dave Gordon – BLM;
- Bucky Secakuku – BIA
- Bradley Pinnecoose – Ute Indian Tribe
- Scott Carson – Smiling Lake Consulting, Inc.
- Kolby Kay, Mitch Batty – 609 Consulting, LLC
- Nick Hall – Grasslands Consulting, Inc.
- Hal Blanchard, Charles Chase, Tony Kazeck and Raleen White – Kerr-McGee.

1. Existing Roads:

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

2. Planned Access Roads:

See MDP for additional details on road construction.

Approximately ±510' (±0.1 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.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing and Proposed Facilities:

See MDP for additional details on Existing and Proposed Facilities.

The following guidelines will apply if the well is productive.

Approximately 660' (± 0.1 miles) of buried pipeline is proposed around the well pad. Another approximately $\pm 1,980'$ (± 0.4 miles) of buried pipeline is proposed from the tie in point to the edge of the pad. Please refer to Topo D for the existing pipeline. Appropriate surface use agreements have been or will be obtained from the Ute Indian Tribe. Pipeline segments will be welded or zaplocked together on disturbed areas in or near the location, whenever possible, and dragged into place

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

- Arch monitor
- Bring in gravel/pit-run
- Construct low-water crossing
- Re-route drainages around well pad
- Burrowing owl timing restriction

5. Location and Type of Water Supply:

See MDP for additional details on Location and Type of Water Supply.

Water for drilling purposes will be obtained from the following sources:

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials:

See MDP for additional details on Source of Construction Materials.

7. Methods of Handling Waste Materials:

See MDP for additional details on Methods of Handling Waste Materials.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E

NBU #159 in Sec. 35 T9S R21E

Ace Oilfield in Sec. 2 T6S R20E

MC&MC in Sec. 12 T6S R19E

Pipeline Facility in Sec. 36 T9S R20E

Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E

Bonanza Evaporation Pond in Sec. 2 T10S R23E

8. Ancillary Facilities:

See MDP for additional details on Ancillary Facilities.

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

See MDP for additional details on Well Site Layout.

All pits will be fenced according to the following minimum standards:

- Net wire (39-inch) will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

10. Plans for Reclamation of the Surface:

See MDP for additional details on Plans for Reclamation of the Surface.

Kerr-McGee shall call the BIA for the seed mixture prior to starting interim and/or final reclamation actions.

11. Surface/Mineral Ownership:

The well pad and access road are located on lands owned by:

Ute Indian Tribe

PO Box 70

Fort Duchesne, Utah 84026

435-722-5141

The mineral ownership is listed below:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
435-781-4400

- 12. Other Information:**
See MDP for additional details on Other Information.

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

Danielle Piernot
Regulatory Analyst I
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

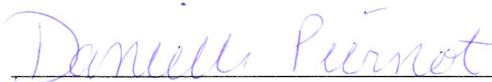
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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

March 18, 2010

Date

'APIWellNo:43047510270000'

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

By:

Jacki A. Montgomery

Prepared For:

Ute Tribal Land
Uintah and Ouray Agency

Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:

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

Prepared By:

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

MOAC Report No. 09-39

May 11, 2009

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

Public Lands Policy Coordination Office
Archaeological Survey Permit No. 117

Ute Tribal Permit No. A09-363

IPC #09-99

Paleontological Reconnaissance Survey Report

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

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

June 4, 2009

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



Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237

(303) 759-5377 Office (303) 759-5324 Fax

SPECIAL STATUS PLANT AND WILDLIFE SPECIES REPORT

Report Number: GCI#76

Operator: Kerr-McGee Oil & Gas Onshore LP

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

Pipelines: Associated pipelines to proposed well pads

Access Roads: Associated access roads to proposed well pads

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

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

Dates: July 13, 15, 21, and September 15, 2009

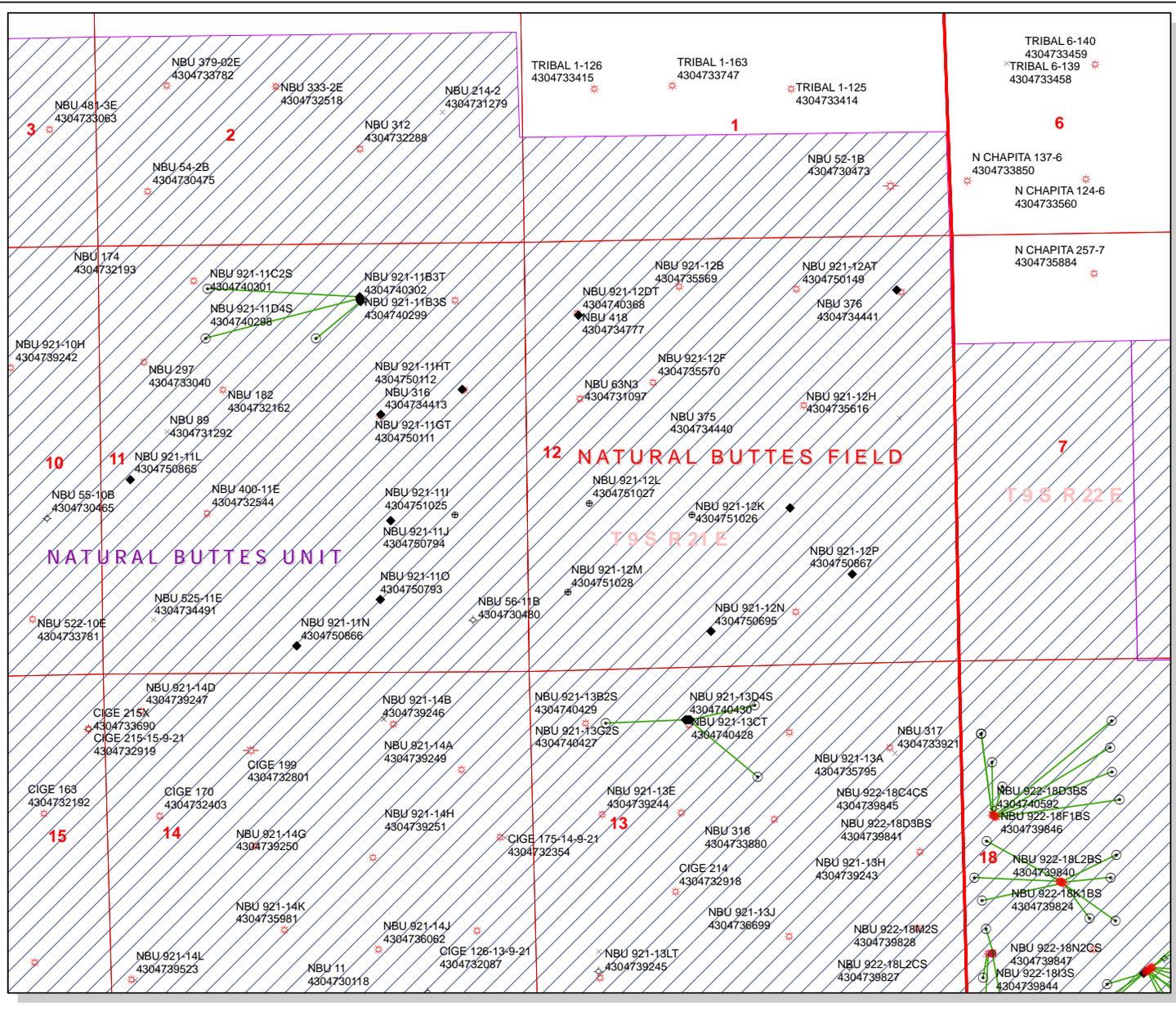
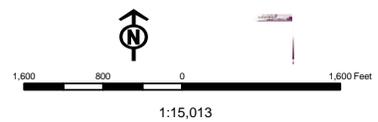
Observers: Grasslands Consulting, Inc. Biologists: Chris Gayer, Nick Hall, Dan Hamilton, Jay Slocum, Matt Kelahan, BJ Lukins, Garrett Peterson, and Jonathan Sexauer.

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

API Number: 4304751027
Well Name: NBU 921-12L
Township 09.0 S Range 21.0 E Section 12
Meridian: SLBM
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:
 Map Produced by Diana Mason

- | | |
|---------------|--|
| Units | Wells Query |
| STATUS | ✖ -all other values- |
| ACTIVE | ● - APD - Approved Permit |
| EXPLORATORY | ○ - DRL - Spudded (Drilling Commenced) |
| GAS STORAGE | ○ - GW - Gas Injection |
| NF PP OIL | ○ - GS - Gas Storage |
| PI OIL | ✖ - LA - Location Abandoned |
| PP GAS | ⊕ - LOC - New Location |
| PP GEOTHERMAL | ⊕ - OPS - Operation Suspended |
| PP OIL | ⊕ - PA - Plugged Abandoned |
| SECONDARY | ⊕ - PGW - Producing Gas Well |
| TERMINATED | ⊕ - POW - Producing Oil Well |
| Fields | ⊕ - RET - Returned APD |
| Sections | ⊕ - SGW - Shut-in Gas Well |
| Township | ⊕ - SOW - Shut-in Oil Well |
| | ⊕ - TA - Temp. Abandoned |
| | ⊕ - TW - Test Well |
| | ⊕ - WDW - Water Disposal |
| | ⊕ - WW - Water Injection Well |
| | ⊕ - WSW - Water Supply Well |



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 22, 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 well is planned for calendar year 2010 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ WASATCH-MESA VERDE)

43-047-51007	NBU 922-31M4BS	Sec 31 T09S R22E 1199 FSL 1667 FWL BHL Sec 31 T09S R22E 0607 FSL 0536 FWL
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43-047-51008	NBU 922-31M4CS	Sec 31 T09S R22E 1193 FSL 1659 FWL BHL Sec 31 T09S R22E 0066 FSL 0513 FWL
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43-047-51009	NBU 922-31N2AS	Sec 31 T09S R22E 1230 FSL 1707 FWL BHL Sec 31 T09S R22E 1294 FSL 1580 FWL
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43-047-51010	NBU 922-31N4BS	Sec 31 T09S R22E 1217 FSL 1691 FWL BHL Sec 31 T09S R22E 0576 FSL 1679 FWL
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43-047-51011	NBU 922-31N2DS	Sec 31 T09S R22E 1205 FSL 1675 FWL BHL Sec 31 T09S R22E 0965 FSL 1550 FWL
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43-047-51012	NBU 922-31N3DS	Sec 31 T09S R22E 1211 FSL 1683 FWL BHL Sec 31 T09S R22E 0060 FSL 1501 FWL
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43-047-51013	NBU 922-31O1CS	Sec 31 T09S R22E 1224 FSL 1699 FWL BHL Sec 31 T09S R22E 0900 FSL 1933 FEL
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43-047-51020	NBU 922-32L1CS	Sec 31 T09S R22E 1037 FSL 0102 FEL BHL Sec 32 T09S R22E 2230 FSL 0964 FWL
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43-047-51021	NBU 922-32L4DS	Sec 31 T09S R22E 1027 FSL 0104 FEL BHL Sec 32 T09S R22E 1422 FSL 1268 FWL
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API #	WELL NAME	LOCATION
(Proposed PZ WASATCH-MESA VERDE)		
43-047-51022	NBU 922-32M3CS	Sec 31 T09S R22E 0988 FSL 0112 FEL BHL Sec 32 T09S R22E 0045 FSL 0306 FWL
43-047-51023	NBU 922-32M4AS	Sec 31 T09S R22E 1017 FSL 0106 FEL BHL Sec 32 T09S R22E 0366 FSL 1292 FWL
43-047-51024	NBU 922-32M4CS	Sec 31 T09S R22E 0998 FSL 0110 FEL BHL Sec 32 T09S R22E 0231 FSL 0740 FWL
43-047-51025	NBU 921-11I	Sec 11 T09S R21E 1923 FSL 0907 FEL
43-047-51026	NBU 921-12K	Sec 12 T09S R21E 1890 FSL 2029 FWL
43-047-51027	NBU 921-12L	Sec 12 T09S R21E 2051 FSL 0761 FWL
43-047-51028	NBU 921-12M	Sec 12 T09S R21E 0944 FSL 0474 FWL

This office has no objection to permitting the well 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:3-22-10

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 3/18/2010

API NO. ASSIGNED: 43047510270000

WELL NAME: NBU 921-12L

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

PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: NWSW 12 090S 210E

Permit Tech Review:

SURFACE: 2051 FSL 0761 FWL

Engineering Review:

BOTTOM: 2051 FSL 0761 FWL

Geology Review:

COUNTY: UINTAH

LATITUDE: 40.04893

LONGITUDE: -109.50617

UTM SURF EASTINGS: 627427.00

NORTHINGS: 4434047.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 01193

PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 2 - Indian

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

LOCATION AND SITING:

PLAT

R649-2-3.

Bond: FEDERAL - WYB000291

Unit: NATURAL BUTTES

Potash

R649-3-2. General

Oil Shale 190-5

R649-3-3. Exception

Oil Shale 190-3

Oil Shale 190-13

Drilling Unit

Water Permit: Permit #43-8496

Board Cause No: Cause 173-14

RDCC Review:

Effective Date: 12/2/1999

Fee Surface Agreement

Siting: 460' Fr U Bdry & Uncommitted Tract

Intent to Commingle

R649-3-11. Directional Drill

Commingling Approved

Comments: Presite Completed

Stipulations: 3 - Commingling - ddoucet
4 - Federal Approval - 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 921-12L
API Well Number: 43047510270000
Lease Number: UTU 01193
Surface Owner: INDIAN
Approval Date: 4/20/2010

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

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

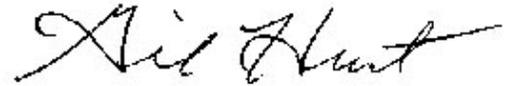
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

Reporting Requirements:

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

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

Approved By:

A handwritten signature in black ink, appearing to read "Gil Hunt". The signature is fluid and cursive, with a large initial "G" and "H".

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		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 01193
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tr
		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 921-12L	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047510270000	
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: 2051 FSL 0761 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 12 Township: 09.0S Range: 21.0E Meridian: S	COUNTY: UINTAH	
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/19/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>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.</p>		
		<p>Approved by the Utah Division of Oil, Gas and Mining</p> <p>Date: <u>04/14/2011</u></p> <p>By: <u></u></p>
NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 4/7/2011



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 43047510270000

API: 43047510270000

Well Name: NBU 921-12L

Location: 2051 FSL 0761 FWL QTR NWSW SEC 12 TWNP 090S RNG 210E MER S

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

Date Original Permit Issued: 4/19/2010

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.



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

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



MAY 14 2012

IN REPLY REFER TO:
3160 (UTG011)

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

43 047 51027

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

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on March 18, 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 Keniczka
Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM

RECEIVED

MAY 22 2012

DIV. OF OIL, GAS & MINING